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S. Hrg. 107–84

ROLE OF U.S. CORRESPONDENT BANKING IN INTERNATIONAL MONEY LAUNDERING

HEARINGS

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

MARCH 1, 2, AND 6, 2001

VOLUME 3 OF 5

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Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57d_____

Exhibit 57d.

BTCB high yield investment program documents

British Trade & Commerce Bank.
Licensed for Full Trust Business.

202-224-1972

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
e-mail: btcbank@cwdom.dm - SWIFT. BTCBDMDM

Certificate of Deposit Investments

(Term Deposit Certificates)

British Trade & Commerce Bank issues Certificates of Deposit for a one year term at attractive yields to its select clientele. The terms of such Certificates are summarized as follows.

Principal Amount	Interest Rate Monthly	Effective Annual Rate	Disbursement
(US$)	(%)	(%)	
25,000 - 49,999	1.25	15	annually in arrears
50,000 - 74,999	1.50	18	annually in arrears
75,000 - 99,999	1.75	21	annually in arrears
100,000 - 475,000	2.00	24	~~annually~~ quarterly in arrears
500,000 - 975,000	2.25	30.6 (1)	monthly in arrears
1,000,000 - 1,450,000	2.50	34.5 (1)	monthly in arrears
1,500,000 - 1,950,000	2.75	38.5 (1)	monthly in arrears
2,000,000 - 3,450,000	3.00	42.5 (1)	monthly in arrears
3,500,000 - 4,950,000	3.25	46.8 (1)	monthly in arrears

(1) Assumes monthly interest left for compounding.

Higher Yield Alternatives Available For Amounts Exceeding US$5,000,000

These Certificates are issued within two international banking days of the receipt of the principal funds. Interest from these Certificates is disbursed within five international banking days following the payment due date. Principal is disbursed within five international banking days of presentation of the Certificate upon maturity.
Filing of an International Business Company in Dominica is encouraged for Principal Amounts in excess of US$100,000.

Eff. 1/1/99

British Trade & Commerce Bank
Licensed for Full Trust Business

EMENS Bldg., Dame Eugenia Charles Blvd., Bayfront
P.O. Box 2042
Roseau, Commonwealth of Dominica
Tel.: (767) 448-6410 Fax: (767) 448-6477
E-mail: btcbank@tod.dm
SWIFT BTCB DMDM

Progressive Certificate of Deposit Investments

(Term Deposit Certificates)

British Trade & Commerce Bank issues Certificates of Deposit for a one year term at attractive yields to its select clientele. The terms of such Certificates are summarized as follows.

Principal Amount (US$)	Monthly Interest Rate (%)	Effective Annual Rate (%)	Interest Disbursement Terms
25,000 - 49,999	1.25	16.07	annually in arrears
50,000 - 74,999	1.50	19.56	annually in arrears
75,000 - 99,999	1.75	23.14	annually in arrears
100,000 - 475,000	2.50	34.48	quarterly in arrears
500,000 - 975,000	3.00	42.57	monthly in arrears
1,000,000 - 1,450,000	3.50	51.10	monthly in arrears
1,500,000 - 1,950,000	4.00	60.01	monthly in arrears
2,000,000 - 3,450,000	4.50	69.58	monthly in arrears
3,500,000 - 4,950,000	5.00	79.58	monthly in arrears

Higher Yield Alternatives Available For Amounts Exceeding US$5,000,000

These Certificates are issued within two international banking days of the receipt of the principal funds. Interest from these Certificates is disbursed within five international banking days following the accrual date. Principal is disbursed within five international banking days of presentation of the Certificate upon maturity. Filing of an International Business Company in Dominica is encouraged for Principal Amounts in excess of US$100,000.

British Trade & Commerce Bank.
Licensed for Full Trust Business

Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph.:(767) 448-6410 Fax:(767) 448-6477
E-Mail: btcbank@cwdom.dm SWIFT: BTCB DM DM

September 22, 1998

In order to protect assets properly, whether in BTCB or elsewhere you should consider setting-up a specific structure to assure privacy and avoid unnecessary reporting and taxation issues. There are no taxes on IBC/Trust income or capital gains in Dominica and the privacy laws are very tight. You should seek your own tax and legal advice before proceeding on these matters. However, as discussed, one attractive structure could be as illustrated on Attachment "A". The specifics are:

1. Immediately, establish an IBC in Dominica (if necessary, in same name as the one in which you have contractual identity and/or the funds could be received). This will allow an orderly and mostly invisible transition. This IBC should have an Account at BTCB in order to receive the proceeds of Programs and to disburse them as instructed. This IBC should be 100% owned by bearer shares to be held by the Business Trust. The fee for setting and filing the IBC is $1,500, including Government filing and fees (in lieu of taxes) and routine Corporate Administration for the first year.

2. Simultaneously, you could establish a Business Trust (your choice of names) in Dominica. This trust would not hold any bank accounts, nor hold any assets except the bearer shares of IBC. Any dividends from the IBC will pass through Business Trust for immediate distribution in accord with the instructions that must accompany the dividend. The fees for setting and filing such Trust are $4,000, including Government fees and routine Trust Administration for the first year.

3. You should select an "Organizer" of the IBC and Business Trust, and could designate International Corporate Services Ltd (an IBC owned 100% by BTCB) as the Director-Designee for the IBC and BTCB as Trustee of the Business Trust. Any documents executed by ICS Ltd will first be provided for review by the Organizer, who will advise that "they see no reason why {IBC Name} should not execute such documents as provided to Organizer." ICS Ltd will not execute any documents without having received such review comments.

4. The IBC's Accounts should be set-up with dual signatures required, including an officer of ICS Ltd and an officer of BTCB (usually myself as Vice President over all managed accounts).

5. One or more Asset Trusts (your choice of structure, trustees, and such) should be established, filed and activated once proceeds from trading are disbursed by the IBC. The fees for setting and filing such are $4,000/each, including Government filing fees and routine Trust Administration for the first year.

6. Any interface with U.S. activities could be restricted to interface only with this Asset Trust(s), or in certain desirable cases, with other IBC's you may wish to set-up **under those Asset Trusts and all of assets accruing to such interfaces would be from/through those Asset Trusts** [e.g., such Trusts or their IBC's could purchase goods and services, hold international debit cards, reinvest assets, purchase and hold stocks or property, and such].

7. The IBC held under the Business Trust would be the entity that would enter into subsequent Trading Programs on a 50/50 cooperative venture with BTCB and would receive all resulting "Investor" earnings/proceeds for distribution. Such IBC Account would operate under a Cooperative Venture Agreement and written Special Transaction Instructions, which assure that the Principal held or applied under any Programs would be limited to Blocked Funds in that IBC's Account(s), or, secured by a top Western European Bank 106% Guarantee.

8. This structure provides: a) access to immediate programs without any significant burden on your resources; b) assurance that the subject assets and earnings are always under joint control of ICS Ltd **and** BTCB; c) accrual of substantial assets under the Asset Trusts with maximum flexibility on their utilization while maximizing the preservation of capital and earnings; and, all of the Privacy and fiscal advantages afforded by Dominican Law.

9. If you commence with another entity, any subsequent identity change is subject to penetration on the basis of "form over substance" claims.

10. The choice of structure is of course yours, however any client entity that is not domiciled in Dominica is prohibited by our Board from participating in our High Yield Income Programs, so that we may protect the bank and its clients against "cross-jurisdictional" exposure/penetration.

11. If this is desirable to you, I can have the necessary forms sent by the Bank based upon what can you submit to me.

We trust that this information satisfies your request and we look forward to a mutually beneficial professional relationship. I will be happy to discuss this further and can be reached at the coordinates listed below.

Sincerely,

Charles L. Brazie, Ph.D.
Vice President - Managed Accounts

Phone :(767) 448-6410
Fax :(767) 448-6477
Cellular :(767) 235-6410 Dominica
:(703) 304-8236 USA

OFFSHORE INVESTMENT OPPORTUNITIES

The investment environment in most countries is characterized by 1) an excessive, burdensome, costly, and sometimes debilitating body of rules, regulations, and procedures; 2) a repressive and progressive tax structure that seriously erodes earnings and discourages investment initiatives; and 3) an institutional structure that has developed a *modus operandi* favoring the financial institutions at the disproportionate expense of the investor. A number of offshore investment opportunities are not subject to these limitations.

A century ago when you put money into a domestic bank you could expect to receive a 4% return on your investment. The return on a bank savings account has not changed much. Certificate of Deposits boast of 6.5%. Simple logic will tell you that if those banks are willing to pay you 6.5%, then surely they are earning much more than that with the money you deposited in their bank.

Banks do not rely on investments which pay an annualized income. Because your savings is combined with other savings (pooling), they are able to invest large blocks of money into a commodities roll program or international bank debentures. The yields in these scenarios is far in excess of the earnings that are passed on to the investor by domestic banks.

BTCB has access to these international opportunities under a superior bank-to-bank relationship. Through those relationships and our broad asset base, we are able to access those higher yields (yields that are available with guarantees that preserve the invested principal. BTCB believes in sharing those yields more equitably with its clients.

For investment principal amounts less than Five Million USD, our clients can participate in progressive CD transactions. Thereunder, principal of at least US$ 100,000.00 receives a CD that pays monthly interest at rates significantly higher than currently available at domestic banks. For much higher investment principal levels, International Cash Management Scenarios can be utilized which can provide monthly yields ranging substantially above even these CD rates.

Thus, in general terms, you can establish a system for protecting your assets, realizing substantial asset growth, and still have simple access to your money. You may ask if taxes are required to be paid on the earnings going into the Offshore Trust accounts identified with a unique number known only to you. The answer is NO. The Internal Revenue Code is very specific on that question.

"Foreign Estate or Trust. The terms "foreign estate" and "foreign trust" means an estate or trust, as the case may be, the income of which, from sources without the United States, is not includable in gross income under subtitle A."

07/03/98 11:37 FAX 3059716071 SECURITY BANK NA 002
Jul-03-98 11:11A B Bank/Trust (809)448-6477 P.01

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O Box: 2042

FAX COVER
Date:07/03/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:
DEAR FERNANDO: ATT MAS GATTO

PLEASE MAKE THE FOLLOWING TRANSFER FROM OUR ACCOUNT 0400101400-01.

BK ONE COL (BANK ONE, TEXAS, N.A.)
HOUSTON, TEXAS
ABA #044000037, CREDIT 980401787
BENEFICIARY: GLOBAL INVESTMENT FUND S.A.
ACCT #[redacted], AMOUNT USD$1,000,000

TEST KEY FOR ABOVE WIRES BASED ON US$1,000,000 DATED JULY 3, 1998 IS [redacted]

SINCERELY,

GEORGE BETTS
VICE PRESIDENT

TEST KEY
DATE: 7/3/98

Redacted Information in Subcommittee Files

Licenced for Full Trust Business.

07/03/98 11:37 FAX 3059716071 SECURITY BANK NA 001

Rejected

SECURITY BANK N.A.
OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

7 - 3 - 98 :DATE TIME: : AMOUNT $ 1 , 000 , 000 . 00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW
INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: BK ONE COL(BANK ONE,TEXAS, NA)
RECEIVING BANK'S "ABA" NUMBER: # 044000037
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY:
CITY: HOUSTON
STATE: TEXAS
COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

Redacted Information in Subcommittee Files

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): GLOBAL INVESTMENT FUND S.A.
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]
TYPE OF ID, IF PUPID:
NUMBER: #
ADDRESS (IF APPLICABLE):
CITY:
STATE:
COUNTRY:
FOR FURTHER CREDIT TO (NAME):
NUMBER: #
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK
NUMBER: #
SPECIAL INSTRUCTIONS, IF ANY:

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER TO CHARGE (DEBIT): #0400101400-01

WIRE AMOUNT $	1,000 , 000 . 00
WIRE FEES	, , 15 . 00
OTHER	, , .
TOTAL AMOUNT $	1,000 ,015 . 00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
NOTE:
X "ABA" BANK NUMBER HAS BEEN VERIFIED
X HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER:
SIGNATURE OF OFFICER

(WIRE DEPARTMENT USE ONLY)

WIRE SENT BY: JUL 0 3 1998 FRB
DATE WIRE SENT:
TIME WIRE SENT: ISB
WIRE NUMBER (#) 106 45
VERIFIED BY:
SIGNATURE OF OFFICER

07/06/98 12:22 FAX 3059716071 SECURITY BANK NA 002

JUL 0 1998

SECURITY BANK N. A.
OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

7 -- 3 -- 98 :DATE TIME: : AMOUNT $ 1 , 000 ,000 . 00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: BK ONE COL(BANK ONE,TEXAS, NA)
RECEIVING BANK'S "A B A" NUMBER: # 044000037

TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY

CITY: HOUSTON
STATE: TEXAS
COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): GLOBAL INVESTMENT. FUND S.A.

ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]
TYPE OF ID, IF PUPID:
NUMBER: #

ADDRESS (IF APPLICABLE) CITY STATE COUNTRY

FOR FURTHER CREDIT TO (NAME) NUMBER #

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK
NUMBER: #

SPECIAL INSTRUCTIONS, IF ANY:
CREDIT: 9804017 57 -NOTIFY JENNIFER TIMONS AT 214-290-4568

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT
BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): #0400101400-01

WIRE AMOUNT $	1,000 , 000 . 00
WIRE FEES	, 15 . 00
OTHER	, .
TOTAL AMOUNT $	1,000 ,015 . 00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.

[ ] NOTE:
[X] "ABA" BANK NUMBER HAS BEEN VERIFIED
[X] HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER: SIGNATURE OF OFFICER

WIRE DEPARTMENT USE ONLY

WIRE SENT BY: JUL - 0 - 6 1998 FRB
DATE WIRE SENT: on
TIME WIRE SENT: : FRB
WIRE NUMBER (#: #10645

VERIFIED BY: SIGNATURE OF OFFICER

Redacted Information in Subcommittee Files

STMT96

96 1138 2402 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 3
FROM 08/01/98 THRU 08/31/98

NUMBER OF ITEMS ENCLOSED: 6

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
08/07	BANK AUTO TRANSFER FROM ACCOUNT 0010140002		1,047,643.00	1,097,643.00
08/07	WIRE 3954 [redacted]		15,000.00	1,112,643.00
08/07	WIRE 3960 [redacted]		15,000.00	1,127,643.00
08/07	WIRE 3961 [redacted]		20,000.00	1,147,643.00
08/07	MISCELLANEOUS DEBIT	1,000,000.00		147,643.00
08/07	WIRE 3954 FEE	10.00		147,633.00
08/07	WIRE 3960 FEE	10.00		147,623.00
08/07	WIRE 3961 FEE	10.00		147,613.00
08/07	WIRE 10828 FEE	15.00		147,598.00
08/07	WIRE 10830 FEE	15.00		147,583.00
08/07	WIRE 10828 NATIONS BANK NA	7,783.00		139,800.00
08/07	WIRE 10830 NORWEST BK	89,800.00		50,000.00
08/10	AUTO TRANSFER FROM ACCOUNT 0010140002		59,212.50	109,212.50
08/10	WIRE 3971 [redacted]		10,000.00	119,212.50
08/10	WIRE 3976 [redacted]		10,000.00	129,212.50
08/10	WIRE 3970 [redacted]		25,000.00	154,212.50

Redacted Information in Subcommittee Files

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O Box: 2042

FAX COVER
Date:08/13/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:
DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING TRANSFERS FROM OUR ACCOUNT 0400101400-01.

BANQUE NATIONAL DE PARIS
NEW YORK, N.Y., USA
ABA#: 0260-0768-9
BENEFICIARY: SUNLAND STATES
ACCOUNT NO.: [redacted] AMOUNT: USD$ 170,000
REF: GLOBAL INVESTMENT FUND / OUTLAST

THE CHASE MANHATTAN BANK, 7TH FLOOR, 55 WATER ST., NY, NY
ABA#: 021-000-021
BENEFICIARY: ROYAL BANK OF SCOTLAND (NASSAU) LTD
ACCOUNT NO.: [redacted]
FOR FURTHER CREDIT TO
HIGHLAND FINANCIAL CORP.
ACCOUNT NO.: [redacted] AMOUNT: USD$ 830,000
REF: GLOBAL INVESTMENT FUND

TEST KEY FOR ABOVE WIRES BASED ON USD$1,000,000 DATED AUGUST 13TH, 1998 IS [redacted]

SINCERELY,

GEORGE BETTS
VICE PRESIDENT

TEST KEY VERIFIED BY:
DATE: 8/17/98

Licensed for Full Trust Business.

Redacted Information in Subcommittee Files

08/13/98 14:14 FAX 3059716071 SECURITY BANK NA 001

SECURITY BANK N. A.
OUTGOING WIRE TRANSFER REQUEST AND AUTHORIZATION (Domestic & Foreign)

8 - 13 - 98 :DATE TIME: : AMOUNT $ 170,000 00

[X] OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW
[ ] INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
[X] DOMESTIC WIRE (NATIONWIDE) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: BANQUE NATIONAL DE PARIS
RECEIVING BANK'S "ABA" NUMBER: # 0260-0768-9
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY
CITY: NEW YORK STATE: NY COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): SUNLAND STATES
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted] TYPE OF ID, IF PAPER: # NUMBER
ADDRESS (IF APPLICABLE) CITY STATE COUNTRY
FOR FURTHER CREDIT TO (NAME) # NUMBER
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER
SPECIAL INSTRUCTIONS, IF ANY: REF. GLOBAL INVESTMENTS FUND/OUTLAST

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
CUSTOMER'S ADDRESS (MANDATORY FOR FOREIGN WIRES) INCLUDING CITY - STATE - COUNTRY
STREET NUMBER CITY STATE COUNTRY
ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	170,000	00
WIRE FEES	15	00
OTHER		
TOTAL AMOUNT $	170,015	00

CUSTOMER'S AUTHORIZATION
I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.
FAX ATTACHED
CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION
THIS MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
[ ] NOTE:
[X] "ABA" BANK NUMBER HAS BEEN VERIFIED
[X] HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER: SIGNATURE OF OFFICER

WIRE DEPARTMENT USE ONLY
WIRE SENT BY:
DATE WIRE SENT:
TIME WIRE SENT:
WIRE NUMBER (#)
VERIFIED BY: SIGNATURE OF OFFICER

Redacted Information in Subcommittee Files

08/13/98 14:14 FAX 3059716071 SECURITY BANK NA 003

SECURITY BANK N. A.
OUTGOING WIRE TRANSFER REQUEST AND AUTHORIZATION (Domestic & Foreign)

8-13-98 DATE TIME: : AMOUNT $ 830,000.00

[X] OUTGOING WIRE - CHARGE CUSTOMER LISTED DEBIT
[ ] INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
[X] DOMESTIC WIRE (IN DOLLARS) FOREIGN WIRE: DESIGNATE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: CHASE MANHATTAN BANK
RECEIVING BANK'S "ABA" NUMBER: # 021 000 021
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY:
CITY: NEW YORK STATE: NY COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON/COMPANY TO RECEIVE WIRE): ROYAL BANK OF SCOTLAND (NASSAU) LTD
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]
TYPE OF ID, IF PUBLIC: NUMBER: #
ADDRESS (IF APPLICABLE) CITY STATE COUNTRY
FOR FURTHER CREDIT TO (NAME): NUMBER: #
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK NUMBER: #
SPECIAL INSTRUCTIONS, IF ANY: REF: GLOBAL INVESTMENTS FUND

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
CUSTOMER'S ADDRESS (MANDATORY FOR FOREIGN WIRES) INCLUDING CITY - STATE - COUNTRY
STREET NUMBER CITY STATE COUNTRY

#320

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	830,000	.00
WIRE FEES	15	.00
OTHER		
TOTAL AMOUNT $	830,015	.00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION

WIRE MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
NOTE:
[X] "ABA" BANK NUMBER HAS BEEN VERIFIED
[X] HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER: SIGNATURE OF OFFICER

WIRE DEPARTMENT USE ONLY

WIRE SENT BY: FRO
DATE WIRE SENT: TO
TIME WIRE SENT: ISO
WIRE NUMBER (#) 7486
VERIFIED BY: SIGNATURE OF OFFICER

Redacted Information in Subcommittee Files

STMT96

96 1138 2407 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 8
FROM 08/01/98 THRU 08/31/98

NUMBER OF ITEMS ENCLOSED: 6

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
08/14	WIRE 70902 FEE	15.00		1,228,720.00
08/14	WIRE 70896 FEE	35.00		1,228,685.00
08/14	WIRE 70902 [redacted]	1,685.00		1,227,000.00
08/14	WIRE 70885 RODOLFO REQUENA	25,000.00		1,202,000.00
08/14	WIRE 70896 TEMPLIE R CAISSE SA	152,000.00'		1,050,000.00
08/14	WIRE 70887 SUNLAND STATES	170,000.00		880,000.00
08/14	WIRE 70886 ROYAL BANK OF SCOTLAND	830,000.00		50,000.00
08/17	WIRE 4044 [redacted]		10,500.00	60,500.00
08/17	WIRE 4036 [redacted]		15,000.00	75,500.00
08/17	WIRE 4026 [redacted]		50,000.00	125,500.00
08/17	WIRE 4043 [redacted]		50,000.00	175,500.00
08/17	WIRE 4026 FEE	10.00		175,490.00
08/17	WIRE 4036 FEE	10.00		175,480.00
08/17	WIRE 4043 FEE	10.00		175,470.00
08/17	WIRE 4044 FEE	10.00		175,460.00
08/17	AUTO TRANSFER TO	125,460.00		50,000.00

Redacted Information in Subcommittee Files

1, Outgoing Message UNI: FIM307, Queued on 10/01 08/25/98 15:31:33

```
###* 02 **** FI PROD ***     FI INCOMING      ****NORMAL MSG/ACCTG ENTRY****
(3100) Sender: 044000037 BANK ONE NA          (2900) Amount:     $1,006,918.31
(3400) Receiver: 067010512 FLEX NOM MO LMUO   (3600) Bus Function Code: CTR
(1510) Type Code:        1000
(5000) Originator:       [redacted]
                         BANK ONE TRUST COMPANY N.A.-COLUMBU
                         ATTN: CASH MOVEMENT
                         INTEROFFICE MAIL
                         OH1-0393
(6000) OBI to BNF Info:  FFC TO GLOBAL INVESTMENT FD SA
(6200) Beneficiary:      004-0314-00 #1
                         BRITISH TRADE & COMMERCE UK
(6700) FI to FI Info:    SLD-980825004471
(1320) IMAD:             19980825D40T132C001151
(3320) Sender Ref:       980825004711151
(1110) Timestamp:        0925153701
(1120) UMID:             19980825F60511C000000025153701
*****************
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4120

Redacted Information in Subcommittee Files

96 1138 2410 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 11
FROM 08/01/98 THRU 08/31/98

NUMBER OF ITEMS ENCLOSED: 6

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
08/25	WIRE 4099 FEE	10.00		69,612.00
08/25	WIRE 4100 FEE	10.00		69,602.00
08/25	AUTO TRANSFER TO ACCT.--0010140002	19,602.00		50,000.00
08/26	WIRE 4125 [redacted]		30,000.00	80,000.00
08/26	WIRE 4120 BANK ONE TRUST		1,006,918.31	1,086,918.31
08/26	WIRE FEE 4120	10.00		1,086,908.31
08/26	WIRE FEE 4125	10.00		1,086,898.31
08/26	AUTO TRANSFER TO ACCT.--0010140002	1,036,898.31		50,000.00
08/27	DEPOSIT		85,932.84	135,932.84
08/27	AUTO TRANSFER FROM ACCOUNT 0010140002		16,023.70	151,956.54
08/27	WIRE FEE 7277	15.00		151,941.54
08/27	WIRE FEE 7278	15.00		151,926.54
08/27	WIRE FEE 7280	15.00		151,911.54
08/27	WIRE FEE 7287	15.00		151,896.54
08/27	WIRE FEE 7288	15.00		151,881.54
08/27	WIRE FEE 7279	35.00		151,846.54
08/27	WIRE 7279 STEWART MOSS	2,852.72		148,993.82
08/27	WIRE 7287 REPUBLIC	3,332.00		145,661.82

Redacted Information in Subcommittee Files

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica. P.O Box 2042

FAX COVER
Date:08/28/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:
DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING TRANSFER FROM OUR ACCOUNT 0400101400-01.

US BANK
2990 SO PEORIA ST.,AURORA CO. 80014.
ABA#: 102-000-021
BENEFICIARY: GLOBAL INVESTMENT FUND S.A.
ACCOUNT NO.: [redacted], AMOUNT: USD$1,000,000
REF: ATT. JENNIFER SMITH

Redacted Information in Subcommittee Files

TEST KEY FOR ABOVE WIRES BASED ON USD$1,000,000 DATED AUGUST 31ST, 1998 IS [redacted]

SINCERELY,

GEORGE BETTS
VICE PRESIDENT

TEST KEY VERIFIED BY:
DATE: 8/31/98

Licenced for Full Trust Business.

08/31/98 10:57 FAX 3059716071 SECURITY BANK NA 001

SECURITY BANK N.A.
OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

8 -- 31 -- 98 :DATE TIME: : AMOUNT $ 1,000,000.00

[X] OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW
[ ] INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
[X] DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: US BANK
RECEIVING BANK'S "ABA" NUMBER: # 102 000 021
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY: 2990 SO. PEORIA ST
CITY: AURORA
STATE: COLORADO
COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): GLOBAL INVESTMENT FUND S.A.
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]
TYPE OF ID, IF PAPER: NUMBER: #
ADDRESS (IF APPLICABLE): CITY: STATE: COUNTRY:
FOR FURTHER CREDIT TO (NAME): NUMBER: #
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK NUMBER: #
SPECIAL INSTRUCTIONS, IF ANY: REF: ATT: JENNIFER SMITH

Redacted Information in Subcommittee Files

#373

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	1,000,000.00
WIRE FEES	15.00
OTHER	
TOTAL AMOUNT $	1,000,015.00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED
CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
[ ] NOTE:
[X] "ABA" BANK NUMBER HAS BEEN VERIFIED
[X] HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER: SIGNATURE OF OFFICER

INTERNAL DEPARTMENT USE ONLY

WIRE SENT BY:
DATE WIRE SENT: AUG 31 1998
TIME WIRE SENT: : PM
WIRE NUMBER (#
VERIFIED BY: SIGNATURE OF OFFICER

96 1138 2413 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 14
FROM 08/01/98 THRU 08/31/98

NUMBER OF ITEMS ENCLOSED: 6

CKG-01 ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
08/31	WIRE 4155 FEE	10.00		1,050,055.00
08/31	WIRE 4160 FEE	10.00		1,050,045.00
08/31	WIRE 4161 FEE	10.00		1,050,035.00
08/31	WIRE 4162 FEE	10.00		1,050,025.00
08/31	WIRE 4167 FEE	10.00		1,050,015.00
08/31	WIRE 7303 FEE	15.00		1,050,000.00
08/31	WIRE 7303 GLOBAL INVESTMENT FUND	1,000,000.00		50,000.00

-CHECKS PAID ON THIS STATEMENT LISTED IN NUMERIC ORDER-
* MEANS SKIP IN SEQUENCE

NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
	4,155.56		10,000.00		69,616.77

********** ACCOUNT ACTIVITY SUMMARY **********

SUPERNOW ACCOUNT-02 ACCOUNT NO. 00101400 02

PREVIOUS BALANCE AS OF 07/31/98	2,299,448.27
TOTAL OF 12 DEPOSITS AND OTHER CREDITS	2,069,663.36
TOTAL OF 9 DEBITS AND WITHDRAWALS	3,436,075.97
ENDING BALANCE AS OF 08/31/98	933,035.66

---------- ACCOUNT DISCLOSURE ----------

AVERAGE DAILY COLLECTED BALANCE	1,182,957.77
NUMBER OF DAYS THIS STATEMENT	31

Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57e_____

Exhibit 57e.

Internet gambling documents

MEMBERS
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EMAIL
ABOUT US
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VIP

Sports bettors seeking the complete package from an international sports book finally have an opportunity to open an account with a major league operation that gives them immediate access to their funds at - 24 hours a day.

Dominica-based Vegas Book, a state-of-the-art Las Vegas-style sports book takes action via toll-free phones and the Internet, and trumps every other shop in the industry with its unique method of payment.

Solid lines, low vig, top customer service, comprehensive wagering menu, betting limits you can live with...these are just some of the routine features of the internationally acclaimed Vegas Book.

Vegas Book gives you immediate access to your cash. An account with Vegas Book includes an optional international secured card, which allows for immediate withdrawal of funds, giving you complete control over your money. Proceeds from every winning wager are credited to your betting account within three minutes of the conclusion of the event.

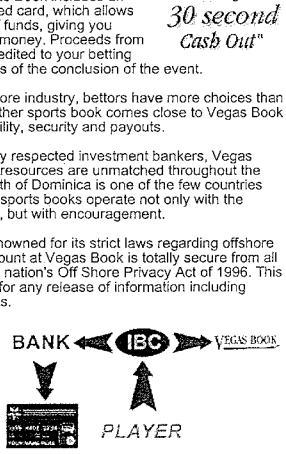
"Home of the 30 second Cash Out"

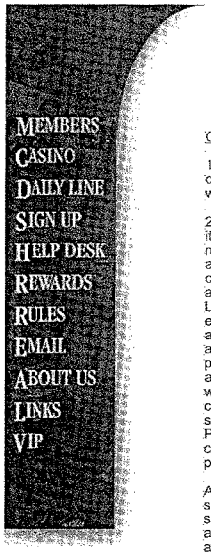
With the growth of the offshore industry, bettors have more choices than ever before. However, no other sports book comes close to Vegas Book in the critical areas of reliability, security and payouts.

RELIABILITY. Structured by respected investment bankers, Vegas Book's funding, assets and resources are unmatched throughout the industry. The Commonwealth of Dominica is one of the few countries where internet casinos and sports books operate not only with the approval of the government, but with encouragement.

SECURITY. Dominica is renowned for its strict laws regarding offshore wealth protection. Your account at Vegas Book is totally secure from all outside enquiries due to the nation's Off Shore Privacy Act of 1996. This statue sets sever penalties for any release of information including identity, revenues and profits.

PAYOUTS. All Vegas Book members are given, or purchase - depending on the size of their initial deposit - an International Business Corporation bank account. Acting on your wishes, the IBC wagers directly with Vegas Book, thus avoiding conflict with U.S. anti-gaming laws. Funds in the account, except those in action at any given moment, are available to the account holder 24 hours a day. Simply take the money out of the account at any ATM, or use secured card wherever credit cards are accepted. Your money is protected because it remains in your control, escrowed in your account at the Bank - not at Vegas Book. CALL **1-888-765-9061** to get in the game today...





RULES

GENERAL RULES

1) All rules, regulations, odds and payoffs contained herein are subject to change and revision by the management of Vegas Book, Ltd. without prior written notice!

2) Vegas Book reserves the right to limit, refuse or review any wager prior to its acceptance. Vegas Book also reserves the right to cancel any wager made on an obviously "bad" line due to data transfer or employee error, or any incorrect wager accepted by the software. VegasBook will notify all customers, by E-mail, of cancellation of their wager as soon as we are aware of the incorrect line. The lines posted by the Stardust Sportsbook in Las Vegas will prevail as the correct line(s) in the case of a data transfer or employee error. In the case of a multiple wager ticket, only the wager(s) with an incorrect line will be voided. The remaining wagers on the ticket will have action. In the case of a "bad line" on a parlay or teaser ticket, the entire parlay or teaser ticket will be voided, and constitute a "no action" wager, and all money will be refunded accordingly. The customer may then make a new wager with the corrected line. "READ BACK IS FINAL". When you have completed making your bets, the consultant reads back the listed plays and says "If all of the plays I have just stated are correct please restate your PIN." If you do not take the read back, the plays will be accepted as the consultant entered them. Please request a read back to eliminate potential problems.

All wagers will be accepted up to the posted starting time of the event. All sporting events must be played on the scheduled day unless otherwise specified. Sporting events postponed and then rescheduled will automatically constitute a "no action" wager, and all money will be refunded accordingly. Management keeps track of all wagers, point and /or price changes made prior to the start of an event by computer to help minimize errors and to aid in fairly settling disputes. Any wager made after a game or contest has started, shall be considered a "PAST POST" and shall be null and void. In the event that the client knowingly places a "past post" wager, the betiors account may be closed.

When wagering on the "totals", overtime periods are counted as a final score. On half time wagers, overtime periods are included as part of the 2nd half.

3) Minimum wagers are: Straight bets $50.00, parlays and teasers $50.00, for the 800 number service, Maximum wager $5,000.00. Internet minimums are $10.00 for all wagers. All wagers will be accepted up to the posted starting time. We will discuss raising the limits above $5,000 with a client who requests it.

4) Vegas Book requires a minimum deposit of $300. After your funds are received, you will be issued a Personal Identification Number (PIN) and the toll-free number of the wagering office. Whenever you would like to receive the line or place a wager, simply call and speak with a professionally trained sports consultant. Your balance will be verified the first call of the day. Further account information, balances or discrepancies may be obtained by contacting the Customer Service Department directly at 1-888-765-9061.

5) The hour of operations are from 10:00 a.m. Eastern Time until the start of the last West Coast game. The football line is posted Monday for the following week. Baseball, Basketball, and the Hockey lines are posted 11:30 a.m. Eastern time daily. In addition, you have the option to use the on-line sportsbook simply by logging on to our website at:

http://www.vegasbook.com.

6) As a member of Vegas Book, I agree to the tape recording of my telephone conversations when placing a bet with Vegas Book and I agree that this recording shall be used as the final determination to resolve any dispute. In all cases of discrepancy the tape recording of the transaction shall serve as the final determination of the dispute and all wagers will be adjusted accordingly. All disputes can be settled within 1hour after review of recorded bet.

7) I understand that Vegas Book is a foreign company and as such does not report the winnings of individuals who bet with the Sports Book to any government agencies, and therefore, it is my sole responsibility, if applicable, to report any winnings to my respective government Customs or Taxation departments. All transactions and wagers shall be considered originating from and governed by the laws of the Commonwealth of Dominica

8) The government of the Commonwealth of Dominica, West Indies,will have sole jurisdiction over any disputes as a result of wagers accepted by Vegas Book. Wagers are governed by commonly accepted rules in effect in Las Vegas, NV.

9) Members must use both their PIN number and/or PASSWORD on all wagering calls. Please be sure to review your wagers for any mistakes before sending them over the computer. Once a bet is placed over the computer it cannot be charged. CHECK ALL BETS CAREFULLY!!!

10) Members should check their account balance weekly at the minimum. Wager and balance discrepancies over 14 days will not be reviewed.

11) Vegas Book has twenty four hour(24) tech support and customer service at the web site www.vegasbook.com. For other enquires, please feel free to call us during normal business hours at, 1-888-765-9061.

SENDING FUNDS

1) You can begin playing within 10 minutes if you send cash using an express setup. If you utilize this form of sending, Vegas Book will always credit you the cost when you send $300 or more. Call our marketing department for more information at 1-888-765-9061 Sending a Certified cheque via over night delivery is another option. This is recommended if you are not in a rush or would like to send over $3000. Make cheques payable to Vegas Book or the name of your International Business Corporation.

Send Overnight Delivery To:

British Trade and Commerce Bank
c/o Vegas Book or the name of your International Business Corporation
Attention: Herry Royer
Emens Building, Bay Front Rd.
Roseau, Commonwealth of Dominica, West Indies

2) Bank Wire transfers are also available for sending funds, but there is no same day transaction guarantee. Call 1-888-765-9061 for details! Or email us at: clientservices@vegasbook.com

COLLECTING YOUR WINNINGS

We pride ourselves on prompt payment and good service. If you do not qualify for a secured card with ATM privileges, you can request your funds and the transaction will take place the following day. This is done Monday through Friday from 9:00 a.m. to 6:00 p.m. No payments are processed on the weekend. All moneys taken from a credit card must first be credited back to the card. Only money that has been taken from the card can be credited back to the card and any excess will be paid out through our regular payout methods. Please allow five to seven (5-7) working days

before the transaction shows up in your bank. Credit Card deposits must wait thirty days (one billing cycle) before a withdrawl can be processed. Other cash out options:

a) Western Union Cash percentage depending on amount. This is determined by Western Union.
b) Cashiers Check by Fed-EX. There is flat $40 USD fee for the check and $35.00 USD Fed-EX Charge. 48 hour delivery.
c) Bank Wire from our bank to your bank. This is a flat fee of $40 USD. Generally require 24 to 72 hours.
d) Cashiers Check by Regular Mail. This can take 30 days or more. We cannot be responsible for any lost mail. The fee is $15 USD.

To request a payout, simply call our tollfree number at 1-888-765-9061 and an account representative will help you, or simply email us with instructions at payout@vegasbook.com

EVENT AND WAGERING RULES

1) All sporting events must be played on date and site scheduled unless otherwise specified. If any event is postponed, suspended and/or rescheduled, said event will automatically constituted "no action"

2) In order to have action, game must go:

Football (College-Pro)-	55 min. of play
Basketball (Pro)-	43 min. of play
Basketball (College)-	35 min. of play
Hockey (Pro & American)-	55 min. of play
Golf (Pro & Amateur) Other	54 holes of play
Sports (w/time limits)-	less than 5 min. of play left.
Baseball-home team leading	4.5 innings
Baseball-visitors leading	5 innings
Boxing (Pro,College, Amateur)-	When bell is sounded signifying the start of the first round, the bout is considered official.

3) Payoffs off the Board

Straight Bets-A wager on one event whose outcome for wagering purposes shall be determined by a point spread or money odds.	All straight and Total bets are 10/11 unless otherwise noted at the time of the wager.
Parlays- Two or more teams or propositions involving two seperate outcomes can be tied together to make one wager. All teams must win by the listed point spread.	2 Teams Pay 13/5 3 Teams Pay 6/1 4 Teams Pay 10/1 5 Teams Pay 20/1 6 Teams Pay 40/1

- In case of no action or tie, parlay is reduced to next lowest number of plays.

Teasers - Football		6 points	6 1/2 points	7 points
	2 Teams	10/11	10/12	10/13
	3 Teams	8/5	3/2	7/5
	4 Teams	5/2	2/1	3/2
	5 Teams	4/1	7/2	3/1
	6 Teams	6/1	5/1	4/1
Teasers - Basketball		4 points	4 1/2 points	5 points
	2 Teams	10/11	10/12	10/13
	3 Teams	8/5	3/2	7/5
	4 Teams	5/2	2/1	3/2
	5 Teams	4/1	7/2	3/1
	6 Teams	6/1	5/1	4/1

- 2 Team Teaser with the Tie and Winner is No Action.
- Tie and any Loser is a Loser.
- In case of No Action or Tie on a 3 team teaser or more, the teaser is reduced to the next lowest number of plays.

Moving the Line	0.5 point	lay 12/10
	1.0 point	lay 13/10
	1.5 points	lay 14/10
	2.0 points	lay 15/10
	2.5 points	lay 16/10
	3.0 points	lay 17/10

- For example- Move the line 1 pt, you lay $130 to win $100
- Move the line up to 3 points
- Maximum buy in Basketball (totals included) is 4 pts.
- NFL on or off the #3 lay 13/10

BASEBALL RULES

Winners and Losers are official after 5 innings of play unless the home team is leading then after 4 1/2 innings. If a game is called or suspended, the winner is determined by the score after the last full inning (unless the home teams scores to tie or takes the lead in the bottom half of the inning, in which case the winner is determined by the score at the time the game is called). Monies will be refunded if the home team ties the game and it is then suspended. Events will not carry over to the following day (unless otherwise specified). Vegas Book does not recognize suspended games, protests, overturned decisions, etc. for wagering purposes.

Special Baseball Rules

1) When wagering on the total runs (over/under) the game must go 9 innings (8 1/2 if the home team wins) to have action. If a game is called or suspended, the score will be determined after the last full inning (unless the home team scores to tie or takes the lead in the bottom half of the inning, in which case the score is determined at the time the game is called). Rules for the run line wagers are the same as those for baseball totals. Wagers on total runs will be refunded if a pitcher change occurs prior to both listed pitchers throwing at least one pitch.

2) Baseball wagers will be accepted in the following manner:

a) Action - Team against team, regardless of the starting pitcher.

b) One Specified Pitcher - This is a wager on or against a specified pitcher, regardless of the starting pitcher.

c) Both Specified Pitchers - If starting pitchers are not exactly as listed on wagering display board and/or your ticket, yourwager will be deemed "No Action".

Note: In the event there is a pitching change prior to the game,money odds may be adjusted. If one scheduled pitcher starts against any unscheduled pitcher, "Action" wagers will be computed by the opening price with the new pitcher. A pitcher is deemed a starting pitcher after throwing one pitch.

	Baseball payoffs and odds equivalent to one dollar							
Baseball Parlays	-1.05	=.95	-1.45	=.69	-1.85	=.54	-2.50	=.40
	-1.10	=.91	-1.50	=.66	-1.90	=.53	-2.60	=.38
	-1.15	=.87	-1.55	=.64	-1.95	=.51	-2.70	=.37
	-1.20	=.83	-1.60	=.62	-2.00	=.50	-2.80	=.36
	-1.25	=.80	-1.65	=.61	-2.10	=.48	-3.00	=.33
	-1.30	=.77	-1.70	=.59	-2.20	=.45	-3.25	=.31
	-1.35	=.74	-1.75	=.57	-2.30	=.43	-3.50	=.29
	-1.40	=.71	-1.80	=.55	-2.40	=.42	-4.00	=.25

- Because of the money line used in Baseball, there are no set payoffs for tying a number of teams together in parlays. Payoffs are determined by a simple formula that changes the moneyline into a decimal number and combines it with other lines in the parlay. The first step is to change the money line into a decimal. Use the above chart for this purpose.

How to Figure Baseball Parlays

For each PRICE or ODDS quote on your teams, look at their respective PAYOFFS (to $1.00) and always ADD $1.00 to these payoffs. Multiply your Bet times the products of these payoffs (+$1.00) for your parlay return.

- Example 1: Bet $50 on the Cardinals (-150) parlayed to the Tigers (-130):

  $50 multiplied by 1.66 *(-150)* multiplied by 1.77 *(-130)* = $146.91 (includes return of the $50 bet)

- Example 2: Bet $75 on the Cubs (+120) parlayed to the Reds (-135) parlayed to the Mets (Even):

  $75 multiplied by 2.20 *(+120)* multiplied by 1.74 *(-135)* multiplied by 2.00 *(EV)*= $574.20 (includes return of the $75 bet)

Always add $1.00 to payoff to determine payoff price for all parlays

Soccer Rules

Soccer Wagers are accepted in "Single Bets" only. It simply involves betting on the outcome of a match in 90 minutes (i.e. 1st half and 2nd half), choosing whether the game will end ina home win, an away win or a draw. If the score is tied after regulation time, all wagers on the home team and the away team, lose. All wagers on the Draw, win. Extra time or goals scored in extra-time do not count for betting purposes.

To learn more about IBC's and other asset protection structures visit www.worldwideassets.com...

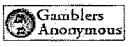
Most Caribbean transmissions of data and voice are through a monopoly. Often, voice circuits are busy and internet connections are dismally slow. Utilizing, **InSatCom's** over capacity - our players are guaranteed clear and definable voice and internet transmissions. Licensed by Cable and Wireless and the Government, InSatCom is the first private network offering encrypted data, internet web hosting, and reliable video transmissions from the Caribbean. InSatCom's nine meter satellite dish is able to simultaneously broadcast to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated because InSatCom operates its own proprietary software and hardware. Further, wager's and transactions are encrypted to retain complete confidentiality.

Virtual Gaming Enterprises, Incorporated is a strategic partner with and equity partner of Vegas Book. Virtual Gaming Enterprises is a public corporation traded under the symbol VGAM (OTC:BB) and operates a Family of internet based gaming and casino sites at the Casino Theme Park. Players at these sites experience the safety and dependability of the InSatCom network and also qualify for the benefits of IBC's, secured debit cards and frequent player rewards.

Vegas Book, is a licensee of **Casino del Sol, Limited.** Casino del Sol is recognized worldwide as a premier gaming and marketing company. With twenty five years of consulting experience including optimizing many on-line sports wagering business's in both the Caribbean and North American markets, they offer the necessary management skills required for a sports book's success. From the hiring and training of employees to designing and purchasing the advertising, Casino del Sol offers a wealth of knowledge - thus guaranteeing our players a positive experience and expeditious service.

Over one year ago, **Chinnok West, Limited** in response to demands for a quick, effective and easy to use sports wagering software designed and brought to market its own product. The On-the-Line system offers our internet players an easy to read graphical interface including your account information, credit limits, betting limits, available funds, betting history, plays in action, comments and warnings. Along with Spreads and Over/Unders, we offer teasers, futures, parlays and speciality bets.

Vegas Book, Ltd DomTech Complex # 7, Canefield, Commonwealth of Dominica
888-765-9061 fax 767-449-3646



MEMBERS
CASINO
DAILY LINE
SIGN UP
HELP DESK
REWARDS
RULES
EMAIL
ABOUT US
LINKS
VIP

HELP DESK

Who is Vegas Book, Limited?
How do I get started?
How does your company work?
Can I check my history on the internet ?
Is my money safe?
What kind of plays are offered?
How do I place a wager?
What if there is a problem ?
What sports do you take action on?
What is your minimum bet?
Where do you get your lines from?
Do you have hockey lines ?
Who do I call for Customer Service ?
What will I receive from you?
How do I qualify for a free IBC?
Can I use my IBC to protect my house?
Can I use offshore to reduce my taxes?
What would delay the IBC processing ?
Does an IBC have a renewal fee?
Is there a minimum bank deposit?
Can I check my charges on th internet?
How is the card secured?
How is payment made for the charges?
How can I increase my limit?
Can I use my card from an ATM?
What if my secured card is lost ?
Do I earn interest on the secured card ?
Whose name will appear on the card ?
What is the card authorization address ?
Can I use secured funds to wager ?

Q. Who are we?

Vegas Book, Ltd., is a partnership between Virtual Gaming Enterprises, Casino del Sol, Ltd and Chinnok West, Ltd. Our operations are located in the Commonwealth of Dominica, West Indies, where we are licensed to take wagers by telephone and Internet. We are regulated by the International Business Unit of the Ministry of Finance of Dominica. Please call us at 1-888-765-9061 for more details.

Q. How do I get started?

Read the "Join" page. Fill out the on-line application. When we receive it, a marketing representative will call you back to set up your account. When we receive your funds, your account will be set up and you will be able to wager within minutes. There is absoultely no membership fees.

Q How does your company operate?

After contacting us, you send your initial deposit, we will open an account for you, provide you with a PIN number. Upon verification of the financial transaction you will be able to place wagers against the funds that have been posted up. Usually this can be done in as little as fifteen minutes.

Q. Can I check my waging history on the internet ?.

Yes, in the member section of www.vegasbook.com, you can check your account balance, win/loss history, latest odds, breaking news, place wagers and play in the casino.

Q. How do I know my money is safe?

The Commonwealth of Dominica is recognized as one the few countries where foreign companies can openly own and operate internet casino's and sports books. Please contact the Ministry of Finance, Commonwealth of Dominica, West Indies at 767-448-2401 ext. 3158 to check on the status of our license - Casino del Sol, Limited and if there are any complaints about Vegas Book, Limited.

We have worked hard to insure that our clients money is safe and can be easily accessed at any time. For our clients who do not establish an IBC, but deposit amounts over $ 500 - we offer a Classic secured card with a 25% limit. As your account grows with your winnings, we will increase the available credit limit. This is perfect for the individual who does not want to purchase an IBC - but must have instant access to their cash.

Establishing an IBC offers multiple safe guards for your wagering business. Your IBC is protected from all outside inquires by the Offshore Privacy Act which sets severe penalties for any release of information including corporate identity, revenues and profits. All transactions to and from your account are through Dominica's largest private bank. These funds remain in your control, not Vegas Book. Finally, having a secured card gives you instant access to your cash, including ATM privileges. Click here to review the Membership Options

Q. What kind of plays/bets do you have?

We take action on parlays, round robins, teasers, reverses, if bets, halftimes, straights, totals, action points and future bets. In general, if you can bet it in Vegas, you can bet it with us.

Q. How do I place a wager?

Once you have opened your account with us, we will give you our toll-free direct betting lines and a PIN which identifies you to our sports consultants. They will take your bets at your convenience.

Q. What if there is a discrepancy with a wager?

Every conversation is recorded and time dated. We simply go to the recorder and find the problem. If it is an error on your part, we play the tape back for you. If we've made a mistake, we will credit your account accordingly. Our operation is computerized and everything is recorded.

Q. What sports do we take action on ?

If we can get a line, you can make the wager. We take action on all professional sports including hockey, football, basketball, NCAA football, NCAA basketball, Women's Final Four, college world series, golf, auto racing (major races only), boxing and tennis.

Q. What is your minimum bet?

Straight bets $50.00, parlays and teasers $50.00, for the 800 number service, Internet minimums are $10.00.

Q. Where do you get your lines from?

They come straight from Vegas and they move with increased action.

Q. What kind of lines do you have on hockey?

Puck lines and money lines.

Q. Who do I call for Customer Service ?

For all inquires regarding non-Vegas Book services, including IBC processing, account balances, wiring of funds, secured card charges, Certificates of Deposit please call InSatCom at 1-787-449-0954 during normal business hours.

Q. What will I receive from you?

Your membership includes an International Business Corporation, secured card and monthly sports schedule/newsletter. The Certificate of Incorporation can be mailed to you from Dominica. This may require two weeks for delivery.

Q. How much do I wager to qualify for a free IBC?

All membership levels above $5,000 qualify for a free IBC. The Classic member can choose to purchase an IBC for $250 and a standard member can purchase an IBC for $1,000. Every six months we review all accounts to determine the total wagers. If you have wagered more than your initial deposit your status will be elevated to the next level. If you have wagered less- then you will be dropped to the appropriate category. Members, regardless of their category - who do not wager at least $2,500 will be charged a $250 IBC incorporation fee. Click here to review the Membership Options

Q. Can I use my IBC to protect my house and car ?

As the sole shareholder, you direct what your IBC can do. Vegas Book and the Bank cannot direct your IBC. Thus, using your IBC for asset protection is a valid alternative. Asset protection is exactly what it states. It is the act of protecting and preserving your assets or wealth that you have accumulated by legitimate means. You may need to protect your assets from litigation, confiscation by government, fraudulent financial schemes, unsafe and unsound financial institutions and management, etc.

If you, or a member of your family or your friends are considering financial planning using an international structure, we would encourage them to call the Banks marketing department and visit the web site: www.worldwideassets.com.

Q. Can I use an offshore plan to reduce my tax?

Normally, any investment income or capital gains are subject to taxes. However, you can shelter some of your income or capital gains from taxation by using certain legal and appropriate offshore structures. As such structures must be designed to fit your special needs and circumstances, you should consider obtaining expert advice.

Q. What would delay the IBC processing ?

The three main reasons for delays are: 1) The application was not fully completed. 2) The application was rejected because the initial deposit was not credited to the account within 72 hours. 3) Applicant failed the requirements of the

Bank.

Q. Does an IBC have a renewal fee?

Yes, each year there is a renewal fee. For our Platinum, Gold and Silver members the fee is waived. For the Classic member the fee is $250.

Q. Is there a minimum bank deposit to keep the IBC ?

As an active Vegas Book customer, there is no minimum account balance. If you cancel your Vegas Book membership, but retain the IBC, the Bank requires a minimum balance of $5,000.

Q. Can I check my charges on the internet ?

On the web site www.btcb.com you are able to verify the balances of your IBC and the charges to your secured card. This requires a separate password and user id.

Q. How is the card secured?

On the Account Opening Form - you can choose from 10% to 50% of your deposit to be available for your card charges. If you were to choose the 20% level and deposited $5,000 in your bank account - your secured card credit limit would be equal to $1,000. The $1,000 is frozen in your account thus guaranteeing the Bank that they will always have money to pay for a your secured card charges. The remaining $4,000 would be available for wagering with Vegas Book.

Q. How is payment made for the charges?

Each month a statement will be mailed to you listing all the charges for previous month. Like a normal credit card, you can write a check from your "home" bank account and mail it in. Or you can make a minimum payment, which will be subject to a monthly interest charge. Or, you can check the box and automatically your winnings or remaining account balance will be used to pay the statement.

Q. How can I increase my limit?

Once a month, you can fax a request to the Bank to increase your limit. Remember, if you increase your limit, without adding additional funds to your IBC, you are limiting the amount that you can wager with Vegas Book.

Q. Can I use my card from an ATM?

After the card has been issued, you will receive, by mail a separate envelope with your four digit PIN. At all major ATM's you can directly receive cash advances. This service costs $5.00 per transaction. Please be aware that the ATM may charge an additional handling fee.

Q. What if my secured card is lost or stolen?

Like any other card, you must call Card Services at

1-888-232-5701 to report the loss of your card. If you fail to do so, you will responsible for all charges.

Q. Do I earn interest on the secured card balance?

Yes, the secured card balance earns 3% per annum.

Q. Whose name will appear on the credit card?

Though the card has been issued to the IBC, we place your name on the card. At no time will the records indicating the IBC name and its subsequent owner be released to anyone. That information is retained in complete confidentiality at the bank.

Q. What is the authorization address for the card?

Sometimes, for merchants to authorize a purchase, you may be required to furnish a mailing address. Regardless of where the Bank may mail its statement, all secured cards are registered to:

PO Box 2042
Dame Eugenia Charles Blvd.
Roseau, Commonwealth of Dominica.

Q. Can I use secured funds to wager?

No, we must be able to guarantee payment to the Bank. Thus the frozen amount cannot be used for wagering.

Account Opening Form - IBC Accounts

Fax number 1-888-922-1559

Date: 0 0

VEGAS BOOK MEMBER INFORMATION PLEASE PRINT OR TYPE CLEARLY

Last Name | First Name | Middle Initial | Phone Number ( ) | Fax Phone Number ( )

Physical Address | City | State/Country | Zip/Postal Code

Mailing Address (if different than above) | City | State/Country | Zip/Postal Code

Communication Preferences
☐ Phone ☐ Fax ☐ Mail ☐ Email Address:

Opening Balance $ | Membership Level ☐ Platinum - $25,000 ☐ Gold - $10,000 ☐ Silver - $5,000 ☐ Classic - $2,500

Form of Payment
☐ Credit Card ☐ Wire Transfer ☐ Western Union

Name as it appears on your Credit Card

Credit Card Number | Expire Date | Type ☐ Master Card ☐ Visa

Issuing Bank: | Bank Phone Number ( ) | Date Of Birth | Sex ☐ Male ☐ Female

INTERNATIONAL BUSINESS CORP. (IBC) NOTE: A Company name must end with the word(s) "Limited", "Corporation", "SocieteAnonyme", or an abbreviation thereof. The use of the words "Finance", "Trust", "Bank", "Insurance", "Royal" or "Imperial" is not allowed.

Proposed Name ☐ randomly assigned | Option #1 | I request Nominee Shareholder and Director Services ☒ Yes ☐ No

Option #2

Activities/ Purpose of Company	Shareholder Name	Address	% Ownership	Position
International Commerce	*Same as above*	*Same as above*	*100%*	*Director*

I would like monthly statements and other correspondence
☐ Do not send anything ☐ Sent to physical address ☐ Sent to mailing address ☐ Faxed to the above number ☐ Held on file at the Bank

How did you hear about us?
☐ Internet ☐ Television ☐ From a Friend ☐ Magazine ☐ Radio

I certify the information given herein is true and correct; the person mentioned does exist and all funds sent to the Bank are clean and of legal origin and are owned or lawfully managed by the person signing below. By signing below, I authorize Card Services, Ltd. to charge the opening balance and I acknowledge this purchase and agree that all sales are final. I am of legal age and am solely responsible for any financial loses from wagering. Further I have read and agreed to the Player's Agreement at www.vegasbook.com. I authorize the Bank to conduct the proper verification of the above information. In addition, I agree to hold the Bank, Vegas Book, its Directors, Officers, employees, affiliates and representatives free from any liability incurred when acting on facsimile instructions provided by me, provided such instructions bear my signature or any close proximity thereto. I shall at all times hereafter indemnify and keep indemnified the Bank and Vegas Book against all costs, charges, expenses which the Bank or Vegas Book may now or hereafter be liable to pay or sustain in connection with any matter which may arise as a result of any false statement with regard to any such funds or any false statement made in this application or in relation to any unlawful transaction of any bank account or international business corporation named in this application and also against all sums of money whether for damages, costs, attorney fees, charges, expenses or otherwise howsoever which the Bank or Vegas Book may be liable to pay or may sustain in this regard. I confirm that I am making this declaration for my protection as well as for the Bank and Vegas Book and hereby give consent to the Bank to disclose this transaction to law enforcement authorities subject to the confidentiality laws of the Commonwealth of Dominica. I hereby certify that I have not received legal or tax advice associated with my decision to form this structure and I have been encouraged to consult my attorney and tax advisor. This service can be provided by independent representatives; the Bank and Vegas Book cannot be held responsible for any claims or representations outside of what appears in this Form. Please include a photocopy of your passport or drivers license and the front and back of your credit card. Please fax this information to 1-888-922-1559, if you have any questions, please call 1-888-765-9061 or visit www.vegasbook.com.

Vegas Book Member, Organizer of IBC

Signed X

Printed Name

Choose a six to eight digit password

Are you an employee of and/or a consultant to a Judicial Department of either a Federal, Provincial or State Government?
☐ Yes ☐ No

INTERNAL USE ONLY
Date Received | Data Processed | W/L | CRC | W/L | Confirmation | VIP ID

VBAOFC-020100 - AGB/mac

Appointment of Bankers

IBC NAME: _____

WHEREAS the Corporation gave British Trade & Commerce Bank ("Bank") a certified copy dated the _____ day of _____, 20____ of the Corporation's resolution (the "authorization") authorizing the person(s) named in the authorization (the "authorized persons") to carry out with the Bank the transactions specified in the authorization (the "authorized transactions") and at the same meeting of the Board of Directors, it was resolved:

That British Trade and Commerce Bank shall be appointed as the Bankers of the Company continue as the Bankers of the Company

That regarding the Company's account(s) the said Bank is hereby authorized and requested:

1. To honor and comply with all cheques drafts bills of exchange promissory notes acceptance negotiable instruments and orders expressed to be drawn accepted made or given on behalf of this Company at any time or times whether the banking account or accounts of this Company are overdrawn

2. In the event of the said account becoming overdrawn at anytime we hereby agree that you shall be entitled to charge compound interest on the sum by which that said account is overdrawn calculated on daily balances charged monthly and that the rate of interest charged from time to time shall be at your sole discretion up to but not exceeding _2_ _%_ above the minimum rate in force at that time. You shall not be bound to notify us in advance of any change in the rate of interest but on receipt of a written request from us you shall be obligated to specify the rate of interest being charged at the time of such request.

3. To honor and comply with all instructions to deliver or dispose of any securities or documents or property held by the Bank on behalf of the Company; to hold the Company liable on all agreements and indemnities in connection with the issue of letters of credit, drafts and telegraphic transfers and with all banking transactions.

Provided any such cheques drafts bills of exchange promissory notes acceptances negotiable instruments orders instructions agreements and indemnities are signed by the persons holding the undermentioned office for the time being.

4. To treat all cheques drafts bills of exchange promissory notes acceptances negotiable instruments and orders as being endorsed on behalf of the Company and to discount or otherwise deal with them provided such endorsements purport to be signed by:

Name: as shown below Title/Office: Director

5. To cancel all existing mandates (if any) in force at the date hereof with regard to the Company's said Account(s) which mandates are hereby terminated. Provided that all authorities, instructions, instruments and transactions are authenticated in accordance with any existing mandate and purporting to have been given, made issued or entered into prior to receipt of notice of this resolution shall have effect as between the Company and British Trade & Commerce Bank as though this resolution had never been passed.

That a list of the names and specimen signatures of the persons at present authorized to sign under this resolution be furnished to the Bank. That the foregoing mandate and list of names remain in force and receipt by the said Bank of a duly certified copy of a resolution rescinding or amending the same.

Resolution of Directors

AND WHEREAS the Corporation wishes to allow the authorized persons to give, by facsimile machine, instructions to the Bank to carry out authorized transactions,

NOW THEREFORE be it resolved that:

1) The authorized persons may give instructions on behalf of the Corporation to the Bank by facsimile machine to carry out authorized transactions

2) The Bank may act on instructions received by it from, or purporting to be from, authorized persons to the same extent as if they had been given in writing under the authorization

3) The Corporation acknowledges that the Bank will not have to constantly monitor its facsimile machines, but need only use reasonable efforts to determine if it has received any instructions. Instructions given in accordance with this resolution will not be considered to have been received by the Bank until they are brought to the attention of the addressed Bank employee.

4) Although the Bank will not have any duty to confirm any signature on any instructions given by facsimile, if the signature purports to be the signature of an authorized person, the Bank may decline to act if it doubts that the instructions have been properly authorized, accurately transmitted or properly understood by it.

5) If the Bank acts on instructions received by it that are, or purport to be, given under the authority of this resolution, these instructions will be conclusively deemed to be valid instructions, even if they did not, in fact, come from authorized persons, or were not accurately transmitted or properly understood by the Bank. This does not, however, apply if the Bank is grossly negligent or its action amounts to wilful misconduct.

6) Unless the Bank is grossly negligent in its action or inaction amounts to wilful misconduct, it will not be responsible for anything it does or cannot do, due to any of the following:

- Delays, breakdowns, slowdowns or failures in performance or otherwise resulting, whether directly or indirectly from acts or circumstances beyond its control including, without limitation, computer or access equipment or facsimile machine breakdown, slowdown, malfunction or delay.
- The action of, or any failure to act, any third party.
- Any inaccuracy or inadequacy in, or lack of authenticity of, any instructions received by it.

7) Any liability of the Bank connected with this resolution or any instructions delivered or purporting to be delivered to the Bank under this resolution will be limited in the aggregate to actual and direct money damages, not to exceed the aggregate of the total fees and charges paid by the Corporation to the Bank for the operation by the Bank of the Corporation's bank accounts during the one year period immediately prior to the first event giving rise to that liability. This will apply no matter what form of action or claim may be brought by the Corporation against the Bank. The Bank will not, in any event, be liable for any indirect, consequential or exemplary damages whatsoever, including loss of profits. In addition, the Bank will not be liable for any claim against the Corporation by or other liabilities of the Corporation to, any third party, whether that claim or those liabilities are for breach of warranty, negligence or otherwise, even if the Bank has been advised or given notice of such a possibility

8) The Corporation will indemnify and save harmless the Bank from any loss, cost, damage or expense which the Bank may suffer or incur from acting or declining to act upon any instructions it may receive which are or purport to be made under this resolution, including, without limitation, legal and other professional fees and disbursements reasonably incurred by the Bank. This indemnity shall not exceed to any loss, cost, damage or expense resulting from the gross negligence or wilful misconduct of the Bank or any Bank employee.

9) If the Corporation passes any resolutions (the "new resolutions") in the future that add to, amend or replace the authorization, then the terms "authorization", "authorization persons" and "authorized transactions" in this resolution will include those new resolutions and any persons or transactions specified in them.

10) The Bank has given a copy of this resolution certified by the secretary of the Corporation, and that this resolution has been binding on the Corporation until the Bank receives a notice in writing from the secretary of the Corporation that this resolution has been rescinded, and the Bank has duly acknowledged receipt of that notice.

By signature on previous page, I hereby certify the above to be a true copy from the minutes.

SECURED CARD

Name to Appear on the Credit Card: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Card holder Signature Sample:

X

Credit limit is equal to what percentage of deposit- *see tag pamphlet*

10% 20% 30% 40% 50%

I would like monthly statements and other correspondence

☐ Sent to physical address ☐ Sent to mailing address ☐ Faxed to the above number ☐ Held on file at the Bank

I agree to abide by the rules of the Cardholder Agreement (a full copy of which is available by request). I acknowledge that I am responsible for all charges on the IBC secured card, and that I will make payments to the Bank as required by the Cardholder Agreement. I further agree to maintain frozen funds in the indicated IBC account equal to the above percentage to determine my credit limit. I agree that these funds shall not be used to pay the monthly balance on the card.

Bank Account / Secured Card Organizer

Signed X_____ Printed Name_____ Date_____

CREDIT CARD AUTHORIZATION FORM Note: The card must be in the individuals name that is requesting the credit to their account

I_____ authorized Card Services, Ltd., on behalf of Vegas Book Ltd., to debit my credit card. I acknowledge the intent of the transactions, and the fact that they are gambling related. I am fully aware the transaction (s) on my credit card statement will reflect the funds sent to Card Services, Ltd. on behalf of Vegas Book, Ltd., and for verification and signature on file purposes, I am enclosing a copy of my Driver's License and/or Passport and Credit Card. By signing and submitting this document I agree and acknowledge that the transaction (s) made against my Credit Card are final. Please call 1-888-765-9061 to verify that the fax copy was received clearly.

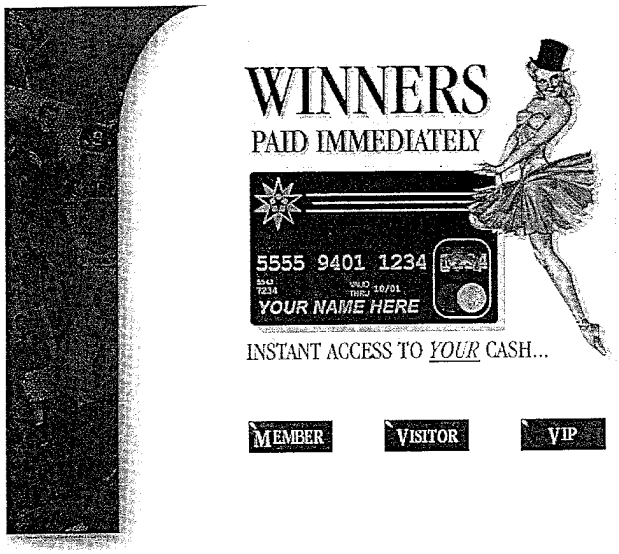
Card Holder Signature X_____ Date: _____

Please copy the front and back of your credit card here

Please copy the front of your drivers license or passport here.

WIRING INSTRUCTIONS

BANK NAME:	ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK, LTD. Central Street Basseterre, St. Kitts, W.I.
Swift BIC:	KNANKNSK
US Correspondent:	Bank of America International 100 S.E. 2nd St. Miami, Fl. 33131
ABA Number:	066 007 681
Credit to:	St. Kitts-Nevis-Anguilla National Bank Ltd.
Further credit:	British Trade & Commerce Bank
Account number:	41325
Final credit to:	(Your Account name and/or Account number and/or PIN number)


WINNERS
PAID IMMEDIATELY
5555 9401 1234
YOUR NAME HERE
INSTANT ACCESS TO YOUR CASH...
MEMBER
VISITOR
VIP

MEMBERS
CASINO
DAILY LINE
SIGN UP
HELP DESK
REWARDS
RULES
EMAIL
ABOUT US
LINKS
VIP

COMMONWEALTH OF DOMINICA

International Gaming Licence

A company, by the name CASINO DEL SOL LIMITED, incorporated under the International Business Companies (IBC) Act 1996, is hereby licensed to conduct international wagering, lotteries or games of chance from Dominica by way of telecommunications and/or the Internet subject to the provisions of the Lotteries Act, Chapter 20:12 of the Revised Laws of the Commonwealth of Dominica, 1990 and the contract of concession dated the sixth (5th) day of May, 1998.

This Licence is for one (1) years, commencing on the 6th day of May, 1998, and shall remain in effect until expiration or revocation.

Given under my hand this 6th day of May, 1998.

REGISTRY OF FINANCE, INDUSTRY & PLANNING
06 MAY 1999
COMMONWEALTH OF DOMINICA

JULIUS C. TIMOTHY
Minister for Finance, Industry and Planning.

Service & Fees

Register Online

Agent program

Dominica

Links

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IBCNOW.com

Welcome to IBCNow.com. Our web site is designed for individuals and/or corporations who desire the benefits of immediate confidential wealth preservation. In cooperation with the Government for the Commonwealth of Dominica, you can conduct a check to insure that the name for your International Business Corporation is available. Once you have determined the name - complete the remaining forms and we will reserve it for seventy two hours. To fulfill the process continue following the online registration steps. On receipt of your account opening forms, it generally requires one week for the completed documents and certificates to be returned. Please feel free e-mail us if you have any questions. To review the forms prior to signing up - please click on the Register Online Button.

IBC Name Check

Note:This service is made available to the general public as a service of the Government for the Commonwealth of Dominica. Any misuse or abuse of this system will be prosecuted to the fullest extent of the law.

A Company name must end with the word(s) Limited, Corporation, Societe Anonyme, Sociedad Anonima, or an abreviation thereof. The use of the words Finance, Trust, Bank, Insurance, Royal, or Imperial is not allowed.

Click on a letter below to jump to an alphabetical listing:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

OR Search the listings: Search

WORLDWIDE ASSETPROTECTION.ORG

Worldwide Asset Protection Web Ring

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This year, hundreds of individuals will take their first step towards ensuring their financial preservation through the internet registration services of IBCNow, Ltd. We welcome you to this exciting $ 4 trillion dollar industry and know that over time you will greatly appreciate its rich heritage, powerful political influences and unlimited commercial opportunities. At no time in history has the offshore industry witnessed such universal acceptance by the general public. Daily, thousands of sole proprietors and domestic corporations realize new profits and revenues from legitimate international re-incorporation. Our exciting services coupled with your independence, creativity and testimony will propel IBCNow to set the world's benchmark for offshore incorporation.

IBCNow's representative marketing program is simple. Our objective is to train and manage a limited number of self starters - not recruit thousands of opportunity seekers with promises of unlimited earnings. We focus and concentrate on the niches that are the most profitable, accessible, and responsive to our "people to people" method of marketing. For decades, offshore's core benefits were asset protection, tax minimization and freedom from regulation. As a representative, you can exponentially increase the number of positive prospects with the addition of internet banking, brokerage, web hosting, confidential e-mail, and on-line casino's. Our philosophy includes personal and corporate values of loyalty, honesty, and equal contribution as integral parts of our day-to-day operations. We respect your opinions, and whenever possible will try to fulfill your requirements. In return, we ask that you maintain a level of integrity and professionalism that is consistent with our policies.

The following lists each of the Companies background including their various services and the potential benefits to your clients.

British Trade and Commerce Bank

We welcome your participation in the new millennium of universal banking. After ten years of worldwide research, careful competitor review, and months of strategic planning, the founders of BTCB established the finest international banking corporation in the Commonwealth Of Dominica, West Indies. Within a few years of its 1996 charter, BTCB has risen to become the Caribbean's banking leader with innovative strategies fostering its customers' desire for asset protection and wealth preservation with a proven dividend. BTCB's solid foundation is the result of more than a century of executive expertise in accounting, portfolio management, securities trading, and project financing. Your clients will welcome their high yielding investment products including Certificates of Deposit, non-bordered Mutual Funds, and Annuities. Further, banking from the home or office has never been so convenient with complete web based account inquires, back to back invoicing, expense reporting, on-line brokerage services and a universal Credit Card offering immediate purchasing power from your clients' international bank account.

Product Type	Commissioned	Included in Group Sales
Credit Cards	Yes	Yes
Annuities	Yes	Yes
Certificates of Deposit	No	Yes
Mutual Funds	Yes	Yes
Bank Deposits	No	No*

* Except for the initial 90 day period - Quick Start Bonus

Ezwebhosting

Daily, the media heralds the rewards of internet commerce. Billions of potential consumers offer an unrestricted market for the cyber entrepreneur. The new frontier has forced Governments to hastily enact legislation, policies and laws to control the unforeseen future. Sensing a shifting paradigm, the directors of ezwebhosting began searching for strategic opportunities and alliances. After a year of investigation, planning and careful review, ezwebhosting unveiled its international web commerce center in the Commonwealth of Dominica. Our concept offers the internet community a safe and reliable alternative for generating and protecting income outside of their home country.

The cornerstone for ezwebhosting's electronic marketing is a five year old internet mall that draws thousands of daily customers. As a ezwebhosting client your product or services are immediately highlighted in our new vendor section. For clients already on the web, ezwebhosting offers an immediate impact through algorithms that bring your listing to the forefront of most search engines. Over time, we will help the client to cultivate link exchanges with noncompetitive sites, deploy banner advertising and position them in targeted news groups. Isn't it time that your clients capture the Internet wealth and earn dividends today?

Product Type	Commissioned	Included in Group Sales
Web Hosting	Yes	Yes
Server Co-location	Yes	Yes

Casino del Sol

Casino del Sol offers the savvy marketer the opportunity to open an internet business with worldwide appeal. Daily, millions of dollars are wagered by gamblers hoping that lady luck will grant them a fortune. With our casino program you eliminate chance by becoming the house. It is easy...we host your custom designed site from a high speed, state of the art secure server in the Commonwealth of Dominica with proprietary casino software proven as the industry's best. After designing the look for your casino, choose your games including Black Jack, Slots, Poker or Lil Baccarat. Each time one of your members logs in and plays, we track his/her winnings and losses and deposit the difference in your BTCB bank account.

Want to get into the sportsbook business? Casino del Sol offers a 24 hour secure and discreet package for the busy player who enjoys adding a little spice to the game. Your sportsbook's toll free call is greeted by highly trained professionals who understand the demand for speed and accuracy. Seasoned odd makers operate independently of large gaming chains and post some of the industry's most aggressive lines. Whichever you choose - on-line casino or sportsbook, your clients proven knowledge of marketing and customer acquisition, coupled with our reliability and secrecy guarantees ultimate financial success.

Product Type	Commissioned	Included in Group Sales
Internet Casino	Yes	Yes
Sports Book	Yes	Yes

Worldwide Asset Protection

Worldwide Asset Protection was organized to develop innovative methods for introducing the fundamental principles of wealth preservation to individuals and institutions wanting a life free from the pressures of regulation, litigation, and over taxation. Based in the Caribbean, World Wide Asset Protection is a not-for-profit organization ensuring that our decision making is unbiased and will never be tarnished by outside entities or governments. In parallel with your practice, we educate individuals and corporations on financial empowerment through sophisticated and legitimate wealth protection strategies.

Over the years, we have witnessed the desire for our profession to exchange and interact with its fellow members. Unfortunately, the supreme rule of confidentiality dictates an industry fostered in complete secrecy. Worldwide Asset Protection has harnessed the anonymity of

the Internet to provide a single source of timely news, articles, publications and discussion. As a member you are encouraged to participate freely and express your views and opinions on our web sites Message Board. Further, we offer a members' library section for the publishing of recent articles and editorials for viewing by thousands of potential clients. For those with existing websites, we can attract immediate attention to your site through our link exchange program and the first offshore "web ring". Welcome to the international on-line community for the next century.

Product Type	Commissioned	Included in Group Sales
Publications	Yes	Yes
Free E-mail	No	No

InSatCom, Limited

The centerpiece for our web partners and their clients is a high speed digital data center coupled with a fully redundant private satellite communication network. Licensed by Cable and Wireless and the Government of the Commonwealth of Dominica, InSatCom is the first private network offering encrypted data, internet web hosting, and reliable video transmissions from the Caribbean. InSatCom's nine meter satellite dish is able to simultaneously broadcast to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated because InSatCom operates its own proprietary software and hardware. Further, your customers' transactions and personal information are encrypted and retain complete confidentiality. Many of our larger partners co-locate their servers in our complex or contract our services as an emergency backup. Your clients enjoy the same benefits once only available to the richest and most technologically advanced corporations.

Product Type	Commissioned	Included in Group Sales
International Business Co.	Yes*	Yes
International Trust	Yes	Yes
Limited Family Partnership	No	Yes
Economic Passport	Yes	Yes

* Includes both the set-up fee and annual residual

Each Company offers a unique niche and has priced its services to be very competitive in the world market. As a representative you have access to the entire Group and are regularly updated to changes and new product introductions. For the first time in history, our Group has developed a legitimate means for individuals to generate offshore revenues and conduct business in an international arena where the client benefits far out weigh the insignificant changes to their daily business or personal affairs.

For more information - on the pricing for the various services or to become a Representative - contact us at

E-mail

Links

Our worldwide links

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Sample of wire transfers indicating BTCB involvement with Internet gambling

```
#### 02 #### FT PROD ####     FT INCOMING     ####NORMAL MSG/ACCTS ENTRY####
{3100} Sender: 021001033 BANKERS NYC          {2000} Amount:       $124,982.00
{3400} Receiver: 067010512 SECURITY N LAUDER  {3600} Bus Function Code: CTR
{1510} Type Code:          1000
{5000} Originator:         GLOBAL INTERTAINMENT
                           TECHNOLOGIES LIMITED
{6000} ORG to BNF Info:    FEES DEDUCTED $18.00
{5100} Originator's FI:    [redacted]
                           OVERSEAS TRUST BANK LTD
                           32/F WU CHUNG HOUSE
                           213 QUEEN'S ROAD EAST
                           WANCHAI, HONG KONG
{4200} Beneficiary:        [redacted]
                           CYBERBETZ INC
                           P O BOX 2153 BELFAST COMMONW-
                           EALTH OF DOMINICA WEST INDIES
                           TEL 888-268-8888
{4320} Ref for BNF:        [redacted]
{4100} Beneficiary's FI:   D240010140001
                           BRITISH TRADE AND COMMERCE
                           BANK EMENS BLDG DAME EUGENIA
                           CHARLES BLVD BAYFRONT ROSEAU
                           DOMINICA SWIFT BTCBDMDN
{1520} IMAD:               20000324B1QB384C001070
{3320} Sender Ref:         032423677500107 0
{1110} Timestamp:          0324 0811FT01
{1120} OMAD:               20000324F60C611C000000203240811FT01
################
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Faxed

6

Redacted Information in Subcommittee Files

In 3240006

Fax

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#### 02 #### FT PROD ####     FT INCOMING      ####NORMAL MSG/ACCTG ENTRY####
(3100) Sender: 021000021 CHASE NYC            (2000) Amount:        $103,523.15
(3400) Receiver: 067010512 SECURITY N LAUDERD (3600) Bus Function Code: DTR
(1510) Type Code:          1000
(5000) Originator:         E.F.S CARIBBEAN INC.
(5100) Originator's FI:    [redacted]
                           SWISS AMERICAN BANK LIMITED
                           HIGH STREET, P O BOX 1302
                           SAINT JOHNS ANTIGUA
(4200) Beneficiary:        INT'L GAMING LTD
                           A/C- [redacted]
(4320) Ref for BNF:        CAP OF 99/12/08
(4100) Beneficiary's FI:   BRITISH TRADE AND COMMERCE BANK
                           A/C- 940010140001
(1520) IMAD:               19991208B1QGC02C005073
(3320) Sender Ref:         0509000342JN
(1110) Timestamp:          12081446FT01
(1120) OMAD:               19991208F6QC611C000001012081446FT01
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Redacted Information in Subcommittee Files

IN 912090004

Inbound Message for IN 912140017

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#### 02 #### FT PROD                #### FT INCOMING #########
{3100} Sender:   122000496 UNION LA AKA UBOC{2000} Amount: $250,000.00
{3400} Receiver: 067010512 SECURITY N LAUDER{3600} Bus Function Code:
{1510} Type Code:                  1000
{5000} Originator:                 BRENDA J. WILLIAMS
                                   DBA-VIRTUAL GAMING ENTERPRISES
                                   2580 SEA SCAPE GLEN
                                   ESCONDIDO, CA 92026
{6000} Org to Bnf Info:            TO THE FINAL CRD OF VIRTUAL GAMING
                                   ENTERPRISES
{4200} Beneficiary:                D040010140001
                                   BRISTISH TRADE AND COMMERCE BANK
                                   BAYFORT ROSEAU
                                   COMMONWEALTH OF DOMINICA WEST AND
                                   EAST
{6410} Beneficiary's Adv Info:     WRE
{1520} IMAD:                       19991214L2LFUN2C001189
{3320} Sender Ref:                 991214033430
{1110} Timestamp:                  12141351FT01
{1120} OMAD:                       19991214F6QC611C00001012141351FT01
#################
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BRITISH TRADE AND COMMERCE BANK (BTCB)
ACCEPTANCE OF WIRE TRANSFERS INVOLVING
VIRTUAL GAMING ENTERPRISES INC.
(August 1999 - March 2000)

ORIGINATOR OF WIRE TRANSFER	BENEFICIARY	AMOUNT & DATE
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB* for final credit to Virtual Gaming Enterprises Inc.	$90,000 8/18/99
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises Inc.	$300,000 12/8/99
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises	$250,000 12/14/99
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises	$100,000 12/23/99
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises	$150,000 2/8/00
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises	$150,000 2/17/00
Brenda J. Williams DBA Virtual Gaming Enterprises	BTCB for final credit to Virtual Gaming Enterprises	$150,000 3/23/00

TOTAL WIRE TRANSFERS **$1,190,000**

*All wire transfers were sent to Security Bank N.A. in Florida, for deposit into BTCB's correspondent account at that bank, and identified Virtual Gaming Enterprises as the ultimate beneficiary of the funds.

Prepared by the U.S. Senate Permanent Subcommittee on Investigations, December 2000

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The San Diego Union-Tribune

View Related Topics

September 19, 1999, Sunday

SECTION: BUSINESS Pg. I-2

LENGTH: 1029 words

HEADLINE: **Gaming** firm faces long odds in shaking shady ties

SOURCE: Union-Tribune Library researchers Beth Wood and Dick Harrington assisted with this column.

BYLINE: DON BAUDER

BODY:

Escondido's Virtual **Gaming** Enterprises, or VGE, wants to jettison relationships with people of dubious repute.

It's not going to be easy.

That's particularly true because last week, the Securities and Exchange Commission, investigating the company for stock sale fraud, announced that U. S. district court has found the company in contempt for not providing documents. VGE is being fined $5,000 a day until it complies.

The company is a cyber-gambling operation, licensed in Dominica in the Caribbean, with several casino sites and an emphasis on pro sports gambling.

Virtual **Gaming** Enterprises is not affiliated with Virtgame.Com Corp., which was formerly known as Virtual **Gaming** Technologies Inc.

VGE's chief executive, **Virgil Williams,** has direct ties to convicted stock manipulator Melvin Lloyd Richards, who was sentenced to 27 months in prison in late 1997, 10 years after a Los Angeles conviction. **Virgil Williams'** son, Joseph, former VGE chief executive, also has Richards ties, as does the company's former attorney.

More on the Richards relationships later. A number of other people with questionable backgrounds have been filing papers with the SEC, saying they intend to dump their shares in VGE.

This is at the very time that these people have run afoul of the SEC.

Some history is in order. In May of 1998, the company, then named Interbet, filed a 10-K statement with the SEC. The document noted that Interbet in its founding had relied heavily on a company headed by Burton Vishno, who utilized the expertise of Stanley T. Deck Sr., Edward Durant (aka Durante) and Walter Zink.

The document noted that Durante had been barred by the National Association of Securities Dealers in 1975, and had been convicted of grand larceny and forgery, among other things.

Vishno had been convicted of wire fraud in 1983 and had signed a consent decree with the SEC barring him from the securities industry in 1987.

Zink was under a consent decree barring him from selling business opportunities, and Deck had been disciplined by the NASD.

The company wanted to cleanse management of "persons with prior criminal convictions," said the document. Later that year, as recorded in an SEC filing on June 16, the Vishno group resigned and the company got its new name.

On Aug. 31 of this year, the new company filed another report with the SEC. **Virgil Williams** had replaced his son as chief executive.

Earlier that month, the SEC, as part of a major campaign against micro-cap stock fraud, alleged that Durante (aka Durant) and Vishno, among others, had manipulated the shares of a former San Diego company.

Relief defendants in the matter included Zink, Deck and Edward Durante's wife, Janice Sheeley Durante. The SEC seeks return of proceeds from the illegal scheme by the relief defendants, who don't get hit with some of the other charges.

Lo and behold, right around the time of the SEC charges, these individuals had filed papers expressing intention to dump their shares in VGE.

On Aug. 18, Durante filed his intention to dump 428,250 shares; on August 5, Vishno filed to dispose of 117,473; on June 30, Zink filed to unload 428,250.

VGE's current lawyer, David Jarvis of Las Vegas, doesn't know if these registrations to sell shares have become effective. And he does not believe that the individuals named in the SEC complaint have anything to do with VGE anymore. Further, he is recommending that the Aug. 31, 1999, SEC filing be withdrawn, but he won't say why.

Interestingly, in that filing -- less than a month ago -- the company's lawyer was listed as Jeffrey Bradpiece.

Bradpiece had been the lawyer in the public offering of a San Diego stock, On Queue, financed by Melvin Lloyd Richards' investment group. Bradpiece had also been an attorney for Richards' Palm Springs-based Tampa Bay Corp.

Jeffrey Bradpiece's brother, Sidney Bradpiece, had pleaded guilty in the uranium scam in which Richards was convicted in Los Angeles in 1987. Jarvis says he knows nothing of Bradpiece.

It's Jarvis' understanding that **Virgil Williams** has had only a "very limited," affiliation with the Richards group, working for Richards' Alco International for a short period.

But I followed the Richards saga closely. One of the more bizarre adventures occurred in 1993, when some investors, calling themselves the Scottsdale Group, announced intention to assert more control over Alco. Skeptics thought it was a ploy to look like a takeover attempt.

In that group were relatives and friends of Richards and of other Alco officials. And one member was **Virgil Williams,** president of Pathfinder Corp., which had been financed by -- you guessed it -- Richards' San Diego group.

Another member of the group was James S. Ross, who later pleaded guilty to helping Richards and a crony evade taxes in 1991 and 1992. Anthony Elgindy of Pacific Investigations points out that in one VGE news release, the Kingsford Group was listed as public relations consultant. When you called Kingsford, Ross replied on the answering machine, says Elgindy, who has a 200-share short position in VGE stock.

In the early 1990s, Elgindy worked at a brokerage house, Armstrong McKinley, that was concentrating on stocks that the Richards group had financed. Joseph Williams was a broker there, says Elgindy. Later, Joseph Williams moved to Desert Mountain Securities, which also was specializing in Richards stocks, according to NASD records.

According to Gambling Magazine, VGE is a licensee of Starnet Communications, a cyber-gambler that recently switched its headquarters from Vancouver to Antigua, home of its virtual **gaming** operations.

Last month, after an 18-month investigation, British Columbia police raided Starnet, seeking information on alleged gambling and pornography. Also last month, the company's auditor, Ernst & Young, quit.

"There is no formal relationship between Virtual **Gaming** and Starnet," says Jarvis, who, however, doesn't say the Gambling Magazine report is incorrect. The two companies use the same software, he says he believes.

Don Bauder's e-mail address is don.bauder@uniontrib.com

LANGUAGE: ENGLISH

LOAD-DATE: September 19, 1999

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The San Diego Union-Tribune

May 5, 2000, Friday

SECTION: BUSINESS;Pg. C-1

LENGTH: 644 words

HEADLINE: For Virtual **Gaming,** life is like a house of cards

BYLINE: DON BAUDER; Union-Tribune library researcher Denise Davidson assisted with this column.

BODY:
Escondido's Virtual **Gaming** Enterprises has filed government papers to become a fully reporting company -- and it's clear that it should not be named Virtuous **Gaming** Enterprises.

The Internet gambling company, based in a home on Seascape Glen, averred in its 10KSB filing with the Securities and Exchange Commission that it "is not currently involved in litigation."

The company had been the subject of an SEC probe "regarding a cease-and-desist proceeding and stop-order proceeding" for possible violations of securities laws, says the filing. But without admitting or denying the SEC's charges, the company agreed to stop committing any violations, says the filing.

But that's news to the SEC. "There has been no enforcement action," says Kelly Bowers, SEC official in Los Angeles.

It is a matter of public record that the SEC has been looking into Virtual **Gaming** Enterprises. "We issued a subpoena and got a court to enforce the subpoena," says Bowers. As reported here last year, a federal judge found the company in contempt for not providing documents.

Yesterday, the company's chief executive, Virgil Williams, was perplexed by the SEC's statement. He called his lawyer, as did I, but by day's end, there was no explanation.

There are other provocative nuggets in the company's SEC filing. "In October 1995, a federal district court found Mr. Williams liable for securities fraud and ordered him to pay a joint and several judgment of $26,987,721," confesses the 10KSB.

This was for his role in the notorious Alco International Group caper. The main villain was former San Diego stock manipulator Melvin Lloyd Richards, who went to prison for two years over Alco matters, and a month after emerging last January was sent back to prison as a securities fraud recidivist.

Williams claims he was only on the Alco board for a few months, and made procedural mistakes that got him included in the final judgment.

Then, according to the 10KSB, Williams filed for (Chapter 7) bankruptcy in 1997. "It was precipitated by the judgment," he says.

The attorney who won the judgment, Daniel J. Mogin, says, "A fraud judgment is not dischargeable in bankruptcy," and besides, he was never notified of Williams' Chapter 7. "You can't have a secret bankruptcy. You have to give notice to creditors." Mogin says Williams has paid none of the judgment.

According to the 10KSB filing, **Williams'** wife, **Brenda,** is the only other official of the company, serving as secretary and treasurer. In 1999, he made $165,000 and she made $64,167 although the company at that point had never had any revenues and had a cumulative deficit of $331,719.

She went into bankruptcy at the same time he did. According to the 10KSB, they had both attended

Ambassador College in Pasadena, a now-defunct religious institution affiliated with the Worldwide Church of God.

In recent months, the company has pumped out news releases announcing its purchases of new Internet gambling sites. It now has a sports book, simulated casinos, etc., and had its first revenues ($25,000) last month, says Williams.

There is one mystery. Recently, several people have received offers to buy restricted stock in Virtual **Gaming** for $3 at the time that unrestricted stock was selling between $10 and $20. Williams claims that he did a stock option deal with a Bangkok company, and that company then did a deal with a Florida brokerage that is peddling the cheap stock, and he wants it stopped.

Philip M. Harrison of American Express Financial Advisors told his client, Walter Pagels, not to nibble on the $3 offering. Pagels turned down the deal, and a telemarketer called back: "He got abusive, (and) said, 'You don't have the backbone to do this,' and hung up," recalls Pagels.

Don Bauder's email address is don.bauder@uniontrib.com

LANGUAGE: ENGLISH

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1874

VIRTUAL GAMING ENTERPRISES INC

Filing Type:	**10KSB**
Description:	**Annual Report**
Filing Date:	**Sep 14, 2000**
Period End:	**May 31, 2000**

Primary Exchange:	**Over the Counter Includes OTC and OTCBB**
Ticker:	**VGAM**

Data provided by EDGAR Online, Inc (http://www.FreeEDGAR.com)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-KSB

[X] Annual report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended May 31, 2000.

[ ] Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934.

COMMISSION FILE NUMBER: 33-55254-43

Virtual Gaming Enterprises, Inc.
(Exact name of registrant as specified in its charter)

Nevada (State of Organization)	87-0485308 (I.R.S. Employer I.D. No.)
2580 SEASCAPE GLEN, ESCONDIDO, CA (Address of Principal Executive Offices)	92026 (Zip Code)

Registrant's Telephone Number, Including Area Code:
(760) 510-0188

Check whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.
[ ]

There were no revenues during the initial year of operations as the Company focused on web site and casino development.

The aggregate market value of the voting stock of the registrant held by non-affiliates of the Registrant, based upon the closing price of the Common Stock on the OTC Bulletin Board on May 31, 2000, was approximately $97,380,487. The number of shares outstanding of the registrant's common Stock as of May 31, 2000 was 8,287,701.

Note: If a determination as to whether a particular person

or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided that the assumptions are set forth in this form.

2,576,322 Common Shares, $0.001 Par Value, Issued and Outstanding

Transitional Small Business Disclosure Format: Yes[ ] No [X]

DOCUMENTS INCORPORATED BY REFERENCE

Document of the Registrant	Form 10-KSB Reference Location
None	N/A

Virtual Gaming Enterprises, Inc.

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PART I

This Report contains forms of forward-looking statements that are based on the Company's beliefs as well as assumptions made by and information currently available to the Company. When used in this report, the words "believe," "expect," "anticipate," "estimate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions, including without limitations, material risks factors such as inadequate working capital, auditors qualification as to going concern, recent commencement of operations, lack of market acceptance to date for the Company's products and services, nominal

- revenues to date, continuing losses from operations, future growth of revenue and threat of regulation of Company's business. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results will vary materially from these anticipated, estimated, or projected and the variations may be material. The Company cautions potential investors not to place undue reliance on any such forward-looking statements all of which speak only as of the date such statement was made.

Item 1. Business

Virtual Gaming Enterprises, Inc. was incorporated June 1, 1998, under the laws of the State of Nevada. Mr. Joseph M. Williams acted as President for approximately two weeks before Mr. Virgil G. Williams assumed the daily responsibility of President and continues in that capacity to present.

On June 11, 1998, Virtual Gaming Enterprises, Inc. ratified a plan of Merger with Interbet, Inc. Upon successful completion of the merger, Virtual Gaming Enterprises, Inc. was named the succeeding entity and the name was changed to Virtual Gaming Enterprises, Inc. The Company was formed to purchase, manage, develop, market, and resell casino style Internet games that will allow players to wager.

Initial business development efforts involved exploring potential contracts with various Indian tribes. These agreements with Indian Tribes proved to be too difficult to bring to market. The Company then chose to purchase developed technologies with existing casino licenses.

The Company purchased Hung-Sai Ltd., an International Business Corporation, now a fully owned subsidiary of Virtual Gaming Enterprises, Inc. Hung-Sai is the business of on-line gaming.

The Company, through it's subsidiary, purchased one casino in December of 1998 called Classic Bet. Classic Bet is a traditional on-line casino that requires the loading of software on the player's computer. Classic Bet has a suite of Multimedia games including Black Jack. Promotion of Classic Bet is done primarily through mass mailing of CD with the games on them. Once the software suite has been loaded, the player can log in to their secure account with a user name and password.

In November of 1999 the Company purchased a Theme Park of 18 games that are simple, secure and player friendly. Players can choose from Black Jack, Video Poker, Lil' Baccarat, and/or slot machines. Players have the ability to register once and play in many different themed casinos. Using at least a 56k modem players can begin playing in less than two minutes. The Company has eliminated the days of downloading software or waiting for a CD in the mail. Our players do not install any software. Anyone with Netscape or Internet Explorer 4.x browsers can easily access and play the Java-based games. Players can always find a table or slot machine because an unlimited number of openings are dynamically created for each member who enters the casino. Players enjoy the same advantages of traditional casinos conventional gaming software that reshuffles the deck after each hand. The Company's software plays up to six decks before shuffling.

The Company holds a 20% (twenty percent) interest in a Sports Book business, Vegasbook.com, also licensed and operated exclusively on the Island of Dominica. Vegas Book maintains an 800 number that allows players to submit sports wagers by phone using secure passwords and user names.

All deposits are escrowed with a large Dominican off shore bank insuring that the player's account remains solely available for their wagers. Membership is protected from all outside inquiries by the Offshore Privacy Act of 1995 and sets severe penalties for any release of information. It has never been easier or safer to bring the excitement of legitimate casino gaming into the player's home or office.

Network Services are provided through InSatCom, Ltd. InSatCom offers a high-speed digital data center coupled with a fully redundant private satellite communication network. Licensed by Cable and Wireless and the Government of the Commonwealth of Dominica, InSatCom is the first private network offering encrypted data, Internet web hosting, and reliable video transmissions from the Caribbean. InSatCom's nine-meter satellite dish is able to simultaneously broadcast to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated because InSatCom operates its own proprietary software and hardware. Player's wagers and transactions are encrypted to retain complete confidentiality.

On March 23rd, 2000, The Company purchased a 10% interest in www.global-shopping.net, a division of EBB, USA Inc. for $50,000 in cash. EBB USA is a member of the world's largest barter service with offices worldwide. The Company believes there is potential in using "cybercash" for gaming purposes in its current casinos and sports book.

Item 2. Properties

The Company neither owns nor leases any real property. Virgil G. Williams, President and a Director of the Company provide office facilities and related services, without charge. The Company's principal place of business is located at 2580 Seascape Glen, Escondido, CA 92026.

Item 3. Legal Proceedings

On or about June 11, 1999, the United States Securities and Exchange Commission initiated a proceeding in the United States District Court, Southern District of California, against the Company seeking to hold the Company in Civil Contempt for failure to respond to a Subpoena issued by the Commission. The Court granted the Commission's request and issued an Order that sanctioned the Company Ten Thousand ($10,000.00) Dollars per day until such time as it complied with the Commission's Subpoena.

Subsequent to the Company's compliance with the Commission's Subpoena, the Company and the Commission entered into a Stipulation and Order whereby the Company, having purged itself of the civil contempt citation, agreed to pay and did pay Ten Thousand ($10,000.00) Dollars as a sanction. The Stipulation and Order was signed by the Court and filed on or about November 18, 1999.

Virtual Gaming Enterprises, Inc., and its President,

Virgil Williams, in or about May, 2000, submitted Offers of Settlement to the United States Securities and Exchange Commission that stemmed from certain matters reviewed by the Commission.

The Company, without admitting or denying any wrongdoing, consented to entry of an Order by the Commission that:

A) Orders it to cease and desist from committing or causing any violation, and any future violation, of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder; and

B) Orders the effectiveness of Virtual Gaming's Form S-8 be suspended.

On July 24, 2000, the Company and the Commission agreed to modify a portion of this Offer of Settlement to reflect that, "As a result of Virtual Gaming's failure to meet its reporting obligations, the Form S-8 never became effective."

Virgil Williams, without admitting or denying any wrongdoing, consented to entry of an Order by the Commission that:

A) Orders him to cease and desist from committing or causing any violation, and any future violation, of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Both of these Offers of Settlement have yet to be acted upon by the Commission.

In a civil proceeding filed in the United States District Court for the Eastern District of New York in January 2000, identified by Case Number 00 CIV 0276, Platinum I.T. Consulting, Inc., and Edward Marian, alleged that Virtual Gaming Enterprises, Inc., Virgil Williams, Brenda Williams and others violated Section 12(1) of the Securities Act, Violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Breached their Contract(s) with Plaintiff(s), Fraudulently Induced Plaintiff(s) to purchase the Company's securities, Converted Plaintiff(s) funds, and were Unjustly Enriched at Plaintiff's expense. Plaintiffs sought damages in excess of Five Million ($5,000,000.00) Dollars.

The Company deemed it in its best interest to resolve this matter, as the costs and fees for defense would largely outweigh the costs of resolution. Accordingly, without admitting or denying the allegations in the Complaint, the Company and Virgil and Brenda Williams entered into a Settlement and Consent Judgment whereby they agreed to compensate the Plaintiffs in the amount of $170,00.00 within 75 days of the effective date of the Settlement and Consent Judgment.

Due to the hospitalization of the Company's President Virgil Williams, the Company did not make payment as required under the Settlement and Consent Judgment. As a result, and by the terms and provisions of the Settlement and Consent Judgment, the Settlement Obligation has increased to $250,000.00. The Company expects to remit this amount to the Plaintiffs, in care of Plaintiffs' Attorney, in short order.

On February 14, 2000, the State of Indiana, Office of the Secretary of State, Securities Division, filed an Administrative Complaint against Virtual Gaming Enterprises, Inc., Virgil Williams and others, alleging that all Respondents sold and/or offered for sale certain securities in violation of Indiana State Law. On this same date, the Indiana Securities Division requested and received a Cease and Desist Order.

On March 2, 2000, Virtual Gaming Enterprises, Inc., and Virgil Williams filed their Answer and Affirmative Defenses to the Administrative Complaint and demanded an immediate administrative hearing pursuant to the terms and provision of the Indiana Securities Act that requires a hearing to be set within 45 days of the Indiana Securities Division. Virtual Gaming Enterprises, Inc., and Virgil Williams have and do expressly deny any and all allegations made against them in the Administrative Complaint.

Counsel for the Company and Mr. Williams, having not had a response to the hearing demand, provided the Indiana Securities Division a second copy of the Answer and Affirmative Defenses and Demand for Hearing via facsimile on March 17, 2000. Subsequent to March 17, 2000, Counsel for the Company made several attempts to contact the Indiana Securities Division via telephone, leaving messages for the Deputy Commissioner, Enforcement, who apparently is responsible for this proceeding. The Indiana Securities Division has never responded to the Demand for Hearing or the telephonic inquiries of counsel.

Finally, in January or February 2000, Virtual Gaming Enterprises, Inc., was named as a Defendant in a Complaint for Interpleader filed in the Third Judicial District Court in and for Salt Lake County, State of Utah, and identified as Civil No. 000901201. Therein, National Stock Transfer, Inc., the transfer agent for the Company's Stock, due to competing demands for certain certificates. This action remains pending.

Item 4. Submission of Matters to a Vote of Security Holders

The only matter submitted to the shareholders of the corporation was the matter of the Plan of Merger with Interbet, Inc., such plan being effective as of June 11, 1998. The Merger was approved by a majority vote of 13,136,539 votes in favor of the Merger out of the 25,000,000 total outstanding at the time of the vote. The Articles of Merger were filed with the Sate of Nevada pursuant to the provisions of NRS 78-458, the Domestic and Foreign Corporation Laws.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's Common Stock is listed on the Over the Counter Bulletin Board under the symbol "VGAM". The following table sets forth the high and low closing prices of the Company's Common Stock for each calendar quarter since March 31, 1998. These quotations reflect inter-dealer prices, without retail mark-up or commissions and may not represent actual transactions.

Date	Low		High
March 31, 1998	.01	-	.10
June 30, 1998	.01	-	.10
September 30, 1998	.10	-	.87
December 31, 1998	.10	-	.87
March 31, 1999	.75	-	2.50
June 30, 1999	3.00	-	5.00
September 30, 1999	5.00	-	9.87
December 31, 1999	8.50	-	10.37
March 31, 2000	15.00	-	18.50
June 30, 2000	1.12	-	16.87

During the period reported in this 10-KSB, certain securities were sold by the company and/or the Company's President, Virgil Williams. Some of the securities were sold in Reliance on Regulation S, others were sold in private transactions by Virgil Williams wherein certain of Mr. Williams' shares were sold in private transactions and others were sold in reliance on an exemption from registration afforded by Regulation D. The Company and Mr. Williams are currently in the process of compiling these sales and will report them in an amendment to this Form 10-KSB.

Item 6. Management's Discussion and Analysis or Plan of Operation

NOTE: REGARDING PROJECTIONS AND FORWARD LOOKING STATEMENTS

This statement includes projections of future results and forward looking statements as that terms is defined in Section 27A of the Securities Act of 1933 as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements that are included in this 10-KSB, including statements of historical fact, are forward looking statements. Although Management believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors could cause actual results to differ materially from the expectations disclosed in this statement, including without limitation, in conjunction with those forward looking statements contained in this statement.

Virtual Gaming has taken an "off-line" approach to marketing to the end users or players. The Company has focused efforts in print, radio, developed an affiliate program and, instituted countless direct marketing programs. The Company has chosen not to focus on banner advertisement as our sole marketing efforts. The Company plans to separate itself from other on-line casinos with this unique marketing approach.

Through strategic partnerships, Virtual Gaming will be in the business of selling turnkey solutions to prospective casino owners. The Company has refined the licensing and connectivity issues that a new casino entrepreneur might find insurmountable. Moreover, the Company has tested, enhanced, and developed reporting features that a casino operator must have. The Company has partnered with a creative staff to offer custom themes to what the prospective casino owner might want.

The Company intends to develop casinos in non-English languages. The Internet will allow the Company to reach new markets. The Company will then aggressively market Internationally. The Company should benefit initially from listings in new search engine technologies outside of the U.S.

The Company should benefit from adding new functionality to the games hosted in Dominica. The Java-based games will make new features easy and fast to implement. All changes are made at the server level and can be enjoyed by the players immediately. The existing software development team is currently testing new features such as chat rooms, message boards, and the addition of sound. The Company continues to test and enhance games based on player feedback

Item 7. Financial Statements

See Independent Auditors Report, Balance Sheet, Statement of Operations, Statement of Stockholders' Equity, Statement of Cash Flows and Notes to Financial Statements, included herein and made a part of this report.

Item 8. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

There have been no disagreements with the accountants or the accounting and financial disclosure.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

Virgil G. Williams

Mr. Williams was born in Cameron, Texas on February 10, 1948. His formative years were spent in North Central and East Texas. Attending private school in East Texas for primary and secondary schooling, Mr. Williams was heavily involved in scholastic and athletic programs.

Graduating at the top of his class in 1966, Mr. Williams applied for and was accepted to Ambassador College in Pasadena, California. Graduating near the top of his class in 1970, Mr. Williams was offered a position with the faculty teaching Advanced Speech & Communications courses to selected classes.

Two days following his graduation, Mr. Williams married his current wife of 30 years. Mr. Williams taught classes while completing his post Graduate work in Education/Speech & Communication in 1974. The Williams' son, Joseph Matthew was born in September 1971 and their daughter Jacquelyn Renae was born in May 1976.

Mr. Williams resigned from his position in August 1980 and moved to Richmond, VA where he formed Consolidated Resources, Ltd. and worked in the asset management business. Working with assets of clients in excess of 100 Million Dollars, Mr. Williams enjoyed expanding his base of knowledge in various arenas of finance, which included working with public stock.

Realizing the potential of the public arena, Mr. Williams

took a position with a public Company in San Diego, CA in 1991- 1994. Returning to the private sector, Mr. Williams continued to work with public companies on a consulting restructuring basis for the next three years.

Mr. Williams filed for personal bankruptcy on October 20, 1997 and was discharged on December 30, 1997. In October, 1995, a federal district court found Mr. Williams liable for securities fraud and ordered him to pay a joint and several judgment of $26,987,721 in re: Alco International Group, Inc. This judgment was included in and discharged pursuant to the federal bankruptcy laws.

Virtual Gaming Enterprises was incorporated in Nevada in June 1998 and Mr. Williams was named Chairman of the Board and President within the first month of operation and has continued in that capacity to the present.

Brenda J. Williams

Brenda Williams was born in Wichita, Kansas on February 23, 1949 and resided in the Wichita area until her graduation from high school in 1967.

Majoring in education at Ambassador College in Pasadena, California, Ms. Williams held offices in Women's Clubs and was the captain of the track team for two years. Graduating in 1970, Ms. Williams was married and has remained so for almost 30 years.

Working as an office manager for an engineering Company while her husband was in graduate school, Ms. Williams gave birth to her first child, Joseph Matthew in September 1971. Her second child, Jacquelyn Renae was born in May 1976.

Ms. Williams has given considerable time to volunteer services in children's schools and churches. She has also served on library boards and has continued over the years to work in adult literacy programs on both the East and West Coasts.

Presently serving as a Director and Secretary/Treasurer of Virtual Gaming Enterprises, Inc., Ms. Williams has continued her postgraduate work in psychology at local colleges. Declaring personal bankruptcy in October 1997, which was discharged in December 1997, was the result of her efforts involving business transactions that required the assets shared with her husband.

Ms. Williams continues her efforts in volunteer work and working daily in the corporate office.

Item 10. Executive Compensation

		Annual Compensation		
Name and position	Year	Salary	Bonus	Other Annual Compensation
Virgil G. Williams	1998	$ 24,800.	-0-	
President & CEO	1999	$165,000.*	-0-	
	2000	$198,333.	-0-	
Brenda J. Williams	1998	$ 6,200.	-0-	
Secretary & Treasurer	1999	$ 64,167.*	-0-	
	2000	$ 79,167.	-0-	

		Long Term Compensation		
Name and position	Restricted Stock Award(s)($)	Options**/ SARs ($)	LTI Payouts ($)	All Other Compensation ($)
Virgil G. Williams	1998	$160,000.	-0-	-0-
President & CEO	1999	-0-	-0-	-0-
	2000	-0-	-0-	-0-
Brenda J. Williams	1998	$55,000.	-0-	-0-
Secretary & Treasurer	1999	-0-	-0-	-0-
	2000	-0-	-0-	-0-

*The above figures represent Accrued Salaries for fiscal year ended 5/31/99. Of the amounts listed, $12,200 was paid to Virgil Williams and $3,050 was paid to Brenda Williams. The balance remains accrued and due to the officers.

**The above referenced stock options have been duly approved, but have neither been exercised nor distributed.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information relating to the beneficial ownership of the Company's common stock by those persons holding beneficially more than 5% of the Company's common stock. The only holders of more than 5% of the Company's Common Stock are the directors and executive officers.

Title of Class	Name & Address	Amount and Nature of Beneficial Shares	Share Percentage of Ownership
Common	Brenda J. Williams 2580 Sea Scape Glen Escondido, CA 92026	20,000(1)	.2%
Common	Brenda J. Williams 2580 Sea Scape Glen Escondido, CA 92026	1,853,333(2) options(4)	18.8%
Common	Virgil G. Williams 2580 Sea Scape Glen Escondido, CA 92026	5,333,333(3) options(4)	54.7%

(1) These shares were issued pursuant to the Plan of Merger.
(2) Have not been issued, although she has the vested rights to these shares pursuant to her employment agreement.
(3) Have not been issued, although he has the vested rights to these shares pursuant to his employment agreement.
(4) Assuming the issuance of these shares, the total outstanding shares would be 2,576,332, plus 7,180,666 for a total of 9,756,998, the number upon which the

percentage of ownership is figured.

Item 12. Relationships and Related Transactions

As aforesaid, the Company neither owns nor leases any real property. Office facilities and related services are provided without charge by Virgil G. Williams, the Company's President. The Company's principal place of business is located at 2580 Seascape Glen, Escondido, CA 92026. These accommodations are currently being provided to the Company, without charge, by Mr. Williams.

No compensation of directors or executive officers has been paid by the Company to date. The officers and directors of the Company are reimbursed for out-of-pocket expenses incurred on the Company's behalf. While the Company anticipated compensating Messrs. Williams and Williams beginning January 2000, the same has not yet begun to occur.

At this time, there are no additional relationships or related transactions to be reported.

Item 13. Exhibits and Reports of Form 10-KSB

Exhibit 2:	Plan of acquisition, reorganization, arrangement, liquidation, or succession
Exhibit 3:	Articles of Incorporation (Incorporated by Reference)
Exhibit 4:	Instruments defining the rights of security holders including indentures (N/A)
Exhibit 9:	Voting Trust Agreement (N/A)
Exhibit 10:	Material Contracts
Exhibit 11:	Statements re: computation of per share earnings
Exhibit 13:	Annual or quarterly reports, Form 10-QSB
Exhibit 16:	Letter on change in certifying accountant (N/A)
Exhibit 18:	Letter on change in Accounting Principals (N/A)
Exhibit 21:	Subsidiaries of the registrant
Exhibit 22:	Published report regarding matters submitted to vote (N/A)
Exhibit 23:	Counsel of experts and counsel (N/A)
Exhibit 24:	Power of Attorney (N/A)
Exhibit 27:	Financial Data Schedule
Exhibit 99:	Additional Exhibits (N/A)

Item 14. Independent Auditor's Report

Item 7. Financial Information

VIRTUAL GAMING ENTERPRISES, INC.

(A Development Stage Enterprise)

AUDITED FINANCIAL STATEMENTS

For the Years Ended May 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Virtual Gaming Enterprises, Inc.
Escondido, California

We have audited the accompanying balance sheets of Virtual Gaming Enterprises, Inc., a development stage enterprise, as of May 31, 2000 and 1999 and the related statements of operations, stockholders' equity (deficiency) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virtual Gaming Enterprises, Inc. as of May 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has experienced a loss since inception. The Company's financial position and operating results raise

substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/Gately & Associates, LLC
Orlando, Florida
August 21, 2000

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Virtual Gaming Enterprises, Inc.
(A Development Stage Enterprise)
Balance Sheets
May 31,

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash	$ 109,142	$ 0
Advance receivable related party	62,333	14,824
Total current assets	171,475	14,824
PROPERTY AND EQUIPMENT		
Equipment	5,000	5,000
Less: accumulated depreciation	(2,500)	(833)
Total property and equipment	2,500	4,167
OTHER ASSETS		
Intangible assets	3,180,000	60,000
Less: accumulated amortization	0	0
Net intangibles	3,180,000	60,000
Investment - EBB Venture Capital	50,000	0
Investment - Vegas Book, Ltd	320,000	0
Total other assets	3,550,000	60,000
Total Assets	$3,723,975	$ 78,991
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Bank overdraft	$ 0	$ 5,251
Accrued salaries payable	204,007	172,967
Short-term notes payable	1,252,000	0
Total current liabilities	1,456,007	178,218
Total Liabilities	1,456,007	178,218
STOCKHOLDERS EQUITY (DEFICIENCY)		
Common stock, $0.001 par value, authorized 25,000,000 shares; 8,287,701 and 2181,822 issued and outstanding shares	8,288	2,182
Additional paid-in capital	3,393,963	230,310
Deficit accumulated during the development stage	(1,134,283)	(331,719)
Total Stockholders Equity (Deficiency)	2,267,968	(99,227)

Total Liabilities and Stockholders Equity (Deficiency)	$3,723,975	$ 78,991

The accompanying notes are an integral part of the financial statements.

Virtual Gaming Enterprises, Inc.
(A Development Stage Enterprise)
Statements of Operations
For the Years and Period Since Inception Ended May 31,

	2000	1999	Period from November 1997 (Inception) through May 31, 2000
Revenues	$ 0	$ 0	$ 0
Expenses			
Compensation:			
Officers	290,690	219,217	523,860
Other	16,553	9,950	27,673
Consultants	42,060	23,250	70,560
General and administrative expenses	361,593	35,964	397,690
Depreciation	1,667	833	2,500
Research and development	90,000	22,000	112,000
Total expenses	802,563	311,214	1,134,283
Loss from operations	(802,563)	(311,214)	(1,134,283)
Net loss	$ (802,563)	$ (311,214)	$ (1,134,283)
Basic net loss per weighted average share	$ (0.14)	$ (0.14)	
Weighted average number of shares	5,834,400	2,181,822	

The accompanying notes are an integral part of the financial statements.

Virtual Gaming Enterprises, Inc.
(A Development Stage Enterprise)
Statement of Changes in Stockholders Equity
For the Years and Period Since Inception through May 31, 2000

	Number Of Shares	Common Stock	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity
BEGINNING BALANCE, November 1997 (Inception)	0	$ 0	$ 0	$ 0	$ 0

Shares issued for cash	13,000,000	46,400	0	0	46,400
Net loss	0	0	0	(20,506)	(20,506)
BALANCE, May 31, 1998	13,000,000	46,400	0	(20,506)	25,894
June 1998 - reverse merger	10,209,647	(44,079)	44,109	0	30
February 1999 - reverse split	(22,707,774)	(1,819)	1,819	0	0
Shares issued for cash	1,679,949	1,680	184,382	0	186,062
Net loss	0	0	0	(311,214)	(311,214)
BALANCE, May 31, 1999	2,181,822	2,182	230,280	(331,720)	(99,228)
Shares issued for cash	6,105,879	6,106	3,163,653	0	3,169,759
Net loss				(802,563)	(802,563)
BALANCE, May 31, 2000	8,287,701	$ 8,288	$ 3,393,963	$ (1,134,283)	$ 2,267,968

The accompanying notes are an integral part of the financial statements.

F-5

Virtual Gaming Enterprises, Inc.
(A Development Stage Enterprise)
Statement of Cash Flows
For the Years and Period Since Inception Ended May 31,

	2000	1999	Period from November 1997 (Inception) through May 31, 2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (802,563)	$ (311,214)	$ (1,134,283)
Adjustments to reconcile net loss to net cash used for operating activities:			
Depreciation	1,667	833	2,500
Changes in operating assets and liabilities:			
(Increase) decrease advance receivable - related party	(47,509)	(14,824)	(62,333)
Increase (decrease) accrued salaries payable	31,040	172,967	204,007
Net cash used by operating activities	(817,365)	(152,238)	(990,109)
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(5,000)	(5,000)	(5,000)
Purchase of investments	(340,000)		(340,000)

Acquisition of intangible assets	(1,898,001)	(60,000)	(1,958,001)
Net cash (used) provided by investing activities	(2,238,001)	(65,000)	(2,303,001)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	3,169,759	186,093	3,402,252
Net cash provided by financing activities	3,169,759	186,093	3,402,252
Net increase (decrease) in cash	114,393	(31,145)	109,142
CASH, beginning of period	(5,251)	25,894	0
CASH, end of period	$ 109,142	$ (5,251)	$ 109,142

The accompanying notes are an integral part of the financial statements.
[/TABLE]

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VIRTUAL GAMING ENTERPRISES, INC.
(A Development Stage Enterprise)
NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
THE COMPANY Virtual Gaming Enterprises, Inc. is a Nevada chartered development stage corporation which conducts business from its headquarters in Escondido, California. The Company was incorporated on August 9, 1990. The operating company, now dissolved, was established in November 1997.

The Company has not yet engaged in its expected operations. The Company's future operations will be to provide casino gambling via the Internet. Current activities include raising additional equity and negotiating with potential key personnel and facilities. There is no assurance that any benefit will result from such activities. The Company will not receive any operating revenues until the commencement of operations, but will nevertheless continue to incur expenses until then.

The following summarize the more significant accounting and reporting policies and practices of the Company:

A) START-UP COSTS Costs of start-up activities, including organization costs, are expensed as incurred, in accordance with Statement of Position (SOP) 98-5.

B) NET LOSS PER SHARE Basic is computed by dividing the net loss by the weighted average number of common shares outstanding during the period.

C) USE OF ESTIMATES The financial statements have been prepared in conformity with generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial

condition and revenues and expenses for the period then ended. Actual results may differ significantly from those estimates.

D) PROPERTY AND EQUIPMENT All property and equipment are recorded at cost and depreciated over their estimated useful lives, using the straight-line method. Upon sale or retirement, the costs and related accumulated depreciation are eliminated from their respective accounts, and the resulting gain or loss is included in the results of operations. Repairs and maintenance charges which do not increase the useful lives of the assets are charged to operations as incurred. Depreciation expense was $833 and $0 for the periods ended May 31, 1999 and 1998, respectively.

E) SIGNIFICANT ACQUISITION In June 1998, Interbet, Inc. issued 13,136,539 shares of common stock to acquire all of the issued and outstanding shares of the common stock of Virtual Gaming Enterprises, Inc. (VGEI) in a reverse merger, accounted for as a reorganization of VGEI.

F) PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of Virtual Gaming Enterprises, Inc. (VGEI) and its wholly owned subsidiary and majority owned subsidiary. Inter-company balances and transactions have been eliminated.

(2) ADVANCES RECEIVABLE - RELATED PARTIES The Company has advanced $62,333 to officers of the Company. These advances are due on demand and carry no stated interest rate.

(3) STOCKHOLDERS' EQUITY The Company has authorized 25,000,000 shares of $0.001 par value common stock. The Company had 8,287,701 shares of common stock issued and outstanding at May 31, 2000. The Company, in August 1990, issued 1,000,000 shares for $1,000 in cash. In August 1996, the Company issued 100,000 shares for $50,000 in cash. In December 1997, the Company issued 4,973,108 shares in conjunction with the acquisition of Interbet, Inc. In June 1998, the Company issued 2,000,000 shares in exchange for services valued at $313,200. In June 1998, the Company issued 600,000 shares in settlement of a loan amounting to $93,957. In June 1998, the Company issued 1,400,000 shares for $46,400 in cash. In June 1998, the Company

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VIRTUAL GAMING ENTERPRISES, INC.
(A Development Stage Enterprise)
NOTES TO FINANCIAL STATEMENTS

(3) STOCKHOLDERS' EQUITY (CONTINUED) issued 13,136,539 shares for the acquisition of Virtual Gaming Enterprises, Inc. In February 1999, the Company completed a reverse split of its common stock, leaving 501,873 shares issued and outstanding. During the fourth quarter of fiscal 1999, the Company issued 1,679,949 shares for $186,062 in cash. During the Year ended May 31, 2000, the Company issued 6,105,879 shares for $3,169,759.

(4) INCOME TAXES Deferred income taxes (benefits) are provided for certain income and expenses which are recognized in different periods for tax and financial reporting purposes. The Company has net operating loss carry-forwards for income tax purposes of approximately $1,103,243, expiring $20,500 at May 31, 2018, $311,200 at May 31, 2019 and $771,523 at May 31, 2020.

The amount recorded as deferred tax assets is approximately $165,500 and $50,000 as of May 31, 2000 and May 31, 1999, respectively, which represents the amount of tax benefit of the loss carryforward. The Company has established a 100% valuation allowance against this deferred tax asset, as the Company has no history of profitable operations.

(5) GOING CONCERN As shown in the accompanying financial statements, the Company incurred a net loss of $1,103,243 for the period from November 1997 (Inception) through May 31, 2000. The ability of the Company to continue as a going concern is dependent upon commencing operations and obtaining additional capital and financing. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. The Company is currently seeking financing to allow it to begin its planned operations.

(6) RELATED PARTIES As discussed in Note 2, the Company extended an advance to an officer. Related party balances and amounts for the period since inception, (November 1997), ended May 31, 2000 are as follows:

Advance receivable - related party	$ 62,333
	========

(7) INTANGIBLE ASSETS During the year ended May 31, 2000, the Company Entered into agreements for the development of software that Will provide gaming capabilities on the internet. The Company has Invested $1,898,001 during the year for 17 of these programs. The Company plans to lease and/or manage these sites for a fee. In May 1999, the Company formed Hung Sai, Ltd., a Nevis Corporation. In May 1999, Hung Sai entered into a license agreement with a third party to provide an Internet gateway for future Internet casinos to be located in St. Kitts, West Indies. This agreement required a $60,000 initial license fee and future revenue sharing from the Company's future on-line casinos. The Company expects to amortize the license fee over a five-year period, once commercialization has begun.

(8) COMMITMENTS AND CONTINGENCIES EMPLOYMENT AGREEMENTS In July 1998, the Company entered into employment agreements with two of its officers. These agreements have three-year terms expiring June 30, 2001. The agreements contain base pay amounts of $250,000, $280,000 and $325,000, combined. These contracts also call for the issuance of options for 3,000,000 shares of the Company's common stock, 1,500,000 of which vested on December 1, 1998, and 150,000 per month beginning June 1, 1999 for a period of ten months.

(9) LEGAL PROCEDINGS On or about June 11, 1999, the United States Securities and Exchange Commission initiated a proceeding in the United States District Court, Southern District of California, against the Company seeking to hold the Company in Civil Contempt for failure to respond to a Subpoena issued by the Commission. The Court granted the Commission's request and issued an Order that sanctioned the Company Ten Thousand ($10,000.00) Dollars per day until such time as it complied with the Commission's Subpoena.

Subsequent to the Company's compliance with the Commission's Subpoena, the Company and the Commission entered into a Stipulation and Order whereby the Company, having purged itself of the civil contempt citation, agreed to pay and did pay Ten Thousand ($10,000.00) Dollars as a sanction. The

Stipulation and Order was signed by the Court and filed on or about November 18, 1999.

Virtual Gaming Enterprises, Inc., and its President, Virgil Williams, in or about May, 2000, submitted Offers of Settlement to the United States Securities and Exchange Commission that stemmed from certain matters reviewed by the Commission.

The Company, without admitting or denying any wrongdoing, consented to entry of an Order by the Commission that:

A) Orders it to cease and desist from committing or causing any violation, and any future violation, of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder; and

B) Orders the effectiveness of Virtual Gaming's Form S-8 be suspended.

On July 24, 2000, the Company and the Commission agreed to modify a portion of this Offer of Settlement to reflect that, "As a result of Virtual Gaming's failure to meet its reporting obligations, the Form S-8 never became effective."

Virgil Williams, without admitting or denying any wrongdoing, consented to entry of an Order by the Commission that:

A) Orders him to cease and desist from committing or causing any violation, and any future violation, of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Both of these Offers of Settlement have yet to be acted upon by the Commission.

In a civil proceeding filed in the United States District Court for the Eastern District of New York in January 2000, identified by Case Number 00 CIV 0276, Platinum I.T. Consulting, Inc., and Edward Marian, alleged that Virtual Gaming Enterprises, Inc., Virgil Williams, Brenda Williams and others violated Section 12(1) of the Securities Act, Violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Breached their Contract(s) with Plaintiff(s), Fraudulently Induced Plaintiff(s) to purchase the Company's securities, Converted Plaintiff(s) funds, and were Unjustly Enriched at Plaintiff's expense. Plaintiffs sought damages in excess of Five Million ($5,000,000.00) Dollars.

The Company deemed it in its best interest to resolve this matter, as the costs and fees for defense would largely outweigh the costs of resolution. Accordingly, without admitting or denying the allegations in the Complaint, the Company and Virgil and Brenda Williams entered into a Settlement and Consent Judgment whereby they agreed to compensate the Plaintiffs in the amount of $170,00.00 within 75 days of the effective date of the Settlement and Consent Judgment.

Due to the hospitalization of the Company's President Virgil Williams, the Company did not make payment as required under the Settlement and Consent Judgment. As a result, and by the terms and provisions of the Settlement and Consent Judgment, the Settlement Obligation has increased to $250,000.00. The Company expects to remit this amount to the Plaintiffs, in

care of Plaintiffs' Attorney, in short order.

On February 14, 2000, the State of Indiana, Office of the Secretary of State, Securities Division, filed an Administrative Complaint against Virtual Gaming Enterprises, Inc., Virgil Williams and others, alleging that all Respondents sold and/or offered for sale certain securities in violation of Indiana State Law. On this same date, the Indiana Securities Division requested and received a Cease and Desist Order.

On March 2, 2000, Virtual Gaming Enterprises, Inc., and Virgil Williams filed their Answer and Affirmative Defenses to the Administrative Complaint and demanded an immediate administrative hearing pursuant to the terms and provision of the Indiana Securities Act that requires a hearing to be set within 45 days of the Indiana Securities Division. Virtual Gaming Enterprises, Inc., and Virgil Williams have and do expressly deny any and all allegations made against them in the Administrative Complaint.

Counsel for the Company and Mr. Williams, having not had a response to the hearing demand, provided the Indiana Securities Division a second copy of the Answer and Affirmative Defenses and Demand for Hearing via facsimile on March 17, 2000. Subsequent to March 17, 2000, Counsel for the Company made several attempts to contact the Indiana Securities Division via telephone, leaving messages for the Deputy Commissioner, Enforcement, who apparently is responsible for this proceeding. The Indiana Securities Division has never responded to the Demand for Hearing or the telephonic inquiries of counsel.

Finally, in January or February 2000, Virtual Gaming Enterprises, Inc., was named as a Defendant in a Complaint for Interpleader filed in the Third Judicial District Court in and for Salt Lake County, State of Utah, and identified as Civil No. 000901201. Therein, National Stock Transfer, Inc., the transfer agent for the Company's Stock, due to competing demands for certain certificates. This action remains pending.

10. SHORT-TERM LIABILITIES The Company entered into 17 agreements whereby they have invested funds with International Business Assoc. Corp. to develop the software for internet gaming sites. The agreements mature on April 1, 2003 and accrue interest at a rate of 10%. Each agreement calls for a quarterly payment of $14,153. The principal and accrued interest, at the option of the holder, become immediately due if a quarterly payment is 10 days late. As of May 31, 2000 the Company entered into an informal agreement for prepayment of these notes as funds become available.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this 10-KSB report to be signed on its behalf by the undersigned thereunto duly authorized.

VIRTUAL GAMING ENTERPRISES, INC.
(Registrant)

Date: September 14, 2000 /s/ Virgil G. Williams

Virgil G. Williams
President

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BACK

Company Profile

Virtual Gaming Enterprises, Inc.

Address: 2960 Seascape Glen, Escondido, CA 92026

Phone: (760)510-0188

Fax: (760)510-0011

Business Summary: Virtual Gaming Enterprises, Inc. was formed to purchase, manage, develop, market, and resell casino style Internet games that will allow players to wager. Virtual Gaming's Internet operations are based in the Commonwealth of Dominica, where it holds a Master Gaming License. VGAM asserts it is well positioned to capture market share, due to the burgeoning growth of Internet Gaming, expected by some industry experts to grow to more than $18 billion in 2002. VGAM, through joint ventures and an aggressive acquisition campaign, operates over 18 Gaming related websites and a 20% interest in Vegas Book.com, a traditional sports book.

General Information

Sector: Technology

Industry: Internet Gaming

Exchange: OTCBB

FYE: 5/31

Shares Outstanding: 2,576,322

Float: 108K

Market Cap: $11,271,408

Ticker: [VGAM]

Web Page(s): www.vgam-ent.com
E-mail: info@vgam-ent.com

Links:
SEC Filings
Company News
Insider Trades
REPORT
Message Board

Key Products/Services/Assets/Intellectual Property/Patents:

Casinos & Holdings
Classic Bet; The Casino Theme Park; Vegas Book
[Great Gatsby Casino] [The Mayan Casino] [The Omni Casino] [The Hollywood Casino] [Porkys Casino]
[The Flaming Dragon Casino] [The Work-n-Stiff Casino] [The Mardi Gras Casino] [Cyber Casino Player]
[The Out of this World Casino] [The Zodiastic Casino] [The Masterpiece Casino][The Swinging 70's Casino]
[The Double Diamond Casino] [Casino del Caribe][The Good Fortune Casino] [The Lucky Leprechaun Casino]

Directors/Key Personnel

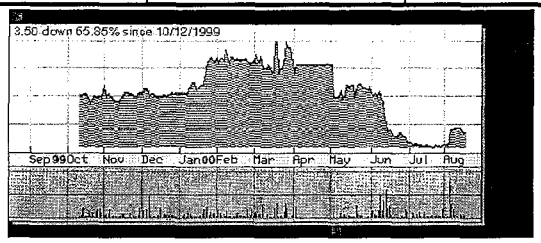
President/CEO – Mr. Virgil G. Williams
Secretary/Treasurer – Mrs. Brenda J. Williams

Important Recent Developments

- May 23, 2000 Announced the Purchase of Five Additional Internet Casinos
- May 03, 2000 Granted Fully Reporting Status
- May 02, 2000 Completed Forms 10-K and 10-Q Filings
- April 06, 2000 Announced the Purchase Of Six Additional Internet Casinos

Financial Statistics & Technical Analysis Information

General (as of 8/11/00)		Internal Growth		Financial Strength	
Price	$4.4375	ROA (@)	-96.89%	Current Ratio	10.40
52-Week High	$21.00	ROE (@)	-239.47%	Quick Ratio	N/A
52-Week Low	$1.125	Per Share Numbers		Income Statements	
Total Cash	$163K	Book Value	$0.54	Net Income (@)	-$1.3MM
Valuation Ratios		EPS (@)	-$0.61	Revenues	$0
Price/Book	8.10	Cash	$0.06	Equity Turnover	N/A
Price/Earnings	N/A	Sales	N/A	Net Profit Margin	N/A
Price/Sales	N/A				



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Current Report 6/18/2000
VGAM - Virtual Gaming Enterprises, Inc.

(logo is property of Virtual Gaming Enterprises, Inc.)

GENERAL CORPORATE INFORMATION

Address: 2580 Seascape Glen, Escondido CA 92026
Phone: (760)510-0188
Fax: (760)510-0011
Web Page(s): www.VGAM-Ent.com
I/R E-mail: info@vgam-ent.com

Sector: Services
Industry: Business Services
Exchange: OTCBB
FYE: 5/31
Shares Out: 2,576,322
Market Cap: $10,305,288

vgam Go ◉ Quote ○ News ○ Chart ○ Analysts

Web Presence: Classic Bet; The Casino Theme Park; Vegas Book

Virtual Gaming Enterprises, Inc. (OTCBB: VGAM) was formed to purchase, manage, develop, market, and resell casino style Internet games that will allow players to wager.

Virtual Gaming's Internet operations are based in the Commonwealth of Dominica, where it holds a Master Gaming License. The Commonwealth of Dominica is an Independent Parliamentary Republic located in the British Virgin Islands. According to the company's CEO, Mr. Virgil Williams, the master gaming license agreement assures the company's preeminent position within the Internet gaming market and facilitates its current and future expansion plans. Mr. Williams further confirmed that all activity and revenue targets for the on-line casino have been exceeded.

INVESTMENT SUMMARY
Virtual Gaming Enterprises, Inc. represents an opportunity for investors to participate in a rapidly growing industry and a company in its early, but aggressive stage of development. The company has made numerous acquisitions over the previous ten (10) months in efforts to diversify and expand its online gaming offerings. It currently operates eighteen (18) separate sites and holds a 20% ownership in a sports book business. The company is a Master Gaming Licensee in the Commonwealth of Dominica and provides a virtually bulletproof secure and private network. The company is currently undergoing an aggressive expansion program aimed at further enhancing its industry position and increasing its market share. All casino sites offer dynamic wagering and are 'cross-linked' to maximize the synergy created in the Company's 'Gaming Family' and maximize exposure.

Growth Opportunity And Strategic Focus
With the worldwide gaming market for authorized wagering exceeding an estimated ONE TRILLION DOLLARS, industry experts are anticipating the online gaming market to grow from $535 million to more than $10 billion in three years (source: Data Monitor). Virtual Gaming Enterprises believes itself to be strategically positioned to benefit from the predicted revenue explosion.

Virtual Gaming Enterprises, Inc. believes it has the product and expertise in place to capture a minimum 2-3% of this rapidly exploding market. VGAM is projecting net incomes in the range of $30-$80 million dollars through the year 2005. These projections are based on VGAM's assesment of market conditions and could vary with changes to the worldwide online environment.

Marketing Strategy
Virtual Gaming has taken an 'off-line' approach to marketing to the end users or players. The Company has focused efforts in print, radio, developed an affiliate program and, instituted countless direct marketing programs. The Company has chosen not to focus on banner advertisement as our sole marketing efforts. The Company plans to separate itself from other on-line casinos with this unique marketing approach.

The Virtual Gaming Enterprises 'Gaming Family'
Classic Bet
Classic Bet is a traditional on-line casino that requires the loading of software on the player's computer. Classic Bet has a suite of Multimedia games, including Black Jack. Promotion of Classic Bet is done primarily through mass mailing of CD with the games on them. Once the software suite has been loaded, the player can log in to their secure account with a user name and password.

In addition to "Classic Bet", VGAM operates the following on-line casinos, all of which can be accessed directly or via the company's TheCasinoThemePark.com web site where players have the ability to register once and play in many different themed casinos.

CASINOS & HOLDINGS
[Great Gatsby Casino] [The Mayan Casino] [The Omni Casino] [The Hollywood Casino] [Porkys Casino]
[The Flaming Dragon Casino] [The Work-n-Stiff Casino] [The Mardi Gras Casino] [Cyber Casino Player]
[The Out of this World Casino] [The Zodiastic Casino] [The Masterpiece Casino][The Swinging 70's Casino]
[The Double Diamond Casino] [Casino del Caribe][The Good Fortune Casino] [The Lucky Leprechaun Casino]

The Company has eliminated the days of downloading software or waiting for a CD in the mail. Its players do not install any software. Anyone with Netscape or Internet Explorer 4.x browsers can easily access and play the Java-based games. Tables and slot machines are readily available due to an unlimited number of dynamically created openings for each member who enters the casino. Players enjoy the same advantages of traditional casinos conventional gaming software that reshuffles the deck after each hand. The Company's software plays up to six decks before shuffling.

The Company also holds a 20% (twenty percent) interest in a Sports Book business, Vegasbook.com, also licensed and operated exclusively on the Island of Dominica. Vegas Book maintains an 800 number that allows players to submit sports wagers by phone using secure passwords and user names.

DIVERSIFICATION
Through strategic partnerships, Virtual Gaming also intends to be in the business of

Through strategic partnerships, Virtual Gaming also intends to be in the business of selling turnkey solutions to prospective casino owners. The Company has refined the licensing and connectivity issues that a new casino entrepreneur might find insurmountable. Moreover, the Company has tested, enhanced, and developed reporting features that a casino operator must have. The Company has partnered with a creative staff to offer custom themes tailored to the wants and needs of the prospective casino owner.

The Company intends to develop casinos in non-English languages. The Internet will allow the Company to reach new markets. The Company will then aggressively market Internationally. The Company should benefit initially from listings in new search engine technologies outside of the U.S.

PRIVACY & SECURITY
All deposits are escrowed with the largest Dominican off shore bank, insuring that the player's account remains solely available for their wagers. Membership is protected from all outside inquiries by the Offshore Privacy Act of 1995 and sets severe penalties for any release of information. It has never been easier or safer to bring the excitement of legitimate casino gaming into the player's home or office.

Network Services are provided through InSatCom, Ltd. InSatCom offers a high-speed digital data center coupled with a fully redundant private satellite communication network. Licensed by Cable and Wireless and the Government of the Commonwealth of Dominica, InSatCom is the first private network offering encrypted data, Internet web hosting, and reliable video transmissions from the Caribbean. InSatCom's nine-meter satellite dish is able to simultaneously broadcast to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated because InSatCom operates its own proprietary software and hardware. Player's wagers and transactions are encrypted to retain complete confidentiality.

Recent Annoucements
May 23, 2000 Announced the Purchase of Five Additional Internet Casinos
May 3, 2000 Granted Fully Reporting Status
May 2, 2000 Completed Forms 10-K and 10-Q Filings
Apr 6, 2000 Announced the Purchase Of Six Additional Internet Casinos

Whisper Numbers on nearly 4,000 Stocks!
Enter Ticker Symbol Submit
Show StockBanners

Select your FREE item: 10 Issues of Investors Business Daily
10 Issues of Investors Business Daily
5 Issues of Investors Business Daily
OK
Cancel
Financial Ad Trader

clickXchange

Disclaimer - CCS Publications has been paid a fee of $6,000US Cash and 1,500 shares of freely tradeable stock common from Steven G. Trapp & Company for services related to Virtual Gaming Enterprises, Inc., including preparation, dissemination and posting of this report on our website for a period of 90 days 6/18/2000 - 9/18/2000, in addition to introducing the company into our Profile program for the period 6/18/2000 - 6/18/2001. The information contained in this report has been gathered from sources we deem to be reliable, including company SEC filings. You should consult with your own personal financial representative regarding making a purchase in the stock of this company. There is risk associated with investing in the stock market. We are not investment advisors, counselors, brokers or government agencies, and do not purport to be offering you any investment advise. This is a publication, a periodical, etc. meant to inform you about one company in a sea of many. You may wish to do additional research regarding this company before investing. Proceed with caution. CCS Publications, its principals, associates, family and/or friends may, from time to time, have positions in the securities of the companies featured in our reports and he/she/we/me/they may actively trade those securities.

All statements contained herein (other than historical facts) are based upon current expectations. These statements are forward looking statements in nature and involve a number of risks and uncertainties, including but not limited to economic, competitive, governmental and technological facts affecting the Company's operations, markets, products and prices, as well as other factors. Actual results may differ materially from the anticipated results or other expectations expressed in the Company's forward looking statements. Generally, the words "anticipate", "believe", "estimate", "expects", "plan", and similar expressions as they relate to the Company and/or its management, are intended to identify forward looking statements.

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RODD R. BUELL
ATTORNEY AT LAW
A PROFESSIONAL ASSOCIATION

MIRACLE PLAZA BUILDING
2355 SALZEDO STREET, SUITE 202
CORAL GABLES, FLORIDA 33134-5035

TELEPHONE (305) 443-1997
TELEPHONE (305) 448-1991
FACSIMILE (305) 448-0994
E-MAIL: BUELLLAW@AOL.COM

May 16, 2000

British Trade & Commerce Bank
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
P.O. Box 2042
Roseau Commonwealth of Dominica
Attn: George Betts, Executive Vice President

Re: British Trade & Commerce – Account # 0400101400-01
Via fax and regular mail

Dear Sir:

Please be advised that I represent Security Bank, N.A. wherein British Trade & Commerce Bank has maintained a checking account(s).

It has come to our attention that the name of Security Bank, N.A. has appeared in certain casino gambling web sites. Very specifically, these web sites direct a potential gambling customer to wire funds to Security Bank, N.A., for beneficiary British Trade & Commerce Bank, account number 0400101400-01.

Security Bank, N.A. objects to the use of its name in these web page solicitations, and demands that its name be removed forthwith from all such casino gambling web sites.

Be further advised that the British Trade & Commerce checking account number 0400101400-01 and any other accounts shall be closed and terminated within thirty days of this communication. Please contact Security Bank directly to arrange an orderly closure of this account(s).

PLEASE GOVERN YOURSELVES ACCORDINGLY.

Very truly yours,

Rodd R. Buell

Rodd R. Buell, P.A.

RRB/br

British Trade & Commerce Bank.
Licensed for Full Trust Business.
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
e-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

May 17, 2000.

Mr. Manuel Fernandez. President
Security Bank N.A.
Fort Lauderdale. Fl.

Dear Mr. Fernandez:

With great surprise we have received yesterday a letter from your lawyer Mr. Buell explaining the situation that wire transfer instructions using your bank and our bank as final beneficiary were found on some internet gaming web sites.

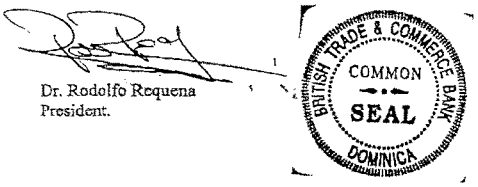
First of all let me assure with full responsibility that we were not aware of the situation at all and no officer from BTCB authorize the company OnLine Commerce Inc. (a South African corporation) owner of those web sites, to use the banking coordinates of Security Bank. We are aware of the position that US Banks maintain on this regards, and we do not encourage at all the use of your good bank for this matters.

As immediate action, we have communicated with the mentioned by company right away, by phone and in writing (copy of the Letter is enclosed) and ask to correct immediately the situation. They had committed to us that this will be taking in care today.

I really apologize for any inconvenience this situation might cause to your find institution, and we hope that this incident do not jeopardize the good banking and business relationship that BTCB has maintained with Security Bank.

Any further questions please do no hesitate to contact us.

For and on behalf of British Trade and Commerce Bank.



Dr. Rodolfo Requena
President.

cc. Rodd Buell
Felix Rodriguez
George Betts.

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emera Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

May 17, 2000

Mr. John Holmes
OnLine Commerce Inc.
P.O. Box 2042
Roseau, Dominica

Sent via fax: 011-27-21-782-6739

Dear Mr. Holmes:

It has recently been brought to our attention that certain of your web sites contain wire instructions, which instruct people to wire transfer funds to British Trade & Commerce Bank through Security Bank in Miami, Florida.

We wish to advise you that this information must be removed from your web sites immediately. Failure to do so will result in the immediate termination of our banking relationship and the closure of your account.

Please advise us by return fax as to your plans to deal with this situation.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

BRITISH TRADE & COMMERCE BANK
COMMON SEAL
DOMINICA

Cc: Mr. Rodd R. Buell

British Trade & Commerce Bank
Emera Bldg., Dame Eugenie Charles Blvd. Bayfront Roseau.
Commonwealth of Dominica
P.O. Box 2042 Phone: (767) 448-6410 Fax 448-6477

Date:05/19/00

Fax Cover Sheet

To:	RODD BUELL	From:	GEORGE BETTS
Company:		Department:	
Fax:	305-448-0994	Pages:	5
		Ref:	

Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR MR. BUELL

I AM FAXING YOU SEVERAL PAGES WE PRINTED FROM THE SITES YOU MENTIONED TO ME OVER THE PHONE. THEY HAVE DELETED ALL REFERENCE TO SECURITY BANK AND I HAVE MADE ARRANGEMENTS WITH ANOTHER OF OUR CORRESPONDENT BANKS TO TAKE THEIR WIRE TRANSFERS. PLEASE CONVEY OUR APOLOGIES AND REGRETS FOR THIS INCIDENT TO THE DIRECTORS OF SECURITY BANK. THE CUSTOMER DID NOT CONSULT WITH US BEFORE USING SECURITY BANKS' NAME. WE CERTAINLY WOULD NOT HAVE ALLOWED THEM TO USE IT.

SINCERELY,

GEORGE BETTS

Subject: Security Bank, N.A.
Date: Wed, 10 May 2000 13:19:51 -0400
From: Lisa La Horey <LDLaHorey@MWPB.com>
To: "J. Luis Domenech" <fenix97@sbna.com>
CC: Lisa La Horey <LDLaHorey@MWPB.com>

Sir,

As requested the following are internet gambling sites in which Security Bank, N.A. is referred to.

www.astrobet.com
www.atlantisstar.com
www.aztecgoldcasino.com
www.bingotops.com
www.fairplaycasino.com
www.magic-carpetcasino.com
www.casinooldglory.com
www.casinoorientexpress.com
www.casinoiceberg.com
www.flyingdragoncasino.com

Generally the references to Security Bank, N.A. can be found in the area of the website relating to banking arrangements. I will email to you separately a few of the websites.

As I was having some difficulty in hearing you over the telephone, I would appreciate your acknowledging receipt of this email.

Lisa La Horey
McCague Wires Peacock
ldlahorey@mwpb.com
Tel: (416) 860-0035
Fax: (416) 860-0003

Senate Permanent Subcommittee
On Investigations
EXHIBIT #____57f____

Exhibit 57f.

Banco Industrial de Venezuela documents

BTCB MONTHLY ACCOUNT ACTIVITY
AT BANCO INDUSTRIAL DE VENEZUELA (MIAMI OFFICE)

MONTH	OPENING BALANCE	DEPOSITS	WITHDRAWALS	CLOSING BALANCE
October 1997	$0	$1,005,000	$25,020	$980,195
November 1997	$980,195	$0	$25,020	$958,052
December 1997	$958.052	$0	$953,473	$5,860
January 1998	$5,860	$49,784	$9,413	$46,231
February 1998	$46,231	$1,224,688	$820,886	$99,980
March 1998	$99,980	$2,294,532	$181,742	$2,565,499
April 1998	$2,565,499	$4,573,517	$474,375	$6,679,330
May 1998	$6,679330	$7,878,012	$11,095,470	$3,498,560
June 1998	$3,498,560	$0	$3,498,560	$0
TOTAL:		$17,025,533	$17,061,441	

Prepared by U.S. Senate Permanent Subcommittee on Investigations, November 2000

British Trade & Commerce Bank.
Licensed for Full Trust Business.
EMENS Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
P.O. Box 2042. Phone: (809) 448-6410 Fax: 448-6477
E-mail: btcbank@tod.dm

July 28, 1997

Mr. Pierre Laubéau
General Manager-Credit
Banco Industrial de Venezuela
1101 Brickell Ave., Suite 500
Miami, Fl. 33131

Dear Mr. Laubeau

At the request of Mr. Rodolfo Requena I am pleased to provide you with a brief write up on our Bank and copies of our various licences and other material.

I hope this information is sufficient to allow you to act on our request for a correspondent relationship. Should you require anything else, please do not hesitate to contact us.

Sincerely,

George E. Betts
Vice President, Financial Comptroller

1997 AUG 12 10:28

British Trade & Commerce Bank.
Licensed for Full Trust Business.
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (809) 446-6410 Fax: 448-6477
e-mail: btcbank@tod.dm - -SWIFT: BTCBDMDM

BTCB

September 15, 1997

Louis

Do you know, or have you heard of Mr. Butler?

Mr. Pierre Lubeau. Credit Manager.
Banco Industrial de Venezuela
1101 Brickell Av.
Miami. 33131.

Re: Account Opening.

Dear Sir:

Following our conversation last Friday, please find followed the information that the bank need to clarify regarding our institution.

1) British Trade and Commerce Ltd. is the company that was granted with the Bank License, that company was formed and is owned by Mr. Clarence Butler of Dominica, and Rodolfo Requena of Venezuela. Mr. Butler is a well respected businessmen from Dominica highly respected by the community. He has been President, for various terms, of the Dominican Chamber of Commerce and Tourism, also he has held positions as Honorary Consul of the Republic of France in Dominica. At the same time he was heavily involved in the creation of The Ross Medical University, where he has also been the Administrative Vice-President, Ross University is a Medical school facility created for international students an represents the third largest income for the state of Dominica. Mr. Butler has been advisor during years for the previous and the actual government, and is a very active promoter towards new foreign investments for the country. As for myself all my resume is in the information previously submitted to you.

2) Actually the main income of the bank proceeds from Trust related activities, we are actively forming trusts and IBC corporations and do investments in Financial instruments from various countries such as Venezuela, USA, Argentiña etc. Also, we are in the developing phase to create a Program for Insured Credit Cards. Also, some project financing will be done specially in the industrial and tourism area in some of the Caribbean islands.

3) As for arranging a wire transfer to open the account, as soon as we have positive answer from your find bank we are ready to transfer up to US $ 40 million to open the account.

Hoping this information will help you, and looking forward to establish a long and profitable business relationship for the two institutions and we no further matters.

Very truly yours;

Dr. Rodolfo Requena
President.

Signature!

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

September 19, 1997

Mr. George Betts
British Trade & Commerce Bank
8 Castle Street 2nd Floor
Brunys Law Offices
Roseau Commonwealth of Dominica

Dear Mr. Betts:

As per Mr. Requena's instructions, I enclose the account opening documents. Please remit copies of identification for all authorized signatures in the account as well as the Bank's balance sheet in order to complete the file.

Mr. Requena will be visiting our offices on Monday or Tuesday of next week at which time we will need his signature in the Corporate Resolution form and Signature Cards.

At the receipt of documents, an account number will be assigned and test key together with security procedures materials shall be delivered to you. Our ABA is 066010801, we are on-line with the Federal Reserve.

If you have any questions please call me at (305) 374-5060 Ext. 17.

Thank you for choosing Banco Industrial de Venezuela; we look forward to servicing you.

Very sincerely,

Lorena Ortiz
Corporate Banking

Enclosures.

BANCO INDUSTRIAL DE VENEZUELA, C.A.
MIAMI AGENCY

ACCOUNT OPENING APPLICATION
(CORPORATE/PARTNERSHIP)

British Trade & Commerce Bank

DOCUMENTS PREREQUISITES

The following documents MUST be submitted with this Application and will be filed together with this Application in the CUSTOMER's file. A new account shall not be opened without the receipt of these documents.

CORPORATE/PARTNERSHIP ACCOUNT:

- Copy of Articles of Incorporation or Partnership Agreement. (must include all current updates of same).
- Board of Directors' Resolution or Partnership Certificate. (must be in form required by BIV).
- Current Financial Statement.
- Two (2) bank letters of reference.
- Evidence of initial deposit (check, wire transfer, etc.)

07/02/97

British Trade & Commerce Bank (US$)
Summary Balance Sheet
As of June 30, 1997

E

	Jun 30, '97
ASSETS	
Current Assets	
Checking/Savings	6,602,056.93
Other Current Assets	10,802.51
Total Current Assets	6,612,859.44
Fixed Assets	208,266.35
Other Assets	434,613.97
TOTAL ASSETS	7,255,739.76
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	23,092.30
Other Current Liabilities	1,556,503.20
Total Current Liabilities	1,579,595.50
Long Term Liabilities	246,144.26
Total Liabilities	1,825,739.76
Equity	5,430,000.00
TOTAL LIABILITIES & EQUITY	7,255,739.76

BIV's Response to 4/8/00 Congressional Subpoena 0234

Banque Française Commerciale
Antilles Guyane

AGENCE:
Roseau
DOMINIQUE
P.O.B. 166
Tél.: 84040
Fax: 85333

Mr. George Betts
Vice-President/Financial Controller
British Trade & Commerce Bank
P.O.B. 2042
Roseau

24 September 1997

Dear Sir,

BRITISH TRADE AND COMMERCE BANK

The above-mentioned customers established accounts with this Bank on the 21st July, 1997.

Customers operate a Foreign Currency Account and a Local Currency Account. We understand that customers are currently renovating Premises in which the offices of the Bank will be housed.

We attach specimen of the current signatories who are authorised to operate the accounts.

Yours faithfully

BANQUE FRANCAISE
COMMERCIALE
ANTILLES GUYANE
Agence de ROSEAU
DOMINICA

MANAGER

BANCO INDUSTRIAL DE VENEZUELA

MIAMI AGENCY

NEW CUSTOMER AND ACCOUNT INPUT INFORMATION SHEET

Deposit Amount: $_____ Date: 9/29/97

1-Customer Name: British Trade and Commerce BANK

2-Customer Short Name: British

3-Customer Number: 26783 4-Account Number: 062020001 (~~0310000304~~)

5-Account Type: (✓) DDA, ( ) MMK, ( ) CD, ( ) LC, ( ) LN.

6-Account Class: 20100/02-0000

Class:

1-DDA Individuals
2-DDA Corporations
3-MMK Individuals
4-MMK Corporations
(BANK)

****
* Account Class will be Assigned*
* By the Accounting Department.-*
****

NOTE: IF SPECIAL RATES ARE NEEDED FOR A SPECIFIC CUSTOMER PLEASE INFORM THE ACCOUNT DEPARTMENT TO CREATE A SPECIAL RATE TABLE

7-G/L Number: _____

( ) Individual
( ) Corporation & Partnership
( ) Credit Balances Corp & Part.
( ) Certificate of Deposit
( ) Letters of Credit
( ) Loan

****
G/L Number will be Assigned By-
*the Accounting Department. *
****

8-Account Officer: LO/ES

ES= E. Saad
AP= A. Peche
LR= L. Robinson

9-Hold Mail: ( ) Yes (✓) No If Yes Fee Will be Charge Montly

10-Approved By: Eduardo de Saad 1. E. Saad or 2. A. Peche

11-Opened By: Teresa Ortiz / _____ Must be Signed By Accounting Officer and Clerk.-

BIV's Response to 4/6/00 Congressional Subpoena 0314

CABO STATUS (Check One):
- [x] NEW ACCOUNT
- [ ] CHANGE SIGNERS
- [ ] ADD SIGNERS
- [ ] UPDATE SIGNATURE
- [ ] OTHER

BANCO INDUSTRIAL DE VENEZUELA
Miami Agency

CORPORATE ACCOUNT

ACCOUNT #: 0202001
CUSTOMER #: 242783
FOR BANK USE ONLY
DATE: 9/29/97
ACCEPTED BY: [illegible]

ACCOUNT TITLE (PLEASE TYPE OR PRINT): British Trade & Commerce Bank

NATURE OF BUSINESS: Bank

LEGAL ADDRESS: Elmers Building, Bayfront, Roseau, Commonwealth of Dominica
TEL: (809) 448-6410 FAX: 448-6477

MAILING ADDRESS: P.O. Box 2042, Roseau, Commonwealth of Dominica
TEL: same FAX:

NAME	TITLE	(SOLE OR JOINT)	SIGNATURE
Rodolfo Requena	President	Any	[illegible]
George E. Betts	Vice-President	two of	[illegible]
Harry Royer	Secretary	three	[illegible]

BANCO INDUSTRIAL DE VENEZUELA, C.A.

CORPORATE ACCOUNT

NAME: British Trade and Commerce Bank

ACCOUNT #: 062020001 CUSTOMER #: 26783

AGENCY _____

DOCUMENTS:

- ☑ ACCOUNT APPLICATION FORM *
- ☐ 2 SIGNATURE CARDS 1 ✓
- ☐ CORPORATE RESOLUTION ✓
- ☐ 2 IDENTIFICATIONS 1. ✓ (OF ALL AUTHORIZED SIGNATURES)
- ☑ BANK LETTERS OF REFERENCE ✓
- ☐ FUNDS TRANSFER AGREEMENT ✓
- ☐ HOLD MAIL AGREEMENT ~~NO~~ ✓
- ☐ ARTICLES OF INCORPORATION ~~NO~~
- ☐ CERTIFICATE OF OFFICERS/DIRECTORS AND/OR PARTNERS
- ☐ CURRENT FINANCIAL STATEMENT AND GENERAL INFORMATION NO

DOCUMENTOS:

- ☐ APLICACION DE APERTURA DE CUENTA
- ☐ 2 TARJETAS DE FIRMAS
- ☐ RESOLUCION CORPORATIVA
- ☐ 2 DOCUMENTOS DE IDENTIDAD (DE TODAS LAS FIRMAS AUTORIZADAS)
- ☐ CARTAS DE REFERENCIA BANCARIA
- ☐ CONTRATO DE TRANSFERENCIAS
- ☐ CONTRATO DE RETENCION DE CORREO
- ☐ ACTA DE CONSTITUCION
- ☐ APODERAMIENTOS
- ☐ ESTADO FINANCIERO ACTUALIZADO E INFORMACION GENERAL

CHECKBOOK:

- ☐ ACCOUNT NAME & ADDRESS
- ☐ NAME, ADDRESS & TELEPHONE
- ☐ DEPOSIT TICKETS DUPLICATE
  - ☐ TRIPLICATE

TALONARIO DE CHEQUES:

- ☑ NOMBRE Y DIRECCION 3-on-a-page and-one - 250 E.
- ☐ NOMBRE, DIRECCION Y TELEFONO
- ☐ TALONARIO DE DEPOSITOS DUPLICADO
  - ☐ TRIPLICADO

MADE & REVIEWED BY: _____ DATE 9/29/97

AUTHORIZED BY: _____ DATE _____

REMARKS: + Endorsement Stamp. ✓
Order cks w/ security treasural. ✓

BIV's Response to 4/8/03 Congressional Subpoena

10

FOLLOW-UP CALL PLANNER

CALLING OFFICER: Lorena

NAME OF OFFICE/ PROSPECT/CLIENT: British Trade & C. BK.

CALL DATE: 10/21/97

OBJECTIVE OF CALL: Confirmar Transferencia / solicitar tabla de claves.

NAME OF CONTACT: Rodolfo Requeran

INFORMATION OBTAINED/PROVIDED: ① Vamos a recibir approx. esta semana $25 MM -
② Enviará una carta señalando de donde provienen los fondos
③ Enviará balances actualizados - (George Betts)
④ Inauguracion del Banco - el 15 de Nov. 97.

DESCRIBE WANTS OR NEEDS: Enviarles el listo de claves y procedimiento de seguridad.

RESULTS OF CALL: Los fondos ~~de~~ recibidos por $1MM el 30 de oct. permanecerán en la cta. cte. hasta la prox. semana ó previo aviso.

ACTION: ① informar al Sr. Robinson ref Claves. done 10/22
② " a la Dra. Saad y Sr. Loubeau. Ref. a Trsf. recibida, balances etc.
③. Dar seguimiento al envío de clave a Dominica.

000266

BANCO
INDUSTRIAL
DE VENEZUELA

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

INTEROFFICE MEMORANDUM

TO: MR. LOUIS ROBINSON

FROM: DRA. ESPERANZA SAAD

SUBJECT: BRITISH TRADE AND COMMERCE BANK
ACCT. NO. 62023001

DATE: OCTOBER 22, 1997

CC: MR. PIERRE LOUBEAU
MISS LORENA ORTIZ

On October 20, we received a wire transfer in the amount of 1,005,000.00 to activate the above-referenced account.

In light that this is a correspondent bank account, please remit test key and security procedures directly to their offices in Dominica as follows:

Mr. Rodolfo Requena or Mr. George Betts
British Trade and Commerce Bank
Emmens Building, Bayfront
Roseau, Commonwealth of Dominica

Once arrangements have been sent, please inform Mr. Loubeau and Miss Ortiz.

Thank you,
Esperanza de Saad

HEAD OFFICE IN VENEZUELA: AV. UNIVERSIDAD — ESQUINA TRAPOSOS, CARACAS

Financial Advisors

Richard A. Perea
Personal Financial Advisor

American Express Financial Advisors Inc.
Suite 200
5550 Merrick Road
Massapequa, NY 11758
Bus: 516.797.7590 Ext. 212
Voice Mail
Fax: 516.797.7596

FACSIMILE TRANSMISSION FORM

DATE: February 6, 1998

TO: Angel Peche, Bco. Industrial of Miami
FAX: (305) 374 5178
FM: Richard Perea **TIME:** 1650 **PAGES:** 1
SUBJ: British Trade & Commerce Bank, EMENS Bldg., Domenica

Dear Mr. Peche:

It was good to meet you on the telephone today.

I am informed by Mr. Betts, VP and Financial Comptroller of British Trade & Commerce Bank, that yours is a correspondent bank of subject. A client of ours is exploring a transaction involving subject bank in the low seven figures. Without responsibility on your part, we would appreciate your response to the following by way of a standard checking:

1. Is Bco. Industrial of Miami a correspondent bank of subject?

2. Please give us your opinion of the bank and its management.

3. Do you extend credit to subject bank?

4. In your opinion, would a transaction in the low seven figures for up to two years be consistent with the bank and its operations?

Thank you in advance for your assistance in this matter.

Sincerely,

Richard A. Perea
Personal Financial Advisor

Spoke w/ Mr. Perea by phone

Send. below

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

TO WHOM IT MAY CONCERN

As per request of our client British Trade & Commerce Bank, we hereby confirm that they have been a client of ours since October 20, 1997 and maintain an active checking account.

Currently, their account presents a balance in excess of medium six figures.

If you need further information please contact Mrs. Lorena Ortiz at (305)374 5060 ext. 17.

Sincerely,

Dra. Esperanza de Saad
EVP & General Manager
BIV Miami

HEAD OFFICE IN VENEZUELA: AV. UNIVERSIDAD — ESQUINA TRAPOSOS, CARACAS

sent by Regular Mail

British Trade & Commerce Bank
EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica. P.O Box: 2042

FAX COVER
Date:03/06/98

TO:	LORENA ORTIZ	FROM:	GEORGE BETTS
COMPANY	BANCO INDUSTRIAL DE VENEZUELA	FAX Nº:	(767) 448-6477
FAX Nº	305-374-5178	PHONE Nº:	(767) 448-6410
PHONE Nº	305-374-5060	Pages:	1 (Including this one)

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:
DEAR LORENA:

THANK YOU FOR THE BANK REFERENCE LETTER. WE ALSO NEED A LETTER SIGNED BY TWO BANK OFFICERS WITH THE FOLLOWING TEXT.

TO: BRITISH TRADE AND COMMERCE BANK
EMENS BUILDING, BAYFRONT
ROSEAU, COMMONWEALTH OF DOMINICA

THIS LETTER CONFIRMS THAT YOU HOLD AN ACCOUNT IN GOOD STANDING IN OUR BANK AND THAT YOUR CURRENT BALANCE IS IN EXCESS OF USD$400,000.

SINCERELY,

SIGNED BY BANK OFFICER
NAME AND TITLE

SIGNED BY BANK OFFICER
NAME AND TITLE

PLEASE SEE IF YOU CAN GET THIS PREPARED AND FAXED TO ME TODAY. I APPRECIATE ALL YOU HELP IN THIS MATTER

KIND REGARDS,

GEORGE BETTS

Licenced for Full Trust Business.

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

March 10, 1998

BRITISH TRADE AND COMMERCE BANK
Emens Building, Bayfront
Roseau, Commonwealth of Dominica

Gentlemen:

As requested, were hereby confirm that you hold a checking account in our Agency which is in good standing. Your account presents a current balance in excess of US$400,000.00.

Sincerely,

Mr. Louis Robinson
Comptroller

Lorena Ortiz
Account Officer

BIV's Response to 4/6/00 Congressional Subpoena 0297

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O.Box 2047

FAX COVER
Date:04/02/98

TO:	LORENA ORTIZ	FROM:	GEORGE BETTS
COMPANY	BANCO INDUSTRIAL DE VENEZUELA	FAX Nº:	(767) 448-6477
FAX Nº	305 374 6060	PHONE Nº:	(767) 448 6410
PHONE Nº		Pages:	(Including this one)

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

4/8/98

Comments:

DEAR LORENA

FOLLOWING IS THE PROOF OF FUNDS THAT WE HAVE BEEN ASKED TO PROVIDE. PLEASE REVIEW AND CALL EITHER ME OR RODOLFO TO DISCUSS.

THANKS,

GEORGE BETTS

4/8/98 called - Mr. Requena left to Unzga.

Telex #

- called - Unzga - no answer
4/9/98 Spoke w/ Harry Roy - Mr. Requena will be away for Easter week.

Uncovered for Full Trust Business

BIV's Response to 4/6/00 Congressional Subpoena 0279

(Banco Industrial de Venezuela Letterhead)
[typed in 14pt type]

4/6/98 discussed w/ Mr. Bequeme

DATE	April 3, 1998
TO	British Trade & Commerce Bank EMENS Bldg., Dame Eugenia Charles Blvd., Bayfront Roseau, Commonwealth of Dominica
RE	PROOF OF FUNDS ACCOUNT NO. 062-020-001 ACCOUNT NAME British Trade & Commerce Bank

Banco Industrial de Venezuela, pursuant to your request, hereby confirms to you that your Bank has on deposit a sum exceeding Four Hundred Thousand United States Dollars (US$400,000) in the form of Cash deposited at Banco Industrial de Venezuela as of today's date.

We, Banco Industrial de Venezuela, also confirm these funds to be ~~good, clean and cleared funds of non-criminal origin, and are~~ free from any and ~~all~~ liens and encumbrances, and that these funds are available to your Bank on first call; that your account is in good standing; ~~and, that~~ you are a valued customer of this bank ~~and your account has always, in so far as the records of this bank show, been maintained in accordance with the rules and regulations of this bank as an account in good order.~~

This bank is prepared to block these funds and issue the appropriate documents upon your request or to place these funds upon your instruction.

Sincerely,

By : [Name of Officer]	By : [Name of Officer]
Title : [Title of Officer]	Title : [Title of Officer]
Date : [Date]	Date : [Date]
Phone: [Phone Number]	Phone: [Phone Number]
Fax : [Fax Number]	Fax : [Fax Number]

BANK STAMP OR SEAL

By Fellin
AJ OR

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

MAY 5, 1998

VIA FAX: 1 767 448-6477

BRITISH TRADE AND COMMERCE BANK
Emens Building, Bayfront
Roseau, Commonwealth of Dominica

Gentlemen:

As requested, we hereby confirm that you hold a Demand Deposit Account in our books with a present balance in excess of US$1,000,000.00. This account is in good standing and funds are available to you on call.

Very sincerely,

Lorena Ortiz
Account Officer

Pierre Loubeau
Credit Manager

BIV's Response to 4/6/00 Congressional Subpoena 0270

BANCO INDUSTRIAL DE VENEZUELA

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

— MEMORANDO INTERNO —

January 23, 1998

To : Ms. Maria Cristina Garciga - Wire Transfer Dept.

From: Lorena Ortiz

CC : Mr. Pierre Loubeu

Ref.: British Trade and Commerce Bank

On December 16, 1987 A transfer in the amount of $6,000.00 was sent to Mr. Rodolfo Requena at Banco Industrial de Venezuela Caracas to be picked up at their registers.

To date, Mr. requena has not received these funds. Please investigate the whereabouts of said transfer and inform me so that I may update my clients.

Thank you.

Lorena

funds 1/26/98 Rec'd by Mr. Requena on 12/18/97 and Jan. 6 '98. — Confirmed w/Mr. Be48. Jo.

BIV's Response to 4/8/00 Congressional Subpoena 0260

BIV's Response to 46600 Congressional Subpoena 02P

INDUSTRIAL DE VENEZUELA

MIAMI AGENCY

1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
ISH TRADE AND COMMERCE BANK ENS BUILDING, BAYFRONT EAU MONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	12/31/97	2

OPENING BALANCE
100,000.00

TE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
7/97		W/T FEE	10.00		43177.01
5/97		W/T F/O RODOLFO REQUENA	16,849.57		26327.44
5/97		W/T FEE	10.00		26317.44
6/97		W/T F/O RODOLFO REQUENA	6,000.00		20317.44
6/97		W/T FEE	20.00		20297.44
7/97		W/T F/O SCHENKER INTL	2,367.20		17930.24
7/97		W/T FEE	10.00		17920.24
7/97		W/T F/O [redacted]	6,000.00		11920.24
7/97		W/T FEE	20.00		11900.24
9/97		W/T F/O RODOLFO REQUENA	6,000.00		5900.24
9/97		W/T FEE	20.00		5880.24
31/97		BELOW MINIMUM BALANCE CHARG	20.00		5860.24

Redacted Information in Subcommittee Files

```
User: F6AZPD1    16:45:33    05/26/1998        Funds Transfers    :        Verify
: Message        V2.50.30
File: FLTRANJ    Record:    2      New Status: TQ        Appl Sequ #: 000002
Queued for Transmission

####    ####  FT P    ####     FT OUTGOING      #### URC: FT0002            ####
(1520) IMAD: 19980526 F6QCA11C 000002
(3100) Sender: 066010801 BANCO IND DE VENEZ   (2000) Amount:        $10,000.00
(3400) Receiver: 066010814 BCO VENEZUELA INTL (3600) Bus Function Code: CTR
(1510) Type Code:          1000
(5000) Originator:         D62020001
                           BRITISH TRADE AND COMMERCE BANK
                           ROSEAU DOMINICA
(4200) Beneficiary:        D127277606
                           RODOLFO REQUENA
(3320) Sender Ref:         002
##############
```

22

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

File
Bridgehouse

facsimile transmittal

To: Mr. [redacted] Fax: 1 714 [redacted]

From: Lorena Ortiz Date: February 10, 1998

Re: Balance Sheet Pages: 2

Notes: As per Mr. George Betts' request, we submit our Statement of Assets, Liabilities and Head Office Equity audited report for June 30, 1997. If you need further information please feel free to contact me directly at (305) 374-5060 Ext. 17.

Coordially,

Lorena Ortiz

BIV's Response to 4/6/00 Congressional Subpoena 0249

BANCO INDUSTRIAL DE VENEZUELA, C.A.
MIAMI AGENCY

Statement of Assets, Liabilities and Head Office Equity

June 30, 1997

Assets	
Cash and due from banks:	
Cash on hand	$ 27,801
Due from banks–noninterest-bearing:	
Branches	129,395
Domestic	460,785
Total cash and due from banks	617,981
Federal funds sold–overnight	22,345,000
Commercial paper	2,960,030
Interest-bearing deposits with branches:	7,920,313
Trading securities	495,000
Securities held to maturity	7,343,850
Bankers' acceptances	1,948,667
Loans, net	2,670,769
Accrued interest receivable	169,374
Furniture and equipment, net	101,170
Other assets	82,379
	$ 46,654,533
Liabilities and Head Office Equity	
Due to customers–foreign:	
Noninterest-bearing demand deposits	685,890
Interest-bearing:	
Money market accounts	1,405,366
Certificates of deposit	3,293,581
Total due to customers–foreign	5,384,837
Due to customers–domestic:	
Noninterest-bearing demand deposits	1,226,407
Total due to customers–domestic	1,226,407
Due to Head Office and branches:	
Noninterest-bearing demand deposits	500,000
Federal funds sold-overnight	63,942
Interest-bearing time deposits, greater than $100,000	11,576,174
Due to branches and affiliates	22,704,019
Total due to Head Office and branches	34,844,135
Federal funds purchased	41,191
Accrued interest payable	103,066
Other liabilities	175,510
Total liabilities	41,775,146
Head Office equity:	
Capital	5,000,000
Accumulated deficit	(120,613)
	4,879,387
Commitments and contingent liabilities	
	$ 46,654,533

See accompanying notes to financial statements.

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

FACSIMILE TRANSMITTAL SHEET

TO:	FROM: LORENA ORTIZ
BRITISH TRADE AND COMMERCE BANK	
COMPANY: atto: Mr. Harry Royce	DATE: APRIL 8, 1998
FAX NUMBER: 1 767 448-6477	NO. OF PAGES INCL.COVER: 3
RE: Message received from Union de Credito de Fomento Integral de Naucalpan	YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Enclosed is copy of the telex sent us to be retransmitted to yourselves via swift.

Please note that we are unable to accommodate your Bank in these types of services. Messages of this nature can be sent directly to your Institution either by telex or fax.

Sincerely,

Lorena Ortiz

BIV's Response to 4/6/00 Congressional Subpoena 0292

unable to accomodate your request. please remit directly to BTCB

Regards

R194

RX-DDD 0301 FRI 11-JUL-00

6812058BIV MIA

WUI 1833 04/06
172498 TXPUME

TLALNEPANTLA MEX ., 06 ABRIL 1998

UNION DE CREDITO DE FOMENTO INTEGRAL DE NAUCALPAN . S.A.DE C.V.

APRIL 6, 1998.

TO: BANCO INDUSTRIAL DE VENEZUELA, MIAMI, FLORIDA
ABA. NO. 066010801
SWIFT CODE: INDSUS3M
TELEX NO: MCI 6812058 BIV-MIA

PLEASE TRANSMIT THE FOLLOWING MESSAGE TO BRITISH TRADE AND COMMERCE BANK, ROSEAU COMMONWEALT OF DOMINICA.
SWIFT CODE: BTCBDMDM
ATENTION: MR.RODOLFO REQUENA, PRESIDENT

WE ARE SENDING THE FOLLOWING TELEX TO METROPOLITAN BANK AND TRUST CO. CHICAGO, ILLINOIS. AS PER REQUEST OF YOUR ACCOUNT HOLDER HONG KONG - SHANGHAI INVESTMENTS CORP. PLEASE CONFIRM THE FOLLOWING MESSAGE BY SWIFT TO:HARRIS BANK, CODE HATRUS 44.

APRIL IST 1998

FROM: UNION DE CREDITO DE FOMENTO INTEGRAL DE NAUCALPAN SA DE C.V. (UCREFIN)
NAUCALPAN EDO DE MEXICO.

TELEX NRO. 172498+
BERRIOZABAL NRO 6, COL CENTRO
TLALNEPANTLA .

TO: METROPOLITAN BANK AND TRUST CO.
CHICAGO ILLINOIS , U.S.A.

VIA MARINE BANK CHICAGO (TEMPLATE):
CORRESPONDENT BANK, METROPOLITAN BANK AND TRUST CO.
TELEX NRO.. 824164
SWIFT CODE: HATRUS 44
ABA NRO: 071000288
FOR THE ACCOUNT OF METROPOLITAN BANK AND TRUST,
ACCOUNT NRO: 1265289
ATTENTION: MS. BETTY VALLE (773) 890-3528
MR. ABRAHAM KRITZER (773) 890-3505
FOR FURTHER CREDIT TO ACCOUNT OF WESTMINSTER FINANCIAL GROUP, LTD. ACCOUNT NRO. 36420660, ATTENTION MR. MARSHAL SUTTON, DR. SAVITA KEZERLE, DR. CONRAD MAZESKI.

PLEASE TRANSMIT THIS MESSAGE TO:
METROPOLITAN BANK AND TRUST, CO., CHICAGO, ILLINOIS
ATTENTION: MS. BETTY VALLE/MR. ABRAHAM KRITZER, SR. V.P.
A.B.A. NRO: 071002707
ACCOUNT NUMBER: 36420660
ACCOUNT NAME: WESTMINSTER FINANCIAL GROUP, LTD.
PLEASE NOTIFY: DR. SAVITA KEZERLE
TRANSACTION CODE: 0301/97 UCFI/NAU

WE CONFIRM WITH FULL BANKING RESPONSIBILITY OUR LETTERS OF GUARANTEE NUMBERS: 0301/97 UCFI/NAU, 0302/97 UCFI/NAU, 0303/97 UCFI/NAU, 0304/97 UCFI/NAU, 0305/97 UCFI/NAU, 0306/97 UCFI/NAU, 0307/97 UCFI/NAU, 0308/97 UCFI/NAU, 0309/97 UCFI/NAU, 0310/97 UCFI/NAU, EACH IN THE AMONUNT OF U.S.D. TEN MILLION (US$10,000,000.00 ISSUED JANUARY 15, 1997, TO BENEFICIARY HONG KONG - SHANGHAI INVESTMENTS CORPORATION, 2633 GOMES DRIVE, SAN JOSE CA U.S.A.

WE, ALSO, HEREBY IRREVOCABLY AND UNCONDITIONALLY PAY TO ORDER OR BEARER UPON PRESENTATION AND SURRENDER OF THIS GUARANTEE AT MATURITY, NOVEMBER 2ND., 1998

UNION DE CREDITO DE FOMENTO INTEGRAL DE NAUCALPAN SA DE.C.V.

SIGNED: SIGNED:

ING. ANTONIO PI#ON DIAZ. ING. JOSE LUIS CASILLAS RDGZ
PRESIDENT/GENERAL DIRECTO. GENERAL MANAGER.

PARQUE DE ZOQUIAPAN NRO 1, COL DEL PARQUE C.P. 53390
NAUCALPAN , ESTADO DE MEXICO TELEF 357 09 44 FAX. 3 57 09 44

NNNNNNNN

...**
THEY DISCONNECTED

lapsed time 00:09:29

PRINTED AT 0311 FRI 11-JUL-00

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

May 28 ,1998

BRITISH TRADE AND COMMERCE BANK
Emmens Building ,Bayfront
Roseau , Commonwealth of Dominica.

Dear Mr. George Betts:

Further to our conversation today , in which you informed me that British Trade and Commerce Bank is a company incorporated in Dominica, on March 1997, and that they opened for business on October 1997, and therefore you do not have any audited Financial Statements for the year 1997.

Since you mentioned during our conversation that you have personal references from Idaho , please send us these references overnight, at our expenses.

In addition, we also need the following information:

- One picture identification of Mr. Requena , Mr. Betts and Mr. Reyes
- Two bank letters of reference (Attention : Banco Industrial de Venezuela -Miami Agency)
- Articles of Incorporation
- Current Financial Statements and General Information
- Personal References of Mr. Requena and Mr. Reyes
- Certificate of Officers/ Directors and/or partners.

Sincerely,

Jorge Correa
Acting Operations Manager

c.c. Mr. Mario Caires
Executive Vice-President &
General Manager

BIV's Response to 4/6/00 Congressional Subpoena 0001

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

3

May 29 ,1998

BRITISH TRADE AND COMMERCE BANK
Emmens Building ,Bayfront
Roseau , Commonwealth of Dominica

Dear Mr. George Betts:

Further to our letter of May 28 1998 and in connection with the accounts your institution holds in our Agency , please inform us the name of your accountants , your law firm , and any other information you may deem appropriate for our files.

We are requesting this information to up date our bank records . Your help in this process is highly appreciated .

Sicerely yours ,

Mr. Jorge Correa
Acting Operations Manager.

cc : Mr. Mario Caires
Mrs. Amparo Delao
Mrs. Yuraima Martinez
Mr. Leonardo Gonzalez

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

(4)

May 29,1998

Mr. Jorge Correa
Acting Operations Manger
Banco Industrial de Venezuela
1101 Brickell Ave.
Miami, Fl. 33131

Dear Mr. Correa

In reply to your letters of May 28 and May 29, 1998 I am pleased to enclose the following:

1. Personal reference letters for Rodolfo Requena, Herry Royer and George Betts.

2. Photocopies of the passports of Rodolfo Requena, Herry Royer and George Betts.

3. Memorandum and Articles of Association of British Trade & Commerce Bank. (Sent via Fed-Ex)

4. Balance Sheet of British Trade & Commerce Bank at 12/31/97. The first year-end of the Bank will be September 30, 1998 at which time we will have our first audit.

5. Profile on our Bank, the Officers and Directors. Also, you can visit our web site at www.btcb.com for more information on our services. (Sent via Fed-Ex)

Our auditing firm in Dominica is Moreau Winston & Co. 13 Hanover St., Roseau, Dominica. Telephone 767-448-2252. Mr Gordon Moreau is the partner in charge of our engagement.

Our attorney is Mr. Michael Bruney, Bruney's Law Office, 12 Virgin Lane, Roseau, Dominica. Telephone 767-448-0200.

I believe this covers everything in your two letters. If you need anything else, please do not hesitate to contact me.

Sincerely,

George E. Betts
Vice President-Financial Comptroller

BRITISH TRADE AND COMMERCE BANK
Balance Sheet (U.S. Dollars)
December 31, 1997

5

ASSETS		
CASH AND DUE FROM BANKS		$ 6,230,253.80
GOVERNMENT SECURITIES HELD		$ 200,000,000.00
BANK PREMISES AND EQUIPMENT		$ 287,266.91
PREPAID EXPENSES AND OTHER ASSETS		$ 667,913.59
TOTAL ASSETS		$ 207,185,434.30
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
DEMAND DEPOSITS	$ 1,210,128.15	
CERTIFICATES OF DEPOSIT	$ 400,000.00	
GOVERNMENT SECURITIES	$ 200,000,000.00	
TOTAL		$ 201,610,128.15
ACCRUED EXPENSES AND OTHER LIABILITIES		$ 29,833.65
LONG-TERM LIABILITIES		$ 239,301.85
STOCKHOLDERS' EQUITY		
CAPITAL STOCK	$ 3,000,000.00	
ADDITIONAL PAID IN CAPITAL	$ 2,429,868.89	
RETAINED EARNINGS	$ (123,698.24)	
TOTAL		$ 5,306,170.65
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 207,185,434.30

BANCO
INDUSTRIAL
DE VENEZUELA

7

INTEROFFICE MEMORANDUM

TO: CUSTOMER SERVICE / EDP ADMINISTRATOR / PAYING & RECEIVING CLERK

FROM: JORGE CORREA - ACTING GENERAL MANAGER

SUBJECT: BRITISH TRADE & COMMERCE BANK
ACCOUNT # 062020001

DATE: MAY 29, 1998

CC: M. CAIRES / M. DOLORES PARADA / YURAIMA MARTINEZ / ALFREDO MURACIOLE

Effective immediately, please proceed to close the account # 062020001. No debits or credits should be done without formal authorization from General Manager.

JC/mr.

Archivar
Pandereule - cerrar
Invitar a Paulsen
D 6/1

BIV's Response to 4/5/00 Congressional Subpoena 011:

Jun-01-98 05:30P BT&C Bank/Trust

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

June 1, 1998

Mr. Jorge Correa
Acting Operations Manager
Banco Industrial de Venezuela
1101 Brickell Ave.
Miami, Fl. 33131

Dear Mr. Correra

Further to our verbal request for a Bank Reference letter from your institution, we wish to inform you in writing that we would like the following Bank Reference letters addressed to the individuals named.

1. Ms. Kyree D. Pina
   Compliance Officer
   First Equity Corporation of Florida
   201 So. Biscayne Blvd., Suite 1400
   Miami, Fl. 33131

2. Mr. Oscar Gomez
   Senior Vice President,
   Correspondent Banking Manager
   Union Planters Bank
   1221 Brickell Av.
   Miami, F. 33131

3. Ms. Christina Acosta
   Vice President, International
   First Union Bank
   6505 Blue Lagoon Drive
   Miami, Fl. 33126

4. Mr. Eduardo Romero
   Nations Bank

Please fax me copies of the above letters and hold the originals for Mr. Rodolfo Requena to pick up when he is in Miami this coming Thursday and Friday, June 4 and 5.

Thank you for your cooperation.

Sincerely,

George Betts, Vice President

BIV's Response to 4/6/00 Congressional Subpoena 0237

BANCO
INDUSTRIAL
DE VENEZUELA

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

(9)

June 4th, 1998

BRITTISH TRADE & COMMERCE BANK
Emmens Building, Bayfront Roseau
Common Wealth of Dominica
Attn. Mr. George Betts

Dear Mr. Betts:

Further our telephone conversation held today please be informed that the balance is US$3,498,559.74.

Sincerely,

Jorge Carea
Operation Manager
BIV Miami

C.C.: Mr. Mario Caires-E.V.P.BIV N.Y.

JC/lm

BIV's Response to 4/6/00 Congressional Subpoena 0236

(10)

BANCO
INDUSTRIAL
DE VENEZUELA

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

INTEROFFICE MEMORANDUM

TO: MARIO CAIRES
ACTING EVP AND GENERAL MANAGER, BIV-MIAMI

FROM: JORGE CORREA
ACTING OPERATIONS MANAGER, BIV-MIAMI

SUBJECT: BRITISH TRADE AND COMMERCE BANK

DATE: JUNE 5, 1998

CC: AMPARO DELAO, INTERNAL AUDITOR

Regarding above mentioned, this is to inform you that at 4:00 p.m., on Wednesday June 4, 1998, Mr. Armando E. Lacasa, attorney at law for Ruden, McClosky, Smith, Schuster and Russell, P.A. and the undersigned, Jorge Correa, called Mr. Rodolfo Requena, President of British Trade and Commerce Bank at his cellular, No. (561) [redacted] and we informed Mr. Requena that we are closing his account in our institution (BIV-Miami Agency), No. 062020001, immediately.

Mr. Requena replied that he would like to know the reason. At that point I, Jorge Correa, introduced Mr. Requena to Mr. Lacasa, who explained him that he is our lawyer and that the reasons were as follows:

1. We are in the process of restructuring this Agency;

2. We are reducing the customer service portfolio and since your account is substantial, we are, therefore, closing your account. As Mr. Correa informed you, the balance in your the account is at your disposal.

Mr. Lacasa also asked Mr. Requena on to how he would like to get his money. Perhaps a check. I added that we will send a check to his attention, via Fedex.

Mr Requena responded that this was fine and asked what was the balance in the account. I replied that I will send him a fax confirming the following:

"Attention Mr. George Betts:

Further to our telephone conversation held today, please be informed that the outstanding balance in your account is US$3,[illegible],559.74."

Regards,

Jorge Correa

JC:m

Redacted Information in Subcommittee Files

(11)

Translation memo CONFIDENTIAL to Dr. Miguel Angel Burelli Rivas; from Leonardo Gonzalez - Interim General Manager BIV-Miami; Ref. British Trade and Commerce Bank-Dominica; dated June 11, 1998.

Text:

Following instructions from our Executive Vice President, Mr. Mario Caires, we hereby inform you of the following:

BACKGROUND

British Trade and Commerce Limited (henceforth "British"), is a corporation established under the laws of Commonwealth of Dominica on February 26, 1997, to perform bank business, including offshore financial transactions, in Dominica as well as other countries.

On March 27, 1997, British obtained a license to conduct offshore banking business and/or trust business. This license was incorporated by Ministry of Finance, Industry and Planning of Dominica incorporated this license.

The company was constituted by two (2) shareholders: Rodolfo Requena Pérez, Avenida Venezuela, Torre Merica, Oficina 615, Bello Monte, Caracas, Venezuela and Clarence Butler, Pont Casse, Dominica.

In their request to obtain the bank license, British presented the following managerial structure:

Board of Directors
Rodolfo Requena Pérez, President
Pablo Urbano Torres, Director
Diran Sarkissian Ramos, Director
Management
Rodolfo Requena Pérez, President
Charles L. Brazie, Vice-President – Accounts
Jorge E. Betts, Vice-President – Finance
Oscar Rodríguez Gondelles, Venezuelan Representative
John G. Long, Committee Consultant
Juan Medina Diaz, External Consultant

RELATIONSHIP WITH BANCO INDUSTRIAL DE VENEZUELA, MIAMI AGENCY

Approximately on July 1997, Messrs. Requena and Betts contacted Banco Industrial de Venezuela Miami Agency ("BIV-Miami") with the purpose of opening an account. On September 15, 1997, British expressed to BIV-Miami their intention of opening an account with an initial deposit of USD 40,000,000. The account was opened on October 1, 1997, with an initial deposit of approximately USD 1,000,000. The information of British, to establish and to perform transactions in the account, is:

◻ Name of the account:	British Trade & Commerce Bank
◻ Number of the account:	062020001
◻ Address:	Emmens Building, Bayfront Rouseau, Commonwealth of Dominica
◻ Telephone:	(809) 448-6410
◻ Fax:	(809) 448-6477
◻ Post Office Box:	POB 2042, Rouseau, Commonwealth of Dominica
◻ Authorized signatures:	Rodolfo Requena Pérez, President, Jorge E. Betts, Vice-President and Henry Royer, Secretary.

The activity in the above referenced account was limited to receive deposits and to do withdrawals in the form of wire transfers, from and to the United States of America and other countries.

Between October 1997 and March 1998, the account showed very little activity, with an average balance of USD 500,000. At the beginning of April the account had a large number of wire transfers, increasing their average balance to USD 6,000,000, with the following characteristics:

- Large amounts in a single transaction (between 500,000 to 1,000,000).
- Payer and Payee were usually the same individuals and/or corporations (i.e. "International Business Consultant").

As consequence of the results of "Casablanca Operation", BIV took special measures to assure the safety and soundness of its operation. It was immediately detected that the account of British:

1. had deficiencies in the support documentation required;
2. was considerably intensify the volume of their transactions;
3. erroneously sent wire transfers to BIV-New York and BIV-Caracas (this never happed in the past).

(13)

BANCO INDUSTRIAL DE VENEZUELA

COPY

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131, U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5176
CABLE: "BANDUSTRIAL"

Confidencial

Para:	Dr. Miguel Angel Burelli Rivas Ministro de Relaciones Exteriores
De:	Leonardo González Dellán Gerente General Encargado BIV-Miami
Asunto:	British Trade and Commerce Bank - Dominica
Fecha:	Miami, 11 de Junio de 1998

Siguiendo instrucciones de nuestro Vice Presidente Ejecutivo, Ing. Mario Caires S., le informo lo siguiente:

ANTECEDENTES

British Trade and Commerce Limited (en lo sucesivo "British") es un empresa constituida, en fecha 26 de febrero de 1997, bajo las leyes del *Commonwealth of Dominica*, para realizar negocios bancarios, incluyendo transacciones financieras "*offshore*", en dicho país y otros países.

En fecha 27 de marzo de 1997, British obtuvo una licencia para conducir negocios bancarios "*offshore*" y/o negocios de fideicomiso (*Trust business*). Esta licencia fue suscrita por el Ministro de Finanzas, Industria y Planificación de Dominica.

Esta compañía fue constituida por dos (2) accionistas: Rodolfo Requena Pérez, Avenida Venezuela, Torre Merica, Oficina 615, Bello Monte, Caracas, Venezuela y Clarence Butler, Pont Casse, Dominica.

En la solicitud para la licencia bancaria, British presentó la siguiente estructura gerencial:

Junta Directiva
Rodolfo Requena Pérez, Presidente
Pablo Urbano Torres, Director
Diran Sarkissian Ramos, Director
Estructura Gerencial
Rodolfo Requena Pérez, Presidente
Charles L. Brazie, Vice - Presidente - Cuentas
Jorge E. Betts, Vice - Presidente - Finanzas
Oscar Rodriguez Gondelles, Representante en Venezuela
John G. Long, Comité de Asesoría
Juan Medina Díaz, Consultor Externo

(14)

RELACION BANCO INDUSTRIAL DE VENEZUELA, AGENCIA MIAMI

Aproximadamente en julio de 1997, los señores Requena y Betts establecieron contacto con la agencia de Miami del Banco Industrial de Venezuela ("BIV-Miami") para abrir una cuenta. En fecha 15 de septiembre de 1997, British manifestó a BIV-Miami su intención de abrir una cuenta con depósito inicial de US$ 40,000,000. La cuenta de British fue establecida el 1 de octubre de 1997, con depósito inicial de aproximadamente US$1,000,000. Los datos principales de British para establecer y movilizar la cuenta son:

- **Nombre de la cuenta:** British Trade & Commerce Bank
- **Número de la cuenta:** 062020001
- **Dirección:** Emmens Building, Bayfront Rouseau, Commonwealth of Dominica
- **Teléfono:** (809) 448-6410
- **Fax:** (809) 448-6477
- **Dirección de correo:** P.O. Box 2042, Rouseau, Commonwealth of Dominica
- **Firmas autorizadas:** Rodolfo Requena Perez, Presidente; Jorge E. Betts, Vice-Presidente y Herry Royer, Secretario.

La actividad de la referida cuenta se limitó a recibir depósitos y hacer retiros a través de transferencias electrónicas, desde y hacia los Estados Unidos de Norteamérica y otros países.

Durante el período octubre 1997 - marzo de 1998, la cuenta registro poca actividad, con balance promedio de US$500,000. A comienzos de abril, la cuenta registró muchas transferencias electrónicas, aumentando el balance promedio a US$ 6,000,000, con estas características:

- Movimiento de grandes cantidades en una sola operación (entre 500 mil - 1 millón)
- Tanto ordenantes como beneficiarios tendían a ser los mismos individuos y/o corporaciones (ej. "International Business Consultant").

Después de conocerse el resultado de la llamada "Operación Casablanca", BIV comenzó a tomar medidas especiales para asegurar la normalidad de todas sus operaciones. Se detectó inmediatamente que la cuenta de British:

- Tenía deficiencias en el soporte documental requerido
- Había intensificado considerablemente el volumen de sus transacciones
- Realizó erróneamente transferencias electrónicas a BIV-Nueva York y BIV-Caracas (cuando nunca había ocurrido en el pasado)

June 17, 1998

Ms. Lorena Ortiz
Banco Industrial de Venezuela - Miami Agency
1101 Brickell Avenue, Suite 500
Miami, FL 33131

Dear Ms. Ortiz:

Mr. Rodolfo Requena, president of British Trade and Commerce Bank in Dominica, West Indies, has given us your bank as reference to establish a banking relationship with us.

Any information you could provide us about British Trade and Commerce Bank, your credit experience with them, average balances and how their account was handled, would be most helpful.

Your information, of course ,will be treated with the strict confidence.

We will appreciate hearing from your at your earliest convenience. Thank you very much for your cooperation.

Sincerely,

Fernando Gonzalez
Branch Manager - Brickell Branch

July 10th, 1998.

Ms. Lorena Ortiz
Banco Industrial de Venezuela-Miami Agency
1101 Brickell Avenue, Suite 500
Miami, FL 33131

Dear Ms. Ortiz:

Mr. Rodolfo Requena, president of British Trade and Commerce Bank in Dominica, West Indies, has given us your bank as reference to establish a banking relationship with us.

Any information you could provide us about British Trade and Commerce Bank, your credit experience with them, average balances and how their account was handled, would be most helpful.

Your information, of course, will be treated with the strict confidence.

We will appreciate hearing from you at your earliest convenience. Thank your very much for your cooperation.

Sincerely,

Fernando Gonzalez - Branch Manager
Brickell Branch
444 Brickell Avenue
Miami, FL 33131

SECOND REQUEST

BANCO INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	10/31/97	1

OPENING BALANCE
.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
10/20/97		W/T B/O BANQUE FRANCAISE		1,005,000.00	1005000.00
10/29/97		10/29/97 INVESTMENT ALLOCAT	905,000.00		100000.00-
10/30/97		P/INVESTMNT + INTRS 04.37500 %		905,108.47	1005108.47
10/30/97		W/T F/O BRITISH TRADE & COM	25,000.00		980108.47
10/30/97		W/T FEE	20.00		980088.47
10/30/97		10/30/97 INVESTMENT ALLOCAT	880,088.47		100000.00
10/31/97		P/INVESTMNT + INTRS 04.43750 %		880,195.46	980195.46
10/31/97		10/31/97 INVESTMENT ALLOCAT	880,195.46		100000.00

OPENING BALANCE	.0
TOTAL DEBITS	2,690,303.9
TOTAL CREDITS	2,790,303.9
ENDING BALANCE	100,000.0
AVERAGE BALANCE	758,181.8

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

BV INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153765 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PA
062020001	11/28/97	

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
11/03/97		P/INVESTMNT + INTRS 04.37500 %		880,511.96	980511.9
11/03/97		11/03/97 INVESTMENT ALLOCAT	880,511.96		100000.0
11/04/97		P/INVESTMNT + INTRS 04.31250 %		880,615.99	980615.9
11/04/97		11/04/97 INVESTMENT ALLOCAT	880,615.99		100000.0
11/05/97		P/INVESTMNT + INTRS 04.37500 %		880,721.54	980721.5
11/05/97		11/05/97 INVESTMENT ALLOCAT	880,721.54		100000.0
11/06/97		P/INVESTMNT + INTRS 04.31250 %		880,825.59	980825.5
11/06/97		11/06/97 INVESTMENT ALLOCAT	880,825.59		100000.0
11/07/97		P/INVESTMNT + INTRS 04.18750 %		880,926.64	980926.6
11/07/97		11/07/97 INVESTMENT ALLOCAT	880,926.64		100000.0
11/10/97		P/INVESTMNT + INTRS 04.31250 %		881,238.88	981238.8
11/10/97		11/10/97 INVESTMENT ALLOCAT	881,238.88		100000.0
11/12/97		P/INVESTMNT + INTRS 04.37500 %		881,450.13	981450.1
11/12/97		11/12/97 INVESTMENT ALLOCAT	881,450.13		100000.0
11/13/97		P/INVESTMNT + INTRS 04.31250 %		881,554.27	981554.2
11/13/97		W/T F/O BRITISH TRADE AND C	25,000.00		956554.2
11/13/97		W/T FEE	20.00		956534.2
11/13/97		11/13/97 INVESTMENT ALLOCAT	856,534.27		100000.0
11/14/97		P/INVESTMNT + INTRS 04.25000 %		856,634.00	956634.0
11/14/97		11/14/97 INVESTMENT ALLOCAT	856,634.00		100000.0
11/17/97		P/INVESTMNT + INTRS 04.37500 %		856,942.03	956942.0
11/17/97		11/17/97 INVESTMENT ALLOCAT	856,942.03		100000.0
11/18/97		P/INVESTMNT + INTRS 04.31250 %		857,043.27	957043.2
11/18/97		11/18/97 INVESTMENT ALLOCAT	857,043.27		100000.0
11/19/97		P/INVESTMNT + INTRS 04.31250 %		857,144.53	957144.5
11/19/97		11/19/97 INVESTMENT ALLOCAT	857,144.53		100000.0
11/20/97		P/INVESTMNT + INTRS 04.25000 %		857,244.33	957244.3
11/20/97		11/20/97 INVESTMENT ALLOCAT	857,244.33		100000.0
11/21/97		P/INVESTMNT + INTRS 04.18750 %		857,342.67	957342.6
		CARRY OVER....			957,342.6

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
0620Z0001	11/28/97	

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
11/21/97		11/21/97 INVESTMENT ALLOCAT	857,342.6		100000.0
11/24/97		P/INVESTMNT + INTRS 04.25000 %		857,642.15	957642.1
11/24/97		11/24/97 INVESTMENT ALLOCAT	857,642.15		100000.0
11/25/97		P/INVESTMNT + INTRS 04.31250 %		857,743.48	957743.4
11/25/97		11/25/97 INVESTMENT ALLOCAT	857,743.48		100000.0
11/26/97		P/INVESTMNT + INTRS 04.37500 %		857,846.29	957846.2
11/26/97		11/26/97 INVESTMENT ALLOCAT	857,846.29		100000.0
11/28/97		P/INVESTMNT + INTRS 04.37500 %		858,051.93	958051.9
11/28/97		11/28/97 INVESTMENT ALLOCAT	858,051.93		100000.0

OPENING BALANCE	100,000.0
TOTAL DEBITS	15,621,479.
TOTAL CREDITS	15,621,479.
ENDING BALANCE	100,000.
AVERAGE BALANCE	100,000.

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	12/31/97	1

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/01/97		P/INVESTMNT + INTRS 04.62500 %		858,378.10	958378.10
12/01/97		12/01/97 INVESTMENT ALLOCAT	858,378.10		100000.00
12/02/97		P/INVESTMNT + INTRS 04.37500 %		858,480.98	958480.98
12/02/97		W/T F/O BRITISH TRADE & COM	75,000.00		883480.98
12/02/97		W/T FEE	20.00		883460.98
12/02/97		W/T F/O REPUBLIC PRODUCTS	37,806.00		845654.98
12/02/97		W/T FEE	10.00		845644.98
12/02/97		12/02/97 INVESTMENT ALLOCAT	745,644.98		100000.00
12/03/97		P/INVESTMNT + INTRS 04.37500 %		745,734.35	845734.35
12/03/97		12/03/97 INVESTMENT ALLOCAT	745,734.35		100000.00
12/04/97		P/INVESTMNT + INTRS 04.31250 %		745,822.45	845822.45
12/04/97		12/04/97 INVESTMENT ALLOCAT	745,822.45		100000.00
12/05/97		P/INVESTMNT + INTRS 04.18750 %		745,908.01	845908.01
12/05/97		W/T F/O CORP EXP SOUTH	21,892.75		824015.26
12/05/97		12/05/97 INVESTMENT ALLOCAT	724,015.26		100000.00
12/08/97		P/INVESTMNT + INTRS 04.25000 %		724,268.16	824268.16
12/08/97		12/08/97 INVESTMENT ALLOCAT	724,268.16		100000.00
12/09/97		P/INVESTMNT + INTRS 04.25000 %		724,352.49	824352.49
12/09/97		12/09/97 INVESTMENT ALLOCAT	724,352.49		100000.00
12/10/97		P/INVESTMNT + INTRS 04.18750 %		724,435.59	824435.59
12/10/97		12/10/97 INVESTMENT ALLOCAT	724,435.59		100000.00
12/11/97		P/INVESTMNT + INTRS 04.25000 %		724,519.94	824519.94
12/11/97		12/11/97 INVESTMENT ALLOCAT	724,519.94		100000.00
12/12/97		P/INVESTMNT + INTRS 04.31250 %		724,605.54	824605.54
12/12/97		W/T F/O [redacted]	750,000.00		74605.5
12/12/97		W/T FEE	20.00		74585.5
12/12/97		W/T F/O [redacted]	17,746.36		56839.1
12/12/97		W/T FEE	10.00		56829.1
12/12/97		W/T F/O LAVERN ERSPAN	13,642.17		43187.0
		CARRY OVER...:			43,187.0

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

Redacted Information in Subcommittee Files

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5050 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILOING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
062020001	12/31/97	

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/12/97		W/T FEE	10.00		43177.0
12/15/97		W/T F/O RODOLFO REQUENA	16,849.57		26327.4
12/15/97		W/T FEE	10.00		26317.4
12/16/97		W/T F/O RODOLFO REQUENA	6,000.00		20317.4
12/16/97		W/T FEE	20.00		20297.4
12/17/97		W/T F/O SCHENKER INTL	2,367.20		17930.2
12/17/97		W/T FEE	10.00		17920.2
12/17/97		W/T F/O [redacted]	6,000.00		11920.2
12/17/97		W/T FEE	20.00		11900.2
12/19/97		W/T F/O RODOLFO REQUENA	6,000.00		5900.2
12/19/97		W/T FEE	20.00		5880.2
12/31/97		BELOW MINIMUM BALANCE CHARG	20.00		5860.2

OPENING BALANCE	100,000.
TOTAL DEBITS	7,670,645.
TOTAL CREDITS	7,576,505.
ENDING BALANCE	5,860
AVERAGE BALANCE	47,769

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

BANCO INDUSTRIAL DE VENEZUELA

MIAMI AGENCY

1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	1/30/98	1

OPENING BALANCE
5,860.24

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
1/05/98		W/T RCVD.B/O AERO COURIER		4,984.00	10844.24
1/07/98		W/T NRWSTBK.F/O INTL.GEOTEL	1,363.43		9480.81
1/07/98		W/T FEE	10.00		9470.81
1/20/98		WT F/O BRITISH TRADE AND CO	8,000.00		1470.81
1/20/98		WT FEE	20.00		1450.81
1/30/98		WT B/O [redacted]		44,800.00	46250.81
1/30/98		BELOW MINIMUM BALANCE CHARG	20.00		46230.81
		INTEREST PAID IN 1997	4,374.29		

OPENING BALANCE	5,860.24
TOTAL DEBITS	9,413.43
TOTAL CREDITS	49,784.00
ENDING BALANCE	46,230.81
AVERAGE BALANCE	7,633.61

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153795 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PA
062020001	2/27/98	

OPENING BALANCE
46,230.81

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
2/04/98		WT F/O BRITISH TRADE	20,000.00		26230.
2/04/98		WT FEE	20.00		26210.
2/04/98		WT F/O REPUBLIC PRODUCTS	25,000.00		1210.
2/04/98		WT FEE	10.00		1200.
2/04/98		WT F/O INTERNAT GEOTEL	711.28		489.
2/04/98		WT FEE	10.00		479.
2/09/98		WT B/O FIRST FSLA		10,000.00	10479.
2/10/98		WT B/O [redacted]		60,000.00	70479.
2/10/98		WRE RCVD FOR CR AURORA INVESTM		25,000.00	95479.
2/11/98		W/T RCVD.FROM ACO HOLDING LTD		975,718.42	1071197.
2/11/98		B/O [redacted] RE:OMEGA CONSTRU		42,000.00	1113197.
2/11/98		WRE FOR CR [redacted]		45,000.00	1158197.
2/11/98		02/11/98 INVESTMENT ALLOCAT	1,058,197.95		100000.
2/12/98		P/INVESTMNT + INTRS 04.31250 %		1,058,322.97	1158322.
2/12/98		WT F/O PABLO URBANO	8,000.00		1150322.
2/12/98		WT FEE	20.00		1150302.
2/12/98		02/12/98 INVESTMENT ALLOCAT	1,050,302.97		100000.
2/13/98		P/INVESTMNT + INTRS 04.18750 %		1,050,423.46	1150423.
2/13/98		W/T CHASE NY F/O INTL.TRADI	450,000.00		700423.
2/13/98		W/T CHASE NY COMM.FEE	20.00		700403.
2/13/98		W/T HOME FSL F/O LAVERN ERS	2,500.00		697903.
2/13/98		W/T HOME FSL COMM.FEE	10.00		697893.
2/13/98		02/13/98 INVESTMENT ALLOCAT	597,893.46		100000.
2/17/98		P/INVESTMNT + INTRS 04.50000 %		598,188.31	698188.
2/17/98		WT F/O REPUBLIC PRODUCTS	4,467.00		693721.
2/17/98		WT FEE	10.00		693711.
2/17/98		WT F/O REPUBLIC PRODUCTS	2,840.00		690871.
2/17/98		WT FEE	10.00		690861.
2/17/98		WT F/O RODOLFO REQUENA	6,000.00		684861.
		CARRY OVER...:			684,861.

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
062020001	2/27/98	

OPENING BALANCE
46,230.81

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
2/17/98		WT FEE	10.00		684851.3
2/17/98		WT F/O BRITISH TRADE	252,000.00		432851.3
2/17/98		WT FEE	20.00		432831.3
2/17/98		WT TO BANQUE FRANCAISE	15,000.00		417831.3
2/17/98		WT FEE	20.00		417811.3
2/17/98		02/17/98 INVESTMENT ALLOCAT	317,811.31		100000.0
2/18/98		P/INVESTMNT + INTRS 04.31250 %		317,848.85	417848.8
2/18/98		02/18/98 INVESTMENT ALLOCAT	317,848.85		100000.0
2/19/98		P/INVESTMNT + INTRS 04.25000 %		317,885.85	417885.8
2/19/98		02/19/98 INVESTMENT ALLOCAT	317,885.85		100000.0
2/20/98		P/INVESTMNT + INTRS 04.12500 %		317,921.77	417921.7
2/20/98		WT F/O RODOLFO REQUENA	826.86		417094.9
2/20/98		WT FEE	10.00		417084.9
2/20/98		F/O SWIFT S.C.	5,302.19		411782.7
2/20/98		WT FEE	10.00		411772.7
2/20/98		F/O BRITISH TRADE	13,000.00		398772.7
2/20/98		WT FEE	20.00		398752.7
2/20/98		W/T F/O LAVERN ERSPEN	7,500.00		391252.7
2/20/98		WT FEE	10.00		391242.7
2/20/98		WT F/O MARY C BRAZIL	7,500.00		383742.7
2/20/98		WT FEE	10.00		383732.7
2/20/98		02/20/98 INVESTMENT ALLOCAT	283,732.72		100000.0
2/23/98		P/INVESTMNT + INTRS 04.25000 %		283,831.83	383831.8
2/23/98		02/23/98 INVESTMENT ALLOCAT	283,831.83		100000.0
2/24/98		B/O [redacted]		10,000.00	110000.0
2/24/98		P/INVESTMNT + INTRS 04.25000 %		283,864.87	393864.8
2/24/98		02/24/98 INVESTMENT ALLOCAT	293,864.87		100000.0
2/25/98		FOR CR ASSET ENHANCEMENT		10,000.00	110000.0
2/25/98		FOR CR AURORA INVESTMENTS		2,010.00	112010.0
		CARRY OVER...			112,010.0

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT WE SHALL CONSIDER STATEMENT TO BE CORRECT.

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NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	2/27/98	3

OPENING BALANCE
46,230.81

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
2/25/98		WT B/O [redacted]		10,000.00	122010.00
2/25/98		P/INVESTMNT + INTRS 04.43750 %		293,900.59	415910.59
2/25/98		STMT.FAX FEE	10.00		415900.59
2/25/98		02/25/98 INVESTMENT ALLOCAT	315,900.59		100000.00
2/26/98		P/INVESTMNT + INTRS 04.43750 %		315,938.99	415938.99
2/26/98		02/26/98 INVESTMENT ALLOCAT	315,938.99		100000.00
2/27/98		WT B/O [redacted]		24,975.00	124975.00
2/27/98		WT F/O ASSET ENHANCEMENT &		9,985.00	134960.00
2/27/98		P/INVESTMNT + INTRS 04.43750 %		315,977.40	450937.40
2/27/98		02/27/98. INVESTMENT ALLOCAT	350,937.40		100000.00
2/27/98		BELOW MINIMUM BALANCE CHARG	20.00		99980.00
		INTEREST PAID IN 1997 :	4,374.29		

OPENING BALANCE	46,230.81
TOTAL DEBITS	6,325,044.1
TOTAL CREDITS	6,378,793.3
ENDING BALANCE	99,980.0
AVERAGE BALANCE	71,188.5

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

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NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	3/31/98	1

OPENING BALANCE
99,980.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
3/02/98		P/INVESTMNT + INTRS 04.43750 %		351,065.39	551045.39
3/02/98		03/02/98 INVESTMENT ALLOCAT	451,045.39		100000.00
3/03/98		P/INVESTMNT + INTRS 04.43750 %		451,100.22	551100.22
3/03/98		W/T NATIONS BK.F/O REPUBLIC	4,631.00		546469.22
3/03/98		W/T FEE	10.00		546459.22
3/03/98		W/T BANK ONE F/O SIMPLY BET	7,525.00		538934.22
3/03/98		W/T FEE	10.00		538924.22
3/03/98		W/T WASH.TRUST F/O [redacted]	25,000.00		513924.22
3/03/98		W/T FEE	10.00		513914.22
3/03/98		W/T 1ST.UNION F/O BRITISH T	13,000.00		500914.22
3/03/98		W/T FEE	20.00		500894.22
3/03/98		W/T CIBC(BK.AMERICA)F/O D.B	14,000.00		486894.22
3/03/98		W/T FEE	20.00		486874.22
3/03/98		03/03/98 INVESTMENT ALLOCAT	386,874.22		100000.00
3/04/98		P/INVESTMNT + INTRS 04.43750 %		386,921.25	486921.25
3/04/98		03/04/98 INVESTMENT ALLOCAT	386,921.25		100000.00
3/05/98		B/O [redacted]		30,000.00	130000.00
3/05/98		P/INVESTMNT + INTRS 04.25000 %		386,966.30	516966.30
3/05/98		SWIFT SERV MESS INVESTIG CH	20.00		516946.30
3/05/98		SWIFT SERV MESS INVEST CHAR	20.00		516926.30
3/05/98		03/05/98 INVESTMENT ALLOCAT	416,926.30		100000.00
3/06/98		P/INVESTMNT + INTRS 04.12500 %		416,973.41	516973.41
3/06/98		WT F/O SWIFT SC	2,023.51		514949.90
3/06/98		WT FEE	10.00		514939.90
3/06/98		WT F/O INTERNATIONAL GEOTEL	1,340.80		513599.10
3/06/98		WT FEE	10.00		513589.10
3/06/98		03/06/98 INVESTMENT ALLOCAT	413,589.10		100000.00
3/09/98		P/INVESTMNT + INTRS 04.12500 %		413,729.32	513729.32
		CARRY OVER...:			513,729.32

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

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INDUSTRIAL DE VENEZUELA

MIAMI AGENCY

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NAME & ADDRESS	ACCOUNT NO.	STATEMENT DATE	PAGE
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA	062020001	03/31/98	

OPENING BALANCE: 99,980.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
3/09/98		WT FEE	20.00		508709.3
3/09/98		WT F/O LAVERN ERSPAN	2,500.00		506209.3
3/09/98		WT FEE	10.00		506199.3
3/09/98		WT F/O MARY C. BRAZIE	2,500.00		503699.3
3/09/98		WT FEE	10.00		503689.3
3/09/98		03/09/98 INVESTMENT ALLOCAT	403,689.32		100000.0
3/10/98		WT FOR CR ASSET ENHANCEMENT		10,000.00	110000.0
3/10/98		P/INVESTMNT + INTRS 04.12500 %		403,734.94	513734.9
3/10/98		03/10/98 INVESTMENT ALLOCAT	413,734.94		100000.0
3/11/98		W/T B/O [redacted]		29,994.00	129994.0
3/11/98		W/T B/O METROM FOR REF ASSETS		7,000.00	136994.0
3/11/98		P/INVESTMNT + INTRS 04.12500 %		413,781.69	550776.6
3/11/98		STMT FEE	15.00		550760.6
3/11/98		03/11/98 INVESTMENT ALLOCATE	450,760.69		100000.0
3/12/98		P/INVESTMNT + INTRS 04.12500 %		450,811.63	550811.6
3/12/98		03/12/98 INVESTMENT ALLOCAT	450,811.63		100000.0
3/13/98		P/INVESTMNT + INTRS 04.12500 %		450,862.57	550862.5
3/13/98		03/13/98 INVESTMENT ALLOCAT	450,862.57		100000.0
3/16/98		W/T B/O M.BRAZIE F/O ASSET ENH		13,000.00	113000.0
3/16/98		P/INVESTMNT + INTRS 04.12500 %		451,024.69	564024.6
3/16/98		WT F/O BRITISH TRADE	5,000.00		559024.6
3/16/98		WT FEE	20.00		559004.6
3/16/98		WT F/O REPUBLIC PRODUCTS	11,957.00		547047.6
3/16/98		WT FEE	10.00		547037.6
3/16/98		WT F/O BRITISH TRADE	3,500.00		543537.6
3/16/98		WT FEE	10.00		543527.6
3/16/98		WT F/O LA BELLE COSTUME JEW	528.00		542999.6
3/16/98		WT FEE	10.00		542989.6
		CARRY OVER....			542,989.6

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

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NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	3/31/98	3

OPENING BALANCE
99,980.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
3/17/98		03/16/98 INVESTMENT ALLOCAT			
3/17/98		P/INVESTMNT + INTRS 04.31250 %		443,042.02	543042.02
3/17/98		STMT.FEE	10.00		543032.02
3/17/98		03/17/98 INVESTMENT ALLOCAT	443,032.02		100000.00
3/18/98		P/INVESTMNT + INTRS 04.25000 %		443,083.60	543083.60
3/18/98		WT F/O MARY C BRAZIE	5,000.00		538083.60
3/18/98		WT FEE	10.00		538073.60
3/18/98		WT F/O BRITISH TRADE AND CO	2,500.00		535573.60
3/18/98		WT FEE	10.00		535563.60
3/18/98		WT F/O [redacted]	25,000.00		510563.60
3/18/98		WT FEE	10.00		510553.60
3/18/98		WT F/O LAVERN ERSPAN/MAVIS	5,000.00		505553.60
3/18/98		WT FEE	10.00		505543.60
3/18/98		03/18/98 INVESTMENT ALLOCAT	405,543.60		100000.00
3/19/98		WR RECVD FOR CR ASSET ENHANCEM		10,000.00	110000.00
3/19/98		P/INVESTMNT + INTRS 04.18750 %		405,590.12	515590.12
3/19/98		WT F/O REPUBLIC PRODUCTS	3,179.00		512411.12
3/19/98		WT FEE	10.00		512401.12
3/19/98		WT F/O PABLO URBANO TORRES	5,000.00		507401.12
3/19/98		WT FEE	20.00		507381.12
3/19/98		03/19/98 INVESTMENT ALLOCAT	407,381.12		100000.00
3/20/98		P/INVESTMNT + INTRS 04.12500 %		407,427.15	507427.15
3/20/98		WT F/O CCS TECHNOLOGY	2,900.00		504527.15
3/20/98		WT FEE	20.00		504507.15
3/20/98		03/20/98 INVESTMENT ALLOCAT	404,507.15		100000.00
3/23/98		REVERSING ENTRY OF 3-16-98		528.00	100528.00
3/23/98		REVERSING WT FEE ON 3-16-98		10.00	100538.00
3/23/98		P/INVESTMNT + INTRS 04.25000 %		404,648.45	505186.45
3/23/98		WT F/O REPUBLIC PRODUCTS	1,254.00		503932.45
		CARRY OVER...:			503,932.45

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

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BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
062020001	3/31/98	4

OPENING BALANCE
99,980.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
[illegible]		WT FEE			
3/23/98		03/23/98 INVESTMENT ALLOCAT	403,922.45		100000.00
3/24/98		P/INVESTMNT + INTRS 04.18750 %		403,968.79	503968.79
3/24/98		03/24/98 INVESTMENT ALLOCAT	403,968.79		100000.00
3/25/98		P/INVESTMNT + INTRS 04.37500 %		404,017.21	504017.21
3/25/98		WT F/O BRITISH TRADE	17,000.00		487017.21
3/25/98		WT FEE	20.00		486997.21
3/25/98		STMT	10.00		486987.21
3/25/98		WT F/O MARY C BRAZIE	5,000.00		481987.21
3/25/98		WT FEE	10.00		481977.21
3/25/98		WT F/O LAVERN ERSPAN	5,000.00		476977.21
3/25/98		WT FEE	10.00		476967.21
3/25/98		WT F/O RODOLFO REQUENA	6,000.00		470967.21
3/25/98		WT FEE	10.00		470957.21
3/25/98		03/25/98 INVESTMENT ALLOCAT	370,957.21		100000.00
3/26/98		B/O PENSON FINANCIAL SERVICES		35,000.00	135000.00
3/26/98		P/INVESTMNT + INTRS 04.31250 %		371,001.03	506001.03
3/26/98		03/26/98 INVESTMENT ALLOCAT	406,001.03		100000.00
3/27/98		P/INVESTMNT + INTRS 04.18750 %		406,047.60	506047.60
3/27/98		03/27/98 INVESTMENT ALLOCAT	406,047.60		100000.00
3/30/98		WT FOR CR ACC 1020110267		2,002,000.00	2102000.00
3/30/98		DEPOSIT		22,000.00	2124000.00
3/30/98		FOR CREDIT ENCORE		35,000.00	2159000.00
3/30/98		P/INVESTMNT + INTRS 04.43750 %		406,195.69	2565195.69
3/30/98		STMT	10.00		2565185.69
3/30/98		03/30/98 INVESTMENT ALLOCAT	2,443,285.69		121900.00
3/31/98		P/INVESTMNT + INTRS 04.68750 %		2,443,599.46	2565499.46
3/31/98		03/31/98 INVESTMENT ALLOCAT	2,465,499.46		100000.00
***					

OPENING BALANCE	99,980.00
TOTAL DEBITS	13,410,104.5[illegible]
TOTAL CREDITS	13,410,124.5[illegible]
ENDING BALANCE	100,000.0[illegible]
AVERAGE BALANCE	99,998.6[illegible]

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

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NAME & ADDRESS

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	1

OPENING BALANCE 100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/01/98		WT B/O CANADA TRUST CO		15,000.00	115000.00
4/01/98		P/INVESTMNT + INTRS 04.43750 %		2,465,799.20	2580799.20
4/01/98		04/01/98 INVESTMENT ALLOCAT	2,480,799.20		100000.00
4/01/98		P/INVESTMNT + INTRS 04.31250 %		2,481,092.30	2581092.30
4/02/98		WT F/O FRESH CREEK	5,000.00		2576092.30
4/02/98		WT FEE	20.00		2576072.30
4/02/98		WT F/O [redacted]	101,000.00		2475072.30
4/02/98		WT FEE	10.00		2475062.30
4/02/98		WT F/O [redacted]	35,000.00		2440062.30
4/02/98		WT FEE	10.00		2440052.30
4/02/98		04/02/98 INVESTMENT ALLOCAT	2,340,052.30		100000.00
4/03/98		WT RECVD FOR CR B&B ASSET MANA		406,000.00	506000.00
4/03/98		P/INVESTMNT + INTRS 04.18750 %		2,340,320.76	2846320.76
4/03/98		WT F/O RODOLFO REQUENA	7,384.76		2838936.00
4/03/98		WT F/O BRITISH TRADE	10,000.00		2828936.00
4/03/98		WT FEE	20.00		2828916.00
4/03/98		04/03/98 INVESTMENT ALLOCAT	2,728,916.00		100000.00
4/06/98		WT RECVD F/O INTL BUSINESS		634,982.00	734982.00
4/06/98		P/INVESTMNT + INTRS 04.18750 %		2,729,855.23	3464837.23
4/06/98		FAX STMT	10.00		3464827.23
4/06/98		04/06/98 INVESTMENT ALLOCAT	3,364,827.23		100000.00
4/06/98		WT RECVD FOR CR BUSSINES CONSU		19,985.00	119985.00
4/07/98		P/INVESTMNT + INTRS 04.18750 %		3,365,213.26	3485198.26
4/07/98		WT F/O PABLO URBANO TORRES	2,404.00		3482794.26
4/07/98		WT FEE	20.00		3482774.26
4/07/98		04/07/98 INVESTMENT ALLOCAT	3,382,774.26		100000.00
4/07/98		WT RECVD FOR CR INTL BUSINESS		5,000.00	105000.00
4/08/98		WT RECVD FOR CR BRITISH TRADE		30,000.00	135000.00
4/08/98		P/INVESTMNT + INTRS 04.31250 %		3,383,173.93	3518173.93
4/08/98		CARRY OVER...:			3,518,173.93

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

DE VENEZUELA
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NAME & ADDRESS

BRITTISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	2

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/08/98		04/08/98 INVESTMENT ALLOCAT	3,418,173.93		100000.00
4/09/98		WT RECVD FOR CR INTL BUSSINESS		10,000.00	110000.00
4/09/98		WT RECVD FOR CR INTL BUSINESS		10,000.00	120000.00
4/09/98		P/INVESTMNT + INTRS 04.25000 %		3,418,571.93	3538571.93
4/09/98		TLX.UNION DE CREDITO	10.00		3538561.93
4/09/98		WT F/O REPUBLIC PRODUCTS	13,456.00		3525105.93
4/09/98		WT FEE	10.00		3525095.93
4/09/98		04/09/98 INVESTMENT ALLOCAT	3,425,095.93		100000.00
4/10/98		P/INVESTMNT + INTRS 04.25000 %		3,425,494.74	3525494.74
4/10/98		04/10/98 INVESTMENT ALLOCAT	3,425,494.74		100000.00
4/13/98		W/T FFC INTL.BUSN.CONSULTANTS		5,000.00	105000.00
4/13/98		W/T FFC INTL.BUSNS.CONSULTANTS		34,500.00	139500.00
4/13/98		P/INVESTMNT + INTRS 04.18750 %		3,426,673.72	3566173.72
4/13/98		STMT.FEE	10.00		3566163.72
4/13/98		W/T F/O P.ZHERNAKOV	20,000.00		3546163.72
4/13/98		W/T FEE	10.00		3546153.72
4/13/98		04/13/98 INVESTMENT ALLOCAT	3,446,153.72		100000.00
4/14/98		P/INVESTMNT + INTRS 04.18750 %		3,446,549.08	3546549.08
4/14/98		04/14/98 INVESTMENT ALLOCAT	3,446,549.08		100000.00
4/15/98		W/T RCVD.FFC INTL.BUSINESS CON		40,000.00	140000.00
4/15/98		W/T FO INTL BUSINESS CONSULTAN		25,000.00	165000.00
4/15/98		P/INVESTMNT + INTRS 04.37500 %		3,446,962.19	3611962.19
4/15/98		04/15/98 INVESTMENT ALLOCAT	3,511,962.19		100000.00
4/16/98		W/T RCVD.F/O A/C 1020110267		40,000.00	140000.00
4/16/98		W/T D.4/13 RETURN-NEED CUST AC		20,000.00	160000.00
4/16/98		P/INVESTMNT + INTRS 04.18750 %		3,512,365.10	3672365.10
4/16/98		04/16/98 INVESTMENT ALLOCAT	3,572,365.10		100000.00
4/17/98		W/T F/O INTL BUSINESS CONSULTA		5,000.00	105000.00
4/17/98		W/T B/O INTL BUSINESS CONSULTA		10,000.00	115000.00
		CARRY OVER...:			115,000.00

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

BV INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
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NAME & ADDRESS

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	3

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/17/98		P/INVESTMNT + INTRS 04.18750 %		3,572,774.94	3687774.94
4/17/98		W/T NW BK F/O INTL.GEOTEL	990.25		3686784.69
4/17/98		W/T FEE	10.00		3686774.69
4/17/98		W/T RE-TRANSM.F/O P.ZHERNAK	20,000.00		3666774.69
4/17/98		W/T RE-TRANSMIT FEE	10.00		3666764.69
4/17/98		04/17/98 INVESTMENT ALLOCAT	3,566,764.69		100000.00
4/20/98		W/T B/O G.SCHMOT INFO-SEEK#101		2,500,000.00	2600000.00
4/20/98		W/T F/O INFO SEEK (I.F.S.)		10,000.00	2610000.00
4/20/98		W/T F/O INTL BUSINESS CONSULTA		26,000.00	2636000.00
4/20/98		P/INVESTMNT + INTRS 04.25000 %		3,568,010.61	6204010.61
4/20/98		STMT.FEE	10.00		6204000.61
4/20/98		04/20/98 INVESTMENT ALLOCAT	6,104,000.61		100000.00
4/21/98		W/T RCVD.FFC INTL.BUSINSS.CONS		30,000.00	130000.00
4/21/98		W/T RCVD.FFC INTL.BUSINSS.CONS		10,000.00	140000.00
4/21/98		RETURN WT 4/17 F/O P.ZHERNAKOV		20,000.00	160000.00
4/21/98		W/T RCVD.FFC INTL.BUSNSS.CONSL		10,000.00	170000.00
4/21/98		W/T F/O INTL BUSINESS CONSULTA		25,000.00	195000.00
4/21/98		W/T F/O FIRST QUEST LMTD		20,000.00	215000.00
4/21/98		W/T F/O INTL BUSINESS CONSULTA		10,000.00	225000.00
4/21/98		P/INVESTMNT + INTRS 04.12500 %		6,104,690.44	6329690.44
4/21/98		YOUR REF. 042098/LI F/O PET	10,000.00		6319690.44
4/21/98		W/T FEE	20.00		6319670.44
4/21/98		04/21/98 INVESTMENT ALLOCAT	6,219,670.44		100000.00
4/22/98		W/T RCVD.FFC AURORA INVSTMTS.		15,000.00	115000.00
4/22/98		P/INVESTMNT + INTRS 04.31250 %		6,220,405.29	6335405.29
4/22/98		W/T NATIONSBK F/O REPUBLIC	1,815.00		6333590.29
4/22/98		W/T FEE	10.00		6333580.29
4/22/98		W/T CITIBK.F/O P.ZHERNAKOV	20,000.00		6313580.29
4/22/98		W/T FEE	10.00		6313570.29
		CARRY OVER...			6,313,570.29

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

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NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
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OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/22/98		04/22/98 INVESTMENT ALLOCAT	6,213,570.29		100000.00
4/23/98		WT B/O [redacted]		31,850.00	131850.00
4/23/98		WT B/O [redacted]		6,850.00	138700.00
4/23/98		P/INVESTMNT + INTRS 04.18750 %		6,214,283.14	6352983.14
4/23/98		04/23/98 INVESTMENT ALLOCAT	6,252,983.14		100000.00
4/24/98		P/INVESTMNT + INTRS 04.12500 %		6,253,689.81	6353689.81
4/24/98		04/24/98 INVESTMENT ALLOCAT	6,253,689.81		100000.00
4/27/98		P/INVESTMNT + INTRS 04.25000 %		6,255,874.31	6355874.31
4/27/98		WT F/O BRITISH TRADE	22,000.00		6333874.31
4/27/98		WT FEE	20.00		6333854.31
4/27/98		WT F/O RODOLFO REQUENA	6,000.00		6327854.31
4/27/98		WT FEE	10.00		6327844.31
4/27/98		WT F/O LAVERN ERSPAN	6,835.50		6321008.81
4/27/98		WT FEE	10.00		6320998.81
4/27/98		WT F/O SWIFT SC	7,736.85		6313261.96
4/27/98		WT FEE	10.00		6313251.96
4/27/98		WT F/O THOMPSON FIN	395.00		6312856.96
4/27/98		WT FEE	10.00		6312846.96
4/27/98		WT F/O ROYAL BANK OF SCOTLA	30,000.00		6282846.96
4/27/98		WT FEE	20.00		6282826.96
4/27/98		04/27/98 INVESTMENT ALLOCAT	6,182,826.96		100000.00
4/28/98		WT RECVD FOR CR GJS DEVELOPM		500,000.00	600000.00
4/28/98		P/INVESTMNT + INTRS 04.18750 %		6,183,536.29	6783536.29
4/28/98		STMT	10.00		6783526.29
4/28/98		WT F/O TEMPLIER CAISSE SA	63,000.00		6720526.29
4/28/98		WT FEE	20.00		6720506.29
4/28/98		WT F/O BRITISH TRADE	15,000.00		6705506.29
4/28/98		WT FEE	20.00		6705486.29
4/28/98		WT F/O REPUBLIC PRODUCTS	65,000.00		6640486.29
		CARRY OVER...:			6,640,486.29

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

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BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
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OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/26/98		WT FEE	10.00		6640476.29
4/28/98		WT F/O RODOLFO REQUENA	6,000.00		6634476.29
4/28/98		WT FEE	10.00		6634466.29
4/28/98		04/28/98 INVESTMENT ALLOCAT	6,534,466.29		100000.00
4/29/98		WT B/O [redacted]		11,000.00	111000.00
4/29/98		WT RCVD FOR CR GJSJ DEVELOPMEN		10,500.00	121500.00
4/29/98		P/INVESTMNT + INTRS 04.18750 %		6,535,215.96	6656715.96
4/29/98		WT F/O MARY C BRAZIE	5,000.00		6651715.96
4/29/98		WT FEE	10.00		6651705.96
4/29/98		04/29/98 INVESTMENT ALLOCAT	6,551,705.96		100000.00
4/30/98		WT RECVD FOR CR VAL VISTA LTD		26,850.00	126850.00
4/30/98		P/INVESTMNT + INTRS 04.31250 %		6,552,480.04	6679330.04
4/30/98		04/30/98 INVESTMENT ALLOCAT	6,579,330.04		100000.00

INFORMAMOS A NUESTRA CLIENTELA QUE PARTIR DEL 18/5/98 ESTAREMOS EN EL PISO 9 DE LA TORRE SUR DE NUESTRO EDIFICIO,DISCULPEN CUALQUIER INCONVENIENTE

OPENING BALANCE	100,000.00
TOTAL DEBITS	99,476,549.27
TOTAL CREDITS	99,476,549.27
ENDING BALANCE	100,000.00
AVERAGE BALANCE	100,000.00

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BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	5/29/98	1

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
5/01/98		WT B/O [redacted]		[illegible]	[illegible]
5/01/98		WT B/O [redacted]		1,500.00	114490.00
5/01/98		P/INVESTMNT + INTRS 04.12500 %		6,580,073.59	6694563.59
5/01/98		05/01/98 INVESTMENT ALLOCAT	6,594,563.59		100000.00
5/04/98		WT RECVD FOR CR ROYAL WERBUNG		199,980.00	299980.00
5/04/98		P/INVESTMNT + INTRS 04.25000 %		6,596,867.17	6896847.17
5/04/98		STMT	10.00		6896837.17
5/04/98		WT F/O SWIFT S.C.	21,000.00		6875837.17
5/04/98		WT FEE	10.00		6875827.17
5/04/98		WT F/O INTERNAT[illegible]	[illegible]		6874748.61
5/04/98		WT FEE	[illegible]		6874738.61
5/04/98		WT F/O EVERSA[illegible]RBING	12,813.[illegible]		6861925.61
5/04/98		WT FEE	10.00		6861915.61
5/04/98		WT F/O NELSON BROS	50,000.00		6811915.61
5/04/98		WT FEE	10.00		6811905.61
5/04/98		05/04/98 INVESTMENT ALLOCAT	6,711,[illegible]6.61		100000.00
5/05/98		WT RECVD FOR CR INT. BUSS CONS		10,000.00	110000.00
5/05/98		WT RECVD FOR CR [illegible] BUNT		101,850.00	211850.00
5/05/98		P/INVESTMNT + INTRS 04.1[illegible]00 %		6,712,664.14	6924514.14
5/05/98		05/05/98 INVESTMENT ALLOCAT	6,824,514.14		100000.00
5/06/98		WT RECVD FOR CR BAY[illegible] LTD		100,000.00	200000.00
5/06/98		WT RECVD FOR CR INTL BUSS CONS		25,000.00	225000.00
5/06/98		WT RECVD FRO CR INTL BUSSINES		49,982.00	274982.00
5/06/98		P/INVESTMNT + INTRS 04.12500 %		6,825,285.40	7100267.40
5/06/98		WT F/O PABLO URBANO TORRES	1,439.39		7098828.01
5/06/98		WT F/O BRITISH TRADE	15,000.00		7083828.01
5/06/98		WT FEE	20.00		7083808.01
5/06/98		WT F/O LAVERN ERSPAN	1,695.23		7082112.78
5/06/98		WT FEE	10.00		7082102.78
		CARRY OVER...			7,082,102.78

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

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EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	5/29/98	2

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
5/06/98		WT FEE	20.00		100000.00
5/06/98		05/06/98 INVESTMENT ALLOCAT	6,982,082.76		100000.00
5/07/98		WT RECVD FOR CR FIRST HORIZONS		10,000.00	110000.00
5/07/98		P/INVESTMNT + INTRS 04.06250 %		6,982,859.89	7092859.89
5/07/98		05/07/98 INVESTMENT ALLOCAT	6,992,859.89		100000.00
5/08/98		WT RECVD FOR CR INT BUSINESS		10,000.00	110000.00
5/08/98		P/INVESTMNT + INTRS 04.06000		6,993,626.23	7103626.23
5/08/98		05/08/98 INVESTMENT ALLOCAT	6,993,626.23		100000.00
5/11/98		P/INVESTMNT + INTRS [illegible]		7,006,036.72	7106036.72
5/11/98		WT F/O REPUBLIC [illegible]	[illegible]		7104010.72
5/11/98		WT FEE	[illegible]		7104000.72
5/11/98		WT F/O TUCKER [illegible]	[illegible]		7074000.72
5/11/98		WT FEE	10.00		7073990.72
5/11/98		WT F/O LAVERGNE SPANISH [illegible]	[illegible]		7008990.72
5/11/98		WT FEE	10.00		7008980.72
5/11/98		WT F/O REPUBLIC PRODUCTS [illegible]	[illegible]		6995813.72
5/11/98		WT FEE	10.00		6995803.72
5/11/98		WT F/O RODOLFO [illegible]	[illegible]		6989803.72
5/11/98		WT FEE	10.00		6989793.72
5/11/98		05/11/98 INVESTMENT ALLOCAT	[illegible]		100000.00
5/12/98		WT RECVD FOR CR INT [illegible]		10,000.00	110000.00
5/12/98		WT RECVD FOR CR SUMMERSET [illegible]		26,850.00	136850.00
5/12/98		P/INVESTMNT + INTRS 04.31250 %		6,890,607.75	7027457.75
5/12/98		WT F/O TEMPLIER CAISSE	51,096.00		6976361.75
5/12/98		WT FEE	20.00		6976341.75
5/12/98		STMT	10.00		6976331.75
5/12/98		WT F/O [redacted]	200,000.00		6776331.75
5/12/98		WT FEE	10.00		6776321.75
5/12/98		05/12/98 INVESTMENT ALLOCAT	6,676,321.75		100000.00
		CARRY OVER...			100,000.00

OPENING BALANCE	
TOTAL DEBITS	
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ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	5/29/98	3

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
5/13/98		A B/O LORI TURNER		[illegible]	[illegible]
5/13/98		W/T RECVD FOR CR INTL BUS CONS		70,000.00	195000.00
5/13/98		WT RECVD FOR CR INTL BUS CONSU		10,000.00	205000.00
5/13/98		P/INVESTMNT + INTRS 04.31250 %		6,677,110.56	6882110.56
5/13/98		05/13/98 INVESTMENT ALLOCAT	6,782,110.56		100000.00
5/14/98		WT RET U/T/A WRONG ACCT NO		200,000.00	300000.00
5/14/98		WT RECVD FOR CR INTL BUS CONS		10,000.00	310000.00
5/14/98		P/INVESTMNT + INTRS [illegible]		6,782,911.87	7092911.87
5/14/98		05/14/98 INVESTMENT [illegible]	[illegible]		100000.00
5/15/98		P/INVESTMNT + [illegible]		6,993,738.08	7093738.08
5/15/98		05/15/98 INVESTMENT ALLOCAT	6,[illegible]		100000.00
5/18/98		WT RECV FOR CR BLAKE ENTERPRIS		10,500.00	110500.00
5/18/98		WT FOR CR INTERNAT BUSIN CONS		10,000.00	120500.00
5/18/98		WT RECV FOR CR INTL BUS CONS		20,000.00	140500.00
5/18/98		WT RECVD FOR CR GLOBALVOICE [illegible]		10,500.00	151000.00
5/18/98		WT FOR CR INTL BUSIN CONSULTAN		25,000.00	176000.00
5/18/98		P/INVESTMNT + INTRS 04.37500 %		6,996,252.95	7172252.95
5/18/98		W/T F/O [redacted]	[illegible]		6972252.95
5/18/98		WT FEE	[illegible]		6972242.95
5/18/98		WT F/O PAVEL M ZHELNAKOVYA	[illegible]		6922242.95
5/18/98		WT FEE	10.00		6922232.95
5/18/98		05/18/98 INVESTMENT ALLOCAT	6,822,232.95		100000.00
5/19/98		WT RECVD FOR CR BLAKE ENTERP		1,000,000.00	1100000.00
5/19/98		WT RECVD FOR CR INTL BUS		20,000.00	1120000.00
5/19/98		P/INVESTMNT + INTRS 04.31250 %		6,823,039.00	7943039.00
5/19/98		STMT	10.00		7943029.00
5/19/98		05/19/98 INVESTMENT ALLOCAT	7,843,029.00		100000.00
5/19/98		WT RECVD FOR CR [redacted]		26,850.00	126850.00
5/20/98		WT RCVD FOR CR HANOVER LTD		450,000.00	576850.00
5/20/98					
		CARRY OVER...			576,850.00

OPENING BALANCE	
TOTAL DEBITS	
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ACCOUNT NO.	STATEMENT DATE	PA
062020001	5/29/98	

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
5/20/98		P/INVESTMNT + INTRS 04.31250 %		[illegible]	[illegible]
5/20/98		05/20/98 INVESTMENT ALLOCAT	8,320,805.65		100000.0
5/21/98		P/INVESTMNT + INTRS 04.25000 %		8,321,774.51	8421774.5
5/21/98		WT F/O DNA FINANCE	2,250.00		8419524.5
5/21/98		WT FEE	10.00		8419514.5
5/21/98		05/21/98 INVESTMENT ALLOCAT	8,319,514.51		100000.0
5/22/98		WT RET FROM BK OF NYC U/A/A		5,000,000.00	5100000.0
5/22/98		P/INVESTMNT + INTRS D[illegible]		8,320,468.97	13420468.9
5/22/98		WT F/O BRITISH T[illegible]	[illegible]000.00		8420468.9
5/22/98		WT FEE	[illegible]0.00		8420458.9
5/22/98		05/22/98 INVE[illegible] ALLOCA[illegible]	8[illegible]		100000.0
5/26/98		WT RECVD FO[illegible] BUSINESS		10,000.00	110000.0
5/26/98		WT B/O [illegible] /RF TIME		25,000.00	135000.0
5/26/98		WT RECVD FO[illegible] HANYA[illegible]		150,000.00	285000.0
5/26/98		P/INVESTMNT + INTR[illegible]		8,324,391.24	8609391.2
5/26/98		WT F/O BRITISH TRADE	20,[illegible]00.00		8589391.2
5/26/98		WT FEE	[illegible]0.00		8589371.2
5/26/98		WT F/O RODOLFO R[illegible]ENA	[illegible]00.00		8579371.2
5/26/98		WT FEE	[illegible]0.00		8579361.2
5/26/98		STMT	[illegible]0.00		8579351.2
5/26/98		05/26/98 INVESTMENT [illegible]	[illegible]352.[illegible]		100000.0
5/27/98		P/INVESTMNT + INTRS 04.[illegible]		8,480,367.60	8580367.6
5/27/98		WT F/O CORRESPOND SERVICES	5,000,000.00		3580367.6
5/27/98		WT FEE	10.00		3580357.6
5/27/98		WT F/O TEMPLIER	105,223.14		3475134.4
5/27/98		WT FEE	20.00		3475114.4
5/27/98		WT F/O LORVERN ERSPAN	3,721.03		3471393.4
5/27/98		WT FEE	10.00		3471383.4
5/27/98		WT F/O REPUBLIC PROD	3,612.70		3467770.7
		CARRY OVER....			3,467,770.7

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
062020001	5/29/98	

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
5/27/98		WT FEE	[illegible]		[illegible]
5/27/98		WT F/O [redacted]	30,000.00		3437760.7
5/27/98		WT FEE	10.00		3437750.7
5/27/98		05/27/98 INVESTMENT ALLOCAT	3,337,750.73		100000.0
5/27/98		WT RECVD FOR CR INTL BUSINESS		10,000.00	110000.0
5/28/98		WT RECVD FOR CR INTL BUSINESS		30,000.00	140000.0
5/28/98		WT RECVD FOR CR INTL BUSINESS		220,000.00	360000.0
5/28/98		WT RECVD FOR CR INTL BUSINESS		3,338,150.80	3698150.8
5/28/98		P/INVESTMNT - INTRS [illegible]	[illegible]		3498[illegible]0.8
5/28/98		WT F/O STRATEGIC [illegible]	[illegible]00.00		3498[illegible]0.8
5/28/98		WT FEE	[illegible]0.00		100000.0
5/28/98		05/28/98 INVE[illegible] ALLOCA[illegible]		3,398,559.74	3498559.7
5/29/98		P/INVESTMNT [illegible] 4.50000 %			

OPENING BALANCE	100,000.0
TOTAL DEBITS	141,381,184.1
TOTAL CREDITS	144,779,743.0
ENDING BALANCE	3,498,559.7
AVERAGE BALANCE	217,191.7

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

BV INDUSTRIAL DE VENEZUELA

MIAMI AGENCY

1101 BRICKELL AVENUE • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAG
062020001	6/30/98	1

OPENING BALANCE
3,498,559.74

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
6/03/98		BALANCE TO CLOSE ACCT	3,498,559.74		.00

OPENING BALANCE	3,498,559.74
TOTAL DEBITS	3,498,559.74
TOTAL CREDITS	.00
ENDING BALANCE	.00
AVERAGE BALANCE	655,979.91

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

NO. 7

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LO /062020001

DDA/USD

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/19/98	BALANCE FROM LAST STATEMENT..:			100,000.00
4/20/98	STMT.FEE	10.00		99,990.00
4/20/98	W/T B/O G.SCHMDT INFO-SEEK#101		2500,000.00	2599,990.00
4/20/98	W/T F/O INFO SEEK (I.F.S.)		10,000.00	2609,990.00
4/20/98	W/T F/O INTL BUSINESS CONSULTA		26,000.00	2635,990.00
4/20/98	P/INVESTMNT + INTRS 04.25000 %		3568,010.61	6204,000.61
4/20/98	04/20/98 INVESTMENT ALLOCATION	6104,000.61		100,000.00
4/21/98	W/T RCVD.FFC INTL.BUSINSS.CONS		30,000.00	130,000.00
4/21/98	W/T RCVD.FFC INTL.BUSINSS.CONS		10,000.00	140,000.00
4/21/98	RETURN WT 4/17 F/O P.ZHERNAKOV		20,000.00	160,000.00
4/21/98	W/T RCVD.FFC INTL.BUSNSS.CONSL		10,000.00	170,000.00
4/21/98	YOUR REF. 042098/LI F/O PETER	10,000.00		160,000.00
4/21/98	W/T F/O INTL BUSINESS CONSULTA		25,000.00	185,000.00
4/21/98	W/T F/O FIRST QUEST LMTD		20,000.00	205,000.00
4/21/98	W/T F/O INTL BUSINESS CONSULTA		10,000.00	215,000.00
4/21/98	W/T FEE	20.00		214,980.00
4/21/98	P/INVESTMNT + INTRS 04.12500 %		6104,690.44	6319,670.44
4/21/98	04/21/98 INVESTMENT ALLOCATION	6219,670.44		100,000.00
4/22/98	W/T NATIONSBK F/O REPUBLIC PRD	1,815.00		98,185.00
4/22/98	W/T FEE	10.00		98,175.00
4/22/98	W/T CITIBK.F/O P.ZHERNAKOV	20,000.00		78,175.00
4/22/98	W/T FEE	10.00		78,165.00
4/22/98	W/T RCVD.FFC AURORA INVSTMTS.		15,000.00	93,165.00
4/22/98	P/INVESTMNT + INTRS 04.31250 %		6220,405.29	6313,570.29
4/22/98	04/22/98 INVESTMENT ALLOCATION	6213,570.29		100,000.00
4/23/98	WT B/O [redacted]		31,850.00	131,850.00
4/23/98	WT B/O [redacted]		6,850.00	138,700.00
4/23/98	P/INVESTMNT + INTRS 04.18750 %		6214,283.14	6352,983.14
4/23/98	04/23/98 INVESTMENT ALLOCATION	6252,983.14		100,000.00
4/24/98	P/INVESTMNT + INTRS 04.12500 %		6253,689.81	6353,689.81
4/24/98	04/24/98 INVESTMENT ALLOCATION	6253,689.81		100,000.00
4/27/98	WT F/O BRITISH TRADE	22,000.00		78,000.00
4/27/98	WT FEE	20.00		77,980.00
4/27/98	WT F/O RODOLFO REQUENA	6,000.00		71,980.00
	CARRY OVER...:			71,980.00

BKI's Response to 4/6/00 Congressional Subpoena

0044

1974

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LC /062020001

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			71,980.00
4/27/98	WT FEE	10.00		71,970.00
4/27/98	WT F/O LAVERN ERSPAN	6,835.50		65,134.50
4/27/98	WT FEE	10.00		65,124.50
4/27/98	WT F/O SWIFT SC	7,736.85		57,387.65
4/27/98	WT FEE	10.00		57,377.65
4/27/98	WT F/O THOMPSON FIN	395.00		56,982.65
4/27/98	WT FEE	10.00		56,972.65
4/27/98	WT F/O ROYAL BANK OF SCOTLAND	30,000.00		26,972.65
4/27/98	WT FEE	20.00		26,952.65
4/27/98	P/INVESTMNT + INTRS 04.25000 %		6255,874.31	6282,826.96
4/27/98	04/27/98 INVESTMENT ALLOCATION	6182,826.96		100,000.00
4/28/98	STMT	10.00		99,990.00
4/28/98	WT RECVD FOR CR GJS DEVELOPM		500,000.00	599,990.00
4/28/98	WT F/O TEMPLIER CAISSE SA	63,000.00		536,990.00
4/28/98	WT FEE	20.00		536,970.00
4/28/98	WT F/O BRITISH TRADE	15,000.00		521,970.00
4/28/98	WT FEE	20.00		521,950.00
4/28/98	WT F/O REPUBLIC PRODUCTS	65,000.00		456,950.00
4/28/98	WT FEE	10.00		456,940.00
BE 4/28/98	WT F/O RODOLFO REQUENA	6,000.00		450,940.00
4/28/98	WT FEE	10.00		450,930.00
4/28/98	P/INVESTMNT + INTRS 04.18750 %		6183,536.29	6634,466.29
4/28/98	04/28/98 INVESTMENT ALLOCATION	6534,466.29		100,000.00
4/29/98	WT B/O [redacted]		11,000.00	111,000.00
BE? 4/29/98	WT F/O MARY C BRAZIE	5,000.00		106,000.00
4/29/98	WT FEE	10.00		105,990.00
4/29/98	WT RCVD FOR CR GJSJ DEVELOPMEN		10,500.00	116,490.00
4/29/98	P/INVESTMNT + INTRS 04.18750 %		6535,215.96	6651,705.96
4/29/98	04/29/98 INVESTMENT ALLOCATION	6551,705.96		100,000.00
4/30/98	WT RECVD FOR CR VAL VISTA LTD		26,850.00	126,850.00
4/30/98	P/INVESTMNT + INTRS 04.31250 %		6552,480.04	6679,330.04
4/30/98	04/30/98 INVESTMENT ALLOCATION	6579,330.04		100,000.00
5/01/98	WT B/O [redacted]		12,990.00	112,990.00
	CARRY OVER...:			112,990.00

BNY's Response to 4/6/00 Congressional Subpoena

0045

1975

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LO /062020001

00A/USD

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			112,990.00
5/01/98	WT B/O [redacted]		1,500.00	114,490.00
5/01/98	P/INVESTMNT + INTRS 04.12500 %		6580,073.59	6694,563.59
5/01/98	05/01/98 INVESTMENT ALLOCATION	6594,563.59		100,000.00
5/04/98	WT RECVD FOR CR ROYAL WERBUNG		199,980.00	299,980.00
5/04/98	STMT	10.00		299,970.00
5/04/98	WT F/O SWIFT S.C.	21,000.00		278,970.00
5/04/98	WT FEE	10.00		278,960.00
5/04/98	WT F/O INTERNAT GEOTEL	1,078.56		277,881.44
5/04/98	WT FEE	10.00		277,871.44
5/04/98	WT F/O EVERSALE PLUMBING	12,813.00		265,058.44
5/04/98	WT FEE	10.00		265,048.44
5/04/98	WT F/O NELSON BROS	50,000.00		215,048.44
5/04/98	WT FEE	10.00		215,038.44
5/04/98	P/INVESTMNT + INTRS 04.25000 %		6596,867.17	6811,905.61
5/04/98	05/04/98 INVESTMENT ALLOCATION	6711,905.61		100,000.00
5/05/98	WT RECVD FOR CR INT BUSS CONS		10,000.00	110,000.00
5/05/98	WT RECVD FOR CR [redacted]		101,850.00	211,850.00
5/05/98	P/INVESTMNT + INTRS 04.12500 %		6712,664.14	6924,514.14
5/05/98	05/05/98 INVESTMENT ALLOCATION	6824,514.14		100,000.00
5/06/98	WT RECVD FOR CR BAYFRONT LTD		100,000.00	200,000.00
5/06/98	WT RECVD FOR CR INTL BUSS CONS		25,000.00	225,000.00
5/06/98	WT RECVD FRO CR INTL BUSSINES		49,982.00	274,982.00
BE 5/06/98	WT F/O PABLO URBANO TORRES	1,439.39		273,542.61
5/06/98	WT F/O BRITISH TRADE	15,000.00		258,542.61
5/06/98	WT FEE	20.00		258,522.61
5/06/98	WT F/O LAVERN ERSPAN	1,695.23		256,827.38
5/06/98	WT FEE	10.00		256,817.38
5/06/98	WT FEE	20.00		256,797.38
5/06/98	P/INVESTMNT + INTRS 04.12500 %		6825,285.40	7082,082.78
5/06/98	05/06/98 INVESTMENT ALLOCATION	6982,082.78		100,000.00
5/07/98	WT RECVD FOR CR FIRST HORIZONS		10,000.00	110,000.00
5/07/98	P/INVESTMNT + INTRS 04.06250 %		6982,859.89	7092,859.89
5/07/98	05/07/98 INVESTMENT ALLOCATION	6992,859.89		100,000.00
	CARRY OVER...:			100,000.00

BVI's Response to 4/5/00 Congressional Subpoena 0045

1976

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LO /062020001

DDA/USD

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			100,000.00
5/08/98	WT RECVD FOR CR INT BUSINESS		10,000.00	110,000.00
5/08/98	P/INVESTMNT + INTRS 04.00000 %		6993,626.23	7103,626.23
5/08/98	05/08/98 INVESTMENT ALLOCATION	7003,626.23		100,000.00
5/11/98	WT F/O REPUBLIC PRODUCTS	2,026.00		97,974.00
5/11/98	WT FEE	10.00		97,964.00
5/11/98	WT F/O TUCKER LUMBER	30,000.00		67,964.00
5/11/98	WT FEE	10.00		67,954.00
5/11/98	WT F/O LAVERN ERSPAN/ MAVIS	65,000.00		2,954.00
5/11/98	WT FEE	10.00		2,944.00
5/11/98	WT F/O REPUBLIC PRODUCTS	13,167.00		10,223.0000
5/11/98	WT FEE	10.00		10,233.0000
BE 5/11/98	WT F/O RODOLFO REQUENA	6,000.00		16,233.0000
5/11/98	WT FEE	10.00		16,243.0000
5/11/98	P/INVESTMNT + INTRS 04.18750 %		7006,036.72	6989,793.72
5/11/98	05/11/98 INVESTMENT ALLOCATION	6889,793.72		100,000.00
5/12/98	WT RECVD FOR CR INTL BUSINESS		10,000.00	110,000.00
5/12/98	WT F/O TEMPLIER CAISSE	51,096.00		58,904.00
5/12/98	WT FEE	20.00		58,884.00
5/12/98	STMT	10.00		58,874.00
5/12/98	WT RECVD FOR CR SUMMERSET LTD		26,850.00	85,724.00
5/12/98	WT F/O [redacted]	200,000.00		114,276.0000
5/12/98	WT FEE	10.00		114,286.0000
5/12/98	P/INVESTMNT + INTRS 04.31250 %		6890,607.75	6776,321.75
5/12/98	05/12/98 INVESTMENT ALLOCATION	6676,321.75		100,000.00
5/13/98	W B/O [redacted]		25,000.00	125,000.00
5/13/98	W/T RECVD FOR CR INTL BUS CONS		70,000.00	195,000.00
5/13/98	WT RECVD FOR CR INTL BUS CONSU		10,000.00	205,000.00
5/13/98	P/INVESTMNT + INTRS 04.31250 %		6677,110.56	6882,110.56
5/13/98	05/13/98 INVESTMENT ALLOCATION	6782,110.56		100,000.00
5/14/98	WT RET U/T/A WRONG ACCT NO		200,000.00	300,000.00
5/14/98	WT RECVD FOR CR INTL BUSSINES		10,000.00	310,000.00
5/14/98	P/INVESTMNT + INTRS 04.31250 %		6782,911.87	7092,911.87
5/14/98	05/14/98 INVESTMENT ALLOCATION	6992,911.87		100,000.00
	CARRY OVER...:			100,000.00

BIV's Response to 4/5/00 Congressional Subpoena 0047

1977

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LO /062020001

DDA/USD

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			100,000.00
5/15/98	P/INVESTMNT + INTRS 04.31250 %		6993,738.08	7093,738.08
5/15/98	05/15/98 INVESTMENT ALLOCATION	6993,738.08		100,000.00
5/18/98	W/T F/O [redacted]	200,000.00		100,000.0000
5/18/98	WT FEE	10.00		100,010.0000
5/18/98	WT RECV FOR CR BLAKE ENTERPRIS		10,500.00	89,510.0000
5/18/98	WT FOR CR INTERNAT BUSIN CONS		10,000.00	79,510.0000
5/18/98	WT RECV FOR CR INT BUS CONS		20,000.00	59,510.0000
5/18/98	WT F/O PAVEL B ZHERNAKOV	50,000.00		109,510.0000
5/18/98	WT FEE	10.00		109,520.0000
5/18/98	WT REVD FOR CR GLOBALVETS CA		10,500.00	99,020.0000
5/18/98	WT FOR CR INTL BUSIN CONSULTAN		25,000.00	74,020.0000
5/18/98	P/INVESTMNT + INTRS 04.37500 %		6996,252.95	6922,232.95
5/18/98	05/18/98 INVESTMENT ALLOCATION	6822,232.95		100,000.00
5/19/98	WT RECVD FOR CR BLAKE ENTERP		1000,000.00	1100,000.00
5/19/98	STMT	10.00		1099,990.00
5/19/98	WT RECVD FOR CR INTL BUS		20,000.00	1119,990.00
5/19/98	P/INVESTMNT + INTRS 04.31250 %		6823,039.00	7943,029.00
5/19/98	05/19/98 INVESTMENT ALLOCATION	7843,029.00		100,000.00
5/20/98	WT RECVD FOR CR [redacted]		26,850.00	126,850.00
5/20/98	WT RCVD FOR CR HANOVER LTD		450,000.00	576,850.00
5/20/98	P/INVESTMNT + INTRS 04.31250 %		7843,955.65	8420,805.65
5/20/98	05/20/98 INVESTMENT ALLOCATION	8320,805.65		100,000.00
5/21/98	WT F/O ONA FINANCE	2,250.00		97,750.00
5/21/98	WT FEE	10.00		97,740.00
5/21/98	P/INVESTMNT + INTRS 04.25000 %		8321,774.51	8419,514.51
5/21/98	05/21/98 INVESTMENT ALLOCATION	8319,514.51		100,000.00
5/22/98	WT F/O BRITISH TRADE	5000,000.00		4900,000.0000
5/22/98	WT FEE	10.00		4900,010.0000
5/22/98	WT RET FROM BK OF NYC U/T/A		5000,000.00	99,990.00
5/22/98	P/INVESTMNT + INTRS 04.18750 %		8320,468.97	8420,458.97
5/22/98	05/22/98 INVESTMENT ALLOCATION	8320,458.97		100,000.00
5/26/98	WT RECVD FOR CR INTL BUSINESS		10,000.00	110,000.00
5/26/98	WT B/O [redacted]/RF IBCL		25,000.00	135,000.00
	CARRY OVER...:			135,000.00

BIV's Response to 4/5/00 Congressional Subpoena 0048

1978

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LO /062020001

DDA/USD

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VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			135,000.00
5/26/98	WT RECVD FOR CR HANVOER LTD		150,000.00	285,000.00
5/26/98	WT F/O BRITISH TRADE	20,000.00		265,000.00
5/26/98	WT FEE	20.00		264,980.00
5/26/98	WT F/O RODOLFO REQUENA	10,000.00		254,980.00
5/26/98	WT FEE	10.00		254,970.00
5/26/98	STMT	10.00		254,960.00
5/26/98	P/INVESTMNT + INTRS 04.31250 %		8324,391.24	8579,351.24
5/26/98	05/26/98 INVESTMENT ALLOCATION	8479,351.24		100,000.00
5/27/98	WT F/O CORRESPOND SERVICES COR	5000,000.00		4900,000.0000
5/27/98	WT FEE	10.00		4900,010.0000
5/27/98	WT F/O TEMPLIER	105,223.14		5005,233.1400
5/27/98	WT FEE	20.00		5005,253.1400
5/27/98	WT F/O LORVERN ERSPAN	3,721.03		5008,974.1700
5/27/98	WT FEE	10.00		5008,984.1700
5/27/98	WT F/O REPUBLIC PROD	3,612.70		5012,596.8700
5/27/98	WT FEE	10.00		5012,606.8700
5/27/98	WT F/O [redacted]	30,000.00		5042,606.8700
5/27/98	WT FEE	10.00		5042,616.8700
5/27/98	P/INVESTMNT + INTRS 04.37500 %		8480,367.60	3437,750.73
5/27/98	05/27/98 INVESTMENT ALLOCATION	3337,750.73		100,000.00
5/28/98	WT F/O STRATEGIC INV	200,000.00		100,000.0000
5/28/98	WT FEE	10.00		100,010.0000
5/28/98	WT RECVD FOR CR INTL BUSINESS		10,000.00	90,010.0000
5/28/98	WT RECVD FOT CR INTL BUSINESS		30,000.00	60,010.0000
5/28/98	WT RECVD FOR CR INTL BUSINESS		220,000.00	159,990.00
5/28/98	P/INVESTMNT + INTRS 04.37500 %		3338,150.80	3498,140.80
5/28/98	05/28/98 INVESTMENT ALLOCATION	3398,140.80		100,000.00
5/29/98	P/INVESTMNT + INTRS 04.50000 %		3398,559.74	3498,559.74
6/05/98	BALANCE TO CLOSE ACCT	3498,559.74		.00
TOTAL DR'S: 115	CR'S: 79	202030,979.75	201930,979.75	.00

BTVS Response to 4/5/00 Congressional Subpoena 0049

1979

```
Sec: F6A2PD1    16:45:33   05/26/1998          Funds Transfers    :        Verify
: Message       V2.50.30
File: FLTRANJ   Record:   2      New Status: TQ          Appl Sequ #: 000002
Queued for Transmission

####    ####  FT P   ####     FT OUTGOING       #### URC: FT0002            ####
{1520} IMAD: 19980526 F6QCA11C 000002
{3100} Sender: 066010801 BANCO IND DE VENEZ    {2000} Amount:          $10,000.00
{3400} Receiver: 066010814 BCO VENEZUELA INTL {3600} Bus Function Code: CTR
{1510} Type Code:          1000
{5000} Originator:         D62020001
                           BRITISH TRADE AND COMMERCE BANK
                           ROSEAU DOMINICA
{2000} Beneficiary:        D127277606
                           RODOLFO REQUENA
{3320} Sender Ref:         002
##############
```

2' #### FT PROD #### FT INCOMING ####NORMAL MSG/ACCTG ENTRY####
Sender: 026002574 BARCLAYS PLC {2000} Amount: $2,002,000.00
Receiver: 066010801 BCO IND VENEZUELA {3600} Bus Function Code: CTR
Type Code: 1000
Originator: INTER TRADE AND COMMERCE LTD
Beneficiary: A/C102-0110267
Ref for BNF: OBC 913
Beneficiary's FI: D06202001
BRITISH TRADE AND COMMERCE BANK
IMAD: 19980327B1QFCI1A001787
Sender Ref: 001835
Timestamp: 03271553FT01
OMAD: 19980327F6QCA11C000009032715 53FT01
########

3.60

MT 999
24 10.90

FIN MT 999 - free format

Sender: INDSUS3MAXXX
Receiver: BTCBDMDMXXX BRITISH TRADE AND COMMERCE BANK
ROSEAU DM

Work Data
Priority: Normal

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transaction reference no.
BIV033098237
related reference
WIRE RECVD
narrative
WE HAVE CREDITED YOUR ACCT 62020001
//USD2002,000.00 VALUE MARCH 30, 1998
//FOR WIRE TRANSFER RECVD FROM BARCLAYS PLC BY ORD
//DER. OF INTER TRADE AND COMMERCE LTD
//FOR CREDIT TO YOUR ACCOUNT NO 62020001
//FOR FURTHER CREDIT TO ACCT NO 102-0110267 UNDER
//REFERENCE OBC 913
//WE SENT A SERVICE MESSAGE TO BARCLAYS
//PLC REQUESTING THE BENEFICIARY NAME
//IF YOU HAVE ANY QUESTIONS PLS CONTACT
//OUR OFFICE

Federal Reserve Release

Press Release

Release Date: May 20, 1998

For immediate release

The Federal Reserve Board announced today the issuance of a Temporary Cease and Desist Order against Banco Industrial de Venezuela, Caracas, Venezuela, to address serious deficiencies in the bank's anti-money laundering program.

The Board's order is identical to the ones issued on May 18 against four Mexican banks and one Spanish bank, and results from the extensive undercover "sting" operation conducted by the U.S. Departments of Justice and Treasury.

In connection with the undercover operation, a Banco Industrial de Venezuela official has been charged with violations of U.S. criminal money laundering statutes, and she was arrested on May 19. This arrest was done in conjunction with the arrests of several Mexican bankers over the weekend.

The Board's Temporary Cease and Desist Order requires Banco Industrial de Venezuela, among other things, to implement new anti-money laundering policies and procedures designed to correct the deficiencies in its current program.

Federal Reserve examiners will continue to monitor the activities of the bank in the United States to ensure full compliance with all applicable money laundering-related laws and regulations.

Home | Enforcement action press releases

Last update: May 20, 1998, 4:00 PM

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

Written Agreement By and Among BANCO INDUSTRIAL DE VENEZUELA Caracas, Venezuela BANCO INDUSTRIAL DE VENEZUELA Miami Agency Miami, Florida and FEDERAL RESERVE BANK OF ATLANTA Atlanta, Georgia	Docket No. 98-019-B-FB 98-019-B-FA

WHEREAS, in recognition of the common goal of the Federal Reserve Bank of Atlanta (the "Reserve Bank") and Banco Industrial de Venezuela, Caracas, Venezuela ("Banco Industrial") and its Miami Agency (the "Agency") to ensure compliance by the Agency with all applicable laws, rules and regulations and to continue the enhancements and improvements already undertaken by the Agency, the Reserve Bank, Banco Industrial on its own behalf and on behalf of the Agency, have mutually agreed to enter into this Written Agreement (the "Agreement");

WHEREAS, as the result of the identification of deficiencies, the Banco Industrial and the Agency have taken and are taking steps: (1) to enhance and improve the Banco Industrial's and the Agency's anti-money laundering policies and procedures and customer due diligence practices; and (2) to ensure full compliance with all applicable anti-money laundering laws and regulations, including, but not limited to, the Currency and Foreign Transactions Reporting Act (31 U.S.C. 5311 et seq.) and the accompanying regulations issued by the U.S. Department of the Treasury (31 C.F.R. 103.11 et seq.) (collectively referred to as the Bank Secrecy Act (the "BSA")), this Agreement is being entered into to make a record of the measures necessary to ensure continued full compliance with all applicable anti-money laundering laws and regulations and to obtain a formal commitment to their full implementation from the management of the Banco Industrial and the Agency; and

WHEREAS, on October 4, 2000, the board of directors of Banco Industrial, at a duly constituted meeting, adopted a resolution:

(1) authorizing and directing Fernando de Olivera to enter into this Agreement on behalf of Banco Industrial and the Agency and consenting to compliance by the board of directors of Banco Industrial, and Banco Industrial's institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(u) and 1818(b)(4)), with each and every provision of this Agreement; and

(2) waiving any and all rights that Banco Industrial may have pursuant to 12 U.S.C. 1818: to a hearing for the purpose of taking evidence on any matters set forth in this Agreement; to judicial review of this Agreement; and to challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Agreement or any provision hereof.

NOW THEREFORE, the Reserve Bank and Banco Industrial and the Agency agree as follows:

1. (a) Banco Industrial, the Agency and any institution-affiliated party thereof, shall not, directly or indirectly, violate the BSA or any rules or regulations issued pursuant thereto;

(b) For the purposes of this Agreement, the term "violate" shall include any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling or aiding or abetting a violation; and

(c) To ensure that Banco Industrial and the Agency shall not violate any of the provisions of the BSA, or rules or regulations issued pursuant thereto, within 60 days of this Agreement, Banco Industrial and the Agency shall submit to the Reserve Bank an acceptable written plan designed, to the extent that such activities are performed at the Agencies:

(1) to ensure continued compliance with the recordkeeping and reporting requirements for currency transactions of over $10,000 (31 C.F.R. 103.22);

(2) to ensure continued compliance with the identification requirements related to the recordkeeping and reporting requirements for currency transactions of over $10,000 (31 C.F.R. 103.28);

(3) to ensure continued compliance with the exemption procedures (31 C.F.R.103.22);

(4) to ensure continued compliance with the recordkeeping requirements for the purchase of bank checks and drafts, cashier's checks, money orders and traveler's checks (31 C.F.R. 103.29); and

(5) to ensure continued compliance with the requirements related to the nature of records to be maintained and the retention period of such records (31 C.F.R. 103.38).

2. Within 60 days of this Agreement, Banco Industrial and the Agency shall submit to the Reserve Bank an acceptable enhanced customer due diligence program. The program shall be designed to reasonably ensure the identification and timely, accurate and complete reporting of known or suspected criminal activity against or involving the Agency to law enforcement and supervisory authorities as required by the suspicious activity reporting provisions of Regulation H (12 C.F.R. 208.62 and 208.63) and Regulation K (12 C.F.R. 211.24) of the Board of Governors of the Federal Reserve System (the "Board of Governors"). The enhanced customer due diligence program shall provide:

(a) For a risk focused assessment of the customer base of the Agency to:

(1) identify the categories of customers whose transactions do not require monitoring because of the routine and usual nature of their banking activities; and

(2) determine the appropriate level of enhanced due diligence necessary for those categories of customers that Banco Industrial and the Agency have reason to believe pose a heightened risk of illicit activities at or through the Agency.

(b) For those customers whose transactions require enhanced due diligence, procedures to:

(1) determine the appropriate documentation necessary to confirm the identity and business activities of the customer;

(2) understand the normal and expected transactions of the customer; and

(3) report suspicious activities in compliance with existing reporting requirements set forth in the regulations of the Board of Governors.

(c) Appropriate procedures to reasonably ensure that all new offerings by or through the Agencies involving the receipt or transfer of funds comply with applicable laws and regulations related to anti-money laundering compliance and suspicious activity reporting.

3. Within 60 days of this Agreement, Banco Industrial and the Agency shall submit to the Reserve Bank an internal compliance program, designed to, among other things, ensure and maintain compliance by the Agency with the BSA and related rules and regulations. The program, at a minimum, shall:

(a) provide the means to detect and monitor all currency and other transactions occurring at the Agency to ensure that such transactions are not being conducted for illegitimate purposes and that there is full compliance with all laws and regulations applicable to such transactions;

(b) provide effective training to all appropriate personnel at Banco Industrial and the Agency in all aspects of regulatory and internal policies and procedures related to the BSA and the identification and reporting of suspicious transactions and to update the training on a regular basis to ensure that all personnel have the most current and up to date information; and

(c) provide for independent testing of compliance with all applicable rules and regulations related to the BSA and the reporting of suspicious transactions.

4. Banco Industrial and the Agency shall continue to ensure that the BSA compliance program at the Agency is managed by a qualified officer, acceptable to the Reserve Bank, who shall have responsibility for all BSA compliance and related matters, including, without limitation, the identification and timely, accurate and complete reporting to law enforcement and supervisory authorities of unusual or suspicious activity or known or suspected criminal activity perpetrated against or involving the Agency.

5. The written plans and programs required by paragraphs 1, 2, and 3, hereof, shall be submitted to the Reserve Bank for review and approval. Acceptable plans and programs shall be submitted within the time periods set forth in this Agreement. Banco Industrial and the Agency shall adopt the approved plans and programs within 15 days of approval by the Reserve Bank and then shall fully comply with them. During the term of this Agreement, the approved plans and programs shall not be amended or rescinded without the prior written approval of the Reserve Bank.

6. Within 15 days after the end of each calendar quarter (September 30, December 31, March 31 and June 30) following the date of this Agreement, Banco Industrial and the Agency shall furnish a written progress report detailing the form and manner of all actions taken to secure compliance with this Agreement, and the results thereof.

7. All communications regarding this Agreement shall be sent to:

(a) Ms. Suzanna J. Costello
Vice President
Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

(b) Ildefonso Ferrer
General Manager, Miami Agency
Banco Industrial de Venezuela
1101 Brickell Avenue, Suite 9005
Miami, Florida 33131

(c) Jorge Gamboa
Executive Vice President
Banco Industrial de Venezuela
Tercera Avenida, Las Delicias de Sabana Grande
Cruce con la Avenida Francisco Solano
Torre Financiera, Parroquia El Recreo
Caracas, Venezuela

8. The provisions of this Agreement shall be binding on Banco Industrial, the Agency and each of their institution-affiliated parties in their capacities as such, and their successors and assigns.

9. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended by the Reserve Bank.

10. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Banco Industrial and the Agency to comply with any provision of this Agreement.

11. The provisions of this Agreement shall not bar, estop or otherwise prevent the Board of Governors or any federal or state agency or department from taking any other action affecting Banco Industrial, the Agency or any of their current or former institution-affiliated parties.

12. This Agreement is a "written agreement" for the purposes of section 8 of the FDIC Act (12 U.S.C. 1818).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 12th day of December, 2000.

Banco Industrial de Venezuela
Caracas, Venezuela

By: _____
Mr. Fernando Alvarez Paz
President

Banco Industrial de Venezuela
Miami Agency

By: _____
Mr. Ildefonso Ferrer
General Manager, Miami Agency

Federal Reserve Bank of Atlanta

By: _____
Ms. Suzanna J. Costello
Vice President

1989

Senate Permanent Subcommittee
On Investigations
EXHIBIT #____57g____

Exhibit 57g.

Security Bank documents

BTCB MONTHLY ACCOUNT ACTIVITY AT SECURITY BANK N.A.

E-Z Checking- 01 and Supernow Account-02[1]

MONTH	OPENING BALANCE	DEPOSITS	WITHDRAWALS	CLOSING BALANCE
June 1998	$0	$7,531,481	$2,843,531	$4,702,514
July 1998	$4,702,514	$1,959,222	$4,311,023	$2,349,448
August 1998	$2,349,448	$2,706,444	$4,076,552	$983,035
September 1998	$983,035	$3,503,107	$ 1,362,231	$3,128,526
October 1998	$50,000	$9,104,555	$11,525,055[2]	$199,781
November 1998	$199,781	$2,471,456	$1,142,509	$1,513,716
December 1998	$1,513,716	$1,256,985	$2,436,698	$334,430
January 1999	$334,430	$932,660	$1,075,860	$139,939
February 1999	$139,939	$3,927,591	$3,346,225	$722,161
March 1999	$722,161	$740,980	$1,914,233	$41,262
April 1999	$41,262	$1,776,821	$698,192	$1,119,728
May 1999	$1,119,728	$543,072	$0	$1,726,521
June 1999	$1,726,521	$1,346,212	$2,603,353[3]	$447,978
July 1999	$447,978	$943,969	$885,209	$485,338
August 1999	$485,338	$1,276,015	$1,497,505	$275,793
September 1999	$275,793	$1,591,406	$1,764,662	$100,866
October 1999	$100,866	$1,233,542	$718,733	$617,388
November 1999	$617,388	$1,175,632	$1,326,191	$236,179
December 1999	$236,179	$2,285,069	$1,907,943	$387,808

[1] Records were subpoenaed from June 1998 to March 2000. The account remained open until July 2000.

[2] Includes $6 million withdrawal from Supernow Account-02.

[3] Includes $1 million withdrawal from Supernow Account-02.

MONTH	OPENING BALANCE	DEPOSITS	WITHDRAWALS	CLOSING BALANCE
January 2000	$387,808	$1,546,739	$1,460,796	$464,204
February 2000	$464,204	$1,679,586	$2,187,400[4]	$103,244
March 2000	$103,244	$1,333,168	$1,439,092	$4,944
TOTAL:		$50,865,712	$49,310,114	

Prepared by U.S. Senate Permanent Subcommittee on Investigations, November 2000.

[4] Includes $200,000 withdrawal from Supernow Account-02.

BANCO INDUSTRIAL DE VENEZUELA MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 - MIAMI, FLORIDA 33131

CONTROL NUMBER c1014272

CHECK NO. C1014272

CHECK NOT VALID AFTER SIX MONTHS FROM DATE OF ISSUE

63-1080
660

DATE:
JUNE 5, 1998

3,498,559dols74cts

PAY TO THE ORDER OF:
****BRITISH TRADE AND COMMERCE BANK***

AMOUNT:
$****3,498,559.74***

AUTHORIZED SIGNATURE

OFFICIAL CHECK

⑈1014272⑈ ⑆066010801⑆5008⑈000000⑆

FOR DEPOSIT TO THE ACCOUNT OF

NAME BRITISH TRADE AND COMMERCE BANK

ADDRESS

CITY STATE ZIP

DATE 6-8-98 19

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK'S COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

63-1051 4/670

CASH			
CHECKS ENDORSE AND LIST EACH ITEM	3,498,559	74	
TOTAL FROM OTHER SIDE			
TOTAL	3,498,559	74	

PLEASE ITEMIZE ADDITIONAL CHECKS ON REVERSE SIDE

NEW ACCOUNT DEPOSIT

Security Bank N.A.
Miami Office
444 Brickell Avenue
Miami, Florida 33131

⑆067010512⑆ 040010140⑈01 102

1992

07/29/98 13:32 FAX 3059716071 SECURITY BANK NA 002
Jun-08-98 04:29pm BTCC Bank/Trust (809) 448-6477 P.02

British Trade & Commerce Bank
Licensed for Full Trust Business
Emerald Bldg., Dame Eugenia Charles Blvd, Bayfront,
Roseau Commonwealth of Dominica,
PO Box 2642, Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

SAMPLE SIGNATURES OF BANK OFFICERS
ACCOUNTS ARE OPERATED WITH ANY TWO OF THE THREE

MR. RODOLFO REQUENA
PRESIDENT

SIGNATURE

MR. GEORGE BETTS
VICE PRESIDENT
FINANCIAL COMPTROLLER

SIGNATURE

MR. HERRY ROYER
SECRETARY/DIRECTOR

SIGNATURE

MEMO

To: File
From Fernando Gonzalez

Subject: Acct. No. 04-00101400-01 - British Trade and Commerce Bank.

Date: June 10, 1998

The account of the reference was opened on June 8, 1998 at the request of Mr. Rodolfo Requena president of British Trade and Commerce Bank.

Mr Requena was introduced to Mr. Felix Rodriguez, SVP and Head of our International Department and to the writer by Mr. Steve Weil, stockholder of First Equity Corporation of Florida, an investment banker business that recently moved to the same building where we are situated. I had visited First Equity Corporation of Florida some days before to offer the services of our bank.

Mr. Requena explained that British Trade and Commerce Bank is a customer of First Equity Corporation of Florida and that his group would become the major stockholder of this company as they were negotiating the purchase of the controlling participation that the government of Jamaica presently holds. He expressed that it was a very convenient for them to have the account with a bank in the same building and across the hall from First Equity Corporation of Florida.

Mr. Requena requested information about our bank, its size and services and then explained that British Trade and Commerce Bank was an offshore bank in Dominica, West Indies, that provides international banking, trust, and financial services, as explained in the brochure and copies of licenses that he provided. He added that the bank directors are from Venezuela, the Caribbean and the United States, and that most its capital was from the United States while most of his customers from Canada and other parts of the world.

British Trade and Commerce Bank, Mr, Requena expressed, maintained checking accounts with Banque Francaise Commerciale in Guyana but their main account, which they were closing, was with Banco Industrial de Venezuela, Miami Agency. According to Mr. Requena, they had taken the decision to close their account with BIV because the bad publicity that this bank was receiving as they were being investigated by the authorities as a result of laundering money charges against one of its principal officers

Mr. Felix Rodriguez explained that besides the letter of recommendation that were provided, our bank would make its own inquires about this account and Mr. Requena agreed.

The initial deposit was made with a cashier's check from Banco Industrial de Venezuela in the amount of $3,498,559.74.

British Trade & Commerce Bank.
Licensed for Full Trust Business.
Emera Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
P.O Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

THE FOLLOWING IS TO BE CONSIDERED PRIVATE AND CONFIDENTIAL TO THE RECEIPENT. ANY UNAUTHORIZED USE WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

SHAREHOLDERS OF BRITISH TRADE & COMMERCE BANK	SHARES
BRITISH TRADE & COMMERCE BANK BANCORP TRUST REPRESENTED BY MR. RODOLFO REQUENA. TRUSTEE BENEFICIAL INTERESTS ARE HELD BY MR. JOHN LONG	15,000
MR. RODOLFO REQUENA	3,000
BAILLET INTERNATIONAL LTD. BENEFICIAL INTERESTS HELD BY DR. DANA BAILEY AND MR. SCOTT BRETT	3,000
BAYFRONT INVESTMENT TRUST BENEFICIAL OWNER MR. PABLO URBANO	750
MR. DIRAN SARKISSIAN	750
MR. HERRY ROYER	750
MR. CLARENCE BUTLER	750
TREASURY SHARES HELD FOR OFFICER AND EMPLOYEE PROFIT SHARING	6,000
TOTAL SHARES AUTHORIZED AND OUTSTANDING	30,000

1997

BRITISH TRADE AND COMMERCE BANK
Balance Sheet (U.S. Dollars)
December 31, 1997

ASSETS		
CASH AND DUE FROM BANKS		$ 6,230,253.80
ACCOUNTS RECEIVABLE		$ 10,000,000.00
GOVERNMENT SECURITIES HELD		$ 202,500,000.00
BANK PREMISES AND EQUIPMENT		$ 287,266.91
PREPAID EXPENSES AND OTHER ASSETS		$ 667,913.59
TOTAL ASSETS		**$ 219,685,434.30**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
DEMAND DEPOSITS	$ 1,210,128.15	
CERTIFICATES OF DEPOSIT	$ 2,900,000.00	
GOVERNMENT SECURITIES	$ 200,000,000.00	
TOTAL		$ 204,110,128.15
ACCRUED EXPENSES AND OTHER LIABILITIES		$ 29,833.65
LONG-TERM LIABILITIES		$ 239,301.85
STOCKHOLDERS' EQUITY		
CAPITAL STOCK	$ 3,000,000.00	
ADDITIONAL PAID IN CAPITAL	$ 2,429,868.89	
RETAINED EARNINGS	$ 9,876,301.76	
TOTAL		$ 15,306,170.65
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$ 219,685,434.30**

APPROVED BY:
GEORGE E. BETTS, VICE PRESIDENT, FINANCIAL COMPTROLLER

1998

June 17, 1998

Mrs. Joyce Rabess
Banque Francaise Commerciale
P.O.B 166
Roseau, Dominica
West Indies

Dear Mrs. Rabess

Mr. Rodolfo Requena, president of British Trade and Commerce Bank in Dominica, West Indies, has given us your bank as reference to establish a banking relationship with us.

Any information you could provide us about British Trade and Commerce Bank, your credit experience with them, average balances and how their account was handled, would be most helpful.

Your information, of course ,will be treated with the strict confidence.

We will appreciate hearing from your at your earliest convenience. Thank you very much for your cooperation.

Sincerely,

Fernando Gonzalez
Branch Manager - Brickell Branch

1999

Banque Française Commerciale

Antilles Guyane

AGENCE:
Roseau
DOMINIQUE
P.O.B. 166
Tél.: 84040
Fax: 85335

The Manager
British Trade & Commerce Bank Ltd
P.O. Box 2042
Roseau
Dominica

21st May 1998

Dear Sir,

We confirm that the above-mentioned concern established accounts with this bank on 21st July 1997.

The concern maintains a Foreign Currency Account and a Local Currency Account. Accounts have been maintained in a satisfactory manner.

Yours faithfully

BANQUE FRANÇAISE COMMERCIALE ANTILLES GUYANE ROSEAU DOMINICA

Mrs. Joyce Rabess
ASSISTANT MANAGER

June 17, 1998

Ms. Lorena Ortiz
Banco Industrial de Venezuela - Miami Agency
1101 Brickell Avenue, Suite 500
Miami, FL 33131

Dear Ms. Ortiz:

Mr. Rodolfo Requena, president of British Trade and Commerce Bank in Dominica, West Indies, has given us your bank as reference to establish a banking relationship with us.

Any information you could provide us about British Trade and Commerce Bank, your credit experience with them, average balances and how their account was handled, would be most helpful.

Your information, of course ,will be treated with the strict confidence.

We will appreciate hearing from your at your earliest convenience. Thank you very much for your cooperation.

Sincerely,

Fernando Gonzalez
Branch Manager - Brickell Branch

July 10th, 1998.

Ms. Lorena Ortiz
Banco Industrial de Venezuela-Miami Agency
1101 Brickell Avenue, Suite 500
Miami, FL 33131

Dear Ms. Ortiz:

Mr. Rodolfo Requena, president of British Trade and Commerce Bank in Dominica, West Indies, has given us your bank as reference to establish a banking relationship with us.

Any information you could provide us about British Trade and Commerce Bank, your credit experience with them, average balances and how their account was handled, would be most helpful.

Your information, of course, will be treated with the strict confidence.

We will appreciate hearing from you at your earliest convenience. Thank your very much for your cooperation.

Sincerely,

Fernando Gonzalez - Branch Manager
Brickell Branch
444 Brickell Avenue
Miami, FL 33131

SECOND REQUEST

MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131 U.S.A.
TELEPHONE: (305) 374-5060
TELEX: MCI 681 2058 BIV-MIA
FAX: (305) 374-5178
CABLE: "BANDUSTRAL"

TO WHOM IT MAY CONCERN

As per request of our client British Trade & Commerce Bank, we hereby confirm that they have been a client of ours since October 20, 1997 and maintain an active checking account.

Currently, their account presents a balance in excess of medium six figures.

If you need further information please contact Mrs. Lorena Ortiz at (305)374 5060 ext. 17.

Sincerely,

Dra. Esperanza de Saad
EVP & General Manager
BIV Miami

FEDEINDUSTRIA

CARACAS, 07 DE MARZO DE 1997

The Manager,
International Business Unit,
Ministry for Finance, Industry & Planning,
Government Of The Commonwealth of Dominicana.

Dear Sir:

I, Henry Gomez Alberti, in my character of President of Fedeindustria (Venezuelan Small and Medium Industries Federation) hereby certify, that Rodolfo Requena has been member of this Federation since 1986.

Mr. Requena has been appointed in several positions showing in all of them a high degree of responsibility, honesty and Professional Capacity.

Mr Requena has occupied the following positions:

President of Capmi Miranda. (Industrial Chamber of Miranda State)	1986-1988
	1988-1990
Treasurer of Fedeindustria	1988-1990
Vice President of Fedeindustria	1990-1992
Director in Foncrei (Industrial Credit Fund)	1989-1991
Director in Corpoindustria (Financial Corporation for Industries)	1995-actual

Hoping this communication will assist you.

Best Regards,

Henry Gomez Alberti
President.

EDIFICIO CAPUCHRIA NIVEL MEZANINA. OFICINA 20M 09. PARQUE CENTRAL. CARACAS
TELEFONO: 576.34 70. FAX: 578.22 53.

EMBAJADA DE VENEZUELA
EN DOMINICA

Nº 6.3.1/141

Roseau, April 11, 1997

GULF UNION BANK
THE BAHAMAS

ATT: THE MANAGING DIRECTOR

I would like to introduce MR. RODOLFO REQUENA, Venezuelan, Engineer, MBA Specialty in Finance and Marketing, with important experience in private and public corporations bound to commercial and financial sectors.

At present, Mr. Requena is President of the Global Employees Benefit Services, C.A. in Venezuela, Director of the Corporation for the Development of Small and Medium Industries of Venezuela, and Chairman of the British Trade and Commerce Bank which headquarters is located in the Commonwealth of Dominica.

I am in a position to confirm that Mr. Rodolfo Requena is a person of a high human quality, who possesses great managerial capacity in the financial and banking fields. Likewise, I have to point out that Mr. Requena has an excellent record as a very respectful individual, with a congenial personality.

Sincerely,

EMBAJADA DE VENEZUELA EN ROSEAU DOMINICA

Pedro Camacho
AMBASADOR OF VENEZUELA
TO THE COMMONWEALTH OF DOMINICA

COURTESY TRANSLATION

CORPOINDUSTRIA
Corporation for the Development of the Small and Medium Size Industry

Maracay, March 5th. 1997

Excellency
DR. PEDRO CAMACHO
AMBASSADOR OF VENEZUELA IN
THE ISLAND OF DOMINICA

Distinguished Ambassador:

Received cordial greetings. It is our more sincere wish success during your tenure in that country.

I will allow myself according to our telephone conversation last week, to introduce to you Eng. Rodolfo Requena, Director of this Corporation on behalf of "Fedeindustria" (Venezuelan Federation of Industries), as a person with high managerial capacity, banking and financial studies, and without negative Judicial and Administrative records in Venezuela.

This reference is due to the interest shown by the Eng. Requena to participate in banking and finance business in the Dominica Island

On thanking your attention on this matter.

Sincerely,

Your Friend,

AMAURI JOSE GARCIA DEFFENDINI
President

STATE OF WASHINGTON
BOARD OF ACCOUNTANCY
210 East Union, Suite A, Mail Stop 43110 • P.O. Box 9131 • Olympia, Washington 98507-9131
(360) 753-2585 • FAX (360) 664-9190

August 15, 1997

George E. Betts
PO Box 2042
Roseau, Commonwealth of Dominica
WEST INDIES

SUBJECT: Confirmation of CPA Certificate

This is to confirm that George E. Betts has passed all parts of the AICPA Uniform Certified Public Accountant Examination and is the holder of Washington Certified Public Accountant certificate #02293 dated August 29, 1963. The certificate currently is on inactive status, but is in good standing and valid through June 30, 1999.

Sincerely,

Tim R. Hoefer
Certification Specialist

LYDIA JUSTICE EDWARDS
STATE TREASURER
208 334-3200

STATE OF IDAHO
OFFICE OF THE STATE TREASURER
ROOM 102 STATEHOUSE
BOISE, IDAHO 83720

March 26, 1997

To Whom It May Concern:

George Betts has been a friend for more than 15 years. I can recommend him highly, with no hesitation.

As well as being a talented, intelligent and professional C.P.A., George has a track record as a partner in a major accounting firm known for high ethical standards. His integrity is unquestioned and his reputation in the community is first-rate.

As a friend, he wears well — he is enjoyable, dependable and a source of sound advice.

George would bring talent and credibility to any organization wise enough to enlist his help. I believe he would be a valuable asset and a welcome member of your team.

Sincerely,

Lydia Justice Edwards

Lydia Justice Edwards

Celebrate IDAHO
1890 • CENTENNIAL • 1990

L..EAU CO-OPERATIVE ..E.) JNION LTD.
31-35 QUEEN MARY STREET, P.O. BOX 175
ROSEAU, DOMINICA, WEST INDIES
Telephone No: 80944-82129/82191 Fax No: 80944-82491

November 26, 1997

To whom it may concern

I write in confirmation of the good standing and character of Mr. Henry Royer of Castle Comfort, Commonwealth of Dominica.

I have known Mr. Royer for over twenty-five years and can vouch for his honesty, forthrightness and general good name.

He has proven to be a respectable, honorable and highly industrious individual with a sound reputation in all his dealings.

I hold no reservations in recommending Mr. Royer.

Victor Lewis
Manager
Finance and Administration

OFFICE OF THE PRIME MINISTER

GOVERNMENT INFORMATION SERVICE

Telephone: 82401 Ext. 222
Fax : 448 — 7608
Telegrams: External, Dominica.
Telex : 8613 EXT. DO
Reference: P.

GOVERNMENT HEADQUARTERS
KENNEDY AVENUE
ROSEAU
COMMONWEALTH OF DOMINICA
WEST INDIES

March 11, 1997.

TO WHOM IT MAY CONCERN

Mr Herry Royer has been employed with the Government Information Service for the past eleven (11) years. He was under my direct supervision for the past two (2) years.

Mr. Royer performed his duties with a high level of maturity, a strong mind and good charater, he displayed a good working relationship with his fellow workers.

Sincerely.

DAVIDSON BRUNEY
CHIEF INFORMATION OFFICER

CASHIER'S CHECK

Security Bank
1450 South State Road 7
North Lauderdale, FL 33068

REMITTER BRITISH TRADE & COMMERCE BANK

July 21, 19 98

63-1051/870

PAY TO THE ORDER OF 294000.00 DOLLARS $ 294,000.00***

*** COUNTY OF BERGEN, N.J. ***

CASHIER'S CHECK
THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED BEFORE AN OFFICIAL CHECK OF THIS BANK WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS LOST, MISPLACED OR STOLEN.

⑈03094⑆ ⑆067010512⑆ 0100900028⑈01 ⑈00294000⑈

County of Bergen N.J.
for deposit only
TRO 100 7.8.4

DO NOT SIGN WRITE STAMP BELOW THIS LINE
FOR FINANCIAL INSTITUTION USE ONLY

FOR FINANCIAL INSTITUTION USE ONLY

PHOENIX, NJ
08/05/98

PROCESSED
FUND-NA
TOTOWA NJ
08/05/98

08-07-98

FEDERAL RESERVE BANK REGULATION CC

Memorandum

TO: Tim Kenney, P.A. DATE: July 27, 1998

FROM: Joseph H. Magley

SUBJECT: **British Trade & Commerce Bank a/k/a British Bank Trade & Commerce**

As you have requested contact was made to the OCC and FDIC concerning the above captioned.

1) On July 24, 1998, the writer spoke to Mr. Bill Kerr, Enforcement and Compliance Division of the OCC (202-874-4800). According to Mr. Kerr the only information provided was that the entity was an off-shore bank and that is was not licensed to do banking business in the U.S. He did state that there were some concerns about British Trade in that there was a possibility that the company had lodged the Granada Guarantees for safekeeping. The Granada Guarantees was a financing scheme where the perpetrators would issue a bogus guarantee in the name of Granada for financing. Because of this factor he felt the Bank should be cautious. Other than that there were no prohibitions for doing business with this company.

2) On July 24, 1998, the writer spoke to Eugene Seitz (202-898-6793) from the FDIC. He stated that they kept no records of all off-shore banks and that any information they might receive would come from the OCC. He advised that they be contacted.

It must also be noted that the Secret Service Agent who originated the subpoena, Mr. Larry Koperna, stated to the writer on July 24, 1998, that they had run the Bristish Trade through an agency to see if there was derogatory information and according to him there was no adverse information.

In the event you need additional information or clarification please call.

cc: Manuel Fernandez
Eduardo Barranco
J. Luis Domenech
Felix Rodriguez

F:\USERS\SHARE\LNDPT\LNDPMAIN\CORRESPO\BRITISHB.MEM

Timothy H. Kenney, P.A.
Attorney at Law
P.O. Box 708
189 Bradley Place
Palm Beach, Florida 33480-0708

Telephone
(561) 833-8773

Fax # (561) 833-0543

August 27, 1998

Dean A. Eichelberger, Esq.
Assistant United States Attorney
1441 Main Street, Suite 500
Columbia, SC 29201

Re: Subpoena to Testify Before Grand Jury
Joe Magley, Security Bank

Dear Mr. Eichelberger:

Back in June I spoke with Marvin Caughman concerning the Subpoena that was served on Security Bank and whether or not Security Bank should discontinue doing any further business with British Trade and Commerce Bank. Mr. Caughman indicated that he was not aware of any reason why we should cease doing business with British Trade and Commence Bank and suggested that we might check with the OCC or the FDIC to determine whether or not there have been any alerts issued by either of the agencies. My client checked with the OCC and the FDIC and has advised there are no "alerts" on file.

Security Bank will cooperate with the Secret Service and the U. S. Attorney's office concerning this matter. My client wishes to make sure that they abide by all the laws. If there comes a time that your office feels that information should be given to us concerning British Trade and Commerce Bank that indicates that we should not do business with British Trade and Commence Bank, it would be appreciated if you would so advise.

Very truly yours,

TIMOTHY H. KENNEY

THK:epw

2013

MEMORANDUM

SUBJECT: British Trade & Commerce Bank

FROM: Fernando Gonzalez

TO: File

DATE: October 21, 1998

I received yesterday by fax the enclosed copy of a certificate of deposit made by British Trade & Commerce Bank for $6,000,000.00 in the name of The Northfield Trust and dated October 20, 1998 to mature on October 21, 1999 and according to its text "to be paid by the issuing bank or at the counters of Security Bank, N.A., Miami." The document was sent by George Betts, Vice President of BTCB, who called immediately after, to request our approval of the document.

I explained to Mr. Betts that we could not honor that certificate and that our name must not appear on it. He asked me then to confirm with my main office because he believed that I was wrong. I faxed the copy of the certificate to Mr. Eduardo Barranco and Mr. Luis Domenech and both agreed that our name must not appear on the document as we were not going to take any responsibility and had nothing to do with that transaction.

I called back Mr. Betts and told him not to issue the certificate.

SERIES NUMBER CD1

BTCB

CERTIFICATE NUMBER 98294

BRITISH TRADE & COMMERCE BANK
Emeens Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
P.O. Box 2042, Phone (767) 448-6410. SWIFT: BTCBDMDM

CERTIFICATE OF TIME DEPOSIT

Issue Date: Oct 20,1998 Maturity Date: Oct 21,1999

THIS CERTIFIES that *********THE NORTHFIELD TRUST ******

Has deposited with this bank the sum of *** United State Dollars Six million

with 00/100 ********** US $: 6,000,000.00

This deposit shall bear interest at the rate of SEVEN Per cent (7.0%) per

Annum for a period of 12 (Twelve) months and One (1) day from issue date and

subject to the conditions stated herein:

Deposits made in any form shall not be considered good until the same have been cleared. The deposit covered by this certificate will be paid by the issuing Bank or at the counters of Security Bank NA, Miami, Florida and only upon presentation of the original certificate duly endorsed by the depositor.
If the deposit is not withdrawn on the maturity date, the deposit shall be treated as a regular savings account and shall earn interest as such from the date of maturity up to the date of actual withdrawal.
It is understood and agreed that the deposit covered by this certificate shall be subject to the prescribed rules and regulations, particularly on rate of pre-termination.
Assignment or pledge of the time deposit shall not be binding on the bank unless made with the Bank's prior consent in writing.
Prompt notice in writing should be given to the Bank if this certificate is lost, stolen or destroyed. In which case, the Bank may at it's option, cause a substitute to be issued to such depositor on such terms of indemnity or otherwise as the Bank may deem proper and the original certificate shall thereafter be void.

VICE-PRESIDENT PRESIDENT

COMMON SEAL DOMINICA

2015

MEMORANDUM

SUBJECT: British Trade & Commerce Bank

FROM: Fernando Gonzalez

TO: File

DATE: November 5, 1998

Mr. George Betts, Vice President of British Trade & Commerce bank called today and asked me to read the enclosed draft of a time certificate of deposit and the enclosed document which states that Security Bank, N.A. would pay at its counters the certificate upon presentation. Both papers were faxed to us a few minutes later.

After reading both documents I called Mr. Betts and explained to him that our bank will not make any commitment like that one, as we had discussed before.

SERIES NUMBER CD1 BTCB CERTIFICATE NUMBER XXXXX

BRITISH TRADE & COMMERCE BANK
Emana Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
P.O. Box 2048, Phone (767) 448-6410, SWIFT: BTCBDMDM

CERTIFICATE OF TIME DEPOSIT

Issue Date: October 10, 1998 Maturity Date: October 10, 1999

THIS CERTIFIES that HELLER SECURITIES

Has deposited with this bank the sum of TWENTY MILLION UNITED STATES DOLLARS US $20,000,000

This deposit shall bear interest at the rate of 10% Per cent (10%) per Annum for a period of 365 days from issue date and subject to the conditions stated herein:

1. Deposits made in any form shall not be considered good until the same have been cleared.
2. The deposit covered by this certificate will be paid by the issuing Bank and only upon presentation of the original certificate duly endorsed by the depositor.
3. If the deposit is not withdrawn on the maturity date, the deposit shall be treated as a regular savings account and shall earn interest as such from the date of maturity up to the date of actual withdrawal.
4. It is understood and agreed that the deposit covered by this certificate shall be subject to the prescribed rules and regulations, particularly on rate of pre-termination.
5. Assignment or pledge of the time deposit shall not be binding on the bank unless made with the Bank's prior consent in writing.
6. Prompt notice in writing should be given to the Bank if this certificate is lost, stolen or destroyed. In which case, the Bank may at it's option, cause a substitute to be issued to such depositor on such terms of indemnity or otherwise as the Bank may deem proper and the original certificate shall thereafter be void.

COPY COPY

AUTHORIZED SIGNATURE AUTHORIZED SIGNATURE

⑆ 24231 ⑆ N00000 ⑈ US$ XXXXXXXXX ⑈

British Trade & Commerce Bank
International Bankers *Licensed for Full Trust Business*

Emens Bldg., Dame Eugenia Charles Blvd. on the Bayfront
Roseau, Commonwealth of Dominica
Phone: (767) 448-6410 Fax: (767) 448-6477
e-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

November 4th, 1998

TO WHOM IT MAY CONCERN:

RE: Certificate of Deposit No. 28898 Issued by British Trade & Commerce Bank
In the Amount of $20,000,000.00 USD showing HELLER SECURITIES, INC. as the Beneficiary.

We hereby jointly confirm that the above Certificate of Deposit is payable upon presentation at our counter as the Issuing Bank, or upon three (3) banking days advance notice to either to us as the Issuing Bank or Security Bank, N.A., 444 Brickell Avenue, Suite P-1, Miami, FL 33131, same shall be payable at the counter of our US correspondent bank, Security Bank, N.A., Miami, FL.

Issued on behalf of:
BRITISH TRADE & COMMERCE BANK

By: _____
Dr. Rodolfo Requena
President

Issued on behalf of:
SECURITY BANK, N.A.

By: _____
Fernando, Gonzalez
Branch Manager

ENDORSEMENT

For value received, the undersigned does hereby sell, assign and transfer
To _____ This Certificate

of Time Deposit for US $

The undersigned does hereby irrevocably constitute and appoint **British Trade & Commerce Bank** as attorney to transfer the above Certificate of Time Deposit, on the books of the above company, with full power of substitution.

Date:

By: _____

Passport No.
For and on behalf of : _____

The Above Transfer was received and acknowledged this. _____ day of

Furthermore we certify that the above mentioned signature
belongs to: _____ authorized representative
of: _____

according the recorded in our files.

For and on behalf of **British Trade & Commerce Bank**

_____

Date:

2019

MEMORANDUM

SUBJECT: British Trade & Commerce Bank

FROM: Fernando Gonzalez

TO: File

DATE: December 10, 1998

I received this afternoon the enclosed letter and certificate of deposit faxed by Banco Solidario de Costa Rica and addressed to our teller Luis Ramos, who had also received a call from that bank announcing the letter.

When the signer of the letter, Gerardo Chaverri Fuentes called this morning I explained to him that our only relantionship BTCB is a checking account that the maintain with us. That the answer to their inquires was that we did not accept any responsability and that the document had no validity for us.

Mr. Chavarri Fuentes thank us for the information provided.

BANCO SOLIDARIO de Costa Rica

antiguo Banco Solidarista Costarricense

December 10, 1998

Mr. Luis Ramos
Security Bank N.A.
Miami, Fla
U.S.A.

Dear Sir:

Our client , BSC Internacional S.A., is in the midst of a negotiation with Passenger Express Aviation, Inc. for the purchase of a US$ 20,000,000 Certificate of Time Deposit from BRITISH TRADE AND COMMERCE BANK (BTCB) of the Commonwealth of Dominica.

The verbiage of the Certificate of Time Deposit (which has been given to us as an example), that our client is interested in is exactly the same to the one we are sending with this letter. Said verbiage names your bank as an alternate counter for payment.

In doing our due diligence on this transaction we have not been able to find the BRITISH TRADE AND COMMERCE BANK of the Commonwealth of Dominica, in the usual directories and therefore can not proceed without further information about the bank.

We would greatly appreciate any information you may have regarding the bank, or how we might go about verifying the validity of the Certificate of Time Deposit being offered.

Thanking you in advance for your assistance.

Yours truly,

Gerardo Chaverri Fuentes,
International Dept. Manager
Banco Solidario de Costa Rica S.A.

cc:file

Tel.: (506) 290-6900 • Fax (506) 290-7834 • Apdo. 320-1002 San José, C.R. • E-mail: bksolida@sol.racsa.co.cr

SERIES NUMBER [redacted] CERTIFICATE NUMBER [redacted]

BTCB

BRITISH TRADE & COMMERCE BANK

[redacted]

P.O. Box [redacted], Phone (767) [redacted], [redacted]

CERTIFICATE OF TIME DEPOSIT

Issue Date: Oct 20, 1998 Maturity Date: Oct 21, 1999

THIS CERTIFIES that [redacted]

Has deposited with this bank the sum of [redacted]

[redacted] 20 ********** US $: [redacted] 00

This deposit shall bear interest at the rate of SEVEN Per cent (7.0%) per Annum for a period of 12 (Twelve) months and One (1) day from issue date and subject to the conditions stated herein:

Deposits made in any form shall not be considered good until the same have been cleared. The deposit covered by this certificate will be paid by the issuing Bank or at the counters of Security Bank NA, Miami, Florida and only upon presentation of the original certificate duly endorsed by the depositor.
If the deposit is not withdrawn on the maturity date, the deposit shall be treated as a regular savings account and shall earn interest as such from the date of maturity up to the date of actual withdrawal.
It is understood and agreed that the deposit covered by this certificate shall be subject to the prescribed rules and regulations, particularly on rate of pre-termination.
Assignment or pledge of the time deposit shall not be binding on the bank unless made with the Bank's prior consent in writing.
Prompt notice in writing should be given to the Bank if this certificate is lost, stolen or destroyed. In which case, the Bank may at it's option, cause a substitute to be issued to such depositor on such terms of indemnity or otherwise as the Bank may deem proper and the original certificate shall thereafter be void.

VICE-PRESIDENT PRESIDENT

6700 N. Andrews Avenue
Suite 701
Fort Lauderdale, FL 33309

Tel: 954-351-7780
Fax: 954-351-7978
Website: www.actrade.com

FACSIMILE TRANSMITTAL SHEET

TO: Fernando Gonsales	FROM: Jeffrey Spanier
COMPANY: Security Bank	DATE: August 20, 1999
FAX NUMBER: 305-374-1228	TOTAL PAGES (Including Cover) 4
TELEPHONE NUMBER: 305-374-3722	IF TRANSMISSION IS INCOMPLETE, PLEASE CALL

NOTES/COMMENTS

Please review and call back as soon as possible.

Actrade Capital
Fort Lauderdale, Fl.
Attn: Geffrey Spanier

8-20-99

Answering yourfax inquire regarding aL/C I/F/O Actrade Capital Issued by British Trade and Commerce Bank I/A/O US $1,000,000.00 We has not and will not confirm this letter of credit, the name of Security Bank, N. has been used without our authorization and we do not have or accept any liability on this matter.

V.P. S.V.P.

SECURITY BANK, N.A.
244 BRICKELL AVE.
MIAMI, FL 33131

SECURITY BANK, N.A.
244 BRICKELL AVE.
MIAMI, FL 33131

British Trade & Commerce Bank.
Licensed for Full Trust Business.
Emana Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-8410 Fax: 448-8477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

STANDBY LETTER OF CREDIT

$1,000,000.00 (ONE MILLION UNITED STATES DOLLARS)

LETTER OF CREDIT NUMBER: 990819
CREDIT AMOUNT: USD$1,000,000
DATE OF ISSUE: AUGUST 19, 1999
DATE OF MATURITY: FEBRUARY 20, 2000
BENEFICIARY. ACTRADE CAPITAL

GENTLEMEN:

UPON REQUEST AND FOR ACCOUNT OF EZRA MICKLEWHITE AND IN CONSIDERATION OF YOUR GRANTING BANKING FACILITY OF WHATEVER NATURE (HEREINAFTER REFERRED TO AS "THE FACILITY" TO EZRA MICKLEWHITE (HEREINAFTER REFERRED TO AS "THE BORROWER"). WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 990819 DATED AUGUST 19, 1999 IN FAVOR OF YOURSELF UP TO AN AGGREGATE AMOUNT OF USD $1,000,000 (ONE MILLION UNITED STATES DOLLARS) PAYABLE AT OUR COUNTER AGAINST YOUR "AUTHENTICATED TELE-TRANSMISSIONS" REFERRED TO THIS CREDIT, CERTIFYING THAT THE BORROWER HAS FAILED TO REIMBURSE YOU IN DUE COURSE, WHETHER FOR PRINCIPAL, INTEREST, OR OTHERWISE IN RESPECT OF THE FACILITY.

THIS LETTER OF CREDIT IS VALID FROM THE DATE HEREOF AND EXPIRES AT OUR COUNTERS ON FEBRUARY 20, 2000.

ALL PAYMENTS UNDER THIS LETTER OF CREDIT SHALL BE MADE FREE AND CLEAR OF ANY DEDUCTION OR WITHHOLDING WHATSOEVER AND SHALL BE PAID IN THE CURRENCY SPECIFIED ABOVE.

AMOUNTS PAYABLE UNDER THIS LETTER OF CREDIT SHALL BE PAYABLE ON FIRST DEMAND, IRRESPECTIVE OF THE VALIDITY AND LEGAL EFFECTS OF THE FACILITY OR ANY DISPUTE THEREIN BETWEEN YOURSELF AND THE BORROWER, OR OTHERWISE.

SPECIAL INSTRUCTIONS:
1) NO INCOMPLETE OR DOCUMENTS WITH DISCREPANCIES WILL BE ACCEPTED
2) THIS LETTER OF CREDIT IS TRANSFERABLE UPON NOTIFYING THE ISSUING BANK AND THE PAYMENT OF ANY TRANSFER FEE
3) ALL BANKING CHARGES UNDER THIS LETTER OF CREDIT EXCEPT OURS, IF ANY, ARE FOR THE ACCOUNT OF THE BORROWER.

REIMBURSEMENT INSTRUCTIONS:
1) BY TELEGRAPHIC/SWIFT WIRE TRANSFER AS PER YOUR INSTRUCTIONS.
2) THIS LETTER OF CREDIT IS SUBJECT TO THE UCC AND PRIOR DOCUMENTARY CREDITS (REVISION 1993) ICC PUBLICATION NO. 500.
3) THIS "HARD COPY" IS AN OPERATIVE INSTRUMENT. NO CONFIRMATION WILL FOLLOW.

GEORGE E. BETTS
EXECUTIVE VICE PRESIDENT

HERBY ROYER
SECRETARY/DIRECTOR

The following are our letter of credit requirements:

Applicant: **Ezra Micklewhite**

Beneficiary: **Actrade Capital, Inc.**
200 Cottontail Lane
Vantage Court South
Somerset, NJ 08873

1. Irrevocable and transferable letter of credit
2. Advising and Negotiating Bank:
   Banco Portugues Do Atlantico
   New York Branch
3. Confirm and Paying Bank:
   Security Bank
   Miami, Florida
4. For Account of (Applicant):
   Ezra Micklewhite
5. In Favor of (Beneficiary):
   Actrade Capital Inc.
   200 Cottontail Lane
   Vantage Court South
   Somerset, NJ 08873

NO

6. Amount: **$1,000,000**
7. Date of Issue: _____
8. Presentation for negotiation on or before: _____ **(Expiry date)**
9. **Partial presentation is allowed.**
10. Available by **Sight drafts** drawn on the Paying Bank.
11. Covering: **Trade Acceptance Drafts signed by Ezra Micklewhite**
12. Drafts must be accompanied by the following documents:
    a. **Original Trade Acceptance Drafts signed by Ezra Micklewhite.**
    b. **A Letter signed by Actrade Capital, Inc. ("Actrade") stating that: "A default in an obligation of Ezra Micklewhite to Actrade Capital Inc. has occurred."**

13. Additional instructions:
    All bank charges are for the account of the Applicant.
14. Documents must be presented to Negotiating Bank within the validity of this Letter of Credit.

EXCEPT AS FAR AS OTHERWISE STATED, THIS IRREVOCABLE LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICES FOR DOCUMENTARY CREDIT (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION #500.

_____
BANK

By: _____
AUTHORIZED SIGNATURE

_____
PRINT NAME AND TITLE

RODD R. BUELL
ATTORNEY AT LAW
A PROFESSIONAL ASSOCIATION

MIRACLE PLAZA BUILDING
2355 SALZEDO STREET, SUITE 202
CORAL GABLES, FLORIDA 33134-5035

TELEPHONE (305) 443-1997
TELEPHONE (305) 448-1991
FACSIMILE (305) 448-0994
E-MAIL: BUELLLAW@AOL.COM

May 16, 2000

British Trade & Commerce Bank
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
P.O. Box 2042
Roseau Commonwealth of Dominica
Attn: George Betts, Executive Vice President

Re: British Trade & Commerce – Account # 0400101400-01
Via fax and regular mail

Dear Sir:

Please be advised that I represent Security Bank, N.A. wherein British Trade & Commerce Bank has maintained a checking account(s).

It has come to our attention that the name of Security Bank, N.A. has appeared in certain casino gambling web sites. Very specifically, these web sites direct a potential gambling customer to wire funds to Security Bank, N.A., for beneficiary British Trade & Commerce Bank, account number 0400101400-01.

Security Bank, N.A. objects to the use of its name in these web page solicitations, and demands that its name be removed forthwith from all such casino gambling web sites.

Be further advised that the British Trade & Commerce checking account number 0400101400-01 and any other accounts shall be closed and terminated within thirty days of this communication. Please contact Security Bank directly to arrange an orderly closure of this account(s).

PLEASE GOVERN YOURSELVES ACCORDINGLY.

Very truly yours,

Rodd R. Buell

Rodd R. Buell, P.A.

RRB/br

Senate Permanent Subcommittee
On Investigations
EXHIBIT #____57h____

Exhibit 57h.

First Union National Bank documents

BTCB MONTHLY CAP ACCOUNT ACTIVITY AT FIRST UNION

SEPTEMBER 1998 - FEBRUARY 2000

MONTH	OPENING BALANCE	DEPOSITS[1]	WITHDRAWALS[2]	CLOSING BALANCE
September 1998	$0	$10,000	$0	$9,912
October 1998	$9,912	$0	$0	$9,941
November 1998	$9,941	$190,000	$0	$200,185
December 1998	$200,185	$52,041	$0	$252,862
January 1999	$252,862	$109,441	$175,000	$187,804
February 1999	$187,804	$278,980	$0	$467,449
March 1999	$467,449	$9,500	$462,000	$15,941
April 1999	$15,941	$6,250,445	$3,929,780	$2,336,908
May 1999	$2,336,908	$40,000	$1,755,818	$617,476
June 1999	$617,476	$3,131,007	$1,665,228	$2,070,975
July 1999	$2,070,975	$94,055	$2,162,187	$3,502
August 1999	$3,502	$2,367,820	$732,900	$1,642,611
September 1999	$1,642,611	$226,263	$1,837,721	$32,068
October 1999	$32,068	$1,363,509	$806,375	$589,525
November 1999	$589,525	$289,243	$804,275	$74,951
December 1999	$74,951	$3,986,184	$3,051,363	$1,011,538
January 2000	$1,011,538	$2,655	$1,014,175	$211
February 2000	$211	$56	$229	$0
TOTAL:		**$18,401,199**	**$18,397,051**	

Prepared by U.S. Senate Permanent Subcommittee on Investigations, November 2000.

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[1] Does not include interest/dividend payments.

[2] Does not include wire transfer or annual fees.

BTCB RELATED ACCOUNTS
AT FIRST UNION

ACCOUNT HOLDER	TYPE OF ACCOUNT	ACCOUNT NUMBER	ACCOUNT STATUS	REMARKS
British Trade & Commerce Bank	CAP BRK	998-387-1373 17624265	Open 9/17/98 - 2/4/00 Open 9/17/98 - 2/4/00	 Never used
Banque Francaise Commerciale	DDA - corporate IIDA IIDA	209-000-140-8334 200-009-067-1052 200-009-060-0120	Open 5/15/96 - now Open 8/28/98 - 5/17/99 Open 5/14/99 - now	Key account
FEC Financial Holdings Inc.	DDA - corporate	202-000-072-6184	Open 11/12/98 -6/30/00	
BTC Financial Services Inc.	DDA - corporate	200-000-282-1162	Open 11/2/99 -now	
Robert F. Garner Attorney At Law	DDA - corporate	202-000-035-7100	Open 1/30/98 - now	
Global/Vector Medical Technologies Inc.	DDA - corporate CAP DDA - corporate DDA - corporate DDA - corporate BRK Money manager	209-000-294-6659 998-324-6063 200-000-276-0469 200-000-276-0375 200-000-748-1837 24021271 4063000997	Open 9/30/98-11/01/99 Open 1/6/99 - now Open 8/30/99 - now Open 9/8/99 - now Open 5/10/00 - now Open now Open now	 Key account $5-8 million $6-7 million Possibly other accounts in First Union private bank
Michael H. Salit, M.D.	DDA - individual	109-001-566-5656	Open 4/28/98 - now	
Signal Hill Media Group	DDA - corporate	200-000-677-7665	Open 6/30/00 - now	

Prepared by U.S. Senate Permanent Subcommittee on Investigations, Minority Staff, December 2000

FROM: FIRST UNION FAX NO.: 704 374 6743 07-26-00 13:04 P.01

10-23-98A09:14 RCVD

FIRST UNION

(Donna)

NEW COMMERCIAL CAP ACCOUNT APPLICATION

When it comes to service, everything matters.

Customer Information

Company/Trade Name and Legal Address	Org	Branch	Date	Vital Number
BRITISH TRADE & COMMERCE BAN ATTN RALPH HINES/GEORGE BETT C/O FIRST EQUITY GROUP OF FLA 4440 BRICKELL AVE STE P-8 MIAMI FL 33131	003	97001	08/17/1998	038091734351

Sold By: A044437 Referred By:

Primary Contact Data

Company Taxpayer ID Number: FOREIGN CORP. - EXEMPT

Home Phone: 3053780733 Work Phone: 3053780733

Additional Contact Data

Mobile Phone: Pager Phone:

Employee Name and Phone Number: Ly Kouto Referral Name:

Account Information

Public Funds: CAP Account Number: 9983871373 CAP ACCOUNT Investment Option: Investment Rep: TREA

Connect Existing FUBS No.*	Secur/Sec	Pension Trade	Statement Inv.	Brokerage Transfer
17624265	N	N	N	N

* Titles must match or additional paperwork required.

TYPE OF ACCOUNT
- Corporation (Supply copy of Corporate Resolution)
- Not For Profit (Supply copy of Not For Profit Resolution)
- Partnership (Supply copy of Partnership Agreement)
- Sole Proprietor (Supply copy of sole proprietorship licensing under trade name form)

ACCOUNT OPTIONS
Include my First Union CDs and IRA CDs indicated below on my Commercial CAP Statement. (These do not count toward the opening balance requirement.)

☐ Please send duplicate Commercial CAP Account statements to:

☐ Other

☐ I am interested in Options Trading. Please send the necessary forms.

BROKERAGE INFORMATION
Are you affiliated with a member firm of a stock exchange or the National Association of Securities Dealers, Inc.? ☐ Yes ☐ No

INVESTMENT OBJECTIVE—Please indicate your choice as to the reviews or withholding of your name, address, and securities positions to issuing corporations.

☐ Do Not Disclose ☐ Disclose, provided my name, address and securities positions disclosed to any corporation upon their request, in which I own securities that are being held for me.

First Union Brokerage Services, Inc. Use Only:

Registered Representative: ISR NOT ASSIGNED

Date: 09/17/1998 Employee Signature:

Agreements and TIN Certification

INVESTMENTS IN STOCKS, BONDS, MUTUAL FUNDS AND OTHER SECURITIES ARE NOT ENDORSED OR GUARANTEED BY FIRST UNION, ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF FIRST UNION, ARE NOT INSURED OR OTHERWISE PROTECTED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY, AND INVOLVE INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL.

By signing this Application, I acknowledge that I have read and understand the foregoing.

Sharing of Information. First Union Brokerage Services, Inc. ("FUBS") is a registered broker/dealer, a member of the NASD and a subsidiary of First Union National Bank. Customer expressly agrees that FUBS and its affiliated entities, including any First Union bank with which Customer maintains any deposit or other account relationship, are authorized to share any Customer account information for such purposes as they, in their sole discretion, may deem necessary or appropriate.

I hereby certify that the information on this Application is true and correct and agree to notify First Union immediately if at any time any of such information should change. I have received and read the accompanying CAP ACCOUNT CUSTOMER AGREEMENT (the "Agreement"), including the documents incorporated by reference in the Agreement, and agree to be bound by the terms and conditions contained therein. The words "I," "me" and "my" as used in this Application refer to the Account holder.

TIN CERTIFICATION. Under penalties of perjury, I certify that:
1. The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

TIN CERTIFICATION INSTRUCTIONS. You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

THE AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE ON THE LAST PAGE. BY SIGNING THIS APPLICATION, I ACKNOWLEDGE RECEIPT OF A COPY OF THE AGREEMENT CONTAINING SUCH CLAUSE. THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

Signature	Title	Date
	VICE PRESIDENT, FINANCE	9/17/98

When system is unavailable, manually complete form.

TM (CAP 2000)

Johnson, Helene
From: Galan, Roberta
Sent: Monday, August 07, 2000 4:23 PM
To: Johnson, Helene; Rodriguez, John
Subject: FW: British Trade

Roberta Galan
International Trade Lending
tel: (305) 789-1213
fax: (305) 789-6930
roberta.galan@funb.com

-----Original Message-----
From: Galan, Roberta
Sent: Wednesday, December 09, 1998 4:34 PM
To: Brunner, Stephen
Cc: Rodriguez, John
Subject: British Trade

Have you ever heard of this bank? It is a customer of FUNB. They have $200m invested in a CAP account that they would like to pledge to open up a letter of credit in favor of Mastercard. Initially they approached Howard Halle, who handles domestic customers, but when he heard that the bank is chartered in Dominica, and owned by Texans, he referred it to International. The same group that owns the bank is affiliated with a company called First Equity, a 50 year old stockbrokerage here in Miami. A Mr Ralph Hines is coming to see me tomorrow morning to see if we want to do business with them. I told him we would need to investigate the ownership in the interests of "Knowing our Customer". He is bringing information on the bank.

Galan, Roberta

From: Galan, Roberta
Sent: Friday, April 16, 1999 11:10 AM
To: Kovacs, John (FUNMAIL); BRADY, TIM (FUNMAIL)
Subject: FW: British Trade & Commerce, Dominica

—Original Message—
From: **Galan, Roberta**
Sent: Friday, April 16, 1999 9:25 AM
To: Brunner, Stephen
Cc: Rodriguez, John; CARVALHO, SERGIO (FUNMAIL); Acosta, Christina; Torres, Arlene
Subject: British Trade & Commerce, Dominica

I remember now who they are. Someone in Charlotte opened an Evergreen Investment account for this bank in September 1998. (You might get more info. from the CAP account people.) The president visited Christina Acosta at the former Corestates office and wanted to deposit $15MM with her. Later on he visited us here in the Financial Center. They also tried to start a relationship with Howard Halle, manager of our domestic corporate area in Miami, since it is alleged to be associated with an old-established Miami stock-brokerage firm called First Equity. John checked them out with his banking contacts, as did the Florida corporate area, and we declined to expand our relationship. However, technically they are correct, they are customers, I should like to know who their account officer is, maybe the accounts (they have 2), should be closed.

Johnson, Helene
From: Galan, Roberta
Sent: Monday, August 07, 2000 8:17 AM
To: Johnson, Helene
Subject: British Trade & Commerce

I cannot remember if we sent the package of information that they gave to us back to them. It contained copies of the paperwork from their incorporation in the Bahamas. I will ask Jose Obregon, who replaced me as the Country Officer for the Caribbean, if I gave it to him.

Roberta Galan
International Trade Lending
tel: (305) 789-1213
fax: (305) 789-6930
roberta.galan@funb.com

-----Original Message-----
From: Galan, Roberta
Sent: Friday, April 23, 1999 2:15 PM
To: Sheffield, Benita (NOTES)
Subject: BCT

-----Original Message-----
From: **Galan, Roberta**
Sent: Friday, April 23, 1999 2:13 PM
To: 'BENITA.SHEFFIELD@firstunion.com'; CAPMARK -SBrunner *; CAPMARK -amarin *; CAPMARK -JRodrig *; TAOFUN1 -A067797 *; CAPMARK -rgalan *; CAPMARK -cperez *; "BENITA.SHEFFIELD"
Subject: RE: could you please check this

Christina Acosta and I met them in person (separately). They wanted to use FUNB by placing a deposit with us to collateralize a standby letter of credit in favor of Mastercard. (They said they were going into the credit card business in the Caribbean.) John Rodriguez was able to check them out through banking connections. They gave us a big package of information which we still have. We do not know the source or movement of the funds in the CAP account, so we do not know if there is anything improper in the way that the existing FUNB account is managed, we just declined to expand the relationship based on information received.

-----Original Message-----
From: BENITA.SHEFFIELD@firstunion.com
[SMTP:BENITA.SHEFFIELD@firstunion.com]
<**mailto:**[SMTP:BENITA.SHEFFIELD@firstunion.com]>
Sent: Friday, April 23, 1999 1:34 PM
To: CAPMARK -SBrunner *; CAPMARK -amarin *; CAPMARK -JRodrig *; TAOFUN1 -A067797 *; CAPMARK -rgalan *; CAPMARK -cperez *; "BENITA.SHEFFIELD"
Subject: could you please check this

Date: Friday, 23 April 1999 1:33pm ET
To: *, CARLOS.PEREZ <A907261 >, ROBERTA.GALAN <A003017 >, TIM.BRADY <A067797 >,

Galan, Roberta

From: Marin, Ariel
Sent: Friday, April 16, 1999 11:15 AM
To: Galan, Roberta; Perez, Carlos
Cc: Brunner, Stephen
Subject: RE: British Trade & Commerce Bank

I think this is the guy that said that called me from the airport about a week ago asking me to send him documents to open an account. I called S. Brunner and we refused to open it but I guess they got some else within the bank to open it.

Ariel J. Marin, S.V.P. and Managing Director
Americas Group
Tel (305) 789-6901
Fax (305) 789-6930
e-mail: ariel.marin@capmark.funb.com

-----Original Message-----
From: **Galan, Roberta**
Sent: Friday, April 16, 1999 11:07 AM
To: Kovacs, John (FUNMAIL); BRADY, TIM (FUNMAIL)
Cc: Brunner, Stephen; Marin, Ariel
Subject: British Trade & Commerce Bank

003 CAP 998387173. I am going to forward more e-mails to you so that you get the picture. This is just an alert. We are not happy about the way this bank, for which we (International Division and Florida Corporate Banking Group) refused to open an account, was able to open a CAP account by phone and is using First Union as a reference. This is basically a "Know Your Customer" issue.

-----Original Message-----
From: **Torres, Arlene**
Sent: Friday, April 16, 1999 9:04 AM
To: Roberta Galan
Subject: FW: could you please check this bank

FYI

Arlene Torres
International Division - Americas Group Miami
P-305 789 4845 F-305 789 6930
E-mail: arlene.torres@funb.com

-----Original Message-----
From: **Perez, Carlos**
Sent: Friday, April 16, 1999 8:39 AM
To: 'SERGIO.CARVALHO@firstunion.com'
Cc: Torres, Arlene; Brunner, Stephen
Subject: RE: could you please check this bank

Dominca!!

These Brazilian banks are DESPERATE...not even the Domincan Republic, but DOMINICA...wow.....Wait until Brunner hears this one...

Dominica is about 20 sq. miles, with mountainous territory. Their business is banana exports...but no success due to on-going WTO Banana War. Getting killed by Ecuador, Costa Rica, Honduras...Very dirty offshore banking center.

Carlos A. Perez, SVP & Managing Director Americas Group
Office: 305 789-6920 FAX 305 789-6930
E-Mail: Carlos.Perez@funb.com

-----Original Message-----
From: SERGIO.CARVALHO@firstunion.com [SMTP:SERGIO.CARVALHO@firstunion.com] <mailto:[SMTP:SERGIO.CARVALHO@firstunion.com]>
Sent: Thursday, April 15, 1999 6:39 PM
To: capmark -arentas (052)
Cc: CAPMARK -cperez (052)
Subject: could you please check this bank

SIDNEY S. COLLIE
Counsel & Attorney-at-Law
Notary Public
Chambers

Suite 205, Second Floor
The Pat Paul Building, East Street, North
P.O. Box N-9481, Nassau, New Providence
The Bahamas

Telephone: (242) 326-3443
(242) 326-3461
(242) 326-3462
Facsimile: (242) 326-3586
E-Mail: scollie@batelnet.bs

SIDNEY S. COLLIE, B.Ed., M.Sc., M.B.A., J.P.

October 7, 1998

The Governor
The Central Bank of The Bahamas
Frederick Street
P.O. Box N-4868
Nassau, The Bahamas

RE: Application by British Trade and Commerce Bank for a Commercial Banking License and to Purchase Gulf Union Bank

Dear Governor:

PROFILE AND INTRODUCTION

We represent British Trade and Commerce Bank in connection with the captioned application.

We are submitting herewith your standard application form duly completed by the British Trade and Commerce Bank (BTCB).

We provide herewith for your information the background explanation.

A. The Certificate of Incorporation
B. The Articles of Association
C. The Memorandum of Association

Annexed hereto as Appendix I.

On the 27th day of March, AD, 1997 BTCB was granted a license by the competent authority in The Commonwealth of Dominica (hereafter referred to as the said Commonwealth) to conduct Offshore banking and Trust business pursuant to the Offshore Banking Act 1996. BTCB is the

largest off-shore private bank currently operating in the said Commonwealth in terms of equity and assets. We produce herewith in Appendix II the most recent unaudited financial statements for the nine (9) months ending 30 June 1998.

In addition, BTCB has recently purchased First Equity Corporation of Florida, an investment banking firm established in 1968 and located at 444 Brickell Avenue, Suite P6, Miami, Florida, USA. First Equity Corporation of Florida is registered with the Securities and Exchange Commission and the Florida Division of Securities. It is also a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation. We annex hereto as Appendix III a promotional brochure on First Equity Corporation of Florida.

BTCB's principal objectives are stated in its Memorandum of Association, the main objective being:-

> "To carry on, in the Commonwealth of Dominica and other countries, the business of banking, including off-shore banking in all its branches and to transact and do all matters and things incidental thereto or which may at any time hereafter, at any place where the company shall carry on business, be usual in connection with the business of banking or dealing in money or securities for the money including the business of bankers, investment banking, public and merchant banking and also but not limited to: (a) receiving deposits of money from the public;(b) making personal, mortgage, industrial and other loans to the public; (c) purchasing, selling, discounting or negotiating for the public on a regular basis notes, drafts, cheques, bills of exchange, acceptances or other evidence of indebtedness; (d) issuing letters of credit to the public and negotiating drafts drawn thereunder; (e) providing trust services for the public; (g) purchasing stock, debt obligations or other securities from and issuer or holder from which a public or private distribution can be made..."

BTCB intends to maintain a leadership position in the Caribbean banking industry by focusing on:

- The consolidation and expansion of its private banking activities, including its securities trading, asset management, and investment banking activities; expansion of its commercial banking activities, including retail and wholesale banking.

- The development of products and services, and the promotion of cross-selling opportunities between BTCB and its subsidiaries and customers.

- The continued modernization of its technological and physical infrastructure, as well as its business, operations, and procedures.

In addition, BTCB intends to pursue an opportunity offered by the Minister of Finance, Commonwealth of Dominica. The Minister has requested BTCB to indicate its interest in participating in the ownership of the government owned Agricultural and Industrial Development Bank (AIDB). BTCB intends to review this offer, and if feasible, acquire a minority ownership in AIDB, thus entering into development banking in the Caribbean.

OWNERSHIP

BTCB is beneficially owned by three institutional investors, two of which are incorporated in The Bahamas, and one of which is incorporated in the Commonwealth of Dominica; and four individual investors. Detail particulars on this ownership are provided in Appendix IV.

By way of a brief explanation, however, the institutional investors are the beneficial owners of 62.50% of the 30,000 authorized shares. The three institutional investors are:-

- British Trade and Commerce Bank Bancorp – a Bahamian corporation
- Bailey International Limited – a Bahamian corporation
- Bayfront Investment Trust – a Commonwealth of Dominica corporation

The individual investors are Dr. Rodolfo Requena, Mr. Diran Sarkissian, Mr. Herry Royer, and Mr. Clarence Butler. They are the beneficial owners of 17.5% of the issued share capital of the company. The remaining 20% of the shares of the company are unissued.

FINANCE

For the nine (9) months ending June 30, 1998, BTCB's total assets amounted to the sum of $US448.4 million; total deposits, $US73.5 million; and total stockholders' equity, US$15.5 million. For the same period BTCB earned $US9.3 million representing a return on assets of 2.1%.

ORGANIZATION AND MANAGEMENT

Proper conduct, control, and professionalism constitute the principal components of BTCB's organization and management. While BTCB's external auditors and its bank supervisors verify that the bank satisfies regulatory and operational standards, BTCB's executive management and directors are responsible for running the bank in a safe and sound manner.

BTCB is therefore organized to allow for the primacy of the Board of Directors assisted by a Board appointed Advisory Committee. The Organization Structure is attached hereto.

The existing and prospective members of BTCB's management, and BTCB's attorney are as follows:

- Dr. Rodolfo Requena Perez – President/Director – Chemical Engineer, MBA, Ph.D., (Canada), Magister in Business, (Japan). Specialist in finance and marketing, with considerable experience in both private and public corporations in the financial and commercial sectors. Served as Director and Acting President of the Industrial Credit Fund (FONCREI) and as a Director in Corpoindustria and Financial Leasing Company (ANFICO).

He held senior management positions with Consolidated Bank, American Express, Warner Lambert and American Can Company.

- Dr. Charles L. Brazie – Vice President/Managed Accounts – B.Sc. (ES), S.M., Ph.D., with more than 32 years experience as a management consultant, a strategic and financial planner, an operations research specialist, and an executive with full financial and operations responsibilities. His professional experience includes serving: as Chairman and CEO of successful companies in telecommunications. Group manager of a major government consulting company, Vice-President and Director of Quantitative Management Sciences for the largest International consulting company; National Director of Quantitative Management Services of Arthur Young & Company; and Special advisor/consultant to the Executive Office of the President of USA. He has extensive expertise in international finance and development, investment management, mergers and acquisitions, and financial planning and control.

- George E. Betts – Vice President/Financial Comptroller – CPA (USA) has extensive experience in all aspects of financial and operations management with proven successes in international business development resulting from twenty-two years experience with a Big Six accounting firm of Deloitte & Touiche. Served as Partner In Charge of the office in Hong Kong and was responsible for the quality of service for all U.S. clients in the Far East. Opened offices for Deloitte & Touiche in Korea, Macau and Shanghai (Peoples Republic of China). Has extensive experience in management of businesses, dealing with off shore transactions including letter of credit, foreign exchange and investments. Various other experience including U.S. Securities and Exchange filings and reporting, U.S. and international taxation and mergers, and acquisitions. Also spent six years as Executive Vice President and Chief Operating Officer of a U.S. public company operations in 15 countries.

- Oscar Rodriguez Gondelles – Business Representative in Venezuela – MBA, with 20 years managerial experience in banking and credit card institutions, and telecommunication companies. Has 12 years experience in strategic planning for large banks and telecommunication companies, including CANTV (Telecommunication Company), Credimatico (Credit Card Holding), Consolidated Bank, American Express, NCR, and the Royal Bank of Canada, Venezuela.

- John G. Long – Chairman of the Advisory Committee – JD, MBA, CPA (USA), with an extensive experience in banking originating with his family, which has been in banking for over 100 years. His family was the founders of the Farmers Exchange Bank in Oklahoma and co-owners of the First State Bank of McKinney in Dallas, Texas. He has held such positions as Senior Vice President, Chief Financial Officer and Trust Officer in such banks as Citibank, Liberty National Bank and Trust, and First State Bank of McKinney. He has also served as Senior Financial Analyst for projects in Central America for USAID (United States Agency for International Development); Special Attaché of the United States Justice Department based in Geneva with contacts with major Western European Banks. Serves as consultant to financial projects and to managing trust operations in the Bahamas.

- Louis B. Robinson, Prospective Management Staff – A financial and accounting executive with proven managerial skills capable of focusing on challenging situations to produce creative results. Unique blend of over 20 years experience in major financial institutions as well as State Government, combining, line staff and profit management responsibilities. Banking experiences include Chief Financial Officer/Comptroller with Banco Industrial de Venezuela; Comptroller/Compliance Officer with Banca Nazionale del Lavoro.

- Patricia Garraway-Inglis – Prospective Management Staff - She established Banque Francaise' operations in Dominica, and manages the Dominica operations of Banque Commerciale, a subsidiary of Credit Agricole, Paris, France.

- Dr. Wilbert O. Bascom – Member of the Advisory Committee - Ph.D., with strong background in commercial bank management, central bank operations and research, financial institutions regulation and supervision, and consulting on emerging markets institutions, practices and issues. He was a Senior Economist at the Bank of Guyana for four years; Chief Executive Officer of the Guyana National Cooperative Bank for eight years; Chief International Banking Regulator for the State of Florida for 14 years; and occasional management consultant for commercial banks in Jamaica and the Commonwealth of Dominica. He also consults with the Centrale Bank van Suriname on financial institutions' regulation and supervision. Dr. Bascom is a published author on bank management and supervision in developing financial markets and on other financial emerging financial market issues. He lectured on banking and international finance at the City of London College, Florida State University, and Florida International University. He holds licenses from the NASD and the MSRB and is a licensed securities principal.

- Michael E. Bruney – Counsel and Attorney-at-Law – L.L.B., Attorney at Law with 10 years experience as practicing attorney in the Commonwealth of Dominica. Has served as State Attorney, Registrar of the High Court, Registrar General and Provost Marshal. Has served for the last five years as barrister, solicitor and notary public in private practice dealing with all aspects of corporate law, contract law, land law and criminal law. Serves as registered agent under the International Business Companies Act.

Curriculum Vitae are provided for BTCB's management in Appendix V and resumes of the auditors are provided in Appendix VI.

HOME COUNTRY REGULATION AND SUPERVISON

BTCB is supervised by its home-country regulatory agency, the International Business Unit of the country's Ministry of Finance. The Minister of Finance has authorized BTCB to establish a presence in The Bahamas (See Appendix VII). In addition, the Minister of Finance has authorized the Eastern Caribbean Central Bank (ECCB) to supervise the activities of BTCB on a consolidated basis consistent with the Basle principles for the supervision of international banking organizations (See Appendix VIII).

The ECCB is therefore authorized to supervise BTCB through review of periodic reports, on-site inspections, and review of external auditors' reports. It is expected the ECCB will require BTCB to file periodic reports that address the soundness of its policies, procedures and practices, and its compliance with its home and host countries' laws and regulations. BTCB intends to comply with such requests by the ECCB. (See Appendix IX for the laws of the ECCB and the said Commonwealth governing BTCB's operations in the Commonwealth of Dominica.

The ECCB's supervisory procedures are generally directed to banking activities conducted in the Eastern Caribbean region. However, the ECCB will have access to information on BTCB's world operations through internal audit reports on its head office, foreign offices and subsidiaries, and through reports prepared by its external auditors.

STRENGTH OF SUPPORT

Determining whether BTCB has the resources to provide the necessary financial or managerial support to its Bahamas and other foreign operations depends to great extent upon its financial condition, operating record and general outlook. A good financial condition combined with capable management is generally sufficient to ensure that support. However, the ability of BTCB to provide any necessary financial support may be limited by weakness in its home country supervisory system, or a significant degree of transfer risk associated with its major operations.

The fact that BTCB is being regulated by two regulatory agencies; that it is located in a stable currency area, the Eastern Caribbean currency area, and that all its transactions are denominated in US dollars, remove such threats to its strength to support its foreign operations. In fact, BTCB has provided about $2.3 million as net capital support to First Equity Corporation of Florida since acquiring this firm in June 1998. BTCB has also demonstrated its ability to provide technological support by upgrading the firm's computer system and making the firm Y2K ready.

BTCB PRESENCE IN THE BAHAMAS

It has come to the attention of the principals of BTCB that Gulf Union Bank, a fully licensed commercial bank in The Bahamas with operations in New Providence and Grand Bahamas for many years is currently under a Court ordered liquidation. The Principals understand that currently there are no serious applications to The Central Bank of The Bahamas for the purchase and subsequent reorganization and operation of Gulf Union Bank.

BTCB sees a tremendous opportunity to contribute to the growth and development of the Commonwealth of The Bahamas generally, and to the banking and financial sector in particular. Moreover, BTCB hopes to benefit from its presence in the Bahamas, which is regarded as a leading off-shore banking and financial centre internationally. By consolidating, and strengthening its Dominican, USA and Bahamian operations, BTCB hopes to become a major financial institution offering a full range of efficient and competitive banking, securities, and trust services to individual and institutional clients in The Bahamas, and other countries.

Additionally, by offering to purchase the Gulf Union Bank, BTCB hopes to compensate all of the present depositors of Gulf Union Bank. A copy of BTCB's proposal to take over the ownership and operation of Gulf Union in Nassau and Freeport is provided in Appendix X.

If we can be of any further assistance to The Central Bank of The Bahamas, the undersigned and/or any of the persons mentioned in this application are immediately available at your convenience.

Yours sincerely,

SIDNEY S. COLLIE CHAMBERS

Sidney S. Collie

SSC/mtd

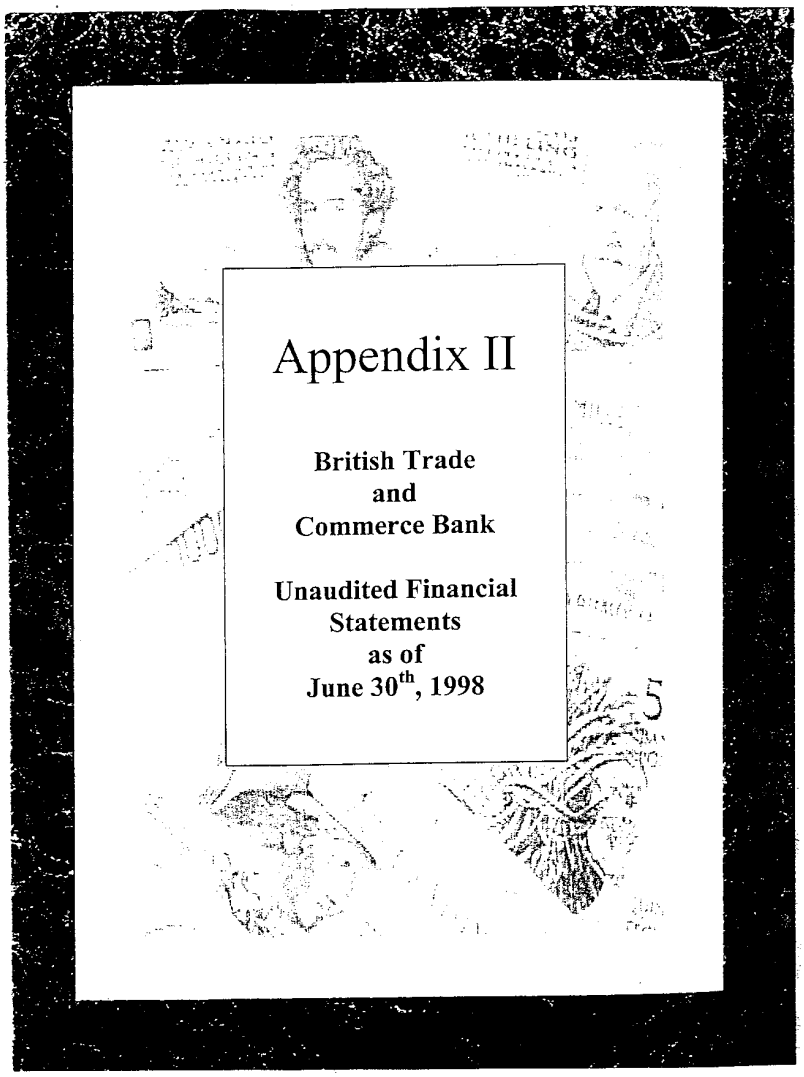
ENC:

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

THE FOLLOWING IS TO BE CONSIDERED PRIVATE AND CONFIDENTIAL TO THE RECEIPENT. ANY UNAUTHORIZED USE WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

SHAREHOLDERS OF BRITISH TRADE & COMMERCE BANK	SHARES
BRITISH TRADE & COMMERCE BANK BANCORP TRUST REPRESENTED BY MR. RODOLFO REQUENA, TRUSTEE BENEFICIAL INTERESTS ARE HELD BY MR. JOHN LONG	15,000
MR. RODOLFO REQUENA	3,000
BAILLET INTERNATIONAL LTD. BENEFICIAL INTERESTS HELD BY DR. DANA BAILEY AND MR. SCOTT BRETT	3,000
BAYFRONT INVESTMENT TRUST BENEFICIAL OWNER MR. PABLO URBANO	750
MR. DIRAN SARKISSIAN	750
MR. HERRY ROYER	750
MR. CLARENCE BUTLER	750
TREASURY SHARES HELD FOR OFFICER AND EMPLOYEE PROFIT SHARING	6,000
TOTAL SHARES AUTHORIZED AND OUTSTANDING	30,000



Appendix II

British Trade
and
Commerce Bank

Unaudited Financial
Statements
as of
June 30th, 1998

BRITISH TRADE AND COMMERCE BANK LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 1998

MORRAU, WINSTON & CO
Accountants

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MOREAU, WINSTON & CO.
CHARTERED CERTIFIED ACCOUNTANTS
P.O. Box 326/411 • 13 Hanover Street • Roseau • Commonwealth of Dominica
Tel. (767) 448-2252/8800 • Fax (767) 448-0489

AUDITORS' NOTE

August 21, 1998

The Directors
British Trade and Commerce Bank Limited
ROSEAU

Attached are financial statements of British Trade and Commerce Bank Limited for the nine months ended June 30, 1998.

These statements belong to British Trade and Commerce Bank Limited management and were extracted from its records.

We did a select review of the statements and the underlying data, were shown schedules in support of the balances recorded, and obtained explanations to clarify all the select issues that were raised.

It was not within the terms of our engagement to carry out an audit, and consequently, no audit opinion is expressed.

The annual accounting terminal date of the company is September 30, 1998. It is expected that the mandatory audit will then be carried out.

for MOREAU WINSTON & CO

Gordon Moreau (M.Sc., CA) Austin Winston, (FCCA)

BRITISH TRADE AND COMMERCE BANK LIMITED

BALANCE SHEET (IN US DOLLARS) (UNAUDITED)

AS AT JUNE 30, 1998

	NOTES	US$
ASSETS		
Cash and due from banks	3	76,245,076
Loans debentures and other receivables		10,190,020
Securities held for investment and financing	4	401,116,760
Bank premises and equipment	5	362,190
Other assets	6	528,732
TOTAL ASSETS		488,442,778
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Demand deposits		38,586,585
Certificates of deposit		34,950,000
Due for securities		401,116,760
		474,653,345
Accrued expenses and other liabilities		41,836
Long-term liabilities	7	193,980
TOTAL LIABILITIES		474,889,161
STOCKHOLDERS' EQUITY		
Capital stock		3,000,000
Additional paid in capital		2,429,869
Less: Treasury stock		(1,100,000)
Retained earnings	8	9,223,748
TOTAL STOCKHOLDERS' EQUITY		13,553,617
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		488,442,778

The accompanying notes form an integral part of these financial statements.

APPROVED BY

GEORGE E. BETTS (C.P.A.)
VICE-PRESIDENT AND FINANCIAL CONTROLLER

BRITISH TRADE AND COMMERCE BANK LIMITED
INCOME STATEMENT (IN US DOLLARS) (UNAUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 1998

	US$
REVENUES FROM OPERATIONS (Note 8)	10,184,348
EXPENSES	
Salaries and related costs	395,966
Depreciation	64,199
Amortization	57,013
Rent of premises	36,027
Other operating costs	317,395
TOTAL EXPENSES	870,600
NET INCOME (Note 8)	9,313,748
RETAINED EARNINGS - At start of the period	---
	9,313,748
LESS: DIVIDEND PAID	(90,000)
RETAINED EARNINGS - At end of the period (Note 8)	9,223,748

The accompanying notes form an integral part of these financial statements.

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 1998

1. INCORPORATION AND NATURE OF BUSINESS

British Trade and Commerce Bank Limited, was incorporated on February 26, 1997 under the Companies Ordinance Chapter 318 of the Laws of the Commonwealth of Dominica.

The objects of the Company include, but are not limited to, the carrying on in Dominica and other countries of the business of banking, including off-shore banking.

The authorized share capital of the company is US$3 million, divided into 30,000 shares of US$ 100. each.

The Government of the Commonwealth of Dominica, issued to the Bank, a licence to conduct off-shore banking business dated March 27, 1997. These financial statements relate to business transacted in accordance with that licence.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Generally accepted accounting principles

The statements are drawn up on the accrual basis and on historical cost conventions, and are in compliance with generally accepted accounting principles.

(b) Depreciation

Depreciable assets are depreciated on the straight line basis at the following rates estimated to write them off over the period of their useful lives.

Motor vehicles	20%
Computer equipment	25%
Other office equipment, furniture & fittings	15%

(c) Amortization

Organization and Pre-operating expenses, and leasehold improvements are amortized on a straight line basis over a five-year period (at 20%).

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 1998

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Leasehold

The Bank signed a lease agreement for five years effective August 1, 1997, at an annual rent of EC$ 129,600. The total rent payable over the five - year period was recorded in the financial statements as a debit to "Office Lease" account and a credit to "Office Lease Payable".

3. CASH AND DUE FROM BANKS

These comprised the following balances:

	US$
Security Bank, USA	4,682,055
Barclays Bank, UK	4,200,000
First Equity Corporation, USA (FEC)	160,595
Banque Francaise Commerciale, Roseau	71,484
Suisse Security	10,009,998
Cash in hand and at other Dominica Banks	944
Jan Ward Trust	2,750,000
R. J. O'Brien	2,000,000
	23,875,076
Deposits due to be received	28,370,000
Certificates of deposits due to be received	24,000,000
	76,245,076

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 1998

4. SECURITIES HELD FOR INVESTMENT AND FINANCING/DUE FOR SECURITIES

In the normal course of business the Bank acquires Governme securities and other debt instruments for the purpose of arrangi various credit lines and financing arrangements. These securiti are acquired and held in a variety of methods. However, t ownership and right to manage these investments rests with t Bank.

At June 30, 1998, these investments consisted of the following:

	US$
Government of Grenada Guarantees	130,000,000
Bolivian Municipal Bonds	76,116,760
Russian Government Guarantees	140,000,000
Other	55,000,000
	401,116,760

5. BANK PREMISES AND EQUIPMENT

These comprise:

	COST	DEPRECIATION	NET BOOK VALU
	$	$	$
Automobiles			12
Computer ha			09
Computer sc			24
Leasehold i			71
Furniture			94
Other equip			94
Paintings			36
			20

Government Guarantees
Bolivia ?
Russia ?
Grenada ?

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 1998

6. OTHER ASSETS

These comprise:

	US$
Unexpired period of office lease (asset)	191,556
Staff advances	14,100
	205,656
Organization and pre-operating expenses	380,089
Less: Amortization	57,013
	323,076
	528,732

7. LONG-TERM LIABILITIES

These comprise:-

	US$
Lease payable - Automobile	2,424
Office lease payable (see note 6)	191,556
	193,980

8. REVENUES

The Bank earns various fees and income through the direct participation in the proceeds of the financing of the instruments described in note 4 to the financial statements and/or investment and management of the principal from the proceeds of the financing. At June 30, 1998 management estimates that approximately $ 10 million has been earned from various transactions in process, primarily the financing of bonds from the Government of Venezuela.

BRITISH TRADE AND COMMERCE BANK LIMITED
SCHEDULE OF OTHER OPERATING EXPENSES (UNAUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 1998

	US$
Advertising and promotion	4,217
Audit	1,450
Bank charges and wire	351
Bank fees	2,308
Board of Directors	459
Brokerage fees	67
Client services	524
Computer operations	327
Credit card charges	5,000
Directors' fees	3,000
Domestic supplies	55
Donations and charities	556
Electricity	6,936
Employee allowances	1,387
Entertainment	3,946
Filing fees	3,673
Freight and transportation	1,245
Foreign exchange gain or loss	(2)
General and administration—	358
Government Licence fee	12,000
Import fees and taxes	122
Insurance	3,637
Interest expense	9
Interest expense - customers' account interest	39,652
Legal fees	14,000
Office equipment rental	882
Office expenses	5,554
Office supplies and expenses	3,884
Postage, air express	1,537
Registration and subscription fees	556
Repairs and maintenance	1,193
Security services	1,214
Swift charges	16,407
Telephone	43,555
Travel	136,060
Water and sewerage	245
Vehicle	1,031
	317,395

John.Rodriguez <JRODRIG >, Ariel.Marin <AMARIN >,
Stephen.Brunner <SBRUNNER >
From: **BENITA.SHEFFIELD <A054921@TAOFUN1 <mailto:A054921@TAOFUN1>>**
Subject: could you please check this

Hello, just a quick note to let you know that the BSA unit is doing some research on this relationship for me and I wanted to ask someone (any one of the addressees) to tell me who the most knowledgeable person is for this relationship. I think if we don't feel good about the client, we absolutely must close the account. After we talk to the person most knowledgeable and look a the research, we'll make a decision on filing a SAR. If I missed anyone that needs to know, please forward this email on to them.Thanks. ----------(Forwarded letter 1 follows)----------

Date: Monday, 19 April 1999 9:54am
To: TIM.BRADY
To: BENITA.SHEFFIELD
From: **Roberta.Galan**
Subject: FW: could you please check this bank

-----Original Message-----

From: **Brunner, Stephen**
Sent: Monday, April 19, 1999 9:19 AM
To: Galan, Roberta
Cc: Perez, Carlos; Marin, Ariel; Rodriguez, John
Subject: FW: could you please check this bank

Thanks John. Roberta, I think that given the various locations from which this institutions is appearing, the poor checkings, and the appearance of questionable business practices, closing this CAP accont would be a good idea. Can you proceed with the loss prevention people you spoke with on Friday?

Thanks
Steve

-----Original Message-----

From: **Rodriguez, John**
Sent: Monday, April 19, 1999 8:55 AM
To: Brunner, Stephen
Cc: Galan, Roberta; Perez, Carlos
Subject: RE: could you please check this bank

Stephen, as you know we had had warned FUNB domestic branches last year about this bank, and Corporate Security was made aware. Roberta spoke them and they even forced a visit on us. They claim to be correspondents, but unfortunately their parent co has an account with us in one of the Florida branches. They gave us extensive materials and background. They did not check out with NationsBank, and we refused to open an account with them. It appears that they resurfaced in Dominica!! Volcano related relocation maybe. If you would like to take further action to curtail further activities at the commercial bank level, we can request a cease and desist order via Loss Prevention to the attention of Benita Sheffield. Thanks and Regards.

-----Original Message-----

From: **Brunner, Stephen**
Sent: Friday, April 16, 1999 9:17 AM

To: Perez, Carlos; 'SERGIO.CARVALHO@firstunion.com'
Cc: Torres, Arlene; Galan, Roberta; Salardi, Silvia; Rodriguez, John; Acosta, Christina
Subject: RE: could you please check this bank

Sergio, I would recommend that your customers avoid this bank. We had an instance several weeks ago when a corporate in Montreal called me inquiring about the bank because he was expecting to receive a $30mm standby letter of credit from the same name, but in Antigua. We were listed as a reference in the same manner as you indicate below. This name seems very fishy.

-----Original Message-----

From: **Perez, Carlos**
Sent: Friday, April 16, 1999 8:39 AM
To: 'SERGIO.CARVALHO@firstunion.com'
Cc: Torres, Arlene; Brunner, Stephen
Subject: RE: could you please check this bank

Dominca!!

These Brazilian banks are DESPERATE...not even the Domincan Republic, but DOMINICA...wow.....Wait until Brunner hears this one...

Dominica is about 20 sq. miles, with mountainous territory. Their business is banana exports...but no success due to on-going WTO Banana War. Getting killed by Ecuador, Costa Rica, Honduras...Very dirty offshore banking center.

Carlos A. Perez, SVP & Managing Director Americas Group
Office: 305 789-6920 FAX 305 789-6930
E-Mail: Carlos.Perez@funb.com <<mailto:Carlos.Perez@funb.com>>

-----Original Message-----

From: SERGIO.CARVALHO@firstunion.com
<<mailto:SERGIO.CARVALHO@firstunion.com>>
[SMTP:SERGIO.CARVALHO@firstunion.com]
<mailto:[SMTP:SERGIO.CARVALHO@firstunion.com]>
<mailto:[SMTP:SERGIO.CARVALHO@firstunion.com]
<mailto:[SMTP:SERGIO.CARVALHO@firstunion.com]>>
Sent: Thursday, April 15, 1999 6:39 PM
To: capmark -arentas (052)
Cc: CAPMARK -cperez (052)
Subject: could you please check this bank

Date: Thursday, 15 April 1999 6:36pm ET
To: ARLENE.RENTAS <A914539 >
Cc: CARLOS.PEREZ <A907261 >
From: SERGIO.CARVALHO@TAOFUN1
<<mailto:SERGIO.CARVALHO@TAOFUN1>>
Subject: could you please check this bank

One of our customers has been approuched by a bank
that informs to be ready
to start extending credit to Brazilian banks. That
ban (SWIFT BIC: BTCBDMk

is:British Trade and Commerce Bank
Commonwealth of Dominica
As bank reference they told our customer they have acct with First Union National Bank
Internationa (exactly this way)

Fi.

welcome.

Johnson, Helene
From: Torres, Arlene
Sent: Monday, August 07, 2000 8:41 AM
To: Johnson, Helene
Subject: FW: Loss Prevention British Trade an

Arlene Torres
International Americas Group
FIRST UNION NATIONAL BANK, Miami
Mail code: FL6079
Tel: 305 789 4845
Fax: 305 789 6930
e-mail: arlene.torres@FUNB.com

-----Original Message-----
From: **Rodriguez, John**
Sent: Monday, May 03, 1999 6:28 PM
To: Marin, Ariel
Cc: Brunner, Stephen; Galan, Roberta; Torres, Arlene
Subject: FW: Loss Prevention British Trade an

FYI

-----Original Message-----
From: **BENITA.SHEFFIELD@firstunion.com**
[SMTP:BENITA.SHEFFIELD@firstunion.com]
Sent: Monday, May 03, 1999 5:23 PM
To: LNOTES -n089929 *; LNOTES -n043932 *
Cc: CAPMARK -JRodrig *
Subject: Loss Prevention British Trade an

Date: Monday, 3 May 1999 5:22pm ET
To: David.Drake, Allison.Satterwhite
Cc: John.Rodriguez <JRODRIG >
From: **BENITA.SHEFFIELD <A054921@TAOFUN1>**
Subject: Loss Prevention British Trade an

Hello folks. Am sending this to both in hopes that one of you can shake lose to help me out on it. We have a multitude of problems here:

1) International refused to open this acct originally for cause.
2) Customer established an acct via telephone thru CAP in Sept. of 98.
3) On 4/26/99, $6MM rolled into the account, via wire, and half of that rolled out THE SAME DAY, via wire, and went all over the place(I have copies of the wires if you would like me to fax them to you)
4) Customer is indicating that they are a correspondent of First Union (they're not); we need a cease and desist letter and we also need to close this account. Can one of you give me a call at your earliest convenience? Tried to reach you today and missed. Thanks.

----------(Forwarded letter 1 follows)----------

May-04-99 13:22 From-FIRST UNION JAX + T-444 P.01 F-986

```
APCAPI   AD54921  DTN4532E Account Profile Cap Acct Inq        BAAPP003 05/03/99
                                                                          12:30
Org: 003 Serv: CAP Acct: 9983871373                  C/W:    State: FL Bank:   1

Short Name: BRITISH TRADE            Avail Bal  :     2,336,908.38
Prod Desc : CAP ACCOUNT-COMMERCI     Total Avail:     2,336,908.38
Branch/SVC: 97001 C34 Stmt Opt: F    Avail Mrgn :             0.00
Fee Freq  : ANNUALLY   Dir Dep: N/A  Securities :             0.00
Status    : ACTIVE                   Close Bal  : CALL CAP DEPT 374-4199
Spec Group:            CONFID-NONE                  NSF's  Times OD
Serv Chrg : CHARGE                   This Month :       0      0
Open Date : C9/18/1998 CAP    :      Open to Dt :       0      0 MMDA Part: N
DL Active : 04/30/1999 SIP    : NO   Officer    : 099997001 Pers OFR:
DL Maint  : 01/11/1999 Pub Fd:       NSF/OD Chrg: CHRG    CHRG    Pers Trust: N
Dormant   : NO         Ck Csh: YES   OD Limit   :
Merger    :            NCust : NO    Reg CC Qual:            0
Restraint : NONE     Ck Vendor: H    EFA Incid  :   0  Excess EFA:
Stops     : NO     PVBK Client: NO   Ck Dep/Sort: S/K      DATE
Holds     : NO       Custodial: NO   Stmt:      Stmt Cycle : MONTHLY-01-30
Inv Opt   : EVERGREEN TREASURY                   Stmt Date  : 03/31/1999
Close Ovrd: YES   Int Rate/APY:  N/A    N/A      Stmt Amount:        15,941.19

Command:
F1=Help  F3=Exit
```

Jonathan Rosalla
704 374 7157

Called by
No 444 371
in CAP

To Ronnie

Post-it® Date # of pages 23
Fax Note #7671
To Allison Satterwhite
Fax# 904 374-3085
From
Phone#

PRINT REQUEST FROM VT0457: AT 3-MAY-1999 15:34:20.93

INQUIRY FUNCTION SNO DATE: / / TRN:990426-017897

PHN CALLER: GARNER, ROBERT F. EXT:

RPI# AMT 5,000,000.00 CURUSD

ST: VAL: / / TYP:FTR MTP: FNDS:S CHG:OBA COA COMN CBLN

D/202000035710U/

PT: OPE RTC:

ERT F GARNER ATTORNEY AT LAW

15 YANCEYVILLE STREET

ENSBORO NC 27405

ECIAL INSTRUCTIONS

X CUSTOMER

R REF NUM

CDT D/003:0009983871373/ ADV PHN

DEPT: RTC:

BRITISH TRADE & COMMERCE BANK

C/O FEC FINANCIAL HOLDINGS INC

444 BRICKELL AVE STE P18

MIAMI, FL 33131

SPECIAL INSTRUCTIONS

FAX WIRE TO 305 960 2120

ALT FAX NUMBER 767 448 6477

BNF / CH: BK?

May-04-99 13:22 From-FIRST UNION JAX + T-444 P.03 F-986

PRINT REQUEST FROM V10457: AT 3 MAY-1999 15:34:09.00

INQUIRY FUNCTION SND DATE: / / TRN:990426 0.[illegible]
PHN CALLER: BETTS, GEORGE CXT:
RPT# AMT 33,000.00 CURUSD
ST: VAL: / / TYP:FTR MTP:1000 FNDS:S CHG:OSA CUT LGMN CBIN

1 D/000998387137/	CO1 A[redacted] ADV FEE
RPT: RTC:	DEPT: 0000001660 RTC:
BRITISH TRADE & COMMERCE BANK	CORESTATES BK INTL (PHILA INTL BR)
TO FEC FINANCIAL HOLDINGS INC	180 MAIDEN LANE
8 BRICKELL AVE STE P16	NEW YORK, NY 10038, USA
MIAMI, FL 33131	
SPECIAL INSTRUCTIONS	BNF BNK /0751[redacted]/10537 WIR
CT PHONE NUMBER 787 843 6410	BANQUE FRANCAISE COMM'L ANTILLES
OUR REF NUM	HEAD OFFICE
	ROSEAU, DOMINICA
	ADVICE INSTRUCTIONS
	BNF /[redacted] CH: BKFR
	BANQUE FRANCIASE COMMERCIALE
	ORIG TO BNF INFO:
	FURTHER CREDIT TO BRITISH TRADE &
	COMMERCE BANK

Redacted Information in Subcommittee Files

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:54:56.40

INQUIRY FUNCTION SND DATE: / / IRN:990426-0[illegible]
EXI:
CALLER: BETTS, GEORGE
KEY# AMT 62,000.00 CURUSD
VAL: / / TYP:FTR MTP:1000 FNDS:S CHS:OBA COY COMR CRUP

0760099838/1373/
RTC:
FIRST TRADE & COMMERCE BANK
FEE FINANCIAL HOLDINGS INC
BRICKELL AVE STE 916
MI, FL 33131
SPECIAL INSTRUCTIONS
PHONE NUMBER 787 498 6410
REF NUM

CDT-A/[redacted] ADV FED
DEPT: 000001660 RTC:
BANK OF AMERICA NEVADA
LAS VEGAS, NV
BNF /210327276 CH:
MGT-7 LIMITED PARTNERSHIP
ORIG TO BNF INFO:
GLOBAL INVESTMENT NETWORK

PRINT REQUEST FROM VT0457: AT 5-MAY-1999 15:35:07.04

INQUIRY FUNCTION SND DATE: / / TRN:990426-077409

PHN CALLER: BETTS, GEORGE EXT:

RFIN AMT 76,000.00 CURUSD

VAL: / / TYP:FIR MTP:1000 FNDS:S CHG:DUA CDY COMN CRLN

D/000996387137 3/	CDT*A/[redacted] ADV FRO
RTC:	DEPT: 0000001860 RIC:
IRON TRADE & COMMERCE BANK	BANK OF AMERICA NEVADA
FEC FINANCIAL HOLDINGS INC	LAS VEGAS, NV
BRICKELL AVE STE P15	
MI, FL 33131	BNF /210397276 CH: BKYN
SCIAL INSTRUCTIONS	FMGT-7 LIMITED PARTERENSHIP
PHONE NUMBER 787 448 6410	
REF NUM	
	ORIG TO BNF INFO:
	GLOBAL INVESTMENT NETWORK

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:35:17.62

INQUIRY FUNCTION SND DATE: / / TRN:990429-03565

CALLER: BETTS, GEORGE EXT:

RFCB AMT 100,000.00 CURUSD

ST: VAL: / / TYP:FIR MTP:1600 FNDS:S CHG:OUR CUT COMM CHEN

D/6009989713737 CUP*A/[redacted] ADV FEE

PT: RTC: DEPT: 0000001650 RTC:

ITISH TRADE & COMMERCE BANK WELLS FARGO BANK

O FEC FINANCIAL HOLDINGS INC SAN FRANCISCO, CA

S BRIDGELL AVE STE F16

AMT. FC 35131 BNF /[redacted] CH:

ECIAL INSTRUCTIONS [redacted]

PHONE NUMBER 767 449 6410

UR REF NUM

ORIG TO BNF INFO:

INTERNATIONAL BUSINESS CONSULANTS

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:35:23.92

INQUIRY FUNCTION SND DATE: / / TRN:990425 022564

PHN CALLER: BEITS, GEORGE EXT:

RPTR AMT 197,446.00 CURUSD

VAL: / / TYP:FTR MTP:1000 FNDS:S CHG:OBA CDT COMN LBLR

0/00099838/1373/

RTC:

ITISH TRADE & COMMERCE BANK

FED FINANCIAL HOLDINGS INC

BRICKELL AVE STE P16

MI, FL 33131

CIAL INSTRUCTIONS

PHONE NUMBER 767 448 6410

REF GOM

CDT A[redacted] AJV FED

DEPT: 000001660 RTC:

CITIBANK, NYC FW

55 WALL STREET

NEW YORK NY 10043

BNF /8901116/010106 OH: BKYN

EUROPEAN BANK LIMITED

ORIG TO BNF INFO:

KYOTO FARM IMPLIMENTS AUSTRALIA

PTY.LTD.

PRINT REQUEST FROM VT0457: AT 3-MAY-1999 15:35:30.92

INQUIRY FUNCTION SND DATE: / / TRN:990426-022693

CALLER: BEITS, GEORGE EXT:

RPTE AMT 170,000.00 CURUSD

VAL: / / TYP:FTR MTP:1000 FNDS:S CHG:OBA CDY CUNN OSLN

F D/000999387137 3/

RTC:

TTISH TRADE & COMMERCE BANK

FEE FINANCIAL HOLDINGS INC

BRICKELL AVE STE P16

AMI, FL 33131

FICIAL INSTRUCTIONS

T PHONE NUMBER 787 448 6410

DR REF NUM

CDT A/[redacted] ADV FED

DEPT: 0000001660 RTC:

BANK OF NEW YORK, NYC

48 WALL STREET

NEW YORK NY 10015

BNF /[redacted] CH:

E- TRADE SECURITIES

ORIG TO BNF INFO:

FUTHER CREDIT TO [redacted]

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:35:44.42

INQUIRY FUNCTION: SND DATE: / / TRN:990426-02955
CPHN CALLER: BETTS, GEORGE EXT:
RPT# AMT 200,000.00 CURUSD
ST: VAL: / / TYP:TR MIF:1000 FNDS:S CHG:DBA CDY COMM GEN

T 0/0009989713/3/	CDT*A/[redacted] AOV FEO
RTC:	DEPT: 0000001660 RTC:
ITISH TRADE & COMMERCE BANK	FLEET NATIONAL BANK
O FEC FINANCIAL HOLDINGS INC	ALBANY, NY
4 BRICKELL AVE STE P16	
IAMI, FL 33131	BNF /[redacted] CHI: BNYM
ECIAL INSTRUCTIONS	[redacted]
T PHONE NUMBER 767 448 6810	
OR REF NUM	
	ORIG TO BNF INFO:
	INTERNATIONAL BUSINESS CONSULANTS

PRINT REQUEST FROM VT0457: AT 3-MAY-1999 15:35:52.17

INQUIRY FUNCTION SND DATE: / / IRN:990426-072597
CALLER: BETTS, GEORGE EXT:
RPT# AMT 200,000.00 CURUSD
VAL: / / TYP:FIR MTP:1000 FNDS:S CHG:DBA CDY COMM CBCR

07000998713747 ADV FED
RTC: OBPT: 0000001560 RTC:
FIRST TRADE & COMMERCE BANK AMSOUTH BANK, N.A. BIRMINGHAM FK
FEC FINANCIAL HOLDINGS INC 1900 5TH AVENUE
BRICKELL AVE STE P16 BIRMINGHAM AL 35298
FL 33131 BNF / [redacted] CHG: BA/M
SPECIAL INSTRUCTIONS [redacted]
PHONE NUMBER 787 448 6410
OR REF NUM

ORIG TO BNF INFO:
INTERNATIONAL BUSINESS CONSULANTS,
#2

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:36:18.17

/ INQUIRY FUNCTION SNO DATE: / / TRN:990426-027980
JOHN CALLER: BETTN, GEORGE EXT:
RFT# AMT 1,000,000.00 CURUSD
ST: VAL: / / TYP:FTR MTP:1000 FNDS:S CHG:OBA CDY COMN CBLN

I D/0009988871373/	CDT-A/[redacted] ADV FED
ST: RTC:	DEPT: 0000001660 RTC:
ITISH TRADE & COMMERCE BANK	SECURITY BANK NA
0 FEC FINANCIAL HOLDINGS INC	NORTH LAUDERDALE, FL
8 BRICKELL AVE STE P16	
AMI, FL 33131	BNF /040010140001 CH: 0020-
ECIAL INSTRUCTIONS	BRITTISH TRADE AND COMMERCE BANK
T PHONE NUMBER 787 448 6410	
OR REF NUM	

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:36:08.14

INQUIRY FUNCTION SND DATE: / / TRN:990426-026994

CALLER: BETTS, GEORGE EXT:

KRTR# AMT 1,000,000.00 CURUSD

VAL: / / TYP:FTR MTP:1000 FNDS:S CHG:DBA CDY COMN BRLN

D/0009938713727/

RTC: RTC:

TRADE & COMMERCE BANK

FINANCIAL HOLDINGS INC

CKELL AVE STE P16

FL 33131

INSTRUCTIONS

PHONE NUMBER 767 448 5410

REF NUM

CDI A/[redacted] ADV FED

DEPT: 0000001660 RTC:

BANK OF NEW YORK, NYC

48 WALL STREET

NEW YORK NY 10015

BNF /[redacted] CHG: BRLN

CSC-PAINEWEBBER

ORIG TO BNF INFO:

BENEFIR OF BRITISH TRADE AND

COMMERCE BANK ACCT#[redacted]

May-04-99 15:25 From-FIRST UNION JAX T-444 P.13/14 F-966

PRINT REQUEST FROM VT0457: AT 3 MAY-1999 15:34:08.23

```
S                    INQUIRY FUNCTION        SND DATE:  /  /   TRN:990426-031137
SPEED REF#  ____  AMT _____ 167,445.00 CURUSD
DT: __ _____ VAL:  /  /   TYP:FTR MOP:___ FNDS:S CHG:OBX CON COMM CDLN
-----------------------------------------------------------------------------
: B/021000089 _____                 | CDT D/000998871373/_ _____ ADV LTR
21: 0000001660 RTC: ___             | DEPT: _____ RTC: _____
22BANK, NYC  FW  _____              | BRITISH TRADE & COMMERCE BANK ___
WALL STREET_____                    | C/O FEC FINANCIAL HOLDINGS INC_____
: YORK NY 10043 _____               | 444 BRICKELL AVE STE P16 _____
XX REF NUM F059116012180I _         | MIAMI, FL 33131 _____
                                    | SPECIAL INSTRUCTIONS
                                    | FAX WIRE TO 305 460 X120
                                    | ALT FAX NUMBER 767 448 5477
                                    | BNF  /  _____ _____ CH: 5X/T
                                    |
                                    |
                                    |
                                    | ORIG TO BNF INFO:
                                    | RE YR TRN 990426-022564 00 04 26 99
                                    | FUNDS RTN BY CITIBANK NYC. UNABLE_
                                    | TO APPLY BENEFICIARY ACCOUNTNUMBER_
                                    | INVALID.____ _____ _____
-----------------------------------------------------------------------------
1000|Message Disposition:
      Format Version:                 02 (New expanded format)
      Test Production Code:           P  (Production)
      Msg Duplication Code:              (Original incoming msg)
      Msg Status Indicator:           N  (Incoming msg)

1110|Acceptance Timestamp:
      Date:                           04/26
Incoming Message Text
```

PRINT REQUEST FROM V10457: AT 3-MAY-1999 15:34:31.77

INQUIRY FUNCTION SNO DATE: / / IRN:990426-073462
CALLER: SETTS, GEORGE EXT:
RPTR AMT 22,000.00 CORUSD
VAL: / / TYP:FTR MTP:1000 FNOS:S CHG:OBA CDY COMN CYLO

D/0009983713737
RTC:
ITISH TRADE & COMMERCE BANK
FEC FINANCIAL HOLDINGS INC
BRICKELL AVE STE P16
MI, FL 33131
ECIAL INSTRUCTIONS
PHONE NUMBER 767 448 6410
OR REF NUM

CDT-A[redacted] ADV FED
DEPT: 0000001660 RTC:
WASHINGTON TRUST BANK
SPOKANE, WA

BNF /1001865854 CH: 8879
BAILETT INTERNATIONAL

ORIG TO BNF INFO:
AURORA INVESTMENTS

May-05-99 09:57 From-FIRST UNION JAX T-446 P.01/05 F-988

British Trade & Commerce Bank
Licensed for Full Trust Business

BTCB

Post-it Fax Note R7671 Date 5/4/99 # of pages 6
To Allison Bettinelli
Fax 786 374-3105
From Dr. Rodolfo
Phone #

Eleanora Bldg., Dame Eugenia Charles Blvd, Bayfront, Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-8410 Fax: 448-8477
E-mail: bt.bank@cwcom.dm • SWIFT: BTCBDMDM

April 13, 1999

US C&R HOLDINGS IN
260 Glenridge Rd.
Key Biscayne
Florida - 33149

Post-it® Fax Note 7671	Date 5/4/99	# of pages ▸ 6
To Ben Sheffield	From	
Co./Dept.	Co.	
Phone #	Phone #	
Fax #	Fax # (904) 489-1316	

Attn.: James Irl. CEO.

Re: SLC Approval.

Dear Sir:

Per your request, we confirm that we are ready, willing and able to issue a Standby Letter of Credit in the favor of US C&R HOLDINGS INC. for the amount of Six Million United States Dollars (US $ 6,000,000). This SLC will guarantee the credit line for US C&R HOLDINGS INC.

At your earliest convenience and to finalize the above mentioned transaction, please provide the banking coordinates from the funding institution and their letter of approval.

Any further questions please contact us.

For and on behalf of British Trade & Commerce Bank

J.P. (305) 789-6975 FAX #

Regards:

Dr. Rodolfo Requena
President

Caribbean Island

BRITISH TRADE AND COMMERCE BANK

Balance Sheet (U.S. Dollars)
December 31, 1998

ASSETS

CASH AND DUE FROM BANKS	$	51,709,428
LOANS, DEBENTURES AND OTHER RECEIVABLES	$	18,516,143
SECURITIES HELD FOR INVESTMENT AND FINANCING	$	301,120,887
BANK PREMISES AND EQUIPMENT	$	449,969
INVESTMENTS IN SUBSIDIARIES	$	4,096,000
PREPAID EXPENSES AND OTHER ASSETS	$	568,378
TOTAL ASSETS	$	376,461,805

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

DEMAND DEPOSITS	$	15,100,069		
CERTIFICATES OF DEPOSIT	$	18,123,790		
LETTERS OF GUARANTEES	$	23,280,000		
DUE FOR SECURITIES	$	300,000,000		
TOTAL			$	356,503,859
ACCRUED EXPENSES AND OTHER LIABILITIES			$	7,706
UNREALISED GAINS			$	381,017
LONG-TERM LIABILITIES			$	180,879

STOCKHOLDERS' EQUITY

CAPITAL STOCK	$	3,000,000		
LESS: TREASURY STOCK ACQUIRED	$	(1,100,000)		
ADDITIONAL PAID IN CAPITAL	$	2,437,275		
RETAINED EARNINGS	$	15,161,069		
LESS: DIVIDENDS PAID	$	(80,000)		
TOTAL			$	19,408,345
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			$	376,481,806

APPROVED BY:
GEORGE E. BETTS, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER

British Trade and Commerce Bank

Income Statement (U.S. Dollars)
For the period ended December 31, 1998

INCOME

TRUST FORMATION FEES	$ 60,000
IBC FORMATION FEES	$ 87,596
REALIZED GAINS ON SECURITIES	$ 120,457
SAFEKEEPING FEES	$ 100,000
INTEREST AND OTHER INCOME	$ 25,548
INVESTMENT TRANSACTION FEES	$ 16,330,000
TOTAL INCOME	**$ 16,723,601**

EXPENSES

DIRECTORS' FEES	$ 11,000	
GOVERNMENT LICENCE FEE	$ 12,000	
SWIFT LICENCE AND USAGE	$ 17,903	
INTEREST	$ 52,851	
RENT AND UTILITIES	$ 73,728	
LEGAL AND IBC REGISTERED AGENT FEES	$ 68,350	
OFFICE OPERATING EXPENSE	$283,218	
TRAVEL	$304,455	
SALARIES AND RELATED COSTS	$707,977	
TOTAL EXPENSES		**$ 1,532,532**
NET INCOME		**$ 15,191,069**

APPROVED BY,
GEORGE E. BETTS, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER

British Trade & Commerce Bank

Notes to the Financial Statements
For the period ended December 31, 1998

Revenue Recognition

The Bank provides various services for its' clients which are charged for on the basis of percentage fee for the success of the transaction. Therefore, the amount of income and the return on assets is higher than a normal commercial bank. These fees are recorded when earned and therefore cause fluctuations in earnings on a period to period comparison.

4. CASH AND DUE FROM BANKS

At December 31, 1998 the balances were comprised of the following:

Anglo-Irish Bank	$ 50,049
Security Bank NA	$ 335,531
First Union	$ 807,210
US Bank	$ 1,000,000
Union Bank of Switzerland	$49,499,038
Total	$51,709,428

5. LOANS, DEBENTURES AND OTHER RECEIVABLES

At December 31, 1998 the balance was composed of the following:

Employee expense advances	$ 59,500
Fees receivable	$ 112,500
Debentures receivable	$ 585,020
Promissory Notes receivable	$ 997,500
Fees Receivable	$16,761,623
Total	$18,516,143

The debentures and promissory notes are interest bearing at rates, which approximate 10% per annum. All payments are current and the balances are due within the next year.

6. INVESTMENT SECURITIES

The Bank has placed funds with First Equity Corporation of Florida, a majority owned subsidiary, for investment in United States municipal bonds and equity securities. The value of the investments is carried at market with unrealized gains recorded as a liability.

7. BANK PREMISES AND EQUIPMENT

The balance represents the cost to remodel the offices in Dominica, including office furniture and fixtures and computer equipment.

British Trade & Commerce Bank
Notes to the Financial Statements
For the period ended December 31, 1998

8. INVESTMENT IN AND ADVANCES TO SUBSIDIARIES

Represents the cost of acquisition and advances to First Equity Corporation of Florida, International Corporate Services S.A., Generale International Assurance Incorporated, InSatCom Ltd., Global Investment Fund S.A., FEC Holdings Inc. and Swiss Atlantic Inc.

9. PREPAID EXPENSES AND OTHER ASSETS

Consists of Organization and pre-opening expenses and capitalized loans. See note 1.

10. CUSTOMER TERM DEPOSIT

In the normal course of business the Bank receives funds from customers to be used in specialized financing transactions with certain correspondent banks. Such funds are placed with the Bank for the purchase and sale of financial instruments at a profit which is returned to the owner of the funds. The Bank charges an investment transaction fee for this service based upon the amount of profit earned on the transaction.

At December 31, 1998 the Bank held $39,400,000 of such funds and had earned an investment transaction fee of $16,330,000 from the management of those funds and execution of such transactions during the year.

First Union Con ation
Legal Division

One First Union Center (0630)
Charlotte, North Carolina 28288
704 374-6611
FAX: 704 374-3105

170 North Hogan Street (FL0585)
Jacksonville, Florida 32202-0585
904 361-2909
FAX: 904 361-2914

Reply to:
Charlotte Office

1339 Chestnut Street (PA4840)
Philadelphia, Pennsylvania 19101
215 973-3810
FAX: 215 973-8576

200 Berkeley Street (MA9000)
Boston, Massachusetts 02116
617 210-3200
FAX: 617 210-3468

Direct Dial:
(704) 374-3239

May 13, 1999

Mr. Ralph Hines
Mr. George Betts
British Trade & Commerce Bank
c/o FEC Financial Holdings, Inc.
444 Brickell Ave., Suite P-16
Miami, FL 33131

Dear Messrs. Hines & Betts:

Please be advised that First Union National Bank has become aware of British Trade & Commerce Bank's representations to third parties that it has a correspondent banking relationship with First Union. British Trade & Commerce has also used First Union's name as what appears to be a reference in written communication with third parties, and implied that First Union will somehow act in concert with British Trade & Commerce in a letter of credit arrangement.

You are directed to immediately cease and desist from such unauthorized use of First Union National Bank's name, and from any express or implied indication that you have a correspondent or any other sort of relationship with First Union other than as a depositor. All materials in which you state your balances with First Union should clearly indicate that you have nothing more than a deposit account with us, and that there is absolutely no further business connection between yourselves and First Union National Bank.

Your cooperation is expected and appreciated.

Also bcc'd
Benita Sheffield

Sincerely,

Allison Satterwhite
Vice President and
Assistant General Counsel

Davitt, Yamile

From: Davitt, Yamile
Sent: Friday, August 27, 1999 3:49 PM
To: INT'L-USA; INT'L-OPS; INT'L-FUBI; INT'L-O/SOFCR
Subject: FW: BRITISH TRADE AND COMERCE BANK, Dominica

FYI - PLEASE READ BELOW. SELF-EXPLANATORY.

Yamile Davitt
International Division - Philadelphia
Phone: (215) 973-4922
Fax: (215) 786-7750
MAIL CODE: PA4818
E-mail: yamile.davitt@capmark.funb.com

-----Original Message-----
From: Rodriguez, John
Sent: Friday, August 27, 1999 3:38 PM
To: Elizondo, Santiago; Chamorro, Amalia
Cc: SHEFFIELD, BENITA (FUNMAIL); Davitt, Yamile; Thomsen, Chris; Brunner, Stephen; Pesantes, Angel; Marin, Ariel; Perez, Carlos; Galan, Roberta; Torres, Arlene
Subject: RE: BRITISH TRADE AND COMERCE BANK, Dominica

They are not, but they continue to claim that they have a correspondent banking relationship with First Union. We have asked them to close an unauthorized CAP account that they opened last year. This is their only claim to a relationship with First Union. We have sent a legal advice to the bank's President, requesting that they stop promoting false facts, and to refrain from using First Union's name again. They are not a correspondent!

This false claim has surfaced various times around the bank, where they ask us for a reference. I will forward this information again to Benita Sheffield of our Loss Control Department in Florida, and Yamile Davitt in order broadcast this warning, and ensure that other folks in the International Department are advised. Thanks.

-----Original Message-----
From: Elizondo, Santiago
Sent: Friday, August 27, 1999 3:18 PM
To: Chamorro, Amalia
Subject: DOMINICA BRITISH TRADE AND COMERCE BANK

Are they a correspondent bank, according to boston they mention fu as one of the corespondent banks.

e-mail: ariel.marin@capmark.funb.com

-----Original Message-----
From: **Perez, Carlos**
Sent: Monday, December 27, 1999 1:18 PM
To: Torres, Arlene; Marin, Ariel
Cc: Johnson, Helene; Rodriguez, John; Pesantes, Angel
Subject: RE: British Trade & Commerce Bank

Helene,

Can you have this account closed?

Carlos A. Perez, SVP & Managing Director Americas Group
Office: 305 789-6920 FAX 305 789-6930
E-Mail: Carlos.Perez@funb.com

-----Original Message-----
From: Torres, Arlene
Sent: Monday, December 27, 1999 12:25 PM
To: Carlos Perez; Ariel Marin
Subject: FW: British Trade & Commerce Bank

FYI

-----Original Message-----
From: **Galan, Roberta**
Sent: Monday, December 27, 1999 12:24 PM
To: Sheffield, Benita (NOTES)
Cc: Rodriguez, John; Obregon, Jose; Salardi, Silvia; Ammons, Gary (FUNMAIL); Torres, Arlene
Subject: British Trade & Commerce Bank

In spite of the cease and desist letter, which I think was sent out, this bank is still using the CAP a/c 9983871373, which they opened by telephone, unknown to us. Today they were attempting to transfer out $1 million from a balance of $733 thousand. We have refused to approve the overdraft and have put a debit restraint on the account. We attempted to call the customer but nobody picked up the phone. They have a funds transfer agreement with us apparently. Remember that our department refused to open an account for them.

Roberta Galan
International Trade Lending
Miami
(305) 789-1213
roberta.galan@capmark.funb.com

Johnson, Helene
From: Torres, Arlene
Sent: Monday, August 07, 2000 8:42 AM
To: Johnson, Helene
Subject: FW: British Trade and Commerce, Dominica (CAP 9983871373)

Importance: High

Message Flag: Follow up
Flag Status: Flagged

Arlene Torres
International Americas Group
FIRST UNION NATIONAL BANK, Miami
Mail code: FL6079
Tel: 305 789 4845
Fax: 305 789 6930
e-mail: arlene.torres@FUNB.com

-----Original Message-----
From: **Rodriguez, John**
Sent: Tuesday, December 28, 1999 1:47 PM
To: Brader, Ruth (Lotus Notes)
Cc: Sheffield, Benita (NOTES); Johnson, Helene; Galan, Roberta; Torres, Arlene
Subject: British Trade and Commerce, Dominica (CAP 9983871373)
Importance: High

URGENT!! This account has significant wire and cash letter activity that is suspicious. We need to close account!

I just spoke to the Leonard Bedneau, Accounts Manager at BT&C and I requested for the bank to close the account at once. He requested for me to send a letter to the bank's President, Gorge Betts via fax at (767) 448-6477.

This account was opened by the CAP department without International's authorization, and without any compliance requirements. I have reported this problem to Loss Prevention for over one year. It has turned out to be a headache for the bank, as this entity boasts to be a correspondent of First Union National Bank. I to Mr. Betts personally and by telephone, that he was not authorized to open an account at First Union. Nevertheless, it surfaced in the CAP department.

Action: I need a letter as soon as possible (Word document) via Outlook for me to sign immediately and send to Mr. Betts, with a copy to Mr. Bedneau.

I stopped a $1MM transfer from going out yesterday, which would have overdrawn the account by approx. $.7MM. I will appreciate a quick response.

Thanks!!
My phone is (305) 789-6911

First Union National Bank
FL6079
Americas Group
200 South Biscayne Boulevard, 12th Floor
Miami, Florida 33131
305 789-6900
Fax 305 789-6930

December 29, 1999

Via Facsimile: (767) 448-6477

Mr. George Betts, President
British Trade & Commerce Bank
Roseau, Dominica

Dear Mr. Betts:

Please be advised that First Union National Bank has become aware of a CAP account number 9983871373 in the name of British Trade & Commerce Bank, Dominica. It is our policy to work with and maintain accounts with foreign banking institutions that meet our internal compliance criteria, as well as fit our line of business of correspondent banking. Upon the review of your account, we have ascertained that the account does not meet our business profile requirements.

You are hereby advised that your above referenced account will be closed in thirty (30) days, or January 28, 2000. However, we will only permit you to transact funds transfers and deposits for the next 10 business days, or until January 12, 2000. This notification should provide you with ample time to make other banking arrangements.

Checks presented for payment during the interim period will be paid up to the amount of collected funds available in your account. Checks presented after the closed date will be returned "account closed". We will not process any deposits or funds transfers after January 12, 2000. Any collected funds remaining in your account after January 28, 2000 will be forwarded to you in the form of an official check at the address of record.

Should you have any questions call me at the number shown below.

Sincerely,

John C. Rodriguez
Vice President and Director
Americas Group
Central America and Caribbean Region
(305) 789-6911

cc: Benita Sheffield

Rodriguez, John
From: Rodriguez, John
Sent: Friday, December 31, 1999 8:06 AM
To: Thomsen, Chris
Cc: Torres, Arlene; Perez, Carlos; Marin, Ariel
Subject: FW: British Trade and Commerce Bank, Dominica (CAP 9983871373)

FYI

-----Original Message-----
From: **Johnson, Helene**
Sent: Thursday, December 30, 1999 5:11 PM
To: Messmer, Terry
Cc: Rodriguez, John
Subject: RE: British Trade and Commerce Bank, Dominica (CAP 9983871373)

Terry, I agree. Fortunately the corporation has recently established an anti money laundering steering committee, which I sit on along with Corporate Risk Management and compliance representatives from other areas of the bank. There is a heightened level of awareness among the participants of the committee; the challenge is carrying that forward through the rest of the bank.

-----Original Message-----
From: **Messmer, Terry**
Sent: Tuesday, December 28, 1999 6:43 PM
To: Johnson, Helene
Cc: Rodriguez, John
Subject: FW: British Trade and Commerce Bank, Dominica (CAP 9983871373)
Importance: High

Helene, I encountered a troubling situation with our CAP account department several weeks ago. (I may have mentioned it to you at the time.) Bottom line, it was pretty clear to me that the "customer" was engaged in the sort of international fraud schemes you always hear about, and for you and me, lucky souls, sometimes get personally involved with. Sounds to me like we need to broaden the emphasis of KYC policies and significance throughout other areas of the bank that are not directly in International Correspondent Banking. Terry

-----Original Message-----
From: Rodriguez, John
Sent: Tuesday, December 28, 1999 2:01 PM
To: Thomsen, Chris
Cc: Messmer, Terry; Begley, Leonard
Subject: FW: British Trade and Commerce Bank, Dominica (CAP 9983871373)
Importance: High

Just want you to be aware.

-----Original Message-----
From: **Rodriguez, John**
Sent: Tuesday, December 28, 1999 1:47 PM
To: Brader, Ruth (Lotus Notes)
Cc: Sheffield, Benita (NOTES); Johnson, Helene; Galan, Roberta; Torres, Arlene
Subject: British Trade and Commerce, Dominica (CAP 9983871373)
Importance: High

No. Relationship

Global Trade Services
1339 Chestnut Street- PA4816
Philadelphia, PA 19101

FAX TRANSMITTAL

TO:	John Rodriguez
COMPANY:	First Unon
FAX:	305-789-6930
TOTAL PAGES:	2 (INCLUDING COVER PAGE)
FROM:	Kathy McGrath
TELEPHONE#:	215-973-1859
FAX#:	215-973-2154
DATE:	January 13, 2000
RE:	British Trade & Commerce Bank

Thank you and regards.

SALAZAR INTERNATIONAL
23800 Commerce Park Road * Cleveland, Ohio 44122, USA
TELEPHONE (216) 464-2420 * FAX (216) 464-9084
E-Mail: salazar20@aol.com Web Site: www.salazarinternational.com

TO: KATHY MCGRATH
1ST UNION

FROM: HAROLD MENDES

DATE: 13 JANUARY, 2000

NUMBER OF PAGES INCLUDING COVER PAGE: 1

RE: BRITISH TRADE & COMMERCE

Per our conversation yesterday, please advise if your bank is able to confirm a letter of credit proposed for 180 days for an amount totaling $30,000.

Following is the information regarding the bank:

BRITISH TRADE & COMMERCE BANK
LICENSED FOR FULL TRUST BUSINESS.
EMENS BLDDG.,DAME EUGENIA CHARLES BLVD.BAYFRONT
ROSEAU COMMONWEALTH OF DOMINICA
PHONE: (767) 448-6410
FAX: (767) 448-6477
SWIFT: BTCBDMDM

Our bank is the Huntington National Bank in Cleveland.

We look forward to hearing from you.

Best Regards....Harold Mendes

First Union National Bank
FL6079
Americas Group
200 South Biscayne Boulevard, 12th Floor
Miami, Florida 33131
305 789-6900
Fax 305 789-6930

February 7, 2000

Mr. George Betts, President
British Trade & Commerce Bank
C/o FEC Financial Holdings, Inc.
444 Brickell Ave., Suite P-16
Miami, Florida 33131

Dear Mr. Betts,

Please be advised your account 9983871373 has been closed. We are forwarding the balance remaining to you as indicated on the letter from John C. Rodriguez on December 29, 1999.

Should you have any questions call me at the number shown below.

Sincerely,

Silvia Salardi
International Account Officer
305 789 4857

INTERNATIONAL DIVISION
200 SOUTH BISCAYNE BLVD., 12TH FLOOR
MIAMI, FLORIDA 33131

TELEPHONE NO.: 305-789-6975
FAX NO.: 305-789-6918

FIRST UNION NATIONAL BANK

Fax

To:	BENITA SHEFFIELD. HELENE JOHNSON	**From:**	JOSE POMAREDA, VICE PRESIDENT INTERNATIONAL OPERATIONS CUSTOMER SERVICE DEPARTMENT
Fax:	954-784-5854 216-973-5340	**Pages:**	3 , including this cover lottor
Phone:		**Date:**	05/03/00
Re:	BRITISH TRADE AND COMMERCE BANK	**CC:**	

x **Urgent** ☐ **For Review** x **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:**

FURTHER TO MY E-MAIL OF TODAY ENCLOSED PLEASE FIND THE SWIFT COMMUNICATION RECEIVED FROM THE CAPTIONED BANK.

PLEASE CALL ME IF YOU NEED ADDITIONAL INFORMATION.

TKS.J/P.

SENT BY: INTL CUSTOMER SUPT; 5- 3- 0 2:44PM; 305 789 6989 => 215 973 5340; #2

INTEGRATED FUNDS TRANSFER SYSTEM ### 15-17E1632 I 77 05/01/00

** ADMINISTRATIVE MESSAGE **

MSG DATE 000501 BANK 501 DEPT MIAM MSG NUM 000048

ISN = PN0000501405772000A

RECV FROM DEBIT NAME

ADDRESS

AMOUNT .00

{1:F01PNBPUS3MAXXX1056071504

{2:I103BTCBOMOMAXXK1037000956

:BRITISH TRADE AND COMMERCE BANK

:ROSEAU, DOMINICA.

999 67

:20 :TRANS REF NO:000501/01

:79 :NARRATIVE: .TO SWIFT DEPARTMENT: PLEASE ADVISE FIRST UNION

NATONAL BANK JACKSONVILLE, FLORIDA AS FOLLOWS:

WE BRITISH TRADE AND COMMERCE BANK CONFIRM WITH

FULL RESPONSIBILITY THE AUTHENTICITY OF THE

ISSUANCE OF PROMISSORY NOTES NUMBERS: 1 - 10 WITH

A NOMINAL VALUE OF TEN MILLION DOLLARS EACH TO IN

TOTAL EQUALS 100 MILLION UNITED STATES DOLLARS IN

FAVOUR OF ST.DAVID'S INVESTMENT TRUST AND BANK CO.

LTD., THE VERBIAGE OF THE INSTRUMENT ISSUED ARE AS

FOLLOWS:

PRINCIPAL AMOUNT : TEN MILLION USA DOLLARS

NUMBER : PN/BTCB/11

INTEREST COUPON :0 PER CENT

ISSUE DATE : 19TH APRIL, 2000

MATURITY DATE : 20TH APRIL, 2003

PROMISSORY NOTE 1

GUARANTEED BY: BRITISH TRADE AND COMMERCE BANK

PRINCIPAL AMOUNT: TEN MILLION USA DOLLARS

NUMBER : PN/BTCB/11

INTEREST COUPON : 0 PER CENT

ISSUE DATE : 19TH APRIL, 2000

TO YOUR CLIENT ACCOUNT.

THIS IS A BANK OPERATIVE INSTRUMENT

SIGNED: RODOLFO REQUENA, PRESIDENT

SIGNED: GEORGE BETTS, EXECUTIVE VICE PRESIDENT

HE-RE 15167100 3E

000428118412577000

Johnson, Helene

From: Johnson, Helene
Sent: Thursday, May 04, 2000 12:08 PM
To: INT'L-USA; INT'L-OPS; INT'L-FUBI; INT'L-O/SOFCR
Cc: Davis, Jeri (Lotus Notes)
Subject: British Trade and Commerce Bank

Please be advised that, **under no circumstances**, is business to be conducted with British Trade and Commerce Bank without first contacting me. First Union discontinued its relationship with this customer effective January 28 of this year, however we still occasionally receive transaction requests from them.

If you have any questions regarding this please call me at 215 973 2160. Thank you.

Johnson, Helene
From: Beason, Brett [brett.beason1@firstunion.com]
Sent: Thursday, May 04, 2000 1:37 PM
To: Cloninger, Joyce; CAPMARK -HJOHNSON *
Cc: CAPMARK -RRAMKIS *
Subject: British Trade

Just an FYI.

I rec'd information from Olga Insanti regarding the 3 million dollar wire on 12/15.

It came from Harris Bank byo Bank of Montreal fbo 1000113816 (Free Trade Bureau).

Helene, I believe you have requested further info from Rene on many of the wires sent out between 12/15/99 and 1/31/00. You should have rec'd the faxed stmts from me.

Please let me know if you need me to fax again, otherwise I will wait to hear about the outgoing wires.

Thanks

British Trade and Commerce - Subpoenas

by e Clemmings - legal

Goldchain wanted $24 million deal with Canadian bank and was required to put up 3 million in collateral with a bank with a law firm →
funds were wired from law firm to BTC and the rest gone -

May 8, 2000

Mr. George Betts, President
British Trade and Commerce Bank
c/o FEC Financial Holdings, Inc.
444 Brickell Avenue, Suite P-16
Miami, Florida 33131

On December 29, 1999 we communicated our intent to close CAP account number 9983871373 in the name of British Trade and Commerce Bank, Dominica. Accordingly, this account was closed effective January 12, 2000.

Since then we have become aware of a Brokerage account (number 17624265), in the name of British Trade and Commerce bank, Dominica. We have also received two unauthenticated SWIFT messages from British Trade and Commerce Bank dated May 1, 2000 confirming the issuance of ten promissory notes in the amount of ten million dollars each, in favor of St. David's Investment Trust and Bank, Ltd.

Please be advised that it is our policy to work and maintain accounts only with foreign banking institutions that meet our internal compliance criteria and that fit our line of business criteria. Upon review of your account, other requests, and the information First Union has at its disposal, the Bank has ascertained that your company does not fit our requirements.

You are hereby advised that, effective immediately, your above referenced account has been closed.

Please refrain from attempting to use this account and from sending First Union National Bank or any subsidiaries thereof transaction related information or requests in the future. Any requests will not be honored and any attempt to use First Union's services or its name will invite First Union to consider other remedies it may have.

Your cooperation is expected and appreciated.

Sincerely,

Helene T. Johnson
Vice President and
Senior International Compliance Officer

cc: Jeri Davis
John Rodriguez
Benita Sheffield

Johnson, Helene
To: benita.scheffield
Subject: British Trade and Commerce Bank

Benita,

Please place British Trade and Commerce Bank, Dominica on the "hotlist". We do not want them to be able to open an account within First Union. I'm not sure what details you need from me to accomplish this so if you require more information please call me at 215 973 2160.

Thanks

Sent May 11, 2000

Johnson, Helene

From: Walsh, Sherry [sherry.walsh@firstunion.com]
Sent: Monday, July 10, 2000 2:01 PM
To: McGinley, Brian
Cc: CAPMARK -HJOHNSON *; Merrell, Carol
Subject: Early Warning-Use to monitor for account refused by Internat

Brian, You provided the timely news, in our May AML Committee meeting, that Early Warning is now scanning commercial accounts. International wants to start providing names to be added to the Hot File list. I anticipate the AML Team will also want to add names to the list.

Who should I work through to set up this process? We already have one name "British Trade & Commerce Bank".

Thanks.

Rodriguez, John
From: Johnson, Helene
Sent: Tuesday, July 18, 2000 9:04 AM
To: Rodriguez, John
Subject: RE: British Trade & Commerce Bank, Dominica

You're quite welcome. I'll send you a copy of the letter for your files. thanks

-----Original Message-----
From: **Rodriguez, John**
Sent: Tuesday, July 18, 2000 8:58 AM
To: Johnson, Helene
Cc: Torres, Arlene; Perez, Carlos A. (Intl Miami); Marin, Ariel; Pesantes, Angel; Salardi, Silvia
Subject: RE: British Trade & Commerce Bank, Dominica

Thank you Helene...Much appreciated!

-----Original Message-----
From: **Johnson, Helene**
Sent: Monday, July 17, 2000 5:36 PM
To: Rodriguez, John
Subject: RE: British Trade & Commerce Bank, Dominica

It's never to late! Here's the deal-they are in the 199/2000 directory and do list us as their correspondent. That was issued mid last year and at that time they did still have the account relationship with the financial centers. Polk's is now going through the update process and has informed us that they will honor our written request to remove our name from BTC's entry if BTC includes us.

I'll draft it and pass it to Eileen Mijlin who handles the Polk relationship. We can be just as persistent (if not more so) then they are!

-----Original Message-----
From: **Rodriguez, John**
Sent: Monday, July 17, 2000 10:46 AM
To: Johnson, Helene
Subject: RE: British Trade & Commerce Bank, Dominica

Too late ...it is already in the Polks directory!! We are one of their correspondents listed...unbelievable.

-----Original Message-----
From: **Johnson, Helene**
Sent: Monday, July 17, 2000 9:18 AM
To: Rodriguez, John
Subject: RE: British Trade & Commerce Bank, Dominica

Not again. John, can you do me a favor and fully translate the attached or provide me with a summary? It may be worth doing another cease and desist if for no other reason than to establish a trail in event there's ever an issue with this bank. It's obvious they never actually listen to us.

-----Original Message-----

From: **Rodriguez, John**
Sent: Monday, July 17, 2000 8:50 AM
To: Johnson, Helene
Subject: FW: British Trade & Commerce Bank, Dominica

...they are still at it¾. They still falsely promote that they have a relationship with FUNB. Helene, this is frustrating. I told my customer to stay away!!

Later

-----Original Message-----

From: **Manrique Castro Poveda [SMTP:IMCEAEX-_O=GRUPO+20CUSCATLAN_OU=BFA_CN=RECIPIENTS_CN=MCASTRO@cuscatlancr.com]**
Sent: Friday, July 14, 2000 4:05 PM
To: john.rodriguez@funb.com
Subject: SOLICITUD DE REFERENCIA

Sr. Rodriguez

Sirva la presente para saludarlo y consultarle referencias sobre el British Trade & Commerce Bank en Dominica ya que es de nuestro conocimiento que el First Union mantiene corresponsalia con dicho banco, todo lo anterior debido a que un cliente nos ofrece un stand by letter of credit de ese banco, del cual no tenemos referencia alguna.

Agradeciendo su colaboracion y poniéndome a sus ordenes,

Attentamente,

Manrique Castro
Ejecutivo de Cuenta
Banco Cuscatlán de Costa Rica, S.A.

First Union National Bank
PA4818
International Division
P.O. Box 13866
Philadelphia, Pennsylvania 19101-3866
215 973-2778

July 21, 2000

Sara Faze
Thomson Financial Publishing
1380 Rogers Mill Lane,
Cummings, GA 30041

Dear Ms. Faze

Please be advised that British Trade and Commerce Bank, Dominica no longer has a correspondent relationship with First Union National Bank. We'd like to request that you remove our name from their correspondent list in the Polk's directory and all other relevant publications during the next issuance.

If you have any questions regarding this matter, please feel free to contact me at 215-973-2160. Thank you.

Helene T. Johnson
Vice President

Attachments

cc: Eileen Mijlin
John Rodriguez

DJIBOUTI

CAPITAL: Djibouti
POPULATION: 579,000
LAND AREA: 23,201 Sq.Km. (8,958 Sq.Mi.)
MAP LOCATION: R5
GEOGRAPHIC REGION: Africa
CURRENCY: Djibouiean Franc, French Franc, U.S. Dollar
COUNTRY DIALING CODE 253
PRINCIPAL LANGUAGE(S): French, Arabic, Somali, Afar
BANKING HOURS: 7:30-11:30, Sun-Thurs. Closed on Fri & Sat.
HOLIDAYS: Christmas Day, December 25, 1999; New Year's Day, January 1, 2000; Eid Al Fitr (2 days), January 6, 2000; Aid-El-Adha (2 days), March 17, 2000; Labor Day, May 1, 2000; Independence Day, June 27, 2000

ALI SABIEH
Banque pour le Commerce et l'Industrie - Mer Rouge
Branch of Djibouti
Ali Sabieh Rue de la Gare
Tel: (253) 436066

DJIBOUTI Pop. [illegible]

Albaraka Bank (Djibouti)
Av. Pierre Pascal; PO Box 2607
☎ Tel: (253) 356044
Fax: (253) 356035
■ Financial Figures (in Thousands)

12/31/94	DJF	USD
Total Assets	4,717,431	28,653
Total Deposits	3,834,420	21,664
Capital & Res	661,808	3,852
Net Income	58,471	336

■ Asset Rank: 3/3 Country

Banque de Développement de Djibouti
Angle de l'Avenue Georges Clemenceau et de la rue Pierre Curie; PO Box 520
☎ Tel: (253) 35 33 91
Fax: (253) 35 50 22
Telex: 5717
■ Major Shareholders
State (50.2%)
Sociétés Para-publiques (29.7%)
Other (20.1%)
■ Officers
Pres M Luc Aden
■ Current financial figures not reported

Banque de Djibouti et du Moyen-Orient SA
Commercial Bank
Place Lagarde; PO Box 2112
☎ Tel: (253) 35 32 91
Fax: (253) 35 56 28
BIC: BDMO DJ D1
Telex: 5643
■ Major Shareholders
Middle East Bank (55%)
Local (45%)
■ Current financial figures not reported

Banque Indosuez Mer Rouge
Est 1908
10 Pl Lagarde; PO Box 88
☎ Tel: (253) 35 30 16
Fax: (253) 35 18 38
BIC: MRIN DJ D1
Telex: 5829 INDOMER DJ
ANSWERBACK:INDOMER
CABLE: INDOMER DJ
■ Major Shareholders
Credit Agricole Indosuez, Paris, France
■ Officers
CEO Pardoon Bernard, CEO
■ Correspondents
Hong Kong: Cr Agricole Indosuez (HKD)
London: Midland Bk (GBP)
New York City: Bankers Tr Co (USD)
Paris: Cr Agricole Indosuez (FRF, EUR)
Singapore: Cr Agricole Indosuez (SGD)
Tokyo: Cr Agricole Indosuez (JPY)
■ Unconsolidated Financial Figures (in Thousands)

12/31/97	DJF	USD
Total Assets	19,043,150	107,213
Total Deposits	16,579,059	93,340
Capital & Res	3,580,722	20,160
Net Income	200,469	1,129

■ Asset Rank: 2/3 Country

Banque Nationale de Djibouti
Central Bank Est 1964
Place du 27 Juin; PO Box 2118
☎ Tel: (253) 35 27 51
Fax: (253) 35 62 58
E-mail: bndj@intnet-dj
BIC: BNDJ DJ D1
Telex: 5836 DJ
■ Major Shareholders
State (100%)
■ Officers
Forex Mr Houmed Abdou, Dir Studies & For Rel
■ Correspondents
New York City: Fed Res Bk of New York (USD)
New York City: French American Bnkg Corp (USD)
Paris: Bque de France (FRF, EUR)
■ Current financial figures not reported

Banque pour le Commerce et l'Industrie - Mer Rouge
Commercial Bank
Pl Lagarde; BP 2122
☎ Tel: (253) 350857
Fax: (253) 354280
SWIFT: BCIM DJ JX
Telex: 5970 DJ, 5821 DJ
CABLE: NACICOM-DJIBOUTI
Number of Employees: 216
■ Major Shareholders
Banque Nationale de Paris, Paris, France
Republique de Djibouti (33%)
Yemen Bank for Reconstruction and Dev
Sa'a, Yemen (18%)
■ Officers
Pres Mohamed Aden, Pres Gen Dir
Ind Bnkg Issam Ohman
Forex Issam Ohman
■ Correspondents
Brussels: Bque Nale de Paris (BEF, LU
London: Bque Nale de Paris plc (GBP)
Milan: Bque Nale de Paris (ITL, EUR)
Tokyo: Bque Nale de Paris (JPY)
Zurich: Bque Nale de Paris (CHF)
■ City Branches: 4
■ Other Domestic Offices: 2
■ Unconsolidated Financial Figures

12/31/97	DJF
Total Assets	30,129,041
Total Deposits	23,887,302
Capital & Res	5,334,054
Net Income	508,460

■ Asset Rank: 1/3 Country

Commercial and Savings Bank of Sc
Branch of Mogadishu, Somalia
PO Box 2004
Telex: 5879-FS

Commercial Bank of Ethiopia
Branch of Adda Abeba, Ethiopia
Rue de Marseile; PO Box 187
Tel: (253) 35 21 02, 35 21 01
Fax: (253) 35 67 77
Mgr: Abeba Alemu

DOMINICA

BARCLAYS

BARCLAYS BANK PLC

DOMINICA
Old Street, P.O. Box 4, Roseau
Telephone: (767) 448-2571
Telex: 8618 BARCLADOM Telefax: (767) 448-3471
Agency: Portsmouth

CARIBBE
REGIONAL O
RENDEZVO
BARBADX

CAPITAL: Roseau
POPULATION: 83,000
LAND AREA: 751 Sq.Km. (290 Sq.Mi.)
MAP LOCATION: 4J
GEOGRAPHIC REGION: Caribbean
CURRENCY: East Caribbean Dollar, U.S. Dollar
COUNTRY DIALING CODE 767
PRINCIPAL LANGUAGE(S): English, French
BANKING HOURS: 8:00-12:00, Mon-Thurs. 8:00-13:00 & 15:00-17:00, Fri. Closed on Sat.
HOLIDAYS: Independence Day, November 3, 1999; Community Day at Service, November 4, 1999; Christmas Day, December 25, 1999; Boxing Day, December 26, 1999; New Year's Day, January 1, 2000; Carnival (2 days), February 15, 2000; Good Friday, April 21, 2000; Easter Monday, April 24, 2000; May Day, May 1, 2000; Whit Monday, June 12, 2000; August Monday, August 7, 2000

PORTSMOUTH Pop. 4,146
Barclays Bank PLC
Agency of London, United Kingdom
Agency to Roseau

National Commercial Bank of Dominica
Branch of Roseau
Bay St
Tel: (1-767) 445430
Fax: (1-767) 445441

ROSEAU Pop. [illegible]

Banque Française Commerciale S.A.
Branch of Paris, France
Queen Mary Street; PO BOX 166
Tel: (0-767) 448-4040/3335/3019
Fax: (0-767) 448-5335
Telex: 0394-8620 NACIDEV DO

BARCLAYS BANK PLC
For complete details see ad on this page

British Trade & Commerce Bank
Commercial Bank/Trust Company Est 1997
Emera Bldg, Dame Eugenia Charles Blvd; PO Box 2042
☎ Tel: (1-767) 448-6410
Fax: (1-767) 448-6477

Internet: www.bctb.com
E-mail: bctbank@cwdom.dm
SWIFT: BTCB DM DM
Number of Employees: 12
Hours: 8:30-17:30
■ Officers
Chm Rodolfo Requena, Pres & Dir
■ Correspondents
Charlotte: First Union Natl Bk (USD)
Dublin: Anglo Irish Bk Corp (GBP, IEP, USD)
Miami: Security Bank, NA (USD)
■ Unconsolidated Financial Figures (in Thousands)

12/31/98	USD
Total Assets	376,481
Total Deposits	51,709
Capital & Res	34,569
Net Income	16,181

■ Asset Rank: 1/2 Country

National Commercial Bank of Dominica
Commercial Bank
64 Hillsborough St; PO BOX 271
☎ Tel: (1-767) 448-4401/2/3
Fax: (1-767) 448-3862
SWIFT: NCDM DM DM
Telex: 0394-8620 NACIDEV DO
Hours: 8-2
■ Officers
Chm St Bernard Sebastian
■ Other Domestic Offices: 1
■ Consolidated Financial Figures (in

6/30/98	XCD
Total Assets	290,463
Total Deposits	224,475
Capital & Res	54,494
Net Income	8,076

■ Asset Rank: 2/2 Country

Royal Bank of Canada
Branch of Montreal, Canada
Mary Eugenia Charles Blvd; PO Box [illegible]
Tel: (1-767) 448267[illegible]
Fax: (1-767) 448398
BIC: ROYC DM D1
Telex: (304) 8637 ROYALDOM
CABLE: ROYALBANK AK
Mgr: E V Mentaine, Mgr

Scotiabank-The Bank of Nova Scotia
Branch of Toronto, Canada
28 Hillsborough St; PO Box 520
Tel: (1-767) 448800
Fax: (1-767) 448-5805
Telex: 8472, 0394-8672 SCOTIA DO

DOMINICAN REPUBLIC

CAPITAL: Santo Domingo
POPULATION: 8,088,000
LAND AREA: 48,443 Sq.Km. (18,704 Sq.Mi.)
MAP LOCATION: L4
GEOGRAPHIC REGION: Caribbean
CURRENCY: Dominican Republic Peso, U.S. Dollar
COUNTRY DIALING CODE 809
PRINCIPAL LANGUAGE(S): Spanish, English
BANKING HOURS: 8:30-15:00, Mon-Fri, Closed on Sat.
HOLIDAYS: Constitution Day, November 6, 1999; Christmas Day, December 25, 1999; New Year's Day, January 1, 2000; Epiphany, January 6, 2000; Feast of Our Lady of Altagracia, January 21, 2000; Duarte's Day, January 26, 2000; Independence Day, February 27, 2000; Good Friday, April 21, 2000; Labor Day, May 1, 2000; Corpus Christi, June 22, 2000; Restoration of the Republic, August 16, 2000; Feast of Our Lady of Mercy, September 24, 2000
ASSOCIATION(S):
Asociación de Bancos Comerciales de la

Banco Popular Dominicano, C. Por A.
Branch of Santo Domingo
Av Duarte esq. 19 de Marzo
Tel: (1-809) 521-3400

Bancomercio SA — *changed title to Banco Interconinental SA due to a merger with Banco Intercontinental SA, of Santo Domingo, Dominican Republic, effective October, 1997.*

BAM (REPUBLICA) Pop. 36,705

Banco del Comercio Dominicano, S.A. — *changed title to Bancomercio SA, effective September, 1995.*

Banco Metropolitano S.A.
Branch of Santo Domingo
Banl Pie Banl esq Nra Señora de Regla
Tel: (1-809) 522-4050

Banco Popular Dominicano, C. Por A.
Branch of Santo Domingo
Banl Calle Maximo Gomez esq Duarte
Tel: (1-809) 522-3899

Bancomercio SA — *changed title to Banco*

Banco Gerencial & Fiduciario Dominicano, S.A.
Branch of Santo Domingo
Calle Jaime Mota, 39
Tel: (1-809) 524-4490
Fax: (1-809) 524-4473

Banco Popular Dominicano, C. Por A.
Branch of Santo Domingo
Padre Billini, 18 esq Jaime Mota
Tel: (1-809) 524-2182

Bancomercio SA — *changed title to Banco Interconinental SA due to a merger with Banco Intercontinental SA, of Santo Domingo, Dominican Republic, effective October, 1997.*

BONAO Pop. 44,485

Scotiabank-The Bank of Nova Scotia
Branch of Toronto, Canada
Bonao Duarte #168
Telex: 51805-002

CUTUI Pop. 16,688

Banco del Comercio Dominicano, S.A. —

Bancomercio SA — *changed title to Interconinental SA due to a merg Banco Intercontinental SA, of San Dominican Republic, effective Oct*

EL SEIBO Pop. 13,511

Banco del Comercio Dominicano, S. *changed title to Bancomercio SA, September, 1995.*

Bancomercio SA — *changed title to Interconinental SA due to a merg Banco Intercontinental SA, of San Dominican Republic, effective Oct*

HAINA

Banco Popular Dominicano, C. Por
Branch of Santo Domingo
Av Las Carobas esq Sánchez
Tel: (1-809) 542-2715

Bancomercio SA — *changed title to Interconinental SA due to a merg Banco Intercontinental SA, of San*

Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57i_____

Exhibit 57i.

Koop fraud documents

BRITISH TRADE AND COMMERCE BANK (BTCB)
TRANSACTIONS RELATED TO KOOP FRAUD
April 1998- October 1998

****

BANCO INDUSTRIAL DE VENEZUELA (Miami Office)
(U.S. CORRESPONDENT BANK FOR BTCB)

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
4/20/98	$2,500,000	Wire transfer from G. Schmidt to "Info-Seek"
4/20/98	$10,000	Wire transfer to "Info Seek (I.F.S.)"
5/20/98	$450,000	Wire transfer from J. Cabe to "Hanover Ltd."
5/26/98	$150,000	Wire transfer from J. Cabe to "Hanover B Ltd."
6/5/98	($3,110,000)	BIV closed BTCB's correspondent account and provided BTCB with a $3.4 million check representing all funds in the account, including the Koop-related deposits.
SUBTOTAL	**$3,110,000 ($3,110,000)**	

SECURITY BANK N.A. (Miami Office)
(U.S. CORRESPONDENT BANK FOR BTCB)

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
6/8/98	N/A	Koop-related deposits transferred from BTCB's closed account at BIV
6/16/98	($610,375)	Wire 10521 to Butterfield & Butterfield Ref ARTX
6/16/98	($114,000)	Wire 10519 to W. Allen & Co.
6/19/98	($200,000)	Wire 10545 to S. Bernstein & Co. Ref Info-Seek, Winston
6/25/98	($200,000)	Wire 10576 to ARTX
6/29/98	($18,300)	Wire 10606 to Robinson Silverman Pearce
7/16/98	$500,000	Wire 3789 from J. Cabe to Hanover B Ltd.
7/17/98	($150,000)	Wire 107452 to Infinity Communications Ref Hanover (B) Ltd.
7/21/98	($100,000)	Wire 107478 to Infinity Communications Ref Hanover (B) Ltd.
7/20/98	($5,000)	Wire 107457 to King Oil Co. Ltd.
7/20/98	($50,000)	Wire 107458 to Closing of Tulsa
7/21/98	($294,000)	BTCB cashier's check issued to Bergen County, New Jersey
7/28/98	($1,000,000)	Wire 10739 to CPA [Christian Patriot Association] Services Ref Info-Seek-Bill Koop

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
8/10/98	($74,666)	Wire 70851 to [Individual's name in Subcommittee Files]
8/28/98	$200,000	Wire 4145 from [Individuals' names in Subcommittee Files] to Hanover B Ltd.
9/8/98	($150,000)	Wire 7372 to CPA [Christian Patriot Association] Services Ref Hanover B Ltd.
10/6/98	($50,015)	Wire 7590 to William H. Koop & Associates
SUBTOTAL	**$700,000*** **($3,016,356)**	

* $700,000 does not include $3,110,000 in Koop-related deposits transferred from closed BTCB account at BIV.

SUMMARY

Total British Trade and Commerce Bank transactions related to Koop fraud at two banks (4/98 - 10/98):

Banco Industrial de Venezuela..... $3,110,000
Security Bank..... $ 700,000* ($3,016,356)

GRAND TOTAL..... $3,810,000 ($3,016,356)

Prepared by the U.S. Senate Permanent Subcommittee on Investigations, November 2000

British Trade & Commerce Bank.
Licensed for Full Trust Business.
PO Box 2042, Emera Bldg., Bayfront
Roseau, Commonwealth of Dominica.
Phone: (767) 448-6410 Fax: (767) 448-6477
www.btcb.com. E-mail: btcbank@cwdom.dm
SWIFT: BTCBDMDM

ACCOUNT STATEMENT

Owner: Info-Seek Asset Management S.A. From: 1/1/1998 To: 12/9/1998
Account Number: 101-011089-0 *Previous Balance:* 0.00

Date	Type	Description	Debits	Credits	Balance
4/20/1998	DP	Initial Deposit - William Koop		10,000.00 (1)	10,000.00
4/20/1998	DN	IBC Fee $1500; Trust Fee $4000	5,500.00		4,500.00
4/22/1998	DP	Glenn H. Schmidt		2,500,000.00 (2)	2,504,500.00
5/20/1998	DN	Transfered to Hanover B $1500 to pay for IBC	1,500.00		2,503,000.00
6/ 2/1998	WD	Wells Fargo Bank CA	312,000.00 (4)		2,191,000.00
6/ 2/1998	DN	Wire Fee	125.00		2,190,875.00
6/11/1998	DP	William Koop		100,000.00 (3)	2,290,875.00
6/16/1998	WD	Wells Fargo Bank CA	610,375.00 (5)		1,680,500.00
6/16/1998	DN	Wire Fee	140.00		1,680,360.00
6/16/1998	WD	Natwest Bank London	114,000.00 (6)		1,566,360.00
6/16/1998	DN	Wire Fee	160.00		1,566,200.00
6/19/1998	WD	Wells Fargo Bank	200,000.00 (7)		1,366,200.00
6/19/1998	DN	Wire Fee	140.00		1,366,060.00
6/24/1998	WD	Lloyds Bank London	200,000.00 (8)		1,166,060.00
6/24/1998	DN	Wire Fee	160.00		1,165,900.00
6/24/1998	WD	Citibank NY - Robin, Silverman Pearce Aronn & Berr	18,300.00 (9)		1,147,600.00
6/29/1998	DN	Wire Fee	140.00		1,147,460.00
6/29/1998	WD	Citibank Rego NY - Gracie Interiors	11,500.00 (10)		1,135,960.00
6/29/1998	DN	Wire fee	140.00		1,135,820.00
7/15/1998	DN	Authorised by Bill Koop: Transfer To Cadogan Asset	1,500.00 (11)		1,134,320.00
7/16/1998	DN	Transfer to Cadogan Asset Mgt Ltd - $5000 Min. Bal	5,000.00 (12)		1,129,320.00
7/24/1998	WD	Bank Of America - CPA Services	1,000,000.00 (12)		129,320.00
7/24/1998	DN	Wire fees	140.00		129,180.00
8/ 6/1998	WD	Barclays Bank (BAH) - Cassar & Co. - [redacted]	30,000.00 (13)		99,180.00
8/ 6/1998	DN	Wire Fee	160.00		99,020.00
8/10/1998	WD	Regions Bank- [redacted] Special a/c	74,666.50 (14)		24,353.50
8/10/1998	DN	Wire Fee	140.00		24,213.50
10/ 1/1998	DN	Authorised by Bill Koop - transfer to Atlantic Marine	6,500.00 (15)		17,713.50
10/ 1/1998	DN	Authorised by Bill Koop - transfer to Starfire Asset M	6,500.00 (16)		11,213.50
		Total:	2,598,786.50	2,610,000.00	

Redacted Information in Subcommittee Files

British Trade & Commerce Bank.
icensed for Full Trust Business.
PO Box 2042. Emera Bldg., Bayfront.
Roseau, Commonwealth of Dominica.
Phone: (767) 448-6410 Fax: (767) 448-6477
www.btcb.com, E-mail: btcbank@cwdom.dm
SWIFT: BTCBDMDM

ACCOUNT STATEMENT

Owner: Hanover B Ltd
Account Number: 101-011079-2

From: 1/1/1998 **To:** 12/9/1998
Previous Balance: 0.00

Date	Type	Description	Debits	Credits	Balance
5/20/1998	DP	Initial Deposit - [redacted]		450,000.00	450,000.00
5/21/1998	DP	Transfered from Info- seek to set-up IBC		1,500.00	451,500.00
5/21/1998	DN	IBC Fee	1,500.00		450,000.00
5/26/1998	DP	Deposit Fron John Williams Cabe		150,000.00	600,000.00
5/29/1998	WD	Sunfirst Trust	93,300.00		506,700.00
5/29/1998	DN	Wire fee	125.00		506,575.00
5/29/1998	WD	[redacted]	66,000.00		440,575.00
5/29/1998	DN	Wire Fee _	125.00		440,450.00
5/29/1998	WD	[redacted]	38,750.00		401,700.00
5/29/1998	DN	Wire fee	125.00		401,575.00
5/29/1998	WD	[redacted]	33,500.00		368,075.00
5/29/1998	DN	Wire fee	125.00		367,950.00
5/29/1998	WD	D.T.B. Trust	118,000.00		249,950.00
5/29/1998	DN	Wire fee	125.00		249,825.00
6/ 9/1998	WD	Comarco	99,162.00		150,663.00
6/ 9/1998	DN	Wire fee Int'l —	160.00		150,503.00
6/10/1998	WD	Conrad Int'l Bank	20,000.00		130,503.00
6/10/1998	DN	Wire Fee Int'l	160.00		130,343.00
6/24/1998	DP	[redacted]		19,990.00	150,333.00
6/24/1998	DN	To cancel deposit dd 6/24/98 incorrectly charged	19,990.00		130,343.00
7/16/1998	WD	First Mountain Bank - Infinity Communications	150,000.00		-19,657.00
7/16/1998	DN	Wire Fee	140.00		-19,797.00
7/16/1998	DP	John William Cabe		499,990.00	480,193.00
7/17/1998	WD	Bank of Oklahoma - Closings of Tulsa Inc	50,000.00		430,193.00
7/17/1998	DN	Wire Fee	140.00		430,053.00
7/17/1998	WD	Bank of Oklahoma - KingsOil Co. Ltd	5,000.00		425,053.00
7/17/1998	DN	Wire fee	140.00		424,913.00
7/21/1998	WD	First Mountain Bank - Infinity Communication	100,000.00		324,913.00
7/21/1998	DN	Wire Fees	140.00		324,773.00
7/21/1998	WD	Certified Cheque - County of Bergen, NJ - Bill Koop	294,000.00		30,773.00
8/ 4/1998	DN	Transfer of funds to L.J.H.S.T. Ltd for IBC Incorporat	6,500.00		24,273.00
8/28/1998	DP	#4145 [redacted]		199,990.00	224,263.00
9/ 1/1998	WD	Barclays Bank (BAH) - Consolodated O'seas Ltd	60,000.00		164,263.00
9/ 1/1998	DN	Wire Fee	140.00		164,123.00
9/ 8/1998	WD	Bank of America - CPA Services	150,000.00		14,123.00
9/ 8/1998	DN	Wire Fee	140.00		13,983.00
9/14/1998	DP	#4286 [redacted]		49,990.00	63,973.00
10/ 6/1998	WD	United Bank of Mississipi, St. Louis - William Koop &	50,000.00		13,973.00
10/ 6/1998	DN	Wire Fee	140.00		13,833.00
		Total:	1,357,627.00	1,371,460.00	

British Trade & Commerce Bank.
licensed for Full Trust Business.
PO Box 2042, Essens Bldg., Bayfront,
Roseau, Commonwealth of Dominica.
Phone: (767) 448-6410 Fax: (767) 448-6477
www.btcb.com, E-mail: btcbank@cwdom.dm
SWIFT: BTCBDMDM

ACCOUNT STATEMENT

Owner: Cadogan Asset Management Ltd. **From:** 1/1/1998 **To:** 12/9/1998
Account Number: 101-011117-3 ***Previous Balance:*** 0.00

Date	Type	Description	Debits	Credits	Balance
7/15/1998	CN	Transfer from Info - Seek : IBC funds authorised by B		1,500.00	1,500.00
7/15/1998	DN	IBC Fee	1,500.00		0.00
7/16/1998	CN	Transfer from Info-Seek Asset Mgt $5000 Minimum I		5,000.00	5,000.00
		Total:	1,500.00	6,500.00	

British Trade & Commerce Bank.
Licensed for Full Trust Business.
PO Box 2042, Ernous Bldg., Bayfront,
Roseau, Commonwealth of Dominica.
Phone: (767) 448-6410 Fax: (767) 448-6477
www.btcb.com, E-mail: btcbank@cwdom.dm
SWIFT: BTCBDMDM

ACCOUNT STATEMENT

Owner: Atlantic Marine Bancorp, Ltd — From: 1/1/1998 — To: 12/9/1998
Account Number: 101-011107-5 — *Previous Balance:* 0.00

Date	Type	Description	Debits	Credits	Balance
10/ 1/1998	CN	Authorized transfer from Info-Seek Asset Management		6,500.00	6,500.00
10/ 1/1998	AAC	IBC Fee	1,500.00		5,000.00
		Total:	1,500.00	6,500.00	

```
#### 02 #### FT PROD ####      FT INCOMING      ####NORMAL MSG/ACCTG ENTRY####
{2100} Sender: 053207766 FIRST UNION GRNVLE   {2000} Amount:        $450,000.00
{3400} Receiver: 046010801 BCO IND VENEZUELA  {3600} Bus Function Code: CTR
{1510} Type Code:          1000
{5000} Originator:         D0004009095893
                           JOHNNY WILLIAM CABE
                           DBA HIS WAY FINANCIAL JRS MINISTR
                           1080 BRANCH ROAD
                           YORK, SC 29745
{6000} ORG to BNF Info:    FOR HISWAY PROJECT
{4200} Beneficiary:        D10101116 S
                           HANOVER LIMITED
{4100} Beneficiary's FI:   D062020001
                           BRITISH TRADE AND COMMERCE BANK
{6310} BNF's FI Adv Info:  PHN
{1520} IMAD:               19980520E3QPAA2C000071
{3320} Sender Ref:         980520004921
{1110} Timestamp:          05201004FT01
{1120} OMAD:               19980520F6QCA11C00000105201004FT01
```

Bj.60

BIV05209833 MT 102

```
100} Sender: 053207766 F  }T UNION GRNVLE   (2000} I  Iunt:        $150,000.00
400} Receiver: 066010801 BCO IND VENEZUELA  (3600} Bus Function Code: CTR
510} Type Code:            1000
000} Originator:           D0004009095892
                           JOHNNY WILLIAM CABE
                           DBA HIS WAY FINANCIAL JRS MINISTR
                           1080 BRANCH ROAD
                           YORK, SC 29745
000} ORG to BNF Info:      FOR HIS WAY PROJECT
200} Beneficiary:          D101011168
                           HANOVER B LIMITED
100} Beneficiary's FI:     D062020001
                           BRITISH TRADE AND COMMERCE
520} IMAD:                 19980522E3QPAA2C000211
320} Sender Ref:           980522019719
110} Timestamp:            05221548FT01
120} OMAD:                 19980522F6QCA11C00000405221548FT01
##############

atistics for session 2:

     Number of Host Application messages processed:     2
mber of Host Service (DFS, ...) messages processed:     0
      Number of Acknowledgement messages processed:     0
                                                        ------
              Total Incoming queue count processed:     2

DLINE Incoming Processor (FLIP) ended normally.

************** 15:49>    User:F6MCGD1 - TIMED OUT (15 minutes)

er:  F6MCGD1   15:59:43   05/22/1998      Host Communications   :   (Establish
 Session       V2.50.30
GNED OFF
```

m. 60

MT-100

OK

Dec-10-98 08:59A BT&C Bank/Trust (767) 448-6477 P.17
FROM : PHONE NO. : Jul. 14 1998 09:12AM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

(11)

TO: George Betts FROM: Bill Koop
COMPANY: DATE:
FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear George,
This is the second passport copy for Cadogan Asset Mgmt Ltd.
Please take funds from my account for IBC.
Thanks, Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM
799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA PHONE: (201) 847-9764-66 FAX: (201) 847-9287
CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

Funds of $6500 Transfered
(#101-011227-0)
from Info Seek for Client 15/7/98 Bedness

Dec-10-98 09:03A BT&C Bank/Trust (767) 448-6477 P.24

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: LEONARD BEDNEAU
FROM: BILL KOOP
COMPANY: BT&CB
DATE: 10/1/98
FAX NUMBER: 767-448-6477
TOTAL PAGES (INCLUDING COVER): 2
PHONE NUMBER:
CC:

RE: Documents Requested
YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ COMMENTS ☐ PLEASE REPLY ☐ RECYCLE

NOTES/COMMENTS:

Dear Leonard,

Please Take 6,500 USD from Stifel-Seale Asset Management S.A. (#101-011089-0) for funds to open "AMB" account B IBC and add Winston Allen as an organizer with William H. Koop

NOTE: Please call if this information does not reach you in its entirety.

(Winston Allen Passport attached)

Regards
Bill
Per William H. Koop

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: (201) 847-9764 FAX:(201) 847-9287
EMAIL: hi_yield@cybernex.net

Dec-10-98 08:57A BT&C Bank/Trust (767) 448-6477 P.08
FROM : PHONE NO. : Jun. 02 1998 08:21AM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

(4)

TO: GEORGE BETTS FROM: BILL KOOP
COMPANY: DATE: 6/2/98
FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear George,

Please wire $312,000. from Info-Seek
Account # 101-001065-8 To:

WELLS FARGO BANK
FEDERAL ROUTING # 121000248
464 CALIFORNIA STEET
SAN FRANCISCO, CA. 94104
ACCOUNT NAME: BUTTERFIELD & BUTTERFIELD
ACCOUNT # [redacted]
REF: ARTX 213266

Sincerely,
William H. Koop

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM
799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA
CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

PHONE: (201) 847-9784 FAX: (201) 847-9287/20

George, Please send confirmation ASAP.
To Fax #(201) 847-9287
Thank You!

Redacted Information
in Subcommittee Files

FILE

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: GEORGE BETTS FROM: BILL KOOP

COMPANY: DATE:

FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REF. #

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

(6) $114,000. ATTACHED (A)
(6) $610,375. ATTACHED (B)
From Acct #(18) 001065-8

Dear George,
Please send Two Wire Transfers as early in the A.M. as possible
Value date & Confirmation to:
Fax #201-847-9287
Expect wire for $4,081,425.00 Tomorrow.
Thank You,
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM

798 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA PHONE: (201) 847-9764-65 FAX: (201) 847-9287

CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

BANK CO-ORDINATES (A) (6)

Bank: NATWEST BANK PLC
18 Cromwell Place
London SW7 2LB

Sort Code: 51-50-00

Account No.: [redacted]

Redacted Information in Subcommittee Files

Account Name: W. ALLEN & CO.

Amount: US$114,000 (One Hundred Fourteen Thousand)

Dec-10-98 08:58A BT&C Bank/Trust (767) 448-6477 P.10
FROM : PHONE NO. : Jun. 15 1998 02:21PM P3

Bank Coordinates (B) (3)

AMOUNT: $610,375.00 USD

WELLS FARGO BANK
FEDERAL ROUTING # 121000248
464 CALIFORNIA STREET,
SAN FRANCISCO, CA. 94104
ACCOUNT NAME: BUTTERFIELD & BUTTERFIELD
ACCOUNT # [redacted]
REF: ARTX 213260

Redacted Information
in Subcommittee Files

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

(1)

TO: GEORGE BETTS FROM: BILL KOOP

COMPANY: DATE: 6/19/98

FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER: (2)

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REF. #

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear George

Please send $200,000. USD from my account to the attached instructions. Value date & confirmation if at all possible. Please send as early Today as you can.

Many Thanks & Regards,
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM

796 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA PHONE: (201) 847-9764-65 FAX: (201) 847-9867

CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

Dec-10-98 08:58A BT&C Bank/Trust (767) 448-6477 P.13
FROM : PHONE NO. : Jun. 19 1998 06:49AM P2

PLEASE TRANSFER FUNDS TO:

Wells Fargo Bank
1560 Van Ness Avenue Branch
San Francisco, CA 94109

Branch No: AU0307
Routing No: 121-000-248

Account No: [redacted]
For the account of: S. Bernstein & Co

Redacted Information
in Subcommittee Files

(7)

BILL DETAILS FOR WINSTON TRANSFER

$200,000.00

A. 601
B. 79
C. 76
D. 82
E. 139
K-7. 86

71063

Dec-10-98 08:59A BT&C Bank/Trust (767) 448-6477 P.14
FROM : PHONE NO. : Jun. 24 1998 05:57PM P1

(8)

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: GEORGE BETTS FROM: BILL KOOP

COMPANY: DATE:

FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER: (2)

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REF. #

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear George,

Please wire $200,000.00 to the attached wire co-ordinates ASAP.

Please have confirmation sent to Fax # (201) 847-9287

Thanks & Regards,

William H. Koop Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM

799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA PHONE: (201) 847-9784-85 FAX: (201) 847-9287

CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

Dec-10-98 08:59A BT&C Bank/Trust (767) 448-6477 P.15
FROM : PHONE NO. : Jun. 24 1998 05:57AM P2

(8)

DEAR BILL,
PLEASE FIND THE DETAILS BELOW
AS WE DISCUSSED.

LLOYDS BANK
Park Lane Branch
84 Park Lane, London W1Y 4BX

Sort Code: 30-96-48
Account No.: [redacted]
Account Name: ARTX LTD.

Redacted Information
in Subcommittee Files

AS ALWAYS THANKS, THANKS THANKS.

TB

W.ALLEN & Co.

Suite 254, 28 Old Brompton Road
South Kensington, London SW7 3DL
Tel:-0171-591-0169 Fax:-0171-233-2434

BY FAX:-001-281-847-8287

29th June 1998

ATTENTION BILL KOOP

Dear Bill,

Please let me thank you very much indeed for your assistance. I am sure you will not regret it.

Here are the co-ordinates to which the funds are to be transferred to. I really do appreciate your help in this matter.

1) Wire to:- Citibank N.A. 153 East 53rd Street N.Y. N.Y 10043

ABA#: 021 000 089

Credit to Account of:- Robinson Silverman Pearce Aronsohn & Berman LLP 21st St.
Attorney Trust Account Queens N.Y

Account Number:- [redacted]

REF:- Unit 38H in Citylights

Amount:- US$ 18,300.00 (Eighteen thousand Three Hundred) (9)

2)

Redacted Information in Subcommittee Files

[redacted] Citibank N.A. 95-12 63rd Road
Rego Park N.Y. 11374

Route #:- 021-000-089

Credit Account:- Gracie Interiors Astoria Blvd Rego Park NY

Account #:- [redacted]

Amount:- US$11,500.00 (Eleven Thousand five Hundred) (10)

Ref:- Unit 38H.

Kind regards

Winston Allen

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

(12)

TO: Leonard Belmeau FROM: Bill Koop
COMPANY: BT&CB DATE: 7/24/98
FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Leonard,
Please Transfer 1,000,000.00 USD
To the following Co-ordinates.
from Info-Seek A/C# 101-011089-0
Please wire today & send confirmation.
Per William H. Koop
Thanks & Regards
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM
799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA
CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

PHONE: (201) 847-0784 FAX: (201) 847-938720
1-201 847-8640

Dec-10-98 09:00A BT&C Bank/Trust (767) 448-6477 P.19
FROM : PHONE NO. : Jul. 24 1998 08:27PM P2

JUN-2 1 03:26 PM J.J.SERVICES-25 3348442903 P.02

INCOMING

(12)

WIRE TRANSFER INFORMATION

CPA SERVICES 503 666 0614 Fax. too.
P O Box 506
Boring, Oregon 97009

Bank of America Acct # [redacted]

BENEFICIARY NAME & ADDRESS:

C P A SERVICES

P O Box 506

Boring, Oregon 97009

Redacted Information in Subcommittee Files

BENEFICIARY ACCOUNT #:

[redacted]

BANK NAME & ADDRESS:

BANK OF AMERICA

200 N Towell Blvd

Creslem, Oregon 97030

PHONE OF BANK (Optional) 503 661 4704

AMERICAN BANKING ASSOCIATION ROUTING NUMBER: 3 2 3 0 7 0 3 8 0

AMOUNT: $ (1,000,000.00) One Million Dollars (USD)

Any other details like Further Credit To, or Attention someone:

AGH - 855-095

Dec-10-98 09:01A BT&C Bank/Trust (767) 448-6477 P.20
PHONE NO. : Aug. 05 1998 10:04AM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF: (13)
William H. Koop

TO: Leonard FROM: Bill Koop
COMPANY: DATE: 8/5/98
FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE
NOTES / COMMENTS: Per - William H Koop

Dear Leonard (Urgent to go Today)
Please wire 30,000.00 USD to the attached wire Transfer instructions from Info-Seek Account # 101-011065-8
Please send confirmation to me at Fax # 201-847-9287 Immediately upon sending
Thanks
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM
799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA
CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

PHONE: (201) 847-9784 FAX: (201) 847-9287720

Dec-10-98 09:01A BT&C Bank/Trust (767) 448-6477 P.21
PHONE NO. : Aug. 05 1998 10:05AM P2
FROM : [redacted] PHONE NO. : [redacted] Aug. 05 1998 11:49AM P1

(13)

Memo: Alternate Fax and Wire Instructions

To: Mr. William Koop

From: [redacted]

Subject: August 4, 1998 payment

Date: July 31, 1998

CC: Caesar and Company, [redacted]

Dear Bill:

In an effort to assist you in the successful fulfillment of our contract, I am forwarding you in this memo an alternate fax number, in case you should experience any problems faxing to me a copy of the wire transfer for both the $30K by next Tuesday, August 4 1998, and for the balance by August 27, 1998. I will do this since you have stated a problem faxing me at [redacted] on occasion in the past. The alternate fax number will be that of A. Keiper, and upon your having any problems faxing me at the (813) [redacted] number, please fax the wire to the alternate number at (713) [redacted]. If for any reason you cannot fax to either the (813) [redacted] or the alternate of (713) [redacted] then as a third (3rd) choice, fax the wire directly to Caesar and Company in the Bahamas at (242) [redacted]

Additionally, I will restate the wire instructions for these transfers to Caesar and Company Counsel and Attorneys-at-Law trust account are as follows: By wire transfer of USD

TO: Barclay's Bank PLC
75 Wall Street
New York, N.Y. 10265
ABA # 026 002 574

FOR CREDIT: Barclay's Bank PLC
Bay Street Branch
Nassau, Bahamas
Swift Code: BARCUB33

FOR FURTHER CREDIT TO: Caesar and Co.
Account No. [redacted]
Benefit of [redacted]
Invoice No. _____

I am looking forward to these successful transactions, and upon their completion, future endeavors.

[redacted]

A 601
B 99
C 9
D 82
E 187 30000
F 99
41 1077

Redacted Information
in Subcommittee Files

Dec-10-98 09:02A BT&C Bank/Trust (767) 448-6477 P.22
PHONE NO. : Aug. 07 1998 02:57PM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

(14)

TO: Leonard Belkreau FROM: Bill Koop
COMPANY: BT & CB DATE: 7/7/98
FAX NUMBER: 767-448-6477 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
✓ RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS: Per William H. Koop

Dear Leonard,

Please send 74,666.50 USD to the attached wire instructions from Infosonic Account #

Please send confirmation to me A.S.A.P. to Fax # 201-847-9287

Regards
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS, LONDON, ENGLAND UNITED KINGDOM
799 FRANKLIN AVENUE, SUITE 500 FRANKLIN LAKES, NEW JERSEY 07417 UNITED STATES OF AMERICA
CHAMBERS GOMEZ BLDG HIGH STREET, ST. JOHNS, ANTIGUA

PHONE: (201) 847-9764 FAX: (201) 847-9287720

(14)

Regions Bank
ABA # 062005690
Account # [redacted]

Special Account

Redacted Information in Subcommittee Files

Birmingham, Ala. 35216

Oc :-10-98 09:03A BT&C Bank/Trust (767) 448-6477 P.25
FROM : PHONE NO. : Oct. 01 1998 11:25AM P3

INFO - SECK

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

(16)

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: LEONARD BEDENEAU
FROM: BILL Koop
COMPANY: BT & CB
DATE: 10/1/98
FAX NUMBER: 767-448-6477
TOTAL PAGES (INCLUDING COVER): (1)
PHONE NUMBER:
CC:

RE: Documents Requested
YOUR REFERENCE NUMBER:

☒ URGENT ○ FOR REVIEW ○ COMMENTS ○ PLEASE REPLY ○ RECYCLE

NOTES/COMMENTS:

Dear Leonard,
Please send papers necessary for a new IBC called Starfire Asset Management S.A.
Organizers to be William H. Koop & Dr. Roger Garrett
6,500.00 USD to be taken from Mgt-Inc Asset Management SA (Acct # 101-011639-0).

NOTE: Please call if this information does not reach you in its entirety

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: (201) 847-9764 FAX:(201) 847-9287
EMAIL: hl_yield@cybernex.net

for William H. Koop

101-011164-6

FACSIMILE COVER PAGE

To :	WILLIAM H. KOOP	From :	DR. CHARLES L. BRAZIE
Sent :	4/22/98 at 17:13:26	Pages :	5 (including Cover)
Subject			

Bill,

Hope your return trip was pleasant. I truly enjoyed our meeting and look forward to a mutually beneficial professional relationship.

Attached are items discussed

Best regards,

Chuck

British Trade & Commerce Bank
Licensed for Full Trust Business

EMENS Bldg., Dame Eugenia Charles Blvd., Bayfront
P.O. Box 2042
Roseau, Commonwealth of Dominica
Tel.: (767) 448-6410 Fax: (767) 448-6477
E-mail: btcbank@cwdm.dm
SWIFT BTCB DM DM

April 19, 1998

In order to protect assets properly, whether in BTCB or elsewhere you should consider setting-up a certain structure to assure privacy and avoid unnecessary reporting and taxation issues. There are no taxes on IBC or Trust income or capital gains in Dominica and the privacy laws are very tight. As discussed, the most attractive structure would be as illustrated on Attachment "A". The specifics are:

1. Immediately, establish an IBC in Dominica perhaps in same name as the one in which you have contractual identity and/or the funds could be received. This will allow an orderly and mostly invisible transition. This IBC will have an Account at BTCB in order to receive the proceeds of Programs and to disburse them as instructed. This IBC should be 100% owned by bearer shares to be held by the Business Trust. The fee for setting and filing the IBC is $1,500, including Government filing and fees (in lieu of taxes) and routine Corporate Administration for the first year.

2. Immediately, establish a Business Trust (your choice of names) in Dominica. This trust will not hold any bank accounts nor hold any assets except the bearer shares of IBC. Any dividends from IBC will pass through Business Trust for immediate distribution in accord with the instructions that accompany the dividend. The fees for setting and filing such Trust are $4,000, including Government fees and routine Trust Administration for the first year.

3. You should select an "Organizer" of the IBC and Business Trust, and should designate International Corporate Services Ltd (an IBC owned 100% by BTCB) as the Director-Designee for the IBC and as Trustee of the Business Trust. Any documents executed by ICS Ltd will first be provided for review by the Organizer, who will advise that "they see no reason why IBC should not execute such documents as provided to Organizer." ICS Ltd will not execute any documents without having received such review comments.

4. IBC's Accounts should be set-up with dual signatures required, including an officer of ICS Ltd and an officer of BTCB (usually myself as Vice President over all managed accounts)

5. One or more Asset Trusts (Your choice of structure, trustees, and such) should be established, filed and activated once proceeds from trading are disbursed by IBC. The fees for setting and filing such are $4,000/each, including Government filing fees and routine Trust Administration for the first year

6. Any interface with U.S. activities would be with these Asset Trusts, or in certain desirable cases, with other IBCs you may wish to set-up under those Asset Trusts and all of assets accruing to such interfaces would be from/through those Asset Trusts [e.g., such Trusts or their IBCs could purchase goods and services, hold international debit cards, reinvest assets, purchase and hold stocks or property, and such].

7. The IBC held under the Business Trust would be the entity that would enter into subsequent Trading Programs on a 50/50 cooperative venture with BTCB and would receive all resulting "Investor" proceeds for distribution. Such IBC would operate under a Cooperative Venture Agreement and written Special Transaction Instructions, which assure that the Principal held or applied under any Programs would be limited to Blocked Funds in that IBC's Account(s), or, secured by a top Western European Bank 106% Guarantee.

8. This structure provides: a) access to immediate programs without any significant burden on your resources; b) assurance that the subject assets and earnings are always under joint control of ICS Ltd and BTCB; c) accrual of substantial assets under the Asset Trusts with maximum flexibility on their utilization while maximizing the preservation of capital and earnings; and, all of the Privacy and fiscal advantages afforded by Dominican Law.

9. If you commence with another entity, any subsequent identity change is subject to penetration on the basis of "form over substance" claims.

10. The choice of structure is of course yours, however if any client entity is not domiciled in Dominica, our Board will not permit any Trading from the IBC Account in order to protect the bank and its clients against "cross-jurisdictional" exposure/penetration.

11. If this is desirable to you, I can have the necessary forms sent by the Bank based upon what can you submit to me.

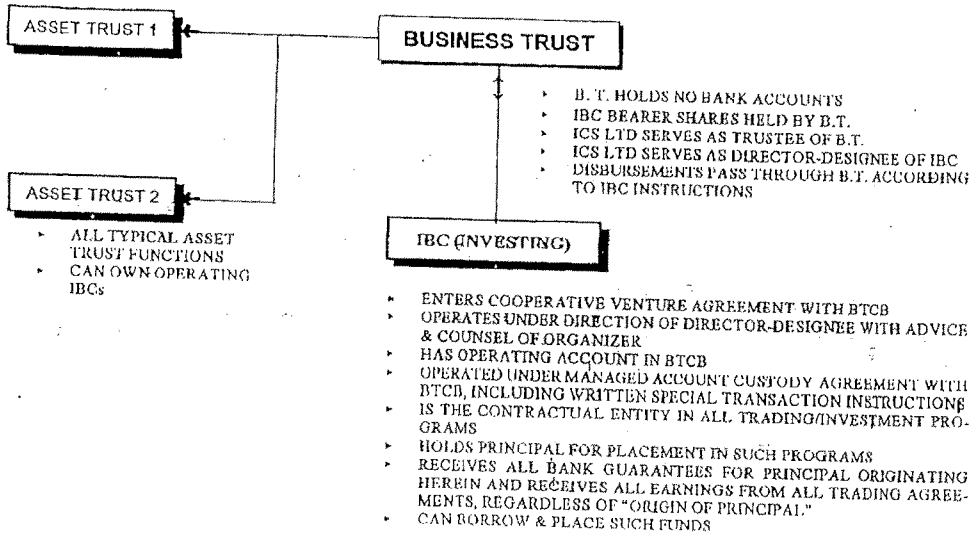
We trust that this information satisfies your request and we look forward to a mutually beneficial professional relationship. I will be happy to discuss this further and can be reached at the coordinates listed below.

Sincerely,

Charles L. Brazie, Ph.D.
Vice President - Managed Accounts

Phone: (703) 256-8483
Fax: (703) 256-1596
Cellular: (703) 304-8236

ATTACHMENT "A"



DOCUMENTATION NEEDED TO OPEN ACCOUNT FOR TRADE PURPOSES:

A) PERSONAL INVESTOR:

1) Letter of Intent
2) Authorization to verify bank account and balance
3) Notarized copy of Passport
4) Client Evaluation form
5) If fee agreement or JV agreement is used, a copy is required

Note: Proof of Funds is not mandatory in that the client will need to open an account in bank as directed by program manager. However, in the interest of knowing your client, a proof of funds could certainly eliminate those who are not truly serious about doing this business.

B) CORPORATE INVESTOR:

1) Letter of Intent
2) Authorization to verify bank account and balance
3) Notarized copy of Passport of Signatory for Corporation
4) Client Evaluation form
5) If fee agreement or JV agreement is used, a copy is required
6) Copy of Certificate of Incorporation
7) Articles of Association/Incorporation
8) Memorandum of Association/Incorporation
9)Directors Resolution appointing Signatory for Corporation
10) Copy of Board Minutes confirming the appointment of Signatory

Note: Again, proof of funds is not mandatory however it is recommended.

British Trade & Commerce Bank
Licensed for full trust business

BTCB

ACCOUNT OPENING FORM

VERY IMPORTANT: Indicate if the Beneficial Owner is a:

☐ Person ☐ Company. ☐ Trust *See additional requirements on reverse side* →

1.- Name and Address of Account Holder

Name of Account:	Title:
Address:	
Phone: ( ) ( )	Fax: ( )
E Mail Address	Type of business:
Communications: Please indicate how do we communicate: ☐ Fax ☐ E-Mail ☐ Mail ☐ Phone	

REFERENCES

Bank	Location	Account N°	Since	Phone

2.- Specimen Signatures

The position occupied by each signatory, i.e. Director, Secretary, etc., should be stated after each name

Name: _____ will sign _____

Name: _____ will sign _____

Name: _____ will sign _____

Name: _____ will sign _____

Name: _____ will sign _____

Type of signature: ☐ One signature ☐ Two signatures ☐ Three signatures ☐ All signatures

3.- Account Details:

Currency: ☐ US $ ☐ Sterling £ ☐ Can $ ☐ Other: _____ Amount: _____

Opening Date: _____ Form of Deposit: ☐ Cheque ☐ Wire Transfer Bank: _____

Minimun Term: ☐ 90 Days ☐ 180 Days ☐ _____ Days (only if the term is greater than 180 days)

Source of funds (sales, commissions, etc.): _____

4.- References, Identification and Other

The folowing are required to open a Bank and / or Securities trading Account with **British Trade & Commerce Bank.**

For All Accounts

1) Two Bank references addresed to **BTCB**
2) Copy of Passport or Drivers License (with photo identification)
3) Bank Mandate and Specimen Signature (Signature card attached)
4) Custodian Account (attached and only required for Securities Trading Accounts
5) Fax indemnity (if required)

For Corporate Accounts the following are also required

1) Copy of Articles and Memorandum of Incorporation
2) Copy of Certificate of Incorporation
3) Resolution Appointing Directors
4) Resolution Appointing **British Trade & Commerce Bank** as Bankers

OTHER SERVICES

Please indicate if you require further information about other services provided by **British Trade & Commerce Bank**

1) International Business Companies (IBC) ☐ Yes ☐ No
2) Trustee Services (include Assets Protection Trust) ☐ Yes ☐ No
3) Investment Management ☐ Yes ☐ No
4) Other: _____

DECLARATIONS

I / We certify that the information given above is true and correct, that the persons mentioned do exist and they are persons with integrity and respectability. Furthermore I / We authorize the Bank to conduct the proper verification of the above information if neccesary.

BENEFICIAL OWNER:

Signature _____
Date: _____

BANK OFFICER:

Signature _____
Date: _____

FOR BANK USE ONLY

☐ Account Approved Number: _____ Date: _____

☐ Account Declined Reason: _____

Application processed by: _____ Signature: _____

British Trade & Commerce Bank
Licensed for full trust business

INTERNATIONAL BUSINESS COMPANY (IBC) ORDER FORM

1.- Name, Authorised Capital and Activities of the Company

a) Proposed Name (please indicate three options):

First Option: _____

Second Option: _____

Third Option _____

Note: *A Company name must end with the word(s) "Limited", "Corporation", "Societe Anonyme", "Sociedad Anonima" or an abreviation thereof. The use of the words "Finance", "Trust", "Bank", "Insurance", "Royal" or "Imperial" is not allowed.*

Authorised Capital (US $ 5,000 is the minimum recommended): _____

Par Value of Shares _____ each

Activities of the Company (purpose for which the Company is to be formed):

2.- Ownership of the Company and other Required Services

Capital of the Company will be divided among the following shareholders:

Name	Passport #	Address	(%)	Position

Other Services (Please indicate which of the following services will be required)

a) Directors (Financial Statements Required) ☐ Yes ☐ No

b) Banking (Bank Mandate and Signature Card Required) ☐ Yes ☐ No

c) Investment Management Accounts ☐ Yes ☐ No

d) Trustee Services ☐ Yes ☐ No

Other Services:

3.- Non Shareholders Directors

Only in case that Directors are neither non Shareholders nor Directors Services by BTCB

Name	Passport #	Address	Position

4.- Name and Address of Beneficial Owner

Name:	Address:
	Phone: Fax:
How do we comunicate ?: ☐ Fax ☐ Phone ☐ Mail ☐ E-Mail E-Mail Address:	
Special Instructions:	

6.- Requirements

The following documents must be sent with this application, without which the IBC will not be incorporated:

1) Bank References of each Shareholder and Director
2) Copy of Passport of each Shareholder and Director

Note: When Directors Service is chosen no documentation for Directors is required.

DECLARATIONS

I / We certify that the information given above is true and correct, that the persons mentioned do exist and they are persons with integrity and respectability. Furthermore I / We authorize the Bank to conduct the proper verification of the above information if neccesary.

BENEFICIAL OWNER:	BTCB OFFICER:
Signature	Signature
Date:	Date:

FOR BANK USE ONLY

☐ Application Approved Number: _____ Date: _____

☐ Application Declined Reason: _____

Application processed by: _____ Signature: _____

British Trade & Commerce Bank
Licensed for full trust business

TRUST PROPOSAL FORM

Please indicate if the Settlor or Principal is a: ☐ Person ☐ IBC:

1.- Name and Address of Settlor or Principal

Name:	
Full Address:	
Phone: ( ) ( )	Fax: ( )
E Mail Address	Date of Birth / Date of Incorporation:
Communications: Please indicate how do we communicate: ☐ Fax ☐ E-Mail ☐ Mail ☐ Phone	
Purpose of the Trust:	

2.- Beneficiaries of the Trust

If more than one beneficiary please complete all details for each. For each beneficiary a copy of the passport and birth certificate is required. Otherwise this application will not be processed

BENEFICIARY # 1	Name:		
	Full address		
	Phone: ( )	Fax: ( )	E-Mail:
	Date of birth	Nationality	% of Participation:
BENEFICIARY # 2	Name:		
	Full address		
	Phone: ( )	Fax: ( )	E-Mail:
	Date of birth	Nationality	% of Participation:
BENEFICIARY # 3	Name:		
	Full address		
	Phone: ( )	Fax: ( )	E-Mail:
	Date of birth	Nationality	% of Participation:

3.- Trust Details

Name of the Trust:	Date:

Type of Trust: _ Asset Protection ! ! Tax Planning ! ! Provision of a foreign fund ! ! Confidentiality

Initial Funding: _____ Intended Funding: _____

' Cash _____

! ! Securities _____

! ! Real Estate _____

Controlled Company Name: _____ Registered office in: _____

4.- Special Instructions (Protector's Address, if applicable)

5.- Requirements

The following documents must be addressed to **British Trade & Commerce Bank**

1) Bank References of Settlor / Principal
2) Passport of Settlor of Settlor / Principal
3) Affidavit of Solvency (for Asset Protection Trusts Only)

DECLARATIONS

I / We certify that the information given above is true and correct, that the persons mentioned do exist and they are persons with integrity and respectability. Furthermore I / We authorize the Bank to conduct the proper verification of the above information if necessary.

SETTLOR / PRINCIPAL: WITNESSED BY:

_____ _____

Signature Signature
Date: _____ Date: _____

FOR BANK USE ONLY

_ Application Approved Number: _____ Date: _____

_ Application Declined Reason: _____

Application processed by: _____ Signature: _____

(Specimen) (APPROPRIATE LETTERHEAD) EXHIBIT "A"

Letter of Intent

DATE :
TRANSACTION CODE :
TO : BRITISH TRADE & COMMERCE BANK,
ATTN: DR. CHARLES BRAZIE, V.P.

WE (ACTUAL CLIENT) HEREBY CONFIRM WITH FULL LEGAL AND CORPORATE RESPONSIBILITY, OUR COMMITMENT TO ENTER A HIGH YIELD LOAN SCENARIO COLLATERALIZED BY A TOP ASSET-RATED WESTERN EUROPEAN BANK INSTRUMENT, USING OUR GOOD, CLEAN AND LEGALLY EARNED UNITED STATES DOLLARS OF NON-CRIMINAL ORIGIN UNDER THE TERMS AND CONDITIONS LISTED BELOW.

COLLATERAL : MAJOR BANK INSTRUMENT OF OBLIGATION
INTEREST RATE : (___) PERCENT (___%) MONTHLY INTEREST , PAYABLE IN ARREARS
TERM : ONE (1) YEAR AND ONE (1) DAY
MENU : TWENTY-FIVE (25) TOP ASSET-RATED WESTERN EUROPEAN BANKS
FACE AMOUNT : ONE HUNDRED _____ PERCENT (10__%) OF LOAN PRINCIPAL
EXCHANGE MODE: SIMULTANEOUS DISBURSEMENT AGAINST DELIVERY OF COLLATERAL
PAYMENT MODE : LEDGER EXCHANGE WITHIN U.S. SECURITIES FIRM
LOAN PRINCIPAL : _____ MILLION UNITED STATES DOLLARS

THESE FUNDS ARE AVAILABLE FOR IMMEDIATE TRANSFER & EXCHANGE AS EVIDENCED BY THE ACCOMPANYING PROOF OF FUNDS LETTER ADDRESSED TO US FROM OUR BANK ON ITS OFFICIAL LETTERHEAD AND SIGNED BY OUR BANK OFFICER CONFIRMING OUR FINANCIAL CAPACITY TO EFFECT SUCH DEPOSITS FOR THIS LOAN SCENARIO, AND PROVIDING OUR DETAILED BANKING COORDINATES.

PROCEDURES:

1. BRITISH TRADE & COMMERCE BANK ("BTCB") SHALL INTRODUCE US TO ITS AFFILIATED U.S. SECURITIES FIRM AND WE SHALL ESTABLISH AN INVESTMENT ACCOUNT, IN OUR NAME AND CONTROL, AT SUCH FIRM IN ORDER: A) TO RECEIVE AN EXECUTED LOAN AGREEMENT AND SPECIFIC INSTRUCTIONS (EXHIBIT "B"); B) TO RECEIVE THE DEPOSIT OF OUR FUNDS (THE LOAN "PRINCIPAL") BY ELECTRONIC WIRE TRANSFER; AND C) TO HAVE SUCH ACKNOWLEDGED BY SUCH FIRM.

2. UPON COMPLETION OF THIS, THE BTCB WILL CAUSE A MAJOR BANK INSTRUMENT ("GUARANTEE") TO BE ISSUED TO ITS ACCOUNT IN THAT U.S. SECURITIES FIRM IN THE JOINT NAMES OF THE INSTITUTION AND BTCB FROM ONE OF THE TOP RATED WESTERN EUROPEAN BANKS. THIS GUARANTEE SHALL BE ISSUED IN THE FACE AMOUNT OF ONE HUNDRED AND ___ TO ONE HUNDRED AND ___ PERCENT (1__%-1__%) OF THE AMOUNT OF SAID LOAN PRINCIPAL AND SHALL BEAR A TERM OF ONE (1) YEAR AND (1) DAY.

3. WITHIN THAT U.S. SECURITIES FIRM, BTCB WILL EXCHANGE THE INSTITUTION'S PRINCIPAL FOR SOLE ASSIGNMENT OF SUCH GUARANTEE AND THAT GUARANTEE WILL BE HELD IN THAT INVESTMENT ACCOUNT IN OUR NAME. SAID GUARANTEE SHALL NOT BE SUBJECTED TO LIEN OR HYPOTHECATION OVER THE TERM.

(Specimen) Page 2 EXHIBIT "A"

4. INTEREST ON THE LOAN WILL ACCRUE FROM THE DATE OF ISSUANCE OF SAID GUARANTEE. THAT INTEREST WILL BE PAID AT A RATE OF ____ PERCENT OF THE LOAN PRINCIPAL MONTHLY, IN ARREARS, FOR THE ENVISIONED TERM OF TWELVE (12) MONTHS.

5. THE MONTHLY INTEREST WILL BE PAID THROUGHOUT THE TERM OF SAID GUARANTEE, SUBJECT TO REGULATORY CHARGES IF ANY.

6. IF, FOR ANY REASON, OUR FUNDS CANNOT BE CONTINUED IN THIS SCENARIO, SAID GUARANTEE WILL BE TRANSFERRED TO BTCB IN EXCHANGE FOR THE ORIGINAL PRINCIPAL AND THOSE FUNDS WILL BE RETURNED AT THE END OF THE THEN CURRENT PERIOD ALONG WITH THAT MONTHLY INTEREST PAYMENT.

7. AT THE END OF THE LOAN PERIOD, WE WILL BE PAID THE FACE VALUE OF SUCH GUARANTEE AND SAID GUARANTEE WILL BE RECALLED. THUS, WE WILL RECEIVE AN ENVISIONED ANNUAL RETURN OF _____ PERCENT (___%), LESS MINIMAL BANKING FEES, AND THROUGHOUT THE LOAN PERIOD THE DEPOSITED FUNDS ARE GUARANTEED BY AN INSTRUMENT IN THE FACE AMOUNT ONE HUNDRED AND ____ PERCENT (1__%) OF THE LOAN PRINCIPAL.

FOR AND ON BEHALF OF (INSTITUTION)
BY:

_____ DATE _____, 1998
(NAME AND TITLE OF SIGNATORY)

(THIS DOCUMENT MUST BE NOTARIZED OR WITNESSED BY AN ATTORNEY.)

Licensed for Full Trust Business

EMENS Bldg., Dame Eugenia Charles Blvd., Bayfront
P.O. Box 2012
Roseau, Commonwealth of Dominica
Tel.: (767) 448-6410 Fax: (767) 448-6437
E-mail: bcbank@cwd.dm
SWIFT: BTCD DM DM

DATE : _____

TO : INFO-SEEK Asset Management, S.A.
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

RE : ACCOUNT NO.: 101-011089-0
ACCOUNT NAME: INFO-SEEK Asset Management S.A.

Dear INFO-SEEK Asset Management S.A.:

We, British Trade & Commerce Bank, pursuant to your request, hereby confirm to you that you have on deposit the sum of Ten Million United States Dollars (US$10,000,000) in the form of Cash deposited at British Trade & Commerce Bank as of today's date. Further, we confirm that these funds are available to you on first call and that your account is in good standing with this bank.

We, British Trade & Commerce Bank, also confirm these funds to be good, clean and cleared funds of non-criminal origin, and are free from any and all liens and encumbrances.

This bank is prepared to block these funds and issue appropriate documents, upon your written request. This Blocked Funds Account shall be, at all times, Non-Callable.

Sincerely,

By : [Name of Officer]	By : [Name of Officer]
Title : [Title of Officer]	Title : [Title of Officer]
Date : [Date]	Date : [Date]
Phone: [Phone Number]	Phone: [Phone Number]
Fax : [Fax Number]	Fax : [Fax Number]

BANK STAMP OR SEAL

INFO-SEEK ASSET MANAGEMENT S.A.

EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

hone: (767) 448-6410 Fax: (767) 448-6477

LIMITED POWER OF ATTORNEY

The undersigned, INFO-SEEK Asset Management S.A., hereby appoints and directs Lewis P. Malouf, USA Passport No. [redacted] as our authorized representative and lawful Attorney-In-Fact by granting unto him this Power of Attorney to represent the undersigned in the full and free access to interface directly with the Investment Program and to secure and evaluate information and documentation on our behalf. However, this Limited Power of Attorney does not give Mr. Malouf the power to sign the Trading Agreement or access to any of our banking accounts.

I further grant to this Attorney-In-Fact full authority to act in our manner both proper and necessary to the exercise of the foregoing powers.

Effective Period: This Limited Power of Attorney shall become effective on this 23rd day of April 1998, and shall remain in effect for a one (1) year and one (1) week.

The original or photocopy of this authority shall serve to notify and confirm to whomever it may concern as to the power and authority granted unto Lewis P. Malouf as if being the Investor/client/owner of funds itself, with full access to the information and documentation, and shall be governed by the laws of the Commonwealth of Dominica.

IN WITNESS WHEREOF THE UNDERSIGNED, WITH FULL AUTHORITY, HAS EXECUTED THIS LIMITED POWER OF ATTORNEY ON THE DATE SET FORTH BELOW AT ROSEAU, COMMONWEALTH OF DOMINICA.

FOR AND ON BEHALF OF INFO-SEEK ASSET MANAGEMENT S.A. BY ITS DIRECTOR-DESIGNEE, INTERNATIONAL CORPORATE SERVICES LTD, BY:

_____

Herry C. Royer
Designee Director
Passport #: **Redacted Information in Subcommittee Files**

NOTARY

Phone: (767) 448-6410 Fax: (767) 448-6477

RESOLUTION OF THE BOARD OF DIRECTORS RELATING TO PRIVATE PLACEMENT OF FUNDS

In accordance with the Articles of Incorporation of ., on the 1998, International Corporate Services Ltd, its Sole Director-Designee, undertook the following corporate resolution, which is recorded as Reference A in Minutes of the Corporation Meeting Book:

"To utilize funds in the amount of at least Million United States Dollars (US$ drawn on British Trade & Commerce Bank, EMENS Bldg., Roseau, Commonwealth of Dominica, and/or its correspondent Banco Industrial de Venezuela, 1101 Brickell Avenue, Suite 500, Miami, Florida 33131 and to allow Mr. Herry C. Royer, Secretary & Director, and/or Dr. Charles L. Brazie, Vice President, to negotiate the final details and, thereafter, execute and enter into Trading Agreements with Program Managers relating to the Private Placement of said funds into fully Bank Guaranteed Investment Programs. Additionally, Mr. Herry C. Royer, Secretary & Director, and/or Dr. Charles L. Brazie, Vice President, are empowered to open and manage bank accounts, to enter into fee agreements, to receive and distribute all profits from the programs, to enter into agreements as necessary, and to make selections as to which program or programs will best suit the investment of these funds.

The necessary authority and powers required to undertake these tasks and responsibilities are hereby granted by us to Mr. Herry C. Royer, Secretary & Director, and/or Dr. Charles L. Brazie, Vice President, as set forth above.

It is therefore resolved that the named persons shall have the authority so empowered by this resolution."

FOR AND ON BEHALF OF
MANAGEMENT S.A. BY ITS DIRECTOR-DESIGNEE,
INTERNATIONAL CORPORATE SERVICES, BY:

HERRY C. ROYER
DIRECTOR

CORPORATE SEAL:

Date :

NOTARY:

INFO-SEEK ASSET MANAGEMENT S.A.
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

Phone: (767) 448-6410 Fax: (767) 448-6477

LETTER OF INTENT

DATE : _____

TO : Program Manager

RE : Private Placement Investment Program
: Transaction Code:

Dear Sir:

We, the undersigned, hereby confirm our full commitment and agreement to participate in an investment opportunity, subject to our acceptance of the terms, conditions and procedures that shall be outlined in the Private Placement Agreement.

Furthermore, we hereby warrant and represent that we have available for placement into the proposed investment, the sum of Ten Million United States Dollars (US$) of clean clear, non-criminal origin, and herewith attach documentary evidence of same. We further confirm that we are the beneficial owners of these cash funds, that we have full signatory authority and control thereof, and that such funds are available for immediate placement at our sole discretion.

We confirm and acknowledge, with full responsibility, that neither your Company nor anyone acting on your behalf has solicited us, that the documents that we shall receive shall not be deemed to be a solicitation of funds in connection with an Investment Program, and, that we are approaching you voluntarily for the purpose of securing participation in a bona fide Bank Secured High Yield Private Placement Program.

We hereby request information from you covering the terms, conditions and procedures of a Secured Investment and look forward to commencing the transaction, upon our acceptance of the Agreement.

If necessary, we are prepared to move our funds to a mutually acceptable "AA" or better American or Western European Bank, where they will be blocked in our bank account.

Facsimile documents, when properly endorsed, are hereby declared to be treated as originals, and originals may be obtained upon request.

For and on behalf of [IBC NAME]
By:

_____
Herry C. Royer
Designee Director
Passport #:

Attachment: Bank Proof of Funds Letter
Corporate Resolution
Limited Power of-Attorney
Laser Copy of Passport Photo Page

COOPERATIVE VENTURE AGREEMENT NO. 070001

Transaction Code: TITAN-1

THIS AGREEMENT is entered into this twenty-second day of April, 1998, by and between: INFO-SEEK Asset Management S.A., having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I., as represented by International Corporate Services Ltd. (hereinafter "ICS Ltd"), its sole Director Designee:

Attention: Herry C. Royer, Director of International Corporate Services Ltd.
Telephone: (767) 448-6410 Facsimile: (767) 448-6477

(hereinafter "**Client**" shall mean INFO-SEEK Asset Management S.A., its attorneys, affiliated companies, or designee, ICS Ltd).

AND

BRITISH TRADE & COMMERCE BANK, having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.

Attention: Dr. Charles L. Brazie, Vice President - Managed Accounts
Telephone: (767) 448-6410 Facsimile: (767) 448-6477

(hereinafter "**BTCB**" shall mean British Trade & Commerce Bank, its attorneys, affiliated companies, or designees/nominees, and "**Parties**" herein shall mean **Client** and **BTCB**).

WITNESSETH THAT:

WHEREAS, BTCB is a bank chartered and operating under the laws of the Commonwealth of Dominica and fully empowered to provide the accounts and conduct the activities envisioned herein; and

WHEREAS, BTCB has the legal capacity and authority to cause assets to be entered into certain established International Cash Management Scenarios involving Medium Term Notes ("MTN's") issued by Top Twenty-five (25) Asset-rated Western European Banks; and

WHEREAS, BTCB has correspondent relationships with major world banks; has agreed to enter into the Managed Account Custody Agreement hereinbelow with **Client**; has opened an Account in the name of **Client** for the transactions envisioned hereunder; and has the ability to effect participation in such Scenarios, with attractive yields emitting from such Scenarios; and,

WHEREAS, Client is an International Business Company that is organized and operated under the laws of the Commonwealth of Dominica; and

WHEREAS, Client will have on deposit at least Ten Million United States Dollars (US$10,000,000) in its such Account that may be placed in such Scenarios, and **warrants** that such deposits are clean, clear and legally obtained funds of non-criminal origin; and

WHEREAS, BTCB and Client have determined to enter into a cooperative venture relationship in order to participate in such Scenarios in full accord with all applicable rules and regulations [including I.C.C. Publication 500/600]; and

WHEREAS, BTCB, and Client intend to finance projects or to place appropriate funds into approved project funding sources from the profits arising from this **AGREEMENT**; and

WHEREAS, BTCB and Client, by entering into this **AGREEMENT**, do not intend to create a taxable partnership/corporation/entity, but rather intend to create a vehicle of cooperative enterprise in which the **Parties** have agreed to participate; and

C.V. Agreement # : 070001
Transaction Code : TITAN-1

WHEREAS, BTCB and Client, mutually desire to transact business with one another for the period specified in this **AGREEMENT** but not less than one (1) year; and

WHEREAS, this **AGREEMENT**, when signed, shall constitute that **BTCB** and **Client**, each, are fully responsible, ready, and able to fulfill their respective obligations and responsibilities hereunder.

NOW THEREFORE, in consideration of the foregoing, and the various covenants and undertaking herein, and for other good and valuable considerations, the value and the adequacy of which is acknowledged by each of the parties hereto upon execution of this **AGREEMENT**, **BTCB** and **Client** agree as set forth hereinbelow.

1. PURPOSE

1.1 The primary purpose of the **Parties** is to cause the funding of certain projects and programs with the net proceeds derived from participating in certain established International Cash Management Scenarios through financial mechanisms advantageous to the **Parties** and which comply with the rules and regulations from various jurisdictions and authorities that apply to such project financing. Significant proceeds from participating in such Scenarios, net of normal costs (scenario participation costs, service fees, Custodial and Transaction Fees and costs), shall be deposited into development trust/project funding accounts which shall be used to cause the funding of such worthwhile projects and programs.

1.2 Notwithstanding the foregoing, each of the **Parties** shall be paid Five (5.0) points from the proceeds of such Scenarios, as fees for services rendered. [Five (5.0) points are defined herein as Five Percent (5.0%) of such proceeds received from each trading cycle of such Scenarios.] These funds shall be owned exclusively by the paid party and the other party hereby waves any and all claim to such paid funds.

1.3 The remaining proceeds from participation in the Scenarios, as defined herein, shall be divided into two (2) parts upon their receipt. One (1) of these parts, which equals Fifty Percent (50%) of such remaining proceeds, shall be placed into Trust Accounts designated by **BTCB** and shall be used to fund projects/programs solely at the discretion of that Trust.

1.4 The remaining One (1) part, which equals the remaining Fifty Percent (50%) of such proceeds, shall be disbursed through a Business Trust and placed into Project Funding Accounts that shall fund qualified projects solely under the discretion of **Client**. The subject of this paragraph and that immediately preceding shall not be subject to any litigation or arbitration.

2. TRANSACTION SCENARIO

2.1 **Client** has established a Custody/Transaction Account at **BTCB** for these Transactions, under the "Managed Account Custody Agreement" as set forth in EXHIBIT "A" attached hereto and made a part hereof.

2.2 **Client** will cause the deposits into such Account the amount of at least Ten Million United States Dollars (US$10,000,000). **BTCB** shall cause such funds to be placed into such Scenarios. **Client** may increase the amounts on deposit with advanced notice to **BTCB**. The total amount of such funds on deposit shall be deemed the Account Principal.

2.3 BTCB shall place such Account Principal into such Scenarios and that participation shall be confirmed to the satisfaction of both Parties. The detailed activities to accomplish the intent of the paragraphs hereinabove are contained in the "Specific Transaction Instructions" set forth in EXHIBIT "B" attached hereto and made a part hereof.

2.4 The period of the **AGREEMENT** is for at least one (1) year, subject to **BTCB's** ability to place said assets in such Scenarios, If the ongoing distribution of proceeds, as defined hereunder, does not occur within forty (40) days of the initial placement of assets into such Scenarios or within ten (10) days of each subsequent month of participation in such Scenarios, **Client** may terminate this **AGREEMENT** without prejudice to itself and all such Principal assets and any such **Client's** proceeds, without additional set-off, reduction, or deduction, shall be distributed, immediately, to bank coordinates that will be provided by **Client**.

2.5 The proceeds from participating in such Scenarios for any given trading cycle shall be disbursed, as provided hereinabove, at the beginning of the next subsequent trading cycle.

3. DISPUTES

3.1 In the event of any dispute concerning any aspect of this **AGREEMENT**, including breach or alleged breach hereof, the **Parties** agree to have the matter arbitrated by a third party mutually agreed upon by the **Parties**. If the **Parties** cannot agree upon the arbitrator, the **Parties** agree to have the dispute arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the dispute). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on the **Parties** and may be enforced in any Court of Law having jurisdiction thereto.

4. CONFIDENTIALITY

4.1 The **Parties** agree: that any and all information disclosed, or to be disclosed, by any other party hereto, or by legal counsel or other associate; and, that any and all documents and procedures transmitted to each other for and in execution of this **AGREEMENT** are privileged and confidential and are to be accorded the highest secrecy. Accordingly, the I.C.C. rules and regulations pertaining to Non-Disclosure and Non-Circumvention shall be included herewith by reference hereto. Moreover, the **Parties** specifically:

A) Acknowledge and undertake for themselves, their legal counsel, employees, associates, officers, directors, trustees, bankers and/or representatives to treat any and all such information as privileged and confidential and not to disclose to any third party, directly or indirectly, or to use any such information for any purpose other than for accomplishment of the objectives of the business undertaken herein without the expresses, written prior consent of the party supplying that such information.

B) Acknowledge that any unauthorized dealing or disclosures or uses of any such information obtained for and in execution of the present **AGREEMENT** shall constitute a breach of confidence and shall form the basis of an action for damages by the injured party with a view to compensate the injured party to the extent any financial reward might have accrued but for the unauthorized dealing, misuse of information, or breach of confidence and contract.

5. GENERAL TERMS

5.1 Each party, individually and separately, accepts liability for its own taxes, imposes, levies, duties, or other charges that may be applicable in the execution of its respective roles.

5.2 Each party recognizes the unique services rendered by their representatives and agree: that each shall be responsible for the commissions and fees to which it has agreed in writing; and, that the party that has incurred any obligations shall indemnify and hold harmless the other party against any claim, demand, and/or expense, however arising.

5.3 This **AGREEMENT** is a full recourse, private, non-public agreement executed under the laws of the Commonwealth of Dominica, which be the jurisdiction governing the construction, interpretation, execution, validity, enforceability, performance, or any other matter in respect to this **AGREEMENT**, including breach or claim thereof,

5.4 Both parties acknowledge: that they had adequate time and opportunity to consult with counsel of their choosing prior to execution hereof; that each fully understands the facts and has been fully informed as to any rights and obligations in connection therewith; and, that, having this knowledge or lack of knowledge by voluntary choice, each has executed this **AGREEMENT** freely and without reservation.

5.5 The **Parties** acknowledge and accept that the I.C.C. rules and regulations appertaining to Force Majeure shall be included herewith by reference hereto.

5.6 The **AGREEMENT** cannot be assigned, transferred or conveyed by either party without the expressed, written, prior consent of the other party.

5.7 No unauthorized communications by either party with any bank outside of these procedures is allowed without the prior written consent of the other party. Failure to observe this consideration will immediately cause this **AGREEMENT** to be deemed to have been breached.

5.8 Each party shall be solely responsible for its own, unique institutional costs, except as otherwise provided hereinabove.

6. COMPLETE AGREEMENT AND CONFORMING DOCUMENTS

6.1 This **AGREEMENT** reflects the complete understanding of the **Parties** on the matters hereto.

6.2 A facsimile copy of a fully executed original of this document will be deemed an original, binding and enforceable document until otherwise agreed to by the Parties.

6.3 This **AGREEMENT** shall remain in full force and effect until completion of the transactions envisioned hereinabove and shall be binding upon **BTCB** and **Client** and theirs heirs, successors and assigns, agents, principles; and all other parties associated with or involved in the transactions.

6.4 This **AGREEMENT** may consist of one or more counterparts, all of which upon execution shall constitute one and the same **AGREEMENT**. The **Parties** acknowledge that a hard copy of this

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AGREEMENT may be signed by each respective party at different places and different times. Both Parties have the right to require courier delivery of the original AGREEMENT.

6.5 Each addendum, change, or modification to this AGREEMENT must be made in writing and approved and executed by the Parties as a condition precedent to the implementation and effect of such addendum, change, or modification.

6.6 If any of the provisions of this AGREEMENT are, or become, invalid by virtue of applicable law(s) or fail enforceability, then this AGREEMENT shall remain in full force. The invalid and/or unenforceable provision(s) shall be replaced by provisions mutually agreed between the Parties within the spirit and intent of the original provision.

6.7 The Parties hereby confirm that each is fully empowered, legally qualified, and duly authorized to execute and deliver this AGREEMENT and to be bound by its terms and conditions. All statements and representations under this AGREEMENT are made with full legal and corporate responsibility.

IN WITNESS WHEREOF, the Parties declare herein that they have signed hereinbelow in full and bonafides, thereby entering into this contractual commitment as defined and provided under the terms, conditions, and provisions of this AGREEMENT on the dates last written herein below.

DATE: April 22, 1998

FOR AND ON BEHALF OF INFO-SEEK ASSET MANAGEMENT S.A. BY ITS DIRECTOR DESIGNEE, INTERNATIONAL CORPORATE SERVICES LTD, BY:

HERRY C. ROYER
DIRECTOR

DATE: April 22, 1998

FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK
BY:

CHARLES L, BRAZIE, Ph.D.
VICE PRESIDENT

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EXHIBIT "A"

MANAGED ACCOUNT CUSTODY AGREEMENT

To: British Trade & Commerce Bank
EMENS Bldg. Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, W.I.

Gentlemen:

The undersigned hereby requests you to open and maintain a Custody Account in the name of the undersigned and to receive and hold therein as custodian, upon the following terms and conditions, cash and Investments (hereinafter defined).

Transactions. Subject to the provisions of this Agreement, you are authorized:

(a) To receive all interest and dividends payable on Investments and to credit such interest and dividends to the account or accounts of the undersigned with you as are designated by an Authorized Person (hereinafter referred to as the "Cash Account");
(b) To credit all proceeds received from sales and redemptions of Investments to the Cash Account;
(c) To debit the Cash Account for the cost of acquiring Investments for the Custody Account;
(d) To present obligations (including coupons) for payment upon maturity, when called for redemption and when income payments are due;
(e) To exchange securities for other securities where the exchange is purely material;
(f) To sell fractional interests resulting from a stock split or dividend;
(g) To convert any currency received with respect to Investments in the Custody Account into another currency whenever it is practical or necessary to do so through customary banking channels. You shall incur no liability on account of any loss suffered or expense incurred as a result of such conversion, including without limitation losses arising from fluctuations in exchange rates affecting any such conversion;
(h) On instructions of an Authorized Person or as otherwise provided hereunder, to purchase and sell Investments for the account of the undersigned;
(i) To execute in the name of the undersigned, whenever you deem it appropriate, such ownership and other certificates as may be required to obtain payments with respect to, or to effect the sale, transfer or other disposition of Investments; and
(j) To enter into spot or forward transactions for the purchase and/or sale of currencies for the account of the undersigned in connection with or in anticipation of the purchase or sale of securities.

"Investments" means securities of every type and description in any currency including but not limited to stocks, warrants, puts, calls, forwards, futures, options on futures, bonds, debentures, notes, unit trusts, precious metals and other commodities, bank deposits, mortgages and other obligations, and any documents of title, certificates, receipts, and other instruments evidencing ownership, or representing rights to receive, purchase or subscribe to, any of the foregoing, or evidencing or representing any other rights or interests therein.

Instructions. You are authorized to accept and rely upon all written instructions which you believe in good faith are given by an Authorized Person. "Authorized Person" means the undersigned or other person or entity designated in a statement signed by the undersigned or (if the undersigned is a corporation) one or more officers, employees or agents of the undersigned authorized by a corporate resolution of the board of directors of the undersigned delivered to you or described as authorized in a certificate of the Secretary, Assistant Secretary, or Managing Director of the undersigned.

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You may also rely on instructions when bearing or purporting to bear the facsimile signature of any Authorized Person. In addition, you may rely on instructions received by telephone, telex, TWX, facsimile transmission, bank wire or other teleprocess acceptable to you which you believe in good faith to have been given by an Authorized Person or which are transmitted with proper testing or authentication pursuant to terms and conditions which you may specify. You may also rely on instructions transmitted electronically through a client data entry system or any similar instruction system acceptable to you. You shall incur no liability to the undersigned or otherwise as a result of any act or omission by you in accordance with instructions on which you are authorized to rely pursuant to the provisions of this paragraph unless your reliance is the result of your gross negligence or willful misconduct. You will incur no liability for the failure of any written confirmation to conform to the telephone instructions which you received or your failure to produce such confirmation at any subsequent time. Unless otherwise expressly provided, all authorizations and instructions shall continue in full force and effect until cancelled or superseded by subsequent authorizations or instructions received by your safekeeping account administrator.

The undersigned agrees that if you require test arrangements, authentication methods or other security devices to be used with respect to instructions which an Authorized Person may give, the undersigned shall safeguard any testkeys, identification codes or other security devices which you make available to any Authorized Person and agrees that the undersigned shall be responsible for any loss, liability or damage incurred by you or by the undersigned as a result of your acting in accordance with instructions from any unauthorized person using the proper security device. You may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Custody Account or transactions pursuant to this Agreement.

Registration. Unless you receive contrary instructions from an Authorized Person, you are authorized to keep securities in your own vaults registered in the name of your nominee or nominees or where securities are eligible for deposit in a securities depository, including without limitation The Depository Trust Company or the Federal Reserve Bank of New York, you may utilize any of the services of any such depository and permit the registration of registered securities in the name of its nominee or nominees, and the undersigned agrees to hold you and the nominees harmless from any liability as holders of record. The undersigned will accept the return or delivery of securities of the same class and denomination as those deposited with you by the undersigned or otherwise received by you for the Custody Account, and you need not retain the particular certificates so deposited or received.

If any securities registered in the name of your nominee or held in a securities depository and registered in the name of the depository's nominee are called for partial redemption by the issuer of such securities, you are authorized to allot the called portion to the respective beneficial holders of the securities in any manner deemed to be fair and equitable by you in your sole discretion.

Statements. You will supply to the undersigned from time to time as mutually agreed upon a statement in respect to the Investments held by you or by a subcustodian and an advice or notification of any transfers of Investments to or from the Custody Account, indicating, as to Investments acquired for the undersigned, the identity of the entities having physical possession of such Investments. In the absence of the filing in writing with you by the undersigned of exceptions or objections to any such statement within sixty (60) days, the undersigned shall be deemed to have approved such statement, and you shall be released, relieved and discharged with respect to all matters and things set forth therein.

Proxies, Redemptions and Securities Rights. You will send to the undersigned such proxies (signed in blank, if issued in the name of your nominee or a nominee of a securities depository) and communications with respect to securities in the Custody Account as call for voting or relate to legal proceedings within a reasonable time after sufficient copies are received by you for forwarding to customers. In addition, you shall follow coupon payments, redemptions, exchanges or similar matters with respect to securities in the Custody Account and advise the undersigned of rights issued, tendered offers or other discretionary rights with respect to such securities, in each case, of which you receive notice from the issuer of the securities

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or as to which notice is published in publications routinely utilized by you for this purpose, subject to any terms and conditions as you may put into effect from time to time.

Investments and Funds Held Abroad. Investments in the Custody Account shall be held in such country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you provided that such country or other jurisdiction shall be one in which a principal trading market for such Investments is located or in which such Investments are to be acquired, sold, transferred or presented for payment. Funds shall be credited to an account in such amounts and in the country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which such cash is a legal currency for the payment of public or private debts.

The undersigned authorizes you to hold cash and investments for the Custody Account in accounts which have been established by you with one of your branches or with one or more subcustodians. "Subcustodian" means a branch of another U.S. bank, a foreign bank acting as custodian or a foreign securities depository in which you participate. You shall select in your sole discretion the branch or subcustodian in the custody of which any Investment may be maintained or with which any funds may be deposited. Any entity so selected is authorized to hold such funds and Investments in its account with any foreign securities depository in which it participates.

You shall not be liable for any loss resulting from the maintenance of any Investments in a foreign country, including, but not limited to, losses resulting from nationalization, expropriation, currency restrictions, acts of war or terrorism, insurrection, revolution, or acts of God.

Overdrafts. The amount by which any payment made by you on behalf of the undersigned pursuant to this Agreement exceeds the available funds in the currency in the Cash Account shall be deemed a loan from you to the undersigned. Such loan shall be payable on demand and, in your discretion, shall bear interest at the rate customarily charge by you or your subcustodian on similar loans. In no event shall you have any duty to make any payment if such payment will exceed the funds available in the Cash Account.

Reimbursement. If you choose to credit the Cash Account or the Custody Account on the payable date for interest, dividends or redemptions, the undersigned will return to you such amount or property credited promptly upon your oral or written notification that you have been unable to collect such amount or property in the ordinary course of transactions for the account of the undersigned. You shall have no duty to institute legal proceedings, file a claim or proof of claim in any insolvency proceeding or take any action beyond your ordinary collection procedures to collect such amounts or property.

Crediting and Debiting Procedures. With respect to any Investment held in or to be acquired for the Custody Account you may, in your discretion, cause the Cash Account to be credited on the contractual settlement date with the proceeds of any sale or exchange of any Investment from the Custody Account and to be debited on the contractual settlement date for the cost of any Investment purchased or acquired for the Custody Account. If a transaction with respect to which a credit or debit has been made fails to settle, you may reverse such credit or debit upon instructions of an Authorized Person. Alternatively, while you assume no affirmative duty to act in the absence of such instructions, you may reverse any such credit or debit if a transaction fails to settle within a period of time after the contractual settlement date which you in your sole discretion consider reasonable in the light of market conditions. If any Investments delivered pursuant hereto are returned by the recipient thereof, you may cause any such credits or debits to be reversed at any time. With respect to any transactions as to which you do not determine so to credit or debit the Cash Account, the proceeds from the sale or exchange of Investments will be credited and the cost of such Investments purchased or acquired will be debited to the Cash Account on the date such proceeds or Investment are received by you.

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Notwithstanding the preceding paragraph, settlement and payment for any Investment received for, and delivery of any Investment out of, the Custody Account may be effected in accordance with the customary or established trading or processing practices and procedures for such Investment in the jurisdiction or market in which the transaction occurs, including, without limitation, delivering such Investment to the purchaser thereof or dealer therefor (or to an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such Investment from such purchaser or dealer (or agent therefor).

With respect to all transactions for the Custody Account, including, without limitation, dividend and interest payments and sales and redemptions of any Investment, availability of funds credited to the Cash Account will be based on the type of funds used in the trade settlement or payment, including, but not limited to, same day availability for federal or same day funds and next business day availability for clearing house or next day funds.

Security and Set-Off. As security for any performance of my obligations under this Agreement, I grant a security interest in and pledge, transfer, and assign to you my right, title and interest in and to all cash, Investments and other assets held by you or by any of your subsidiaries, affiliates or subcustodians (the "Collateral"). In addition, and without limiting the foregoing, I agree that you may set-off any and all of my obligations to you against any and all deposits of mine, whether general or special, with you or any of your subsidiaries, affiliates or subcustodians, wherever located and whether or not denominated in the same or different currencies. In the event that a debited deposit is maintained in a currency other than the currency of my obligation to you, such debit shall be made in the amount which, when converted to the currency of my obligation at your rate for purchasing such currency on the date of such debit, shall yield the amount then due and payable to you hereunder.

Custodian Responsibility. You will use the same care with respect to the performance of your duties under this Agreement as you use in respect to your own property similar to that held hereunder, but you need not maintain any insurance for the benefit of the undersigned. Except as may be provided otherwise herein, you are authorized to execute instructions given by or on behalf of the undersigned and take other actions pursuant to this Agreement in accordance with your customary processing practices for customers similar to the undersigned and, in accordance with such practices, you may retain agents, including subsidiaries or affiliates of yours, to perform certain of such functions, notwithstanding that such retention may result in a gain or profit to you or to any of your subsidiaries or affiliates. All collection and receipt of funds or Investments and all payment and delivery of funds or Investments under this Agreement shall be made by you as the agent of the undersigned, at the risk of the undersigned. You will be liable to the undersigned only to the extent of actual damages suffered by the undersigned determined on the basis of the market value of the property which is the subject of the loss at the date of discovery of such loss, suffered or incurred as a result of gross negligence or willful misconduct on your part.

You will be responsible for only those duties stated in this Agreement or expressly contained in instructions to perform the services described herein given to you pursuant to the provisions of this Agreement and accepted by you and, without limiting the foregoing, you shall have no duty or responsibility:

(a) to supervise the Investment of, or make recommendations with respect to the purchase, retention or sale of, any Investment relating to the Custody Account;
(b) with regard to the Investment in the Custody Account as to which default in the payment of principal or interest has occurred, to give notice of default, make demand for payment or take any other action with respect to such default;
(c) for any act or omission, or for the solvency or notice to the undersigned of the solvency, of any subcustodian, securities depository broker or agent selected by you (in the absence of gross negligence or willful misconduct by you in such selection) or by the undersigned or any other person to effect any transaction for the Custody Account;
(d) to evaluate, or report to the undersigned regarding, the financial condition of any party to which you deliver Investments or payment pursuant to this Agreement; or
(e) for any loss occasioned by delay in the actual receipt of notice by you or any payment, redemption or other transaction in respect to which you are authorized to take some action pursuant to this Agreement.

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If the undersigned is a trust and provides you with a copy of its trust Instrument, the undersigned understands and agrees that your review of such document is solely for the purpose of verifying the power of the trust to enter into and perform this Agreement and identifying the person(s) necessary to bind the trust, and that you assume no responsibility whatsoever for the proper administration of the trust.

Conflicts of Interest. The undersigned understands there is a potential conflict of interest between you and the undersigned in that you shall provide similar services to other clients and to your own accounts. Therefore, you or these other Accounts may compete for the same Investments. Further, the undersigned is aware that you and/or your clients may continually develop Investment strategies because of different financial positions or objectives, and such strategies could require Investments that are different from or opposite to those of the undersigned. However, in view of the fact that a large number of these Investments are available and in view of market liquidity, the undersigned accepts the effects of such activities.

Responsible as Principal. The undersigned will be responsible to you as principal for all obligations of the undersigned to you arising under or in connection with this Agreement, notwithstanding that the undersigned may be acting on behalf of other persons, and the undersigned warrants its authority to deposit in the Custody Account and Cash Account any Investments and funds which you or your agents receive therefor and to give instructions relative thereto. The undersigned further agrees that you shall not be subject to, nor shall your rights and obligations with respect to this Agreement and Custody Account be affected by any agreement between the undersigned and any such person, except as provided herein.

Taxes. You are authorized and directed to claim exemption from transfer taxes on all transfers and deliveries of Investments held for our Custody Account.

If the undersigned is not a United States person or entity, you are hereby advised that the proceed of any sale of a security to the issuer thereof in the context of a self-tender offer do not constitute dividends and you are hereby directed not to withhold taxes payable to the United States with respect to such proceeds. The undersigned hereby agrees to indemnify and hold you harmless from and against any and all damages, liabilities, costs, fees and expenses incurred by you as a result of not withholding such taxes.

You shall have no obligation to seek a refund of any taxes withheld against any dividend or interest paid on any Investment unless the undersigned provided you with all documents that you may reasonably require for that purpose.

Fees, Indemnification. The undersigned agrees to pay a monthly Custodial Fee. This monthly Fee shall equal One Fifth of One Percent (0.2%) of the combined average monthly balance(s) in the Custody Account(s) and the Cash Account(s) - (unless this combined balance is less than One Million USD (US$1,000,000) in which case this monthly Fee shall equal One Third of One Percent (0.334%) of such balances). The undersigned also agrees to pay a Transaction Fee equal to One Half of One Percent (0.5%) of the Face Amount of any and all Investment(s) acquired/traded per tranche to provide for the cost of the activities envisioned in those Investment transactions. Notwithstanding these Fees, the undersigned agrees to pay you reasonable compensation for other services requested by the undersigned pursuant to this Agreement at the standard fee for such services of which you will notify the undersigned from time to time. The undersigned also agrees to hold you and your agents harmless from, and to indemnify and reimburse you and them for, all liability, loss and expense (including out-of-pocket and incidental expenses and legal fees) incurred by you or them in connection with the Custody Account or your acting under this Agreement, provided that you or they, as the case may be, have not acted with gross negligence or willful misconduct with respect to the events resulting in such liability, loss and expense.

Termination. This Agreement may be terminated at any time by either party effective upon receipt by the other party of written notice of such termination or upon such subsequent date specified in such written notice. Upon such termination, you

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will within a reasonable time return to the undersigned or to whom we direct any Investments or other property then held by you in the Custody Account.

Notices. Notices required hereunder shall be in writing, and delivered by mail, postage prepaid, to the following addresses (or to such other address as either party hereto may from time to time designate by notice duly given in accordance with this paragraph).

To the undersigned at: c/o ICS Ltd, EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront, P.O. Box N2042, Roseau, Commonwealth of Dominica, W.I.

To you, to the attention of Dr. Charles L. Brazie at: British Trade & Commerce Bank, EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront, P. O. Box 2042, Roseau, Commonwealth of Dominica, W.I.

Governing Law, Successors and Assigns. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Dominica without giving effect to that Commonwealth's principles of conflicts of laws and will be binding on our and your respective successors and assigns.

Source and Use of Funds. The undersigned warrants and attests: 1) that all assets deposited in this Custody Account or any other Accounts with you are good, clean, cleared, and legally obtained from non-criminal origins; and, 2) that neither these assets nor the profits or emissions derived from the activities envisioned hereunder have been, or will be, used for any criminal or illegal purpose, and not limited to but including any activities involving dealing with controlled substances, drugs, arms, munitions, or armaments.

Liability and Ownership. As used herein, the term "undersigned" shall be deemed to include all signatories hereto, if more than one, in such event, the obligations, liabilities, representations and warranties of the undersigned shall be joint and several. If the undersigned consists of more than one person, the undersigned warrants and represents that the cash in the Cash Account and the assets in the Custody Account are owned jointly with right of survivorship.

Arbitration. Any controversy between you and the undersigned arising out of or relating to this Agreement, including breach or alleged breach, hereof, shall be resolved by arbitration by a third party mutually agreed upon by the you and the undersigned. In the event you and the undersigned cannot agree upon such an arbitrator, the matter shall be arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the controversy). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on all parties and may be enforced in any Court of Law having jurisdiction thereto.

Disclosure. The undersigned understands that certain regulations may require that you disclose to the issuer of a security upon request the name and address of the undersigned and other positions with respect to securities held in the Custody Account, unless the undersigned objects to such disclosure and notifies you accordingly.

Prior Proposals. This Agreement contains the complete agreement of the parties hereto with respect to the Custody Account (except as may be expressly provided to the contrary herein) and supersedes and replaces any previously made proposals, representations, warranties or agreements with respect thereto by either or both of the parties hereto, except that this Agreement does not modify any interest or rights in the assets in the Custody Account which was otherwise granted to you and does not supersede or replace any item that you may have provided to the undersigned describing your services with respect to securities with tender options. This Agreement shall become effective upon execution hereof by the undersigned and acceptance by you.

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Separability. Any provisions of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

Accounts. From time to time an Authorized Person may hereafter instruct you to open more than one Custody Account for the undersigned. Unless the undersigned and you otherwise agree, this Agreement will govern such accounts, in addition to the Custody Accounts which you are opening or currently maintain for the undersigned to which it is applicable.

Special Terms. The following additional terms and provisions, if any, are included in and constitute a part of this Agreement:

Notwithstanding any of the above, the SPECIFIC TRANSACTION INSTRUCTIONS, if any, executed by Holder and BTCB and attached hereto and constitute a part hereof for all intents and purposes.

EXECUTED AND SUBMITTED on this twenty-second day of April, 1998.

FOR AND ON BEHALF OF INFO-SEEK ASSET MANAGEMENT S.A. BY ITS DIRECTOR-DESIGNEE, INTERNATIONAL CORPORATE SERVICES LTD, BY:

HERRY C. ROYER
DIRECTOR

ACKNOWLEDGED AND ACCEPTED FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK BY:

CHARLES L. BRAZIE, Ph.D.
V. P. - MANAGED ACCOUNTS

VENTURE CAPITAL AGREEMENT

This Venture Capital Agreement (the "Agreement"), dated as of the 5TH day of MAY, 1997, is made and entered into between INTERNATIONAL FINANCIAL SOLUTIONS, S.A., (the "Facilitator"), and GLENN H. SCHMIDT (the "Grantor").

RECITALS:

WHEREAS, the Facilitator has an agreement with a manager of a high yield asset management program (the "Manager"), which Manager directs the capital venture program described herein (the "Program"), and has the expertise and the contractual agreements in place to establish and manage the Program;

WHEREAS, the Grantor represents and warrants, with full corporate/individual and legal responsibility under the penalty of perjury, that the USD capital ("Capital") are clean, cleared funds of non-criminal origin, and are legally owned by or assigned for the participation in a specified high yield asset management program per the terms and conditions of this Agreement;

WHEREAS, the Grantor represents and warrants that it is a sophisticated Grantor having knowledge and experience in financial and business matters, and is fully capable to evaluate merits and risk with complete understanding and acceptance of this undertaking;

WHEREAS, the Grantor desires to contribute Capital to the Program and into the control of the Manager for use in the opportunity described in this Agreement;

WHEREAS, the Program involves the appointment of the Manager over the contributed Capital for the dedicated purpose of placing the Capital into the Program, whereupon the Capital will be used strictly for buying and selling bank instruments; and

WHEREAS, the Manager shall arrange with a fiduciary bank a trading account (the "Venture Account") for the purpose of receiving the Grantor's Capital in exchange for a bank guarantee from one of the world's top twenty largest banks for at least 100% of the capital amount upon verification in the Venture Account

NOW THEREFORE, in consideration of the mutual promises, covenants and undertakings contained herein, and in exchange of TWO MILLION FIVE HUNDRED USD ($2,500,000) and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1 GENERAL TERMS:

1.1 TERM. The term of the contribution will be for 45 BANKING days, commencing with the date of execution of trade. The Facilitator shall notify the Grantor of the date of execution of trade via

06/19/1998 17:44 552938 RICHARD GLITT PAGE 05

Jun. 17 1998 03:57AM P5

FROM : PHONE NO. :

To.

The Hanover Bank

APPLICATION FOR OPENING OF A PERSONAL ACCOUNT

Date

I hereby request you to open an account or accounts in my/our name(s) and authorise you:-

(a) to honour cheques, bills of exchange and promissory notes expressed to be drawn upon or made payable with you whether my/our account or accounts is or are in credit or in debit or overdrawn thereby or otherwise.

(b) to honour and act upon any instructions received from the account holder by way of *Fax Transmission* for the transfer of funds periodically from my/our account with this Bank to specific payees designated in any such *Fax Transmission* and to debit my/our account with whatever amount may be specified therein and pay same to the account of the particular payees specified therein.

(c) to honour any orders to withdraw any or all monies on any deposit or other account in my/our name or instructions to deliver or dispose of any securities boxes documents or property whatsoever held by you for my/our account.

provided any such cheques, bills of exchange, promissory notes, orders or instructions are signed as under.

G. Schmidt

(usual signature)

NAME IN FULL: HOWARD GLENN SCHMIDT

PRIVATE ADDRESS: [redacted]

CA - 92067

OCCUPATION: INVENTOR

TELEPHONE (DAY): [redacted] (EVENINGS): SAME

NATIONALITY: U. S. A.

REFERENCES (1): [redacted]

ADDRESS: [redacted]

REFERENCES (2): [redacted]

ADDRESS: [redacted]

Photocopies of the relevant pages of the applicant's passport should be attached to this application

Redacted Information in Subcommittee Files

05/18/1998 17:44 562935[illegible] RICHARD CLITT PAGE 03

FROM : PHONE NO. : JUN. 17 1998 09:[illegible]AM P7

BANK INFORMATION AS IT WILL APPLY TO NEW ACCOUNT

ENTITY NAME TO APPEAR ON ACCOUNT HOWARD GLENN SCHMIDT

TYPE OF ENTITY INDIVIDUAL

MAILING ADDRESS FOR ENTITY [redacted]

CITY, STATE, ZIP CODE [redacted], CA -92067-

PHONE NUMBER FOR ENTITY 1- [redacted]

FAX NUMBER FOR ENTITY 1- [redacted]

E-MAIL ADDRESS FOR ENTITY N/A

PERSON TO BE SIGNATORY (PRINT) HOWARD GLENN SCHMIDT

SIGNATURE [signature]

(OPTIONAL) ADDITIONAL SIGNATORY (PRINT) N/A

SIGNATURE IF ANY N/A

(OPTIONAL) ADDITIONAL SIGNATORY (PRINT) N/A

SIGNATURE IF ANY N/A

BANKING RESOLUTION MINUTE NUMBER

Redacted Information in Subcommittee Files

06/18/1999 17:44 5623386114 RICHARD CLITT PAGE 02
FROM : PHONE NO. : Jun. 17 1999 09:52AM P2

Dear

I need the following items to complete your protection package.

For your offshore Bank Account::

1.) A letter from your bank as follows:

To whom it may concern:

_____ is a customer in good standing since _____.

Signed by bank official

2.) A photostatic copy of your passport and/or a copy of your drivers license.
The passport page should be the page with your picture on it.

3.) Sign the Bank application and the Visa card application and send them back to me by fax @ (201) 847-9287

For your offshore Trust.

1.) Grantor H. F. SCHMIDT

2.) Trustee HOWARD GLENN SCHMIDT

3.) Protector HOWARD GLENN SCHMIDT

4.) Beneficiary (s) HOWARD GLENN SCHMIDT

5.) Sub-Trustee [redacted]

6.) Name of Your Trust 5D UNIVERSAL (FIVE DEE)

For CPA/NCE Membership

1.) Sign application and return by fax along with other applications

If you have any questions, please call me @ (201) 847-9764

Very Truly Yours,

William H. Kopp

Redacted Information
in Subcommittee Files

06/18/1998 17:44 5929385... RICHARD GLITT PAGE 05

Jun. 17 1998 05:04PM P6

FROM : PHONE NO. :

(o)

The Hanover Bank

MANDATE FOR ACCOUNT OF AN INCORPORATED COMPANY

Date 22 JUNE 1998

Dear Sirs, 4 D GLOBAL S.A. Limited

We request you to open an account or accounts in the name of the above mentioned Company and in pursuance of this request, we hand you herewith:-

(1) Certificate of Incorporation (for inspection and return)
(2) Print of the Memorandum and Articles of Association of the Company (amended up to date)
(3) Certified copy of a Resolution of the Board of Directors (annexed)
(4) List of the specimen signatures, in duplicate, of the Directors and authorised officials.

Yours faithfully G. Schmitt CEO Secretary

WE HEREBY CERTIFY that the following Resolution was duly passed by the Board of Directors of the Company at a meeting of the Board duly convened and held on the of 19 and that such Resolution has been duly recorded in the Minute Book of the Company

RESOLUTION

RESOLVED:- (1) that an account or accounts be opened with The Hanover Bank Limited.

(2) that the said Bank is hereby authorised
a) to honour cheques, bills of exchange and promissory notes expressed to be drawn, signed, accepted or made by or on behalf of the Company, drawn upon or made payable at the said Bank, whether the account or accounts of the Company is or are in credit or in debit or overdrawn thereby or otherwise
b) to honour any orders to withdraw any or all monies on any deposit or other account or accounts of the Company with the said Bank or any or all securities documents or other property of the Company with the said Bank or any or all securities documents or other property of the Company from time to time in the possession of the said Bank
c) to act on any instructions with regard to any such account or accounts (whether in credit or in debit or overdrawn thereby) or any transactions of the Company provided that the same are signed by*

(3) that any cheque, bill of exchange, promissory note or other instrument shall be treated as duly endorsed by the Company if the endorsement is signed for or on behalf of the Company by*

G. Schmitt

(4) that any indemnity or counter-indemnity required by the said Bank from the Company in connection with the Company's business be effective if signed for or on behalf of the Company by*

G. Schmitt

(5) that the said Bank be furnished with a list of the Directors, Secretary and authorised officials of the Company and be from time to time informed in writing under the hand of any Director of the Company of any change which may from time to time take place therein, and be entitled to act on any such notice.

(6) that this Resolution be communicated to the said Bank and remain in force until revoked by the said Bank of notice in writing signed by any Director of the Company.

(7) That the Bank be, and is hereby authorised to honour and act upon any instructions received from this Company by way of *Fax Transmission* for the transfer of funds periodically from this Company's account with the said Bank to the specific payees designated in any such *Fax Transmission*, and to debit our account with whatever amount may be specified therein and pay same to the amount of the particular payees specified therein.

* Insert "any one Director and the Secretary," or as the case may be.

Chairman G. Schmitt Director G. Schmitt

06/18/1998 17:44 552935 RICHARD CLITT PAGE 39

PAGE NO. 1 Jun 17 1998 03:56AM PIC

(809) 448-6477 P.04

SEP-03-97 03:12P STAC Bank/Trust

1. Non Shareholders Directors

Only in case that Directors are neither Non Shareholders nor Directors Services by

Name	Passport #	Address	Position
N/A			

2. Name and Address of Beneficial Owner

Name: HOWARD GLENN SCHMIDT

Address: [redacted]

Phone: [redacted] Fax: [redacted]

[redacted]

How do we communicate ? ☐ Fax ☐ Phone ☒ Mail ☐ E-Mail E-Mail Address:

Special Instructions: MAIL ONLY NO FED-EX, UPS OR OTHER NON POSTAL DELIVERIES

BILL NOTE THIS.

6. Requirements

The following documents must be sent with this application, without which the IBC will not be incorporated:

1) Bank References of each Shareholder and Director

2) Copy of Passport of each Shareholder and Director

Note: When Directors Services is chosen no documentation for Directors is required

DECLARATIONS

I/We certify that the information given above is true and correct, that the persons mentioned do exist and that are persons with integrity and reasonability. Furthermore I/We authorize the Bank to conduct the proper verification of the above information if necessary.

BENEFICIAL OWNER: G. Schmidt

Signature Date: 22 JUN '98

DIRECTOR: G. Schmidt

Signature Date: 22 JUN '98

FOR BANK USE ONLY

Application Approved Number: Date:

Application Declined Reason:

Application processed by: Signature:

Redacted Information in Subcommittee Files

06/18/1998 17:44 562956 RICHARD CLITT PAGE 1d
Jun. 17 1998 05:56AM P9

PAGE 10.

INTERNATIONAL BUSINESS COMPANY (IBC) ORDER FORM

1.- Name, Authorized Capital and Activities of the Company

a) Proposed Name (please indicate three options): 4 D GLOBAL S.A. (Four Dee)

First Option: 4 D GLOBE S.A.

Second Option:

Third Option:

Note: A Company name should not end with words "Limited", "Corporation", "Societe Anonyme", "Aktiengesellschaft", "Aktiebolag" or an abbreviation thereof. The use of the words "Finance", "Trust", "Bank", "Insurance", "Royal" or "Imperial" is not allowed.

Authorized Capital (US $ 5,000 is the minimum requirement): _____

Par Value of Shares _____ each

Activities of the Company (purpose for which the Company is to be formed):

BILL

2.- Ownership of the Company and other Required Services

Capital of the Company will be divided among the following shareholders:

Name	Passport #	Address	(%)	Position
H. G. SCHMIDT	[redacted]			CEO
N/A				

PASSPORT

Other Services (Please indicate which of the following services will be required):

a) Directors (Minimum Statutory Required) — Yes ☐ No
b) Banking (Bank Mandate and Signature Card Required) — ☒ Yes ☐ No
c) Investment Management Accounts — ☐ Yes ☐ No
d) Trustee Services — ☐ Yes ☐ No

Other Services:

BILL

Redacted Information
in Subcommittee Files

CLIENT EVALUATION FORM

Name: GLENN SCHMIDT

Address: [redacted]

Phone: [redacted]

Fax: [redacted]

Law Firm: BROWN, RAYSMAN, MILLSTEIN, FELDER & STEINER

Contact: HENRY SILBERBERG

Address: 1880 CENTURY PARK E., STE 711, LOS ANGELES CA 90067

Phone: 310-712-3300

Fax: 310-712-3383

Bank Holding Funds: HOME SAVINGS OF AMERICA

Branch: PALOMAR AIRPORT OFFICE

Bank Officer: SHANNON J. BURTON

Phone: 760-438-7791

Fax: 760-931-9134

Amount in Deposit: IN EXCESS OF [redacted] USD

Account Signatory: GLENN SCHMIDT (SOLE SIGNATORY)

Bank Statement: NOT PROVIDED

Title of Funds: GLENN SCHMIDT

Origin of Funds: BUSINESS PROFITS

Subject to Loan Facility: NO

Brokers Involved: RICHARD OLITT, FRANK CARPENTER

Redacted Information
in Subcommittee Files

NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENT

This Agreement is made on the date first set forth below, by and between the below named Signatories who have set forth their signatures below their names, separately and individually.

Whereas, the Signatories hereto have come together in pursuing one or more business transactions, and have made introductions of third parties to each other in pursuit of such business transaction(s); and,

Whereas, each Signatory hereto agrees that the identity of, the relationship with, and the opportunity to do business with such third parties are valuable assets and property rights of the introducing Signatories; and,

Whereas, the Signatories hereto agree that the conduct of any business by any Signatory hereto with any third party introduced by any other signatory hereto, or the disclosure of the identities of any such introduced party, or the nature of the business sought or transacted, without permission, would be a violation of the rights of the introducing Signatory.

Now therefore, all the Signatories hereto agree as follows:

1.0 **Definition of Property**
Each Signatory hereto confirms that: knowledge of the identity of, possessing the relationship with, and having the opportunity to do business with any; banking, financial institution, corporation, or individual investor or person, or agent or representative of same; known to an introducing Signatory, are the property and valuable assets of the introducing Signatory, and shall remain so for the term of this Agreement.

2.0 **Restricted Access**
No Signatory hereto shall make any contact with, make any deal with, or otherwise enter into any transaction with any third party without the specific written consent of the introducing Signatory through whose efforts such third party was initially made known to the Signatory. This paragraph shall survive the termination of this Agreement and continue in perpetuity.

3.0 **Non-Disclosure of Business**
No Signatory hereto shall disclose the nature or details of the business or transactions sought or entered into by the Signatories hereto, to any third parties not involved in such business or transactions. Disclosure of business details is restricted to the close associates of each Signatory who have a "need to know" in order to assist or enable the Signatory's function in such business or transaction including but not limited to; secretaries, legal counsel, accountants, and bankers.

4.0 **Other Bounds**
Each Signatory shall use his best efforts to enforce compliance with this agreement and its restrictions by all his advisors, associates, and their respective related parties.

DEC. 23 1996 01:52PM P3 PHONE NO. : MSG# : PANASONIC FAX SYSTEM

To:	Program Provider and Trading/Depository Bank
From:	Glenn Schmidt
Transaction No.:	RO/GS/C205
Regarding:	Distribution of Fees To Consultant

I, Glenn Schmidt, hereby irrevocably, and unconditionally, direct you to pay RICHARD OLITT as my consultant, an amount equal to TWENTY PERCENT (20%) of the profit due to me from each transaction effected under the above referenced transaction number. Such payment shall be deducted from my portion of the profit derived from the above referenced transaction as and when each such profit shall be earned, and shall be distributed concurrently with each and every profit distribution made to my own account. Such payments shall be by cash, wire transfer, or as otherwise instructed by the recipient, free of bank fees or charges or withholdings of any nature, in United States dollars, to banking coordinate which will be provided directly to you by Richard Olitt under separate cover.

Should the Program Provider and/or his assign be unable to provide the transaction reference number/code for whatever contractual or legal reasons, I, Glenn Schmidt, will provide the necessary information to facilitate the depository bank's transfer of the stipulated portion of my profits to Richard Olitt's designated account. This document is my official authorization to the depository bank to execute the funds transfer as directed above.

This order is not divisible, transferable, and cannot be cancelled or changed in text or form by me or by the Program Provider or his assign, trading bank, or any other financial entity or third party, and shall not be amended in any way without the written consent of Richard Olitt.

Should the transaction reference number/code be changed for whatever reason, this Irrevocable Payment Direction will remain in full force and effect under the new transaction reference number/code during the entire duration of said transaction, or any other subsequent transaction as defined by this document.

Accepted and agreed on:
February 6, 1998

Glenn Schmidt, Individually

Accepted and Agreed on:
February 5, 1998

Richard Olitt, Individually

PHONE NO. : May. 27 1998 07:05AM P

Exhibit 3

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: RICHARD OLITT FROM: BILL KOOP

COMPANY: DATE: 5/27/98

FAX NUMBER: 562-938-8334 TOTAL PAGES INC. COVER:

PHONE NUMBER: CC:

✓ RE: DOCUMENTS REQUESTED YOUR REF. #

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Richard,
this fax notification is evidence of an agreement for you to personally participe in 10% of the overall contract between International Financial Solutions, S.A. & Glenn H. Schmidt as attached.

Sincerely,
Bill

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS.
LONDON, ENGLAND
UNITED KINGDOM

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
UNITED STATES OF AMERICA

CHAMBERS GOMEZ BLDG
HIGH STREET,
ST. JOHNS, ANTIGUA

PHONE: (201) 847-9764 FAX: (201) 847-928720

EXHIBIT 0

IFS

International Financial Solutions

- International Investments
- Offshore Trusts
- Offshore Bank Accounts
- International Business Corporations
- Offshore Loans
- Offshore Credit Cards

August 12, 1998

By Certified Mail & by Fax
212-732-6746
Jaroslawicz & Jaros, Law Offices
150 William Street,
New York, New York 10038
Re: Glenn Schmidt,
Dear Mr. Jaroslawicz,
Further to our conversations on August 10th and August 12th respectively and per your instructions, IFS will return 2.5 Million USD plus interest on or before August 20th, 1998 this agreement takes precedent over any and all other agreements, verbal and/or written as pertains to this matter.

Per your directions, they will be sent to Glenn Schmidt per the co-ordinates given to me by Glenn Schmidt.

Very truly yours,

William H. Koop
Trustee for IFS.

St. Johns, Antigua, West Indies
and
799 Franklin Avenue, Suite 500, Franklin Lakes, NJ 07417
Phone: (201) 847-9765 Fax: (201) 847-9287
E-mail: hi_yield@cybernex.net

ANSELL ZARO GRIMM & AARON
A PROFESSIONAL CORPORATION
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OCEAN, NEW JERSEY
(732) 922-1000
TELECOPIER
(732) 922-6161
MAILING ADDRESS
CN 7807
OCEAN, NEW JERSEY 07712

LEON ANSCHELEWITZ (1929-1986)
MAX M. BARR (1929-1993)
DAVID K. ANSELL
FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS
RICHARD B. ANSELL
CERTIFIED CIVIL TRIAL ATTORNEY
JEROLD L. ZARO
N.J. & N.Y. BAR
JAMES G. AARON
PETER B. GRIMM
ROBERT L. ANSELL
MITCHELL J. ANSELL
DONNA L. MAUL
BRIAN E. ANSELL
OF COUNSEL
GORDON N. LITWIN
STEVEN J. DENHOLTZ
MILTON M. ABRAMOFF

ALLISON ANSELL RYAN
N.J. & MASS. BAR
STEPHANIE H. HODACH
N.J. & N.Y. BAR
EDWARD J. AHEARN
N.J. & PA. BAR
MICHAEL V. BENEDETTO
N.J. & PA. BAR
SUSAN M. KENNEDY
LAWRENCE H. SHAPIRO
N.J., N.Y. & PA. BAR
KRISTINE M. BERGMAN
N.J. & PA. BAR
MICHAEL S. SHEITELMAN
THOMAS J. HALL
N.J., N.Y. & PA. BAR
NEWARK OFFICE
50 PARK PLACE
NEWARK, NEW JERSEY 07102
(973) 642-1801
Please fax to 732-922-1205

October 16, 1998

VIA TELEFAX and CERTIFIED MAIL

ROBERT J. TOLCHIN, ESQ.
150 William St.
New York, NY 10038

RE: BRITISH TRADE AND COMMERCE BANK adv. SCHMIDT
C.A. No. 98-4305/WHW

Dear Mr. Tolchin:

As you know, this firm represents the British Trade and Commerce Bank which exists in the sovereign nation of Dominica. The Bank itself operates under the laws of Dominica, which have numerous privacy laws attached to same. Therefore, in answer to your statements that you had attempted to contact the Bank in Dominica and obtain information from them, please be advised that the sovereign laws of Dominica prohibit the divulging of any information concerning bank accounts. This should explain your inability to obtain documents from the named defendant.

Having said that, however, the fact that you have not been able to obtain documents from the Bank does not provide you with the unilateral ability or right, in our opinion and in the opinion of the client, to bring the Bank into a federal district court action accusing the Bank of RICO violations. It appears from the pleadings that you have filed that you have no direct or even indirect proof of any involvement of this defendant in any RICO scheme or that the defendant committed any predicate act to permit it to stand as a RICO defendant in this action.

EXHIBIT A

In our client's opinion, as well as ours, you have joined the defendant for the sole purpose of attempting to obtain documents from it, when you knew or should have known that the privacy laws of the sovereign nation of Dominica were involved. This action is totally improper and subject to sanctions under the district's Local Rules, Rule 11. Should you have wanted documents from the Bank, the client opines and we agree that the procedure would have been to obtain in your RICO case from the responsible party, the primary defendant, a waiver or an order of the court compelling the waiver, of any laws of Dominica so that you could obtain, therefore, the documents that you sought. Bringing the defendant Bank in for that purpose, based on the wording of your complaint is, in our opinion, sanctionable.

Pursuant to the Federal Rules of Civil Procedure, Rule 11(b), "Representations to Court", every pleading, written motion or other paper "(1) is not being presented for any improper purpose such as to harass or to cause unnecessary delay or needless increase in the cost of litigation; (2) the claims and defenses and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of the existing law or the establishment of new laws; (3) the allegations and the factual contentions have evidentiary support or if specifically so identified are likely to have evidentiary support after a reasonable opportunity to further investigate or discovery... (c) If, after notice and a reasonable opportunity to respond, the court determines that subdivision (b) has been violated, the court may subject to the conditions stated below impose an appropriate sanction upon the attorneys, law firms or parties that have violated subdivision (b) or are responsible for the violation."

Here, under the pleadings that you have presented, there is no claim of any predicate acts committed by this firm's client, the British Trade and Commerce Bank. There are no allegations that are in the complaint that factually have an evidential support. There is not one piece of paper, one statement of fact, that in any way connects the defendant Bank to the allegations your client and you have made against the primary defendant in this case.

Therefore, it is the position of our client that you are hereby put on notice that, a stipulation of dismissal with prejudice is requested immediately as to the Bank. Please be advised further that in the event that a later date, you feel that it is appropriate for you to take a dismissal, that will not alleviate at that point the Rule 11 sanctions being applied for. See Schering Corp. v. Vitarini Pharmaceuticals Inc. , 889 F.2d 490, 496 (3rd Cir. 1989), reversed on other grounds, 124 F.R.D. 580 (D.N.J. 1989) (Barry), where the Third Circuit indicated that a rule precluding sanctions in such circumstances when a voluntary dismissal is filed do not divest the District Court of jurisdiction to consider Rule 11 sanctions. This ruling would "emasculate Rule 11 in those cases where wily plaintiffs file baseless complaints, unnecessar-

ily sapping the precious resources of their adversaries and the courts, only to insulate themselves by promptly filing a notice of dismissal."

Please, therefore, be advised that my client insists that a stipulation of dismissal be filed immediately to prevent any other actions being taken and to save the time and the costs of the defendant from having to file additional pleadings.

Please review and advise.

Very truly yours,

JAMES G. AARON
A member of the firm

JGA/mk

c Rick F. Shumate, Esq.

ANSELL ZARO GRIMM & AARON
1500 Lawrence Avenue, CN-787
Ocean, NJ 07712
(908) 922-1000

Attorneys for Defendants
British Trade and Commerce Bank

GLENN H. SCHMIDT, Plaintiff, v. WILLIAM H. KOOP a/k/a BILL KOOP; WILLIAM H. KOOP & ASSOCIATES; INTERNATIONAL FINANCIAL SOLUTIONS, LTD.; INTERNATIONAL FINANCIAL SOLUTIONS, S.A.; BRITISH TRADE AND COMMERCE BANK; BANCO INDUSTRIAL DE VENEZUELA; HANOVER BANK, LTD., Defendants.	UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY Case No. 98-4305 (WHW)

Return Date:

DEFENDANT BRITISH TRADE AND COMMERCE BANK'S BRIEF IN SUPPORT OF MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION AND FOR FAILURE TO STATE A CLAIM

JAMES G. AARON, ESQ.
THOMAS HALL, ESQ.
On the Brief.

ANSELL ZARO
GRIMM & AARON

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CN 2909
OCEAN, NJ 07712
(732) 922-4000

TABLE OF CITATIONS

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ANSELL ZARO GRIMM & AARON

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OCEAN FAX (213) 626-7312
(213) 626-1700

I. Introduction

The complaint submitted by plaintiff Schmidt and the cross-complaint against the British Trade and Commerce Bank submitted by defendant Koop each lack any factual basis for the District Court's assertion of personal jurisdiction over the British Trade and Commerce Bank. These same pleadings also fail to set forth any factual basis that neither supports, nor give rise to an inference of, any liability on the part of the British Trade and Commerce Bank in this case. For the reasons set forth below, the British Trade and Commerce Bank respectfully requests that the Court dismiss all claims brought against it by plaintiff Schmidt and defendant Koop.

II. Statement of Facts

The British Trade and Commerce Bank (hereinafter, "BTCB"), is organized under the laws of, is a domiciliary of, and its principal place of business is in the Commonwealth of Dominica, West Indies (Schmidt's Complaint ¶7).

On, or about September 17, 1998, the plaintiff, Glenn H. Schmidt, filed a complaint which named BTCB and other individuals and corporate entities as defendants.

On September 29, 1998, plaintiff Schmidt's complaint was received by the BTCB in Dominica via regular and registered mail.

In substance, Schmidt's complaint alleges that one of the defendants, William H. Koop, fraudulently induced Schmidt to commit $2.5 million dollars to a bogus investment scheme, the details of

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which are set forth in the complaint.

On, or about, October 14, 1998, defendant Koop submitted an answer and cross-claim against the BTCB.

The extent of Schmidt's and Koop's claims against the BTCB are set forth below. The extensive details of the dispute between Schmidt and Koop are not germane to this motion and are therefore not detailed herein except where necessary to explain the claims against the BTCB.

a. Schmidt's Claims Against BTCB

In his first claim for relief, set forth in paragraphs 41 through 155 of his complaint, plaintiff Schmidt alleges what is characterized as a "substantive RICO" violation pursuant to 18 U.S.C. §1964(c). This claim is made only against defendant Koop. This claim is summarized below, with emphasis on those allegations that concern the BTCB.

Schmidt alleges that Koop fraudulently induced Schmidt to deposit $2.5 million dollars into an account at the BTCB through a series of wire transfers that were initiated by Schmidt on April 20, 1998. (Schmidt's Complaint, ¶1-19).

The plaintiff annexed a document evincing this wire transfer as Exhibit A to his complaint.

Examination of this document reveals that Glenn H. Schmidt, of Rancho Santa Fe, California, sent $2.5 million dollars to the Banco Industrial De Venezuela, located in Miami, Florida, and from there to the BTCB, located in Dominica, West Indies. Apparently, Schmidt

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wired these funds from an account he maintained at the Palomar Airport Office of Home Savings of America, located in Carlsbad, California. (see also, Letter of Good Standing from Home Savings of America, dated June 12, 1998, which is a part of Exhibit A annexed to defendant Koop's Answer and Cross-Complaint).

After this wire transfer, Schmidt did not receive the anticipated return on his investment and after repeated demands, the $2.5 million dollars was not returned to Schmidt. (Schmidt's Complaint, ¶20 through ¶40).

In his first claim for relief, Schmidt alleges the existence of an enterprise as defined by 18 U.S.C. §1961(4), the activities of which enterprise were the conduct of a banking business and the recruitment and inducement of individuals to wire money to offshore accounts in order to steal such funds (Schmidt's Complaint, ¶42 and ¶43).

Schmidt further alleges that, "defendants Koop, William H. Koop & Associates, IFS Ltd., IFS, S.A., and **upon information and belief** Cruzen and **possibly** British Trade and Commerce Bank, Banco Industrial De Venezuela and Hanover Bank Ltd. were members of and/or employed by and/or associated in fact with the enterprise." Id, ¶44 [emphasis added].

Plaintiff Schmidt alleges that only defendant Koop conducted the affairs of the enterprise through "a pattern of racketeering activity." Id, ¶45.

In sum, there is no allegation that BTCB, engaged in a pattern of racketeering activity. The best that can be said of plaintiff

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Schmidt's allegations against the BTCB is that it was "possibly" a member, employee or associate of an enterprise.

Schmidt then alleges a total of nineteen predicate acts all of which are alleged to have been committed by defendant Koop. Id, ¶46 through ¶153.

The only predicate act in which the BTCB is mentioned is as follows, "On or about April 20, 1998 the plaintiff transmitted a wire transfer of $2,500,000 from his own bank account to a bank account under the control of the defendant Koop at the defendant British Trade and Commerce Bank at the Banco Industrial de Venezuela in Miami, Florida." (Schmidt's Complaint, ¶101).

Save for the allegation set forth in ¶101, the BTCB is not discussed in any other predicate acts, much less alleged to have engaged in any voluntary or affirmative act or conduct in any of predicate act.

Plaintiff Schmidt's next claim for relief, starting with ¶156 of his complaint, is brought against defendants Koop, William H. Koop & Associates, the BTCB and Hanover Bank. This claim is characterized as a "RICO conspiracy" in violation of 18 U.S.C. §1964(c).

As in the first claim for relief, plaintiff Schmidt re-alleges the existence of the same enterprise discussed earlier and once again that, "upon information and belief" the BTCB was "**possibly** ... a member of and/or employed by and /or associated in fact with the enterprise." (Schmidt's complaint, ¶163 through ¶165 [emphasis added]).

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In support of this claim, plaintiff Schmidt alleges that, "[u]pon information and belief" the BTCB along with the other defendants "each took steps to promote and further the unlawful activities of the enterprise." (Id. ¶167).

Judging from the context of the complaint, apparently the "steps" alleged to have been taken by the BTCB were that, the BTCB "acted as the recipient of the funds fraudulently obtained by Koop, and upon information and belief either knew or should have known that those funds were the proceeds of illegal transactions and unlawful activities." (Id. ¶169).

Schmidt's final claims against the BTCB relate to his general allegations that certain funds to which the plaintiff may be entitled may be contained in one of the BTCB's accounts and that the Court should issue orders either directing payment of those funds to court, or freezing those accounts. (Id. ¶193 through ¶201).

b. Koop's Claims Against BTCB

On, or about October 14, 1998, defendant Koop submitted an answer and cross-claimed against the BTCB. The allegations set forth in Koop's cross-claim are set forth below with emphasis on the allegations against the BTCB.

Koop alleges that on "May 5, 1998, the plaintiff entered into a Venture Capital Agreement with the defendants." (Koop's Complaint, p. 28, ¶1). Presumably, the BTCB is one of these defendants.

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Without any further mention of the BTCB, defendant Koop then demands indemnification and costs from the BTCB. (Id, at p. 29).

In the second count of Koop's cross-claim, Koop alleges that any breach of contract was the fault of the other defendants, not defendant Koop. (Id, p. 30, ¶1-¶3). Presumably, the contract to which defendant Koop refers is the Venture Capital Agreement mentioned above.

A five page document entitled, "Venture Capital Agreement," dated May 5, 1998, is annexed to Koop's complaint as a part of group of documents designated as Exhibit A. Examination of that document reveals that the BTCB was not a party to that agreement, that the BTCB was not a signatory to that agreement and that BTCB was not even mentioned in that agreement. Moreover, none of the other documents included in Exhibit A of Koop's complaint in any way evince an agreement between the BTCB and any other parties to this case.

For the reasons set forth below, the British Trade and Commerce moves for dismissal of all claims made by plaintiff Schmidt and defendant Koop for lack of personal jurisdiction and for failure to state a claim upon which relief can be granted.

III. Motion to Dismiss for Lack of Personal Jurisdiction

a. Jurisdictional Statements

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Rule 8(a)(1) requires that a pleading that sets forth a claim for relief shall contain a short and plain statement of the Court's jurisdiction. Schmidt's complaint bases jurisdiction upon the

following:

a. 28 U.S.C. 1331, Federal Question jurisdiction;

b. 28 U.S.C. 1332, Diversity Jurisdiction;

c. 28 U.S.C. 1367, Supplemental Jurisdiction;

d. 18 U.S.C. 1964(a), which gives to the District Courts the power to prevent and restrain RICO violations, by the issuance of appropriate civil orders.

Koop's Answer and Cross-Claim do not contain a jurisdictional statement.

b. Legal Standard

"Once a proper jurisdictional objection is raised, the plaintiff bears the burden of proving, by a preponderance of the evidence and with reasonable particularity, the facts necessary to establish the minimum contacts the Constitution requires." Grand Entertainment Group, Ltd. v. Star Media Sales, Inc., et. al. 988 F.2d 476, 482 (3d Cir. 1993) (citing, Time Share Vacation Club v. Atlantic Resorts, Ltd. 735 F.2d 61, 63 (3d Cir. 1984) and Carteret Savings Bank v. Shushan, 954 F.2d 141, 146 (3d Cir. 1992); see also, Gehling v. St George's School of Medicine, Ltd., 773 F.2d 539 (3d Cir. 1985). "Courts reviewing a motion to dismiss a case for lack of in personam jurisdiction must accept all of the plaintiff's allegations as true and construe disputed facts in favor of the plaintiff." Id, Carteret, 954 F.2d at 142 n.1 (citing other authorities).

Rule 4(e) of the Federal Rules of Civil Procedure gives a federal district court personal jurisdiction over non-resident

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defendants to the extent permissible under the state law of the jurisdiction where the court sits. Id, Grand Entertainment, p. 481

New Jersey's Long Arm Statute, New Jersey Court Rule 4:4-4(c), "extends to the limits of the Fourteenth Amendment's Due Process protection," and the only constraint upon the Court's exercise of jurisdiction are "traditional notions of fair play and substantial justice" inherent in the Fourteenth Amendment. Carteret Savings Bank v. Shushan, 954 F.2d 141, 145 (3d Cir. 1992) (citing, International Shoe Co. v. Washington, 326 U.S. 310, 316; 66 S.Ct. 154, 158 (1945); and other authorities).

The analysis of whether a New Jersey court can maintain personal jurisdiction was set forth by the New Jersey Supreme Court in Lebell v. Everglades Marina, 115 N.J. 317 (1989). The first inquiry is whether the defendant has "minimum contacts" with the forum. Id, at 322. The minimum contacts inquiry varies depending on the nature of the case. On one hand, when a State exercises personal jurisdiction over a defendant in a suit not arising out of, or related to, the defendants contacts with the forum, the Sate has been said to be exercising "general jurisdiction over the defendant." Id, (quoting, Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414 n.9; 104 S.Ct. 1868, 1872 n.9 (1984)). "General jurisdiction subjects the defendant to suit on virtually any claim, even if unrelated to the defendant's contact with the forum, but is unavailable unless the defendants activities in the forum state can be characterized as "continuous and systematic" contacts. Id, at 323. On the other hand, in the case

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of "specific jurisdiction, the minimum contacts inquiry must focus on the relationship among the defendant, the forum and the litigation." Id, (quoting, Shaffer v. Heitner, 433 U.S. 186, 204; 97 S.Ct. 2569, 2579 (1977); and other authorities). In the specific jurisdiction context, "the minimum contacts requirement is satisfied so long as the contacts resulted from the defendant's purposeful conduct and not the unilateral activities of the plaintiff." Id, (citing, World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297-98; 100 S.Ct. 559, 567-68 (1980). "This "purposeful availment" requirement ensures that a defendant will not be haled into a jurisdiction solely as a result of "random," "fortuitous," or "attenuated" contacts." Id, (citing, Burger King Corp. v. Rudzewicz, 471 U.S. 462, 475; 105 S.Ct. 2174, 2183 (1985); and other authorities). "The question is whether "the defendant's conduct and connection with the forum State are such that he should reasonably anticipate being haled into court there."" Id, at 324 (citing, World-Wide Volkswagen, supra, 444 U.S. at 297; 100 S.Ct. at 567). "The mere foreseeability of an event in another state is not a sufficient benchmark for exercising personal jurisdiction." Id, (citing, Burger King, supra, 471 U.S. at 474; 105 S.Ct. at 2183; and World Wide Volkswagen, supra, 444 U.S. at 295; 100 S.Ct. at 566).

In analyzing whether personal jurisdiction exists, "it is the defendant's and not the plaintiff's contacts with the forum that must be evaluated." Dollar Savings Bank v. First Security Bank of Utah, 746 F.2d 208, 214 (3d Cir. 1984) (citing, Rush v. Savchuk,

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444 U.S. 320, 100 S.Ct. 571 (1980).

In a RICO case, under certain circumstances, nationwide service of process is authorized. 18 U.S.C. 1965(b) and (d). Where authorized, "a federal district court's jurisdiction is coextensive with the boundaries of the United States, and due process requires only that the defendant in a federal suit have minimum contacts with the United States." American Trade Partners, L.P. v. A-1 International Importing Enterprises, Ltd., 755 F.Supp. 1292, 1302 (E.D.Pa. 1990)(citing, Soltex Polymer Corp. v. Fortex Industries, 590 F.Supp. 1453, 1458 (E.D.N.Y. 1984); aff'd 832 F.2d 1325 (2d Cir. 1987); and other authorities).

In RICO cases, there is an important distinction between national and international service of process. "The RICO statute authorizes nationwide service of process, ... but not international service. For that the RICO plaintiff must rely on the long-arm statute of the state in which he files his suit." Stauffacher v. Bennett, 969 F.2d 455, 460-61 (7th Cir. 1992) [citations omitted]; cert.den. ___ U.S. ___, 113 S.Ct. 814 (199__). Thus the analysis is whether the New Jersey long arm statute authorizes personal jurisdiction over the BTCB in this case.

Reading plaintiff Schmidt's and defendant Koop's complaints in their most favorable light, both parties have failed to establish the requisite "minimum contacts" with either the State of New Jersey, or, despite Stauffacher, the United States as a whole, so that this court can exercise personal jurisdiction over the defendant BTCB.

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c. Analysis

i) Minimum Contacts with the State of New Jersey Do Not Exist

Looking at Schmidt and Koop's allegations in the light most favorable to them, it is clear that since no general jurisdictional facts are pled, this is a specific jurisdiction case. See, Dollar Savings Bank v. First Security Bank of Utah, 746 F.2d 208, 212 (3d Cir. 1984). Thus, the issue is whether the BTCB engaged in such purposeful conduct that it could reasonably anticipate being subject to suit in New Jersey.

Neither plaintiff Schmidt, nor cross-complainant Koop, allege any facts that would even remotely establish that the BTCB engaged in any purposeful conduct through which it could reasonably anticipate being summoned by a New Jersey Court. Therefore, should not exist as a matter of New Jersey law.

ii) Minimum Contacts With the United States Do Not Exist

Plaintiff Schmidt does not allege personal jurisdiction pursuant to RICO (18 U.S.C. §1965(d)) in his complaint. Even if jurisdiction was alleged on this basis and the Court made the appropriate findings that are a prerequisite to the exercise of jurisdiction under §1965, and the Stauffacher decision was not applied, the plaintiff would have nonetheless failed to allege that the BTCB has sufficient contacts with the United States.

Plaintiff Schmidt alleges that the BTCB maintains a single bank account in Miami, Florida. According to the complaint, this

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account acted as a conduit through which funds were transferred to the BTCB's overseas accounts. (Schmidt's complaint, ¶101). No other contact with the United States is alleged. Cross-complainant Koop fails to allege any jurisdictional facts whatsoever that would establish the BTCB's contacts with either the United States, or the State of New Jersey.

According to the pleadings, the best that can be said with regard to the BTCB's contacts with any forum is the following, a California plaintiff caused a wire transfer to be made to an offshore bank account through the conduit of a third-party Florida bank.

The facts of this case are analogous to Dollar Savings Bank v. First Security Bank of Utah, 746 F.2d 208 (3d Cir. 1984). In Dollar Savings, a Utah bank borrowed money in a series of transactions with two Pennsylvania corporate entities. Id, at 209. The defendant Utah bank negotiated these loans by telephone with a New York law firm that represented the Pennsylvania corporate plaintiffs. The loan documents were executed outside of Pennsylvania. Id, at 210. The Utah bank thereafter made several payments on the loan via wire transfers to Pennsylvania before defaulting. Id. The Third Circuit held that minimum contacts with Pennsylvania were not established when a "non-resident bank does no more than borrow from and repay a loan to the forum bank by wire transfer." Id, at 209. Clearly, the defendant in Dollar Savings had more substantial contacts with the forum than the BTCB is alleged to have in this case. Contrast the BTCB's passive receipt

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of a wire transfer while outside the forum with the Utah bank's negotiations with the forum-resident Pennsylvania corporations and wiring of loan payments to the forum. In this case then, the Third Circuit's conclusions in Dollar Savings should apply with greater force and minimum contacts should not be found to exist.

As discussed above, the Seventh Circuit in Stauffacher analyzed the issue of personal jurisdiction and service of process pursuant to 18 U.S.C. §1965(b). Under facts similar to the present case, the Seventh Circuit observed that 18 U.S.C. §1965(b) "authorizes nationwide service of process, but not international service." Id, 969 F.2d at 460-61. For international service, "the RICO plaintiff must rely on the long-arm statue of the state in which he files his suit." Id. Thus, in the international setting, the analysis is whether the BTCB is amenable to suit under the New Jersey long-arm statute (New Jersey Court Rule 4:4-4). As will be discussed below, it has been held that the maintenance of a single bank account in the forum does not establish minimum contacts under the New Jersey long-arm statute.

Returning to Stauffacher, in that case, Wisconsin plaintiffs alleged civil RICO violations emanating from a failed investment scheme against several Canadian plaintiffs, including a Canadian credit union. Id, at 457. Holding that minimum contacts were not established in regard to the Canadian credit union, the Court wrote that, "all the credit union actually did ... was to receive a deposit from an Wisconsinite. This created a contract, but a contract is not a "thick" enough relationship to establish presence

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[citations omitted]." Id at 458. The BTCB acted in the same manner as the Canadian credit union in Stauffacher, all it did was accept a deposit from an individual in the United States, in this case Schmidt. The Seventh Circuit posed a hypothetical which has particular relevance to this case.

> We would not expect anyone to argue that if the First National bank of Chicago accepts a deposit from a man in Saudi Arabia, this thrusts the bank into the banking business in Saudi Arabia, thus exposing it to suit there by any resident of the kingdom for anything at all, whether or not the plaintiff is the depositor or his claim is related to the deposit. The bank's presence in Saudi Arabia would be so tenuous as to cross the line from permissible to impermissible legal fiction, generously as that line has been drawn in favor of extraterritorial jurisdiction. Yet that is the character of the plaintiffs' argument.

Id, at 458. Analogously, Schmidt argues that based on the simple fact that the BTCB accepted a deposit from an individual in the United States, it should be subject to the jurisdiction of the United States District Court in New Jersey. This argument should be rejected under the reasoning set forth by the Seventh Circuit.

As discussed above, the Seventh Circuit held in Stauffacher that international service of process under RICO is governed by the long-arm statute of the state in which the action is brought. The BTCB was served via regular and registered mail. Disregarding at this time Schmidt's failure to serve and file a Certification of Service and an Affidavit of Diligent Inquiry as required by New

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Jersey Court Rule 4:4.4, the only jurisdictional fact alleged is the existence of a bank account with a correspondent bank in Miami, Florida. As discussed above, Schmidt and Koop have failed to allege any facts that would demonstrate any purposeful conduct by the BTCB by which it could reasonably anticipate being subject to suit in New Jersey. See, Id, Lebell, 115 N.J. at 323-24.

Even if this case involved national service of process, rather than international service, and the analysis consequently shifted from contacts with the forum state to contacts with the United States as a whole, Schmidt's complaint would still have failed to establish personal jurisdiction over the BTCB. One Federal District Court Judge has held that the maintenance of a single bank account in the State of New Jersey does not constitute minimum contacts with New Jersey. Other Courts that have analyzed this issue in the context of nationwide contacts have found that maintenance of a single bank account within the United States does not constitute minimum contacts with the United States.

Judge Wolin of the United States District Court for the District of New Jersey found that a single New Jersey bank account does not constitute minimum contacts under New Jersey's long arm statute. Codos v. National Diagnostics Corp, 1988 WL 80878 (D.N.J.). In Codos, the New York corporate defendant's only New Jersey contact was a single bank account in New Jersey. Id, at *1. As in the present case, the Codos defendant's account's "sole function was to be a conduit for the company's money." Id, at *3. Judge Wolin concluded that a finding that minimum contacts based

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solely upon the defendant's maintenance of a bank account in New Jersey "would offend traditional notions of fair play and substantial justice." Id (citing, International Shoe, 326 U.S. at 320, 66 S.Ct. at 160). Despite the fact that Judge Wolin's decision was based upon an interpretation of New Jersey law, the same analysis applies under the Fifth Amendment's due process clause to the issue of contacts with the United States. As a result, viewing the pleadings in the most favorable light to the plaintiffs, the existence of a single Florida bank account does not establish sufficient contacts with New Jersey, and by analogy, the United States for the exercise of personal jurisdiction under 18 U.S.C. 1965(d).

Similarly, in United Trading Company, S.A. v. M.V. Sakura Reefer, et. al., 1996 WL 374154 (S.D.N.Y.), Judge Scheindlin, interpreting Rule 4(k)(2) of the Federal Rules of Civil Procedure held that the maintenance of a single bank account in New York and a single call by a ship at the port of Philadelphia did not constitute sufficient minimum contacts with the United States. Id, at *5. The "sole function" of the bank account in the United Trading case was to automatically deposit monies into an overseas account. Id, at *2. Thus, the United Trading account was used in the same fashion that the BTCB's Florida account was used in the instant case, according to Schmidt's complaint.

Other New York Federal District Courts have likewise held that the existence of a single bank account does not constitute "minimum contacts" with the United States. See, Canadian Group Underwriters

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Ins. Co. v. M/V "Arctic Trader, et. al., 1998 WL 730334 (S.D.N.Y.) (no contacts with the United States under Rule 4(k)(2) where defendant's bank account "was used only as a conduit into the defendant's account with a London bank")) and Masonite Corporation v. Hellenic Lines, Ltd., 412 F.Supp. 434, 438 (S.D.N.Y. 1976)("minimum contacts" did not exist where defendant's only contact was a New York bank account in which monies deposited were immediately credited to defendant's London bank.).

d. Conclusion

The sole jurisdictional fact alleged by plaintiff Schmidt is the receipt of funds via a wire transfer through the conduit of a BTCB bank account maintained at a Florida correspondent bank. Cross-complainant Koop alleges no jurisdictional facts in support of its cross-complaint. Based on the foregoing, and viewing the pleadings in the light most favorable to the plaintiffs, there is no basis for the exercise of this Court's jurisdiction over the British Trade and Commerce Bank. Therefore, all counts of plaintiff Schmidt's complaint and defendant Koop's cross-complaint, as they relate to the British Trade and Commerce Bank should be dismissed pursuant to Rule 12(b)(2).

IV. Motion to Dismiss for Failure to State a Claim

a. Introduction

Neither plaintiff Schmidt, nor defendant Koop in his cross-complaint, State a Claim Upon which relief can be granted.

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Defendant Koop's cross-complaint alleges no evidentiary facts in support of his allegations that a breach of contract has occurred. Plaintiff Schmidt fails to properly allege under which section of 18 U.S.C. §1962 he is proceeding, he fails to allege sufficient facts establishing that the BTCB committed fraudulent acts, he fails to allege sufficient facts establishing that the BTCB entered into a conspiracy with others and he fails to allege a sufficient pattern of racketeering activity under RICO.

b. Defendant Koop's Cross-Complaint

As discussed in Part II, above, defendant Koop essentially alleges, in conclusory fashion, that all of the defendants, including the BTCB, were a party to a "Venture Capital Agreement" that has been breached. Defendant Koop annexed a document entitled, "Venture Capital Agreement" to his pleadings. Nowhere in that document, or in any of the other documents annexed to his pleading, is the BTCB even mentioned. Defendant Koop does not allege any other facts that would even remotely tend to show that the BTCB was party to some other agreement with any of the other parties in this case. Beyond that, Koop does not allege any facts that would establish how the BTCB was responsible for the breach of any agreement that may have existed. Viewing the complaint in the light most favorable, and most generous, to Koop, all he has established is that an agreement existed. He does not establish what the terms of that agreement were, what the BTCB's duties were under that agreement, or how the BTCB may have caused a breach of

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that agreement. How can it be seriously contended that the allegations in Koop's complaint place the BTCB on notice of the charges against which it must defend? The absolute paucity of any evidentiary facts relating to the BTCB can lead to no other result but the dismissal of Koop's cross-complaints against the BTCB pursuant to Rule 12(b)(6).

c. Schmidt's Complaint Against the BTCB

i) Failure to Properly Allege Violation of 18 U.S.C. §1962

In a civil RICO case, the plaintiff must allege with particularity the specific subsections of 18 U.S.C. §1962 that the defendant is claimed to have violated. Lewis On Behalf of National Semiconductor Corp. v. Sporck, 612 F.Supp 1316 (N.D.Ca. 1985); Antilles Trading Co., S.A. v. Scientific-Atlanta, Inc., 117 F.R.D. 447 (N.D.Ga. 1986). Nowhere in Schmidt's complaint does is specifically state which section or sections of 18 U.S.C. §1962 the BTCB is alleged to have violated. In fact, 18 U.S.C. §1962 is not cited anywhere in the complaint. Without knowing precisely what prohibited activities the BTCB is accused of engaging in, it cannot adequately defend the claims made against it. On this basis alone, the Court should dismiss Schmidt's complaint for failure to properly allege a RICO violation.

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ii) Failure to Adequately Plead Allegations of Fraud and Conspiracy

Despite Schmidt's failure to specify which sections of 18

U.S.C. §1962 that he alleges the BTCB violated, and without waiving that argument, the complaint sounds in the nature of fraud and conspiracy. Even if the complaint survives the failure to sufficiently plead violations under §1962, it fails to adequately plead the elements of BTCB's fraudulent intent and that the BTCB knowingly entered into a conspiracy with the other defendants.

(1) Fraud

Federal Rule 9(b) provides that, "In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. Malice, intent, knowledge, and other condition of mind of a person may be averred generally."

Schmidt makes no factual allegations setting forth any fraudulent conduct on the BTCB's part. Looking at his allegations in their most favorable light, the best that can be said is that, the BTCB was "possibly" a member of and/or employed by and/or associated in fact with an enterprise (Schmidt's complaint, ¶44); and that the BTCB "acted as the recipient of the funds fraudulently obtained by Koop, and upon information and belief either knew or should have known that those funds were the proceeds of illegal transactions and unlawful activities." (Id. ¶169).

While in some situations, it may be sufficient to plead that the defendant knew, or should have known, that certain funds were the proceeds of illegal conduct, the BTCB submits that the sufficiency of such pleadings depends upon the context of the case. Based on the complaint, there is nothing about the BTCB's

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relationship with Koop, or any other defendant, that would have given the BTCB reasonable cause to examine the source of the funds. Schmidt cites no rule, or facts, that would have given a reasonable bank cause for concern or suspicion before accepting the $2.5 million dollar wire transfer from Schmidt. The complaint alleges no acts, agreements, or communications between the BTCB and any of the parties to this case that would establish fraudulent intent. The complaint makes out a routine banking transaction. Perhaps if the facts showed that an individual deposited $2.5 million dollars in cash contained in a large duffle bag, then it would be sufficient to allege in conclusory fashion, as Schmidt does, that the recipient bank should have known that the funds were the proceeds of illicit activity. But, under the facts alleged here, there is no showing that the BTCB was acting in any fashion other than the innocent recipient of a wire transfer to a duly established account maintained in the regular and ordinary course of its banking business. In this context, Schmidt's pleadings are insufficient.

Based upon the paucity of factual allegations in Schmidt's pleadings, the BTCB urges the Court to adopt the Second Circuit's holding in O'Brien v. National Property Analysts Partners, et. al., 936 F.2d 674 (2d Cir. 1991). In that case, the Court wrote,

> The purpose of Rule 9(b) is threefold -- it is designed to provide a defendant with fair notice of a plaintiff's claim, to safeguard a defendant's reputation from "improvident charges of wrongdoing," and to protect a defendant against the institution of a strike suit [citations omitted]. Thus, although Rule 9(b) permits knowledge to be averred

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> generally, we have repeatedly required plaintiffs "to plead the factual basis which gives rise to a strong inference of fraudulent intent." [citations omitted]. Essentially, while Rule 9(b) permits scienter to be demonstrated by inference, theis "must not be mistaken for license to base claims of fraud on speculation and conclusory allegations" [citation omitted]. An ample factual basis must be supplied to support the charges.

Id, at 676. The Second Circuit's observations are particularly appropriate in this case. Schmidt does not allege any particulars that would remotely establish, or even give rise to an inference, that the BTCB did anything other than innocently process a routine wire transfer that was sent to a duly established account it maintained. Taken as a whole, Schmidt's complaint does not even establish a cogent theory of liability on the part of the BTCB. It merely establishes that it received a deposit of funds, which is regular and ordinary course of its business. The argument that liability should be premised on the BTCB's failure to investigate the source of the $2.5 million dollars in this case is absurd. Therefore, the complaint should be dismissed pursuant to Rule 12(b)(6).

(2) Conspiracy

It is axiomatic that the elements of conspiracy are an agreement to commit a crime, or engage in some wrongdoing, plus the commission of one overt act in furtherance of the conspiracy. Schmidt fails to properly allege the first element, the existence of an illicit agreement.

In the RICO setting, "to plead conspiracy adequately, a

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plaintiff must set forth allegations that address the period of the conspiracy, the object of the conspiracy, and the certain actions of the alleged conspirators taken to achieve that purpose [citations omitted]. Additional elements include agreement to commit predicate acts and knowledge that the acts were part of a pattern of racketeering activity [citation omitted]." Shearin v. E.F. Hutton Group, Inc., 885 F.2d 1162, 1166-67 (3d Cir. 1989). The plaintiff must "assert that each defendant [charged with RICO conspiracy] has by his words or actions ... objectively manifested an agreement to participate, directly or indirectly, in the affairs of an enterprise through the commission of two or more predicate crimes [citations omitted]. ... Conspiracies described in sweeping or general terms cannot serve as the basis for a cause of action and may be dismissed [citation omitted]." Moravian Development Corp. v. Dow Chemical Co. 651 F.Supp. 144, 148 (E.D.Pa. 1986). "Comprehensive knowledge is required: the complaint must contain allegations that the defendants knew of the pattern and its aim. A plaintiff must allege (1) agreement to commit the predicate acts of fraud, and (2) knowledge that those acts were part of a pattern of racketeering activity conducted in such a way as to violate §1962(a), (b), or (c). Odesser v. Continental Bank, 676 F.Supp 1305, 1312 (E.D.Pa. 1987)(citing, Seville Indus. Machinery v. Southmost Machinery, 742 F.2d 786, 792 n.8 (3d Cir. 1984) cert. den. 496 U.S. 1211, 105 S.Ct. 1179 (1985)). Nowhere in the complaint are facts alleged from which it could be shown, or even implied, that the BTCB had overall knowledge of the conspiracy's

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aims and had agreed that the alleged predicate acts of fraud be committed.

Admittedly, agreements forming a conspiracy are never written down, and are rarely stated explicitly. Usually, the illicit agreement is inferred from the acts of the conspirators. Viewing the allegations in the complaint in their most favorable light, Schmidt has only shown the existence of an agreement by the BTCB to establish a bank account that was controlled by Koop. There are no other facts from which the Court could infer that there was any additional agreements between the BTCB and any other party; that the BTCB agreed to engage in any illicit conduct; or that the BTCB knew, or should have known, that others were engaged in illicit activity. The few allegations concerning the BTCB's intent in the complaint are conclusory and amount to nothing more than sheer speculation and do not even give rise to an inference that all the elements required in a proper pleading under the case law are present. Thus, Schmidt has failed to adequately plead the elements required in a RICO conspiracy case, i.e., an agreement to commit predicate acts and overall knowledge that the acts were part of a pattern of racketeering activity. The facts set forth in the complaint do not establish an objective manifestation of an agreement to participate in the affairs of an enterprise through the commission of predicate crimes. Such generalized allegations concerning an illicit agreement should be dismissed.

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Based on the facts set forth in the complaint, the best that can be said of the BTCB's role in this case is that it provided

banking services to Schmidt, Koop and their associates. Thus, this case is akin to University of Maryland v. Peat, Marwick, 996 F.2d 1534 (3d Cir. 1993), in which the Third Circuit affirmed the dismissal of a civil RICO claim under Rule 12(b) against an accounting firm holding that "merely performing financial services and attending board meetings do not show that [the defendant] was participating in the affairs of the enterprise." Id, at 1539. Therefore, based on the allegations in Schmidt's complaint, the Court should dismiss all claims against the BTCB pursuant to Rule 12(b)(6).

iii) Schmidt's Complaint Does Not Allege a Sufficient "Pattern of Racketeering Activity"

Schmidt's complaint alleges a series of predicate acts beginning on, or about, April 20, 1998, when Schmidt wired $2.5 million dollars to Koop (Schmidt's complaint ¶19), and concluding on, or about, August 26, 1998 with a letter to Koop from Schmidt's attorney (Id, ¶149). Schmidt alleges that these acts establish a "pattern of racketeering activity" pursuant to 18 U.S.C. §1961(5). Notwithstanding the speculative and unsupported allegations that Koop has engaged in fraudulent conduct against others, the complaint merely establishes a closed-end scheme involving Schmidt, Koop, the BTCB, and possibly others, lasting no more than five months.

To establish a pattern of racketeering activity, "the plaintiff in a civil RICO case must show that the alleged predicate

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acts were both (1) related and (2) continuous. F/V Robins Nest, Inc. v. Atlantic Marine Diesel, Inc. et.al., 1994 WL 594592 *7 (D.N.J.)(citing, H.J. Inc. v. Northwestern Bell Telephone Co., 492 U.S. 229, 239 (1989)). Continuity refers "either to a closed period of repeated conduct, or to past conduct that by its nature projects into the future with a threat of repetition." Id, (citing, id, at 241). "Thus, a short-term scheme threatening no future criminal activity will not suffice." Id, (citing, Kehr Packages, Inc. v. Fidelcor, Inc., 926 F.2d 1406, 1412 (3d Cir. 1991). "In determining whether a close-ended scheme constitutes a pattern, duration is the sine qua non of continuity." Id, (citing, Hindes v. Castle, 937 F.2d 594, 611 (3d Cir. 1991). The alleged racketeering activity must last for a "substantial period of time." Id, (citing, Hughes v. Consol-Pennsylvania Coal Co., 945 F.2d 594, 611 (3d Cir. 1991), cert. den. 112 S.Ct. 2300 (1992)). "The Third Circuit has never found adequate continuity where the alleged racketeering activity in a close-ended scheme occurred over a period of one year, or less." Id, (citing, United States v. Pelullo, 964 f.2D 193, 209 (3d Cir. 1992)(citing other cases)).

Schmidt's pleadings merely evince a scheme lasting but a few months. There is no evidence of a threat of continuing criminal conduct as alleged, especially as it applies to plaintiff Schmidt vis a vis defendant Koop. Despite the unsupported and generalized allegations that others may have been victimized by Koop, the plaintiff has no standing to assert claims on behalf of others who may have been victimized. "A defendant who violates §1962 is not

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liable for treble damages to everyone he might have injured by other conduct" See, id, Shearin, 885 F.2d at 1167 (quoting, Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 496-97; 105 S.Ct. at 3285). Due to the close-ended nature of this case, as alleged in the complaint, it does not qualify as a civil RICO case, but rather it is a garden-variety fraud case. The BTCB points out that the Third Circuit has warned that Rule 11 should deter plaintiffs from casting actions for the purpose of obtaining personal jurisdiction over non-resident defendants. Id, Carteret, 954 F.2d at 148 [citation omitted]. If this case was pled as a garden-variety fraud case, the plaintiff's legal basis for joining the BTCB obviously would have been weaker. The BTCB urges the Court to consider whether the instant RICO claims were brought for an improper purpose. Thus the RICO claims brought by plaintiff Schmidt should be dismissed.

d. Conclusion

In conclusion, for the reasons set forth above, the BTCB respectfully requests that, the Court dismiss all claims against the BTCB by Schmidt and Koop for failure to state a claim pursuant to Rule 12(b)(6).

WHEREFORE, the British Trade and Commerce Bank respectfully requests that this Court enter an Order granting the following relief:

a. Dismissal of all claims by plaintiff Schmidt

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against the BTCB for lack of personal jurisdictions pursuant to Rule 12(b)(2);

b. Dismissal of all cross-claims by defendant Koop against the BTCB for lack of personal jurisdictions pursuant to Rule 12(b)(2);

c. Dismissal of all claims by plaintiff Schmidt against the BTCB for failure to state a claim pursuant to Rule 12(b)(6);

d. Dismissal of all cross-claims by defendant Koop against the BTCB for failure to state a claim pursuant to Rule 12(b)(6); and

e. Any other relief that the Court deems just and equitable.

Respectfully Submitted,

Ansell, Zaro, Grimm & Aaron
Attorneys for the British Trade and Commerce Bank

By: _____
THOMAS HALL, ESQ.

DATED: November 11, 1998

ANSELL ZARO
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ROBERT J. TOLCHIN
ATTORNEY AT LAW
150 WILLIAM STREET, 19TH FLOOR
NEW YORK, NEW YORK 10038
(212) 227-2181

November 9, 1998

BY FAX AND MAIL

James G. Aaron, Esq.
Ansell Zaro Grimm & Aaron, P.C.
CN 7807
Ocean, New Jersey 07712

Fax: (732) 922-1205

Re: *Glenn H. Schmidt v. William H. Koop a/k/a Bill Koop, et al.*
Case number: 98-4305 (WHW)

Dear Mr. Aaron,

We have reviewed your letter of October 30, 1998 and the accompanying certification of Rudolfo Requena.

We note that Mr. Requena has carefully avoided stating that his statement is subject to the penalties for perjury of the United States of America as is required by 28 U.S.C. § 1746.

Mr. Requena's certification fails to provide any tangible information at all. For example, although it states that there was no account for the defendant Koop or International Financial Services, it fails to state who was the account holder of the account which is at issue in this action.

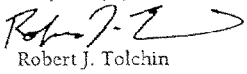
Your paeans to bank secrecy are without merit as, among other things, your client engaged in sufficient activity within the United States to subject it to United States laws.

Your client maintained an account at Banco Industrial de Venezuela, a bank with offices in the State of Florida, and a check was issued by Banco Industrial de Venezuela in Florida to your client in the amount of $3,498,559.74 on June 5, 1998. This check was apparently sent through the United States mails and apparently included the

$2,500,000 of which the plaintiff was defrauded. By reason of this conduct, your client is clearly subject to the laws of the United States at least as concerns this account and this transaction.

As we have told you in the past, if your client was truly innocent and had no actual or constructive knowledge that its auspices were being used for purposes of fraud, we will consider discontinuing the case as against your client. However, the certification you have provided does not provide any real information and the conclusory statement of your client's officer is insufficient. The fact remains that the trail of the plaintiff's money so far ends at your client's door.

Very truly yours,



Robert J. Tolchin

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MICHAEL S. SHEITELMAN

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Please fax to 732-922-1205

November 10, 1998

VIA TELEFAX

ROBERT J. TOLCHIN, ESQ.
150 William St.
New York, NY 10038

RE: **BRITISH TRADE AND COMMERCE BANK ad . SCHMIDT**
C.A. No. 98-4305/WHW

Dear Mr. Tolchin:

I have contacted the client with respect to your recer : fax regarding the certification submitted to you. Please be advised that my client does tak the secrecy laws of the Nation of Dominica very seriously. That being said, my client did not provide you with a certification to attempt to mislead you. The wiring instructions that you have provided to all parties indicate the name of the account that was used for the proceeds which were deposited in the British Trade & Commerce Bank. The name of the account a non-party to this action.

My client also wishes to advise that you may obtain discovery of the issues that relate to the use of the proceeds in that account from the defendant loop by simply having discovery available to him. Please be advised that my client advises that statements of the activities in

the account have been provided to Mr. Koop and therefore are available to you in that form of discovery.

Very truly yours,

JAMES G. BARON
A member of the firm

JGA/mk

c Rick F. Shumate, Esq.
Robert F. Garner, Esq.
Thomas Hall, Esq.

DICTATED BUT NOT READ

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RICHARD R. BLEAKLEY
SCOTT DIENER

CERTIFIED CIVIL TRIAL ATTY #
N.J. & N.Y. BAR *
N.J. & P.A. BAR ◊
N.J., N.Y. & FLA. BAR ◻
N.Y. BAR ONLY ○

December 7, 1998

VIA FACSIMILE AND REGULAR MAIL
(212) 732-6746
Robert Tolchin, Esq.
150 William Street
19th Floor
New York, NY 10038

Re: Schmidt v. Koop, et al.

Dear Mr. Tolchin:

Enclosed please find a copy of an executed authorization signed by my client pursuant to Judge Pisano's Order. I am sending the original via overnight mail to James Aaron, Esq., attorney for BTCB.

Very truly yours,

GALLO GEFFNER FENSTER, P.C.

By: Scott F. Diener
Scott F. Diener

SFD\cam
Enclosure

cc: -James Aaron, Esq. (Via Fax & Overnight Mail)
-Ralph C. Crozier, Esq. (Via Regular Mail)
-Marc S. Nurik, Esq. (Via Regular Mail)
-Ted Eric May, Esq. (Via Regular Mail)

F:\USERS\CAM\SFD\KOOP.LTR

AUTHORIZATION

I, William H. Koop, the undersigned, hereby authorize the British Trade and Commerce Bank ("BTCB") to provide the documents listed below to Robert J. Tolchin, Esq. and the law firm of Jaroslawicz & Jaros, both located at 150 William Street, 19th floor, New York, New York 10038.

Documents to be provided:

1. For the BTCB account designated as (IFS) Info Seek Account no. 101011089-0, and for any BTCB account controlled by William H. Koop ("Koop") or with respect to which Koop is an authorized signatory, depositor, account holder, trustee or custodian, all statements; canceled checks (front and back); wire transfer records; records of deposits and withdrawals; signature cards; account agreements; documents reflecting the disposition of any money deposited therein.

2. All documents pertaining to the above account(s) provided to Koop or his attorneys.

3. Complete file with respect to Koop pertaining to the above account(s).

4. Documents reflecting any investigation or inquiry with respect to Koop or any moneys deposited with BTCB by, on behalf of, with the assistance of, or controlled by Koop.

Dated: December 7, 1998

William H. Koop

State of New Jersey }
} ss:
County of Bergen }

On this date, the 7th day of December, 1998, William H. Koop, to me known and known to me to be the person named herein, and executed the above instrument.

Notary Public.

SCOTT F. DIENER, ESQ.
An Attorney-at-Law of New Jersey

Dec-10-98 11:11am From-ANSELL ZARO GRIMM AARON +9221205 T-062 P.02/30 F-946

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December 10, 1998

Via Fax and Regular Mail

Robert J. Tolchin, Esq.
150 William Street
New York, New York 10038

Jay Joseph Friedrich, Esq.
Scott F. Diener, Esq.
Gallo, Geffner, Fenster, P.C.
Continental Plaza II
411 Hackensack Avenue
Hackensack, New Jersey 07601

Re: Schmidt v. Koop, et. al.

Dear Counsel:

Please find enclosed preliminary account information concerning the Info-Seek Account and three other accounts that Koop had at the BTCB: Hanover Bank, Cadogan Asset Management, Ltd., and Atlantic Marine Bancorp, Ltd.

While I anticipate receipt of additional information concerning these accounts, I thought it best that I forward this initial information to you as soon as possible.

Very Truly Yours,

THOMAS HALL
For the Firm

cc: James G. Aaron, Esq.
Rick Shumate, Esq.

ORIGINAL

1

2 UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
3 ----------X
GLENN H. SCHMIDT,
4
PLAINTIFF,
5
-against-
6
WILLIAM H. KOOP a/k/a BILL KOOP: WILLIAM H.
7 KOOP & ASSOCIATES: INTERNATIONAL FINANCIAL
SOLUTIONS LTD: INTERNATIONAL FINANCIAL
8 SOLUTIONS, S.A.: BRITISH TRADE AND COMMERCE
BANK: BANCO INDUSTRIAL DE VENEZUELA; HANOVER
9 BANK, LTD.,
10
DEFENDANTS.
----------X
11
12 DATE: DECEMBER 10, 1998
13 TIME: 10:00 a.m.
14
15 EXAMINATION BEFORE TRIAL of the
16 Defendant, WILLIAM H. KOOP, taken by the Plaintiff,
17 pursuant to a Court Order, held at the Federal
18 Court, 50 Walnut Street, Newark, New Jersey, before
19 a Notary Public of the State of New Jersey.
20
21
22
23
24
25

1

2 A P P E A R A N C E S:

3

4 JAROSLAWICZ & JAROS, ESQS.
Attorneys for the Plaintiff
5 150 William Street
New York, New York 10038
6 BY: ROBERT J. TOLCHIN, ESQ., of Counsel

7

GALLO, GEFFNER, FENSTER, P.C.
8 Attorneys for the Defendants
WILLIAM H. KOOP and WILLIAM H. KOOP &
9 ASSOCIATES
Continental Plaza II
10 411 Hackensack Avenue
Hackensack, New Jersey 07601
11 BY: JAY FRIEDRICH, ESQ.

12

ANSELL, ZARO, GRIMM & AARON, ESQS.
13 Attorneys for the Defendant
BRITISH TRADE AND COMMERCE BANK
14 1500 Lawrence Avenue
Ocean, New Jersey
15 BY: NOT PRESENT

16

RUDEN, McCLOSKY, SMITH, SCHUSTER & RUSSELL,
17 P.A.
Attorneys for the Defendant
18 BANCO INDUSTRIAL DE VENEZUELA
200 East Broward Boulevard
19 Fort Lauderdale, Florida 33301
BY: NOT PRESENT

20

21 RALPH C. CROZIER, LLC
Attorney for the Defendant
22 HANOVER BANK
7 Wakely Street
23 Seymour Connecticut 06483
BY: NOT PRESENT

24

Also present: David Jaroslawicz, Esq.

25

* * *

1 KOOP

2 the trader.

3 Q. Was this investment made with your

4 money, your personal money?

5 A. No. What we're talking about was made

6 with Glenn Schmidt's money.

7 Q. Who was the trader that your testimony

8 is that Glenn Schmidt's money was given to?

9 A. The British Trade and Commerce Bank.

10 Q. Do you have an understanding as you sit

11 here today with respect to what investment was made

12 with Glenn Schmidt's money through British Trade

13 and Commerce Bank?

14 MR. FRIEDRICH: All the money?

15 MR. TOLCHIN: All of the money.

16 A. It wasn't all done with British Trade

17 and Commerce Bank.

18 Q. Was some portion of it done with

19 British Trade and Commerce Bank?

20 A. Yes.

21 Q. What portion?

22 A. $1,325,000.

23 Q. What investment was made with

24 $1,325,000 through British Trade and Commerce Bank?

25 A. I have no knowledge.

KOOP

Q. Did you inquire what happened to that money?

A. I am not privy to that.

Q. Did you inquire, sir, about what happened to this money, this $1,325,000?

A. You have papers on it in your file.

Q. I'm asking you a direct question, sir. Did you inquire what became of the $1,325,000?

A. I have not been paid the return on that yet.

Q. Sir, I am asking you a direct question. Did you ask anybody at any time what became of the $1,325,000?

A. I have not.

Q. What date was the $1,325,000 invested, as you say?

A. June 29th.

Q. From June 29th until today have you inquired what became of the $1,325,000?

A. I have not because I just have no report on it.

Q. Did anybody ask you what happened to the $1,325,000?

A. Only you.

1 KOOP

2 investment.

3 Q. It's your understanding that Mr. Olit

4 was the facilitator with respect to Mr. Schmidt?

5 A. That is correct.

6 Q. Would Mr. Olit receive anything for

7 being a facilitator?

8 A. Yes, he would.

9 Q. What would he receive?

10 A. Ten percent.

11 Q. Did Mr. Olit actually ever receive

12 anything from you with respect --

13 A. Yes, he did.

14 Q. What did he receive?

15 A. He received -- I'm not exactly sure if

16 it was $5,000 or $10,000 that he asked for because

17 he had no money.

18 Q. When was that?

19 A. I don't know.

20 Q. Did you give Mr. Olit $5,000 or

21 $10,000?

22 A. Yes, I did.

23 Q. Where did you get the money that you

24 gave to Mr. Olit?

25 A. Came out of my account.

1 KOOP

2 government, as I mentioned to you before, and I got

3 nothing but good reports.

4 Q. Do you know how long the British Trade

5 and Commerce Bank has been in business?

6 A. Approximately -- I'm -- if I'm not

7 mistaken, I do not know this for a fact, but I

8 believe two to two and a half years.

9 Q. Are you personally acquainted with any

10 of the officers, principals or employees of the

11 British Trade and Commerce Bank?

12 A. I know who a few of them are.

13 Q. You mean their names?

14 A. Yes.

15 Q. Have you ever met any of them?

16 A. I met Charles Brazy (phonetic) for

17 about 40 minutes.

18 Q. Where was that?

19 A. In Washington D.C.

20 Q. When was that?

21 A. Might have been the end of 1997 or the

22 beginning of 1998.

23 Q. Why did you meet Mr. Brazy?

24 A. It was actually just by accident. I

25 was with someone else and they knew him. That's

1 KOOP

2 MR. FRIEDRICH: That's what he said

3 before.

4 MR. TOLCHIN: Mark this.

5 (Whereupon, a one-page authorization

6 was marked as Plaintiff's Exhibit 2 for

7 identification by the Reporter.)

8 Q. Sir, there's a document that's been

9 marked as Exhibit 2 for identification. Can you

10 tell us what this document is, this one-page

11 document?

12 A. What the document is?

13 Q. Yes.

14 A. Let me get my glasses. This is an

15 authorization for a certain amount of money to be

16 given to British Trade and Commerce Bank for

17 investment. Originally it was stated as

18 $1,362,000. However, I changed it to $1,325,000.

19 Q. Sir, the very top of this document in

20 big letters it says Global Investment Fund S.A.?

21 A. That's part of British Trade.

22 Q. Global Investment Fund is part of the

23 British Trade and Commerce Bank?

24 A. That's correct.

25 Q. This telephone number here in the upper

1 KOOP

2 decision of where it's going takes place.

3 Q. When you got the paper or papers from

4 Global that you referred to a moment ago, what did

5 they say was being done with the $1,325,000?

6 A. They don't tell you. They just tell

7 you your return, and I don't even know what that

8 return was at the moment.

9 Q. Was there a return?

10 A. Not yet, no.

11 Q. Do you know whether the balance on that

12 Global account today is greater than or less than

13 $1,325,000?

14 A. I know it's greater.

15 Q. You mean the $1,325,000?

16 A. I have reason to believe that to be

17 true.

18 Q. What is your reason?

19 A. I just know. I've never seen anything,

20 but I know a little bit of what different people

21 have told me. Whether it's true for not, I really

22 can't say.

23 Q. Who has told you what?

24 A. You'll have to ask the bank.

25 Q. I have to ask you because you're here

1 KOOP

2 being deposed.

3 A. But I don't know.

4 Q. Has anybody told you anything about

5 what investment the Global account has made with

6 the $1,325,000 that you transferred into that

7 account?

8 A. I have a letter to that effect and

9 that's what we wrote down.

10 Q. Did that letter tell you what sort of

11 investment would be made with the $1,325,000?

12 A. Not at all. Tells you the return.

13 Q. What information was contained in that?

14 A. Just the return.

15 Q. Can you define the term "return"?

16 A. What your percentage would be on your

17 money.

18 Q. Approximately when did you receive the

19 letter showing what the return was on the Global

20 account?

21 A. Approximately in September.

22 Q. September of 1998?

23 A. Yes. There was problems at the time in

24 placing monies. It had an interim of -- is this

25 June?

1 KOOP

2 Q. Yes.

3 A. Yeah, from June 12th to September, but

4 I don't know what date in September.

5 Q. What was the percentage return shown in

6 that letter?

7 A. I don't know.

8 Q. More or less than ten percent?

9 A. I can't tell you. I do not know.

10 Q. Do you know if it was more or less than

11 five percent?

12 A. I do not know.

13 Q. You received that return after you were

14 sued in this case; didn't you?

15 A. I have not received the return.

16 Q. You received the letter advising you of

17 what the return was after this suit was started?

18 A. What's the date of the suit?

19 Q. September 17th.

20 A. It's very close. I don't know.

21 MR. FRIEDRICH: It was when he was

22 served, not when it was started.

23 A. I was never served, by the way.

24 Q. You say you were never served, sir.

25 Did a process --

KOOP

Q. Did you ever transfer monies from the IFS account at British Trade and Commerce Bank to an account at Hanover Bank?

A. Yes, I did.

Q. Did you, by the way, have more than one account at Hanover Bank?

A. Just one account.

Q. That was in the name of IFS?

A. That is correct.

Q. Were you, William H. Koop, the only authorized signatory on that account?

A. I thought I was, but I found out later it was Terry Windgrove.

Q. Terry Windgrove had authority to transfer your money?

A. Yes. I didn't know that at the time. We don't know how it was done, but it's being investigated right now.

Q. Who told you that Terry Windgrove actually had authorization to transfer money out of the Hanover Bank account?

A. He did.

Q. Terry Windgrove told you that?

A. Yes.

KOOP

Q. When did he tell you that?

A. Maybe 60 days ago, because actually I thought that I had the only right to move funds, you know, in or out of that account, and I found out that there were no funds left in the account.

Q. Funds that you believe were your funds were transferred out of the Hanover Bank account?

A. That is correct.

Q. Approximately how much money did you lose?

A. I would say over $3,000,000.

Q. Of your own personal money?

A. Yes.

Q. Did that $3,000,000 belong to anyone else?

A. No.

Q. How long had your $3,000,000 been in the Hanover Bank?

A. It went in payments, so I don't know.

Q. When did you open the account at Hanover Bank?

A. I would say in December of 1997.

Q. Why did you open an account at Hanover Bank?

1 KOOP

2 A. Well, I had met Terry Windgrove and
3 through Terry Windgrove -- he suggested that I open
4 an account there, and they were being go to pay us
5 a very nice interest rate, and so that's why I
6 opened the account there.
7 Q. What was the interest rate that you
8 expected to be paid?
9 A. About 20 percent.
10 Q. You consider 20 percent an extremely
11 favorable interest rate?
12 A. If money is sitting there, yes.
13 Q. You transferred money, your own
14 personal money into the Hanover Bank?
15 A. Yes, I did.
16 Q. Where did you transfer that money from?
17 A. Various places.
18 Q. Is that from someplace inside the
19 United States or someplace outside the United
20 States?
21 A. British Trade and Commerce Bank is one.
22 Q. You transferred money from the British
23 Trade and Commerce Bank to the Hanover Bank?
24 A. Yes.
25 Q. Which account?

1 KOOP

2 A. Some of it came out of this account

3 that the money went into for Schmidt.

4 Q. The money that was in the Schmidt

5 account, the IFS account, that was Schmidt's money

6 for the most part; correct?

7 A. For the most part, yes.

8 Q. Would it be correct to say that at most

9 $110,000 of the money in that account came from

10 someplace other than Schmidt?

11 A. We discussed that before and I said

12 it's very possible. I don't know exactly.

13 Q. How much money did you transfer from

14 the IFS account at British Trade and Commerce Bank

15 to the account at Hanover Bank?

16 A. On three different occasions -- three,

17 maybe four, I transferred 312,000, 600 and some odd

18 thousand -- I think it's 685 or 675. 200,000 and

19 200,000. I think there were four increments that

20 were sent there because Windgrove was going to put

21 them into the trades from the Hanover Bank. That's

22 how this --

23 Q. It's your testimony that you

24 transferred money out of the Info-seek account

25 which was for the most part Glenn Schmidt's money?

1 KOOP

2 A. Yes.

3 Q. You transferred it ultimately to the

4 Hanover Bank?

5 A. And Windgrove --

6 Q. Windgrove was supposed to make the

7 investments with that money?

8 A. That is absolutely correct.

9 Q. Prior to making this transfer or these

10 transfers ultimately to the Hanover Bank did you do

11 any investigation as to Mr. Windgrove's background?

12 A. I checked the Hanover Bank. Let me

13 just explain. I checked out the Hanover Bank

14 through Antigua and I got a good report. That was

15 verbal from the commissioner. However, I was told

16 at that time they moved it from Antigua to the Isle

17 of Jersey. On occasions I had sent other monies to

18 Terry Windgrove for investments, you know, to be

19 returned, because he was doing currency trading,

20 and in addition to that they were doing computer

21 chips which was a very highly profitable

22 situation. On these monies what he would do is

23 give me a schedule of a return of maybe two times

24 the money inside of a given period of time which

25 was usually a very short period of time. It was

1 KOOP

2 either, like, two months to four months. It could
3 be higher than that. Could be a little less than
4 that.
5 Q. Did you have any agreement in writing
6 with Mr. Windgrove?
7 A. As a matter of fact I did not. I know
8 that's stupid, but I didn't.
9 Q. Is there a reason why you had no
10 writing with Mr. Windgrove?
11 A. I had every reason to believe he was
12 honest. I checked him out. He was an ex-banker.
13 I only found out recently there were some problems.
14 Q. Approximately how old is Terry
15 Windgrove?
16 A. 60, 55. I don't know.
17 Q. When you say you checked out Mr.
18 Windgrove, how did you do that?
19 A. I called Scotland Yard and --
20 Q. Just a general number at Scotland Yard?
21 A. Yes. I got information. They -- the
22 only thing they'll say is they have no record of
23 any problem.
24 Q. Who did you speak to at Scotland Yard?
25 A. I have no idea. I don't know who it

ORIGINAL

1

2 UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
3 ----------X
GLENN H. SCHMIDT,
4
PLAINTIFF,
5
-against-
6
WILLIAM H. KOOP a/k/a BILL KOOP: WILLIAM H. KOOP
7 & ASSOCIATES: INTERNATIONAL FINANCIAL SOLUTIONS
LTD.: INTERNATIONAL FINANCIAL SOLUTIONS, S.A.:
8 BRITISH TRADE and COMMERCE BANK: BANCO INDUSTRIAL
DE VENEZUELA; HANOVER BANK, LTD.,
9
DEFENDANTS.
10 ----------X

11 DATE: March 2, 1999

12 TIME: 11:06 a.m.

13

14 CONTINUED EXAMINATION BEFORE TRIAL of
15 the Defendant, WILLIAM H. KOOP, taken by the
16 Plaintiff, pursuant to a Court Order, held at the
17 Newark Federal Courthouse, 50 Walnut Street,
18 Newark, New Jersey 07102, before a Notary Public of
19 the State of New Jersey.

20

21

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23

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1

2 A P P E A R A N C E S:

3

4 JAROSLAWICZ & JAROS, ESQS.
Attorneys for the Plaintiff
5 150 William Street
New York, New York 10038
6 BY: ROBERT J. TOLCHIN, ESQ.

7

GALLO, GEFFNER, FENSTER, P.C.
8 Attorneys for the Defendants
411 Hackensack Avenue
9 Hackensack, New Jersey 07601
BY: STEPHEN A. GEFFNER, ESQ.
10 SCOTT DIENER, ESQ.

11

ALSO PRESENT:
12 Videographer
Joseph Kolsby, Wander Communications
13

14 * * *

15

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25

1 KOOP

2 Q. You told us that you had received this

3 document on or about June 29, 1998; is that

4 correct?

5 A. Yes.

6 Q. What did you do with this document when

7 you received it?

8 A. What did I do what?

9 Q. What did you do with this document once

10 you received it?

11 A. I sent a wire transfer to Winston

12 Allen.

13 Q. Where did you get the money from for

14 this wire transfer?

15 A. Well, as you can see, it came out of

16 the British Trade and Commerce account.

17 Q. Is that the transaction on the account

18 statement for the Info-seek account for June 24,

19 1998?

20 A. Yes, it is.

21 Q. That is for 18,300?

22 A. I am looking.

23 Q. Let's be fair.

24 It is June 24, 1998 and June 29, 1998,

25 the first one to Citibank in the amount of 18,300,

1 KOOP

2 and the second one to Citibank in the amount of

3 11,500.

4 A. I see them.

5 Q. Do you know what the 18,300 was for?

6 A. It was a loan to Winston Allen.

7 Q. But this money was not sent directly to

8 Mr. Allen, was it?

9 A. No. It was sent to -- as he

10 requested -- one was to Gracey Interiors

11 (phonetic), and the other was to --

12 Q. -- Robinson, Silverman, Pearce, Aronsohn

13 & Berman, L.L.P., attorney trust account?

14 A. Yes.

15 Q. Do you know what that money was used

16 for, sir, that $18,300?

17 A. Well, I know that 18,300 was part of a

18 payment for a piece of property, an apartment, if I

19 am not mistaken.

20 Q. That is the cooperative apartment?

21 A. Yes.

22 Q. Unit 38-H in a building called City

23 Lights in Long Island City?

24 A. That I don't know. If that's it,

25 that's it.

1 KOOP

2 Q. Do you know what the connection was of

3 the Robinson, Silverman firm to that apartment?

4 A. I assume they were the --

5 MR. GEFFNER: Don't assume. Tell us

6 what you know.

7 A. I do not know. I see that it says

8 "attorney trust account."

9 Q. Were you told that they were the

10 closing attorneys?

11 A. No.

12 Q. Attorneys for the sponsor?

13 A. No. I was not told anything.

14 Q. What was the purpose of the $11,500

15 transfer to Gracey Interiors?

16 A. Once again, I do not know. I know that

17 it was probably for the furnishings of the

18 apartment itself.

19 Q. And that was an apartment for Winston

20 Allen?

21 A. That is correct.

22 Q. The apartment is in the name of Winston

23 Allen?

24 A. To my knowledge. I do not know that

25 for a fact.

1 KOOP

2 page 19 are CPA Services'?

3 A. Yes, sir.

4 Q. Do you know what CPA stands for?

5 A. Christian Patriot Association.

6 Q. Would you agree with me, sir, that page

7 18 and page 19, taken together, are an instruction

8 from you to the British Trade and Commerce Bank to

9 transfer one million dollars from the Info-seek

10 account at British Trade and Commerce Bank to the

11 Christian Patriot Association or CPA Services in

12 Boring, Oregon?

13 A. Yes, I do.

14 Q. Why did you direct British Trade and

15 Commerce Bank to transfer one million dollars to

16 CPA Services?

17 A. I put it in an account and used that

18 money to pay some people.

19 Q. What is the nature of the business

20 conducted by CPA Services?

21 A. I really don't know. I know that they

22 are some kind of a right-wing organization, but I

23 have nothing to do with that.

24 Q. Has anyone ever told you that they

25 provide banking services to people who don't want

1 KOOP

2 records kept?

3 A. No.

4 Q. Why would you transfer the money to CPA

5 Services rather than an ordinary bank, perhaps one

6 here in New Jersey?

7 A. Only because of the fact that they can

8 distribute those monies without having -- and I

9 don't have to have a staff to do so.

10 Q. In other words, you send a million

11 dollars to CPA Services, and then you tell them

12 whom you want to send it on to, and they take care

13 of it?

14 A. That is correct.

15 Q. What do they charge for that service?

16 A. I am not sure if it is one percent or

17 three quarters of one percent.

18 Q. Do they keep records, to your

19 knowledge, of whom they transfer the money to?

20 A. I have no idea.

21 Q. Do you receive a receipt when they

22 transfer any money?

23 A. I do not.

24 Q. So, in other words, just to understand

25 the transaction, you had British Trade and Commerce

1 KOOP

2 Bank send a million dollars to CPA Services?

3 A. Right.

4 Q. Sir, you directed British Trade and

5 Commerce Bank to send one million dollars to CPA

6 Services, you then told CPA Services what to do

7 with the money, but you received no confirmation

8 from CPA Services as to what they did with the

9 money other than a balance statement?

10 A. Just a balance statement. They show

11 each amount deducted, but it doesn't show who it is

12 from.

13 Q. Or whom it is to?

14 A. No.

15 Q. So you will get a statement that says

16 one million dollars, subtract our fee, $10,000

17 transferred to this one, $5,000 to that one, $3,000

18 to this one, $30,000 to that one, but it doesn't

19 say whom it is going to? It just says minus

20 $30,000, minus $60,000?

21 A. That is correct.

22 Q. Whom did you transfer the money to out

23 of the CPA Services account?

24 A. I would not be able to tell you that.

25 Q. Can you account for even a single penny

1 KOOP

2 MR. GEFFNER: Just answer it the right

3 way.

4 Q. I just want you to tell the truth,

5 sir.

6 Why did you repay other investors with

7 money that had come from Glenn Schmidt?

8 A. Glenn Schmidt's money was invested, as

9 I told you the last time during the last day of

10 testimony, and Glenn Schmidt's money came from

11 different sources and went to different sources.

12 There was a sum of money which was given to British

13 Trade and Commerce of over a million 300 and some-

14 odd thousand dollars for an investment as part of

15 his investment.

16 Q. Is that reflected on the account

17 statement?

18 A. No, it is not.

19 Q. Why is that, sir?

20 A. That is just the way they do it.

21 Q. Would you agree with me, sir, that this

22 account statement shows deposits in the amount of

23 $2,610,000, and it shows debits in the total of

24 $2,598,000?

25 A. I agree.

1 KOOP

2 accurately reflected there?

3 A. That is a bank charge. I would assume

4 that they are correct.

5 Q. As far as you know, they charge $140 or

6 $160 for a wire transfer at British Trade and

7 Commerce Bank?

8 A. Most banks they do vary a little bit,

9 but that is about right.

10 Q. Turn ahead to page 26 of the packet.

11 Have you ever seen this document

12 before?

13 A. No, I have not.

14 MR. TOLCHIN: Just for the record, this

15 is a document that says "Account statement for the

16 account." It indicates "Owner, Hanover B, Ltd."

17 Q. Did you choose the name Hanover B,

18 Ltd.?

19 A. Yes, I did -- I didn't, but

20 Mr. Wingrove did.

21 Q. Why did you call the account Hanover B,

22 Ltd.?

23 A. To correspond to Hanover Bank. In

24 other words, it was -- the way it was set up was I

25 had no -- nothing ever coming back from Hanover

KOOP

Q. Who is [redacted]

A. It is [redacted]

Q. Who is [redacted]

A. She is an investor.

Q. That is on the line of May 29, 1998.

Why did you send [redacted] $38,750?

A. She requested that. She needed it badly, and we took it out of her account.

Q. How much had she invested?

A. I don't know.

Q. Come down to the bottom. There's a transaction on July 21, 1998. The description is "Certified Check, County of Bergen, New Jersey, Bill Koop in the debit amount of $294,000"?

A. That was a payment for the house.

Q. That was the money you used to buy the house in Ho-Ho-Kus?

A. That is correct.

Q. Come up on 7/16/98. There is a payment to First Mountain Bank, Infinity Communications. That is in the amount of $150,000.

Is that First Mountain Bank in Big Bear Lake, California?

Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57j_____

Exhibit 57j.

Cook fraud documents

THE ARIZONA REPUBLIC, December 12, 2000

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THE ARIZONA REPUBLIC

December 12, 2000 Tuesday, Final Chaser

SECTION: BUSINESS & MONEY; Pg. D5

LENGTH: 299 words

HEADLINE: FINANCIER ORDERED TO REPAY $43 MILLION

BYLINE: Arizona Republic

BODY:
A federal district court in Dallas has issued a permanent injunction against **Benjamin** Franklin **Cook** III, an Arizona businessman, for violation of federal securities laws.

Cook was ordered to turn over nearly $43 million earned through allegedly fraudulent investment schemes.

An investigation by the Arizona Corporation Commission's Securities Division helped lead to the injunction.

Cook was indicted recently by an Arizona grand jury and faces charges of racketeering, **fraud** and theft for taking millions of dollars from people across the country for an investment program.

The Arizona indictment alleges that Cook, through his company, Dennel Finance Ltd., collected about $41 million from more than 300 investors under the guise that the money would be invested in European bank securities. Of that money, only $625,000 was actually invested, and most of those funds were lost, the state says.

The investigating agencies allege that Cook used the money for personal expenses, including a luxury home, airplanes, real estate properties, jewelry, jet skis, expensive motorcycles and high-end vehicles, such as a Dodge Viper, a Cadillac and a late model BMW. Additionally, Cook donated about $1.8 million to the Church of Scientology.

The Arizona Corporation Commission and state Attorney General's Office have seized nearly $11 million of Cook's assets, which ultimately will be restored to the victims based on the amount of their investment.

Cook is jailed in Texas on federal civil contempt charges.

"This kind of teamwork between state agencies demonstrates clearly that the public interest is being served. Con artists will not get away with living in high style on money they've stolen from investors," Arizona Corporation Commissioner Jim Irvin said in a statement.

LOAD-DATE: December 29, 2000

August 30, 2000

(Phoenix, AZ) - Attorney General Janet Napolitano today announced the indictment of Benjamin Franklin Cook, III, an Arizona businessman, on charges of racketeering, fraud and theft for taking millions of dollars from people across the country to be invested in a bogus investment program. The 37-count indictment reflects one of the biggest dollar fraud cases ever prosecuted by the Attorney General's Office and is the result of a long-term investigation into Cook's activities. The investigation was conducted by the Attorney General's Office, the U.S. Customs Service, the U.S. Securities and Exchange Commission, the Arizona Department of Public Safety and the Arizona Corporation Commission. Cook is currently in a Texas detention facility on federal contempt charges arising from a civil Securities and Exchange Commission proceeding.

Return to Home Page

The indictment alleges that Cook, through his company, Dennel Finance Limited, collected some $41 (m) million from more than 300 investors, under the guise that the money was going to be invested in a lucrative European Bank Trading Program. Of that money, only $625,000 was invested in another type of program and most of those funds were lost. The investigating agencies contend that Cook used the money for personal expenses, including a luxury home, airplanes, real estate properties, high end vehicles, such as a Dodge Viper, a late model BMW Coupe, a Cadillac, expensive motorcycles and other vehicles, jewelry and Jet Skis. Additionally, Cook donated some $1.8 (m) million to the Church of Scientology. The Attorney General's Office has also seized nearly $11 (m) million of Cook's assets, which will ultimately be paid to the victims, depending on the amount of their investment.

"The indictment alleges the worst kind of fraud," said Napolitano. "In some instances, these victims put up their life savings in the hopes of making a little extra cash to make their retirement dollars go further."

"To a con artist, everyone is a potential target. Their sole

purpose is to steal your money. This case has a clear lesson: When someone offers you a deal too good to be true, chances are, it is," said Customs Commissioner Raymond W. Kelly.

If convicted of the Arizona charges, Cook faces a sentence of up to hundreds of years in prison.

An indictment is a criminal charge only. All individuals are presumed innocent unless and until proven guilty.

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(602) 542-3881

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA, Plaintiff, vs. BENJAMIN FRANKLIN COOK, Defendant.	No. CR 2000-013042 **47 SGJ 104** **INDICTMENT** CHARGING VIOLATIONS OF: **COUNTS 1 through 12** **Fraudulent Schemes and Artifices** A.R.S. § 13-2310 Class 2 felony **COUNTS 13 through 36** **Theft** A.R.S. §§ 13-1801, 1802(A)(1)(2)(3) Class 2 felony **COUNT 37** **Illegally Conducting an Enterprise** A.R.S. §§ 13-2312 Class 3 felony

The Arizona State Grand Jury accuses BENJAMIN FRANKLIN COOK, charging that in or from Maricopa County, Arizona:

COUNT ONE

On or about the dates listed below, the defendant BENJAMIN FRANKLIN COOK, pursuant to a scheme or artifice to defraud, knowingly obtained a benefit in the amount stated below by means of false or fraudulent pretenses, representations, promises or material omissions. Said conduct occurred when the defendant fraudulently obtained funds from individuals by falsely representing that

their funds would be invested in European trading programs through Dennel Finance, Ltd. Investor funds were grouped into platforms which were created by the defendant for the supposed purpose of furthering the trading program activities. Defendant falsely represented that investor funds would not be placed at risk and that investor funds would be secured by a bank guarantee, safe-keeping receipt or certificate of deposit. Defendant falsely represented that the trading activities would generate profits between two and five percent per month for the twelve month duration of the investment. Defendant used the investor funds for other, unauthorized purposes.

Count	Dates	Investment Platform Name	Amount
1	01-01-98 to 05-01-98	CTP	$3,603,000.
2	11-01-98 to 02-15-98	JV 1	$3,023,000.
3	04-15-98 to 07-01-98	JV 2	$3,222,000.
4	05-15-98 to 08-15-98	JV 3	$3,435,000.
5	07-15-98 to 09-15-98	JV 4	$3,275,000.
6	07-15-98 to 09-30-98	JV 5	$3,128,000.
7	09-01-98 to 11-30-98	JV 6	$3,064,000.
8	09-15-98 to 12-31-98	JV 7	$3,262,000.
9	01-01-99 to 3-16-99	JV 8	$2,018,000.
10	03-15-98 to 03-01-99	FPC	$6,777,000.
11	09-01-98 to 02-15-99	Samuel 1	$3,192,600.
12	12-01-98 to 03-16-99	Samuel 2	$3,164,000.

All in violation of Arizona Revised Statutes §§ 13-2310 and 13-301-306.

COUNTS 13 THROUGH 36

On or about the dates given below, the defendant BENJAMIN FRANKLIN COOK without lawful authority, knowingly: (1) controlled property of another with intent to deprive the owner of such property; or (2) converted for an unauthorized term or use property of another, entrusted to the defendant or placed in his possession for a limited, authorized term or use; or (3) obtained property

or services of another, by means of any material misrepresentation with intent to deprive them of such property or services. Said conduct occurred when the defendant obtained the following amounts from the following persons for the purpose of investment through Dennel Finance, Ltd.

Count	Date	Investor Name	Amount
13	4-28-98	Charles Macht	$146,000.
14	4-24-98	Louis Macht	$134,000.
15	1-15-99	Ernest L.D. & Christine Hudson	$200,000.
16	12-23-98	Hubert C. Davis	$190,000.
17	06-03-98	Suma & Padmakar Kulkarni	$60,000.
18	05-28-98	Nijmeh Mitri	$250,000.
19	07-13-98	P. E. Jones	$170,000.
20	07-28-98	Esther M. Ryan	$100,000.
21	08-18-98	Johnston Family Ltd., PT	$400,000.
22	08-21-98	The Michaelson Trust	$100,000.
23	08-01-98	Bower Group Limited Partnership	$165,000.
24	09-01-98	Dorothea Spencer Family Limited Partnership	$250,000.
25	10-29-98	Alaska Financial Planning	$100,000.
26	09-11-98	Paul E. Jones	$80,000.
27	11-24-98	The Gadberry Family Trust	$100,000.
28	12-18-98	BK Investments	$100,000.
29	02-05-99	Phillip & Louanna Reynolds	$140,000.
30	02-05-99	Balakrishman Sridharan MDPC Restated Profit Sharing Plan	$100,000.
31	08-13-98	Luis Coronado	$300,000.
32	09-14-98	Melvin Salwasser	$250,000.
33	10-09-98	Roger L. Czerwin	$50,000.
34	11-04-98	Ray & Alice McEntire	$65,000.
35	01-22-99	Dennis E. Konzal I.R.A.	$147,000.
36	01-04-99	Roy A. Erwin	$132,000.

All in violation of A.R.S. §§ 13-1801, 1802(A)(1)(2)(3), and 13-301 through 13-306.

COUNT 37

Between approximately January 1, 1998 and April 1, 1999, the defendant BENJAMIN FRANKLIN COOK, was employed by or associated with an enterprise, Dennel Finance, Ltd. and conducted such enterprise's affairs through racketeering or participated directly or indirectly in the conduct of that enterprise knowing it was being conducted through racketeering. The racketeering offenses included theft and fraudulent schemes and artifices and are more particularly described in the other counts of this indictment.

All in violation of A.R.S. §§ 13-12312, 13-2301, and 13-301 through 13-306.

Pursuant to A.R.S. § 21-425, the State Grand Jurors find that the offenses described above were committed in Maricopa County, Arizona.

JANET NAPOLITANO
Attorney General
State of Arizona

SHERRY K. STEPHENS
Assistant Attorney General

(A "True Bill")

8-24-2000
Date

FOREPERSON OF THE GRAND JURY

K:\CRM\OCF\USERS\SSTEPHEN\Cook\INDICT.wpd

BRITISH TRADE AND COMMERCE BANK (BTCB)
TRANSACTIONS RELATED TO COOK FRAUD
April 1998- February 2000

****

BANCO INDUSTRIAL DE VENEZUELA (Miami Office)
(U.S. CORRESPONDENT BANK FOR BTCB)

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
4/6/98	$634,982	Wire transfer to Int[ernationa]l Business [Consultants Ltd.}
4/7/98	$19,985	Wire transfer to [International] Business Consu[ltants ltd.]
4/8/98	$5,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
4/9/98	$10,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
4/9/98	$10,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
4/13/98	$5,000	Wire transfer to Int[ernationa]l Bus[iness] Consultants [Ltd.]
4/13/98	$34,500	Wire transfer to Int[ernationa]l Bus[iness] Consultants Ltd.
4/15/98	$40,000	Wire transfer to Int[ernationa]l Business Con[sultants Ltd.]
4/15/98	$25,000	Wire transfer to Int[ernationa]l Business Consultants [Ltd.]

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
4/17/98	$5,000	Wire transfer to Int[ernationa]l Business Consultants [Ltd.]
4/17/98	$10,000	Wire transfer to Int[ernationa]l Business Consultants [Ltd.]
4/20/98	$26,000	Wire transfer to Int[ernationa]l Business Consultants [Ltd.]
4/21/98	$30,000	Wire transfer to Int[ernationa]l Business Cons[ultants Ltd.]
4/21/98	$10,000	Wire transfer to Int[ernationa]l Business Cons[ultants Ltd.]
4/21/98	$10,000	Wire transfer to Int[ernationa]l Business Consul[tants.Ltd.]
4/21/98	$25,000	Wire transfer to Int[ernationa]l Business Consulta[nts Ltd.]
4/21/98	$10,000	Wire transfer to Int[ernationa]l Business Consulta[nts Ltd.]
5/5/98	$10,000	Wire transfer to Int[ernationa]l Bus[iness] Cons[ultants Ltd.]
5/6/98	$25,000	Wire transfer to Int[ernationa]l Bus[iness] Cons[ultants Ltd.]
5/6/98	$49,982	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
5/8/98	$10,000	Wire transfer to Int[ernational] Business [Consultants Ltd.]
5/12/98	$10,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
5/13/98	$70,000	Wire transfer to Int[ernationa]l Bus[iness] Cons[ultants Ltd.]
5/13/98	$10,000	Wire transfer to Int[ernationa]l Bus[iness] Consu[ltants Ltd.]
5/14/98	$10,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
5/18/98	$10,000	Wire transfer to Internat[ional] Busin[ess] Cons[ultants Ltd.]

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
5/18/98	$20,000	Wire transfer to Int[ernational] Bus[iness] Cons[ultants Ltd.]
5/18/98	$25,000	Wire transfer to Int[ernationa]l Busin[ess] Consultan[ts Ltd.]
5/19/98	$20,000	Wire transfer to Int[ernationa]l Bus[iness Consultants Ltd.]
5/26/98	$10,000	Wire transfer to International Business Consultants Ltd.
5/26/98	$25,000	Wire transfer [Individual's name in Subcommittee Files]/RF IBCL
5/28/98	$10,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
5/28/98	$30,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
5/28/98	$220,000	Wire transfer to Int[ernationa]l Business [Consultants Ltd.]
SUBTOTAL	**$1,475,449**	

SECURITY BANK N.A. (Miami Office)
(U.S. CORRESPONDENT BANK FOR BTCB)

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
6/22/98	$120,000	Wire 3589 to International Business Consultants Ltd.
7/15/98	$100, 317.61	Wire 3772 to International Business Cons[ultants] Ltd.
7/31/00	$150,000	Wire 3903 to International Business Cons[ultants] Ltd.
8/3/98	$100,000	Wire 3915 to International Business Consultants Ltd.
8/7/98	($89,800)	Wire 10830 to International Business Consultants Ltd.
8/12/98	$9,994	Wire 3988 from Wayne Brown
8/18/98	$16,390	Wire 4050 Dennel Finance Ltd.
8/19/98	$19,985	Wire 4063 Maroni Ltd.
8/25/98	$16,390	Wire 4100 Dennel Financia[l] Ltd.
9/10/98	($22,200)	Wire 7386 Int[ernationa]l Business Con[sultants Ltd.]
9/11/98	$100,000	Wire 4266 to International Business Consultants [Ltd.]
9/14/98	$20,000	Wire 4285 from Wayne Brown
9/14/00	$100,000	Wire 4294 to International Business Consultants Ltd.

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
9/16/98	$355,500	Wire 4312 to International Bus[iness] Cons[ultants] Ltd.
9/17/98	$38,400	Wire 4317 Dennel Finance Ltd
9/28/98	($21,000)	Wire 7520 Wealth & Freedom Network, LLC
10/21/98	$16,390	Wire 4504 Dennel Finance Ltd
10/21/98	$31,590	Wire 4505 Dennel Finance Ltd
10/28/98	($21,500)	Wire 7758 FMGT-7 Limited Partnership
10/29/98	($200,000)	Wire 7764 International Business Consultants Ltd.
11/19/98	$19,200	Wire 4617 Dennel Finance Ltd.
11/27/98	$4,000	Wire 4665 Dennel Finance
12/8/98	($20,000)	Wire 6025 FMGT-7 Limited Partnership
12/17/98	$2,960	Wire 4763 Dennel Finance
12/17/98	$12,390	Wire 4764 Dennel Finance
12/17/98	$19,200	Wire 4765 Dennel Finance
12/17/98	$30,000	Wire 4771 Wealth & Freedom
12/23/98	($14,000)	Wire 6105 FMGT-7 Limited Partnership
12/24/98	$128,566.38	Wire 4822 from Trans Global Investments to benefit Global Investments Network

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
1/21/99	$1,600	Wire 4976 Dennel Finance Ltd. Cons.
1/21/99	$12,196.45	Wire 4974 Dennel Finance Ltd. Cons.
1/21/99	$19,200	Wire 4975 Dennel Finance Ltd. Cons.
1/27/99	($10,000)	Wire 6301 to [Individuals' names in Subcommittee Files] Ref: International Business Consult[ants] Ltd.
1/27/99	($100,000)	Wire 6302 to [Individual's name in Subcommittee Files] /Paine Webber Ref: International Business Consult[ants] Ltd.
1/27/99	($50,000)	Wire 6303 to [Individuals' names in Subcommittee Files] Ref: International Business Consult[ants] Ltd.
1/27/99	($27,000)	Wire 6297 FMGT-7 Limited Part.
2/8/99	$199,980	Wire 5079 to International Business Cons[ultants] Ltd.
2/11/99	($150,000)	Wire 6420 to Sunland Services Escrow Ref: Global Investment Network Ltd.
2/11/99	($242,340)	Wire 6410 to Sundland Services Escrow Ref. Global Investment Network Ltd.
2/16/99	$1,600	Wire 6019 Dennel Finance Ltd
2/16/99	$9,312.58	Wire 6011 Dennel Finance Ltd
2/16/99	$19,200	Wire 6020 Dennel Finance Ltd
2/16/99	($32,952)	Wire 6451 Desert Ent[erprises]
2/22/99	($175,000)	Wire 6499 to SCB Holdings Escrow Ref: Global Investment Network Ltd.

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
2/25/99	($36,000)	Wire 6517 FMGT-7 Limited Partnership
3/11/99	($8,200)	Wire 6642 FMGT-7 Limited Partnership
3/18/99	($20,000)	Wire 6701 FMGT-7 Limited
3/26/99	($25,000)	Wire 6758 FMGT-7 Limited Partners
4/6/99	$199,980	Wire 6843 to International Business Consul[tants] Ltd.
4/26/99	$30,000	Wire 6302 Transglobal Investments
6/23/99	($200,000)	OT906230002 to IBCL L.P. Ref: International Business Consultants Ltd.
6/29/99	($100,000)	OT906290002 to Premier Gold Fund Ltd. Ref: Int[ernationa]l Bus[iness] Consultants Ltd. #1
9/13/99	($200,000)	OT909130001 to Premier Gold Fund Ltd. Ref: International Business Consultants Ltd.
12/14/99	($140,000)	Wire 4853 to International Business Consultants Ltd. Partnership
12/16/99	($140,000)	Wire 01 to Int[ernationa]l Business Cons[ultants Ltd.]
12/17/99	$140,000	Reversal of Wire 01 to Int[ernationa]l Business Cons[ultants Ltd.]
01/31/00	$100,000	IN1280011 to International Bus[iness] Con[sultants] Ltd.
2/14/00	$160,000	OT214005 to International Business Consultants Ltd. Partnership
SUBTOTAL	**$2,304,342.02 ($2,044,992)**	

FIRST UNION NATIONAL BANK
(U.S. CORRESPONDENT BANK FOR BTCB)

DATE	AMOUNT CREDITED OR (DEBITED)	DESCRIPTION OF TRANSACTION
4/26/99	($100,000)	Wire 023635 to [Individual's name in Subcommittee Files] Ref: International Business Consultants
4/26/99	($200,000)	Wire 023053 to [Individual's name in Subcommittee Files] Ref: International Business Consultants
4/26/99	($200,000)	Wire 022397 to [Individuals' names in Subcommittee Files] Ref: International Business Consultants #2
5/7/99	($900,000)	Wire 008779 to IBCL Limited Partnership
8/16/99	($182,900)	Wire 026330 to International Business Consultant Ltd. Partnership
8/31/99	($150,000)	Wire 014582 to Desert Enterprises Ltd. Ref: International Business Consultant Ltd.
9/15/99	($196,000)	Wire 017307 to International Business Consultants LP
10/6/99	($112,260)	Wire 015487 to International Business Consultant Ltd. Partnership
SUBTOTAL	**($2,041,160)**	

SUMMARY

Total British Trade and Commerce Bank transactions
related to Cook fraud at three banks (4/98- 2/00):

Banco Industrial de Venezuela.....	$1,475,449.00	
Security Bank.....	$2,304,342.02	($2,044,992)
First Union National Bank.....		($2,041,160)
GRAND TOTAL.....	$3,779,791.02	($4,086,152)

2254

Prepared by U.S. Senate Permanent Subcommittee on Investigations, Minority Staff, December 2000

Sample of wire transfers used for chart

```
Session        V2.50.30
RESPONSE: .DFS058I S1 ; COMMAND COMPLETED
HOST ID = F6AZPD1

************* 18:12>                Host Disconnected

-: F6AZPD1   18:12:20   05/22/1998      Host Communications   :   Establish
Session        V2.50.30
Fed-Line's Incoming Processor (FLIP) STARTING

-: FLIP    18:12:20    05/22/1998    FLIP PROCESSING ITEMS.
cessing session 2

Outgoing message URC: FT0010, Queued on HOST 05/22/98 18:11:21

# 02 #### FT PROD ####      FT INCOMING       ####NORMAL MSG/ACCTG ENTRY####
00} Sender: 121100782 BANK OF THE WEST      {2000} Amount:          $10,000.00
00} Receiver: 066010801 BCO IND VENEZUELA  {3600} Bus Function Code: CTR
10} Type Code:          1000
00} Originator:         [redacted]
                        [redacted]
                        [redacted]
00} Beneficiary:        D101-011092-5
                        INTERNATIONAL BUSINESS
                        CONSULTANTS LIMITED POB 174 THE
                        VALLEY ANGUILLA BWI
00} Intermediary FI:    BANCO INDUSTRIAL DE VENEZUELA
                        101 BRICKELL AVE STE 500
                        MIAMI FLORIDA
00} Beneficiary's FI:   D062020001
                        BRITISH TRADE AND COMMERCE BK
                        EMENS BLDG DAME EUGENIA
                        CHARLES BLVD BAYFRONT ROSEAU
                        COMMONWEALTH OF DOMINICA
00} FI to FI Info:      OUR REF:017 X 4560
20} IMAD:               19980522L1LFBK1C000192
20} Sender Ref:         19980522134618MC
10} Timestamp:          05221738FT01
20} OMAD:               19980522F6GCA11C000007052217 38FT01
##########

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B1VOV 2628346

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MT 1 002

OK

Redacted Information in Subcommittee Files

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#### 02 #### FT PROD ####   FT INCOMING    ####NORMAL MSG/ACCTG ENTRY####
{3100} Sender: 121000248 WELLS SF          {2000} Amount:      $355,500.00
{3400} Receiver: 067010512 SECURITY N LAUDERD {3600} Bus Function Code: CTR
{1510} Type Code:          1000
{5000} Originator:         [redacted]
{6000} ORG to BNF Info:    BRITISH TRADE AND COMMERCE BANK ACC
                           T 040010140001
{4200} Beneficiary:        D1010110925
                           INTERNATIONAL BUS CONS LTD
{4100} Beneficiary's FI:   SECURITY BANK NA
                           NORTH LAUDERDALE                FL
{1520} IMAD:               19980916L1DWFI4A0001382
{1110} Timestamp:          091612080FT01
{1120} OMAD:               19980916F6QL511C0200006091612080FT01
################
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Redacted Information
in Subcommittee Files

C

4/3/2

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FIRST UNION NATIONAL BANK FL          Fulltran   Run  7-MAY-1999 23:01 Page 18414
FULL TRANSACTION REPORT                          For  7-MAY-1999

<<< TRN: 990507-008779 >>>

    **** MESSAGE ENVELOPE ****                 ( Bank : 003 )


SRC:PHN CALLER:ROYER, HENRY                        EXT:
RPT#          AMT:900,000.00          CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/1000 FNDS:S CHG:DE:A CD:Y COM:N CBL:N
-----------------------------------------------------------------------------------
DBT D/0009983871373/                    CDT *A/122234149                 ADV:FED
BRITISH TRADE & COMMERCE BANK           DSPT:0000001450
C/O FEC FINANCIAL HOLDINGS INC          CITIZENS BUSINESS BANK
444 BRICKELL AVE STE P15                ONTARIO, CA
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:                   BNF:/253051787                   CHG:  BK?N
ALT PHONE NUMBER 767 448 6410           IBCL LIMITED PARTNERSHIP


    **** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:
        Type Code:                      10 (Transfer of funds)
        Subtype Code:                   00 (Regular transfer)

{2000} Amount:                          $900,000.00

{3100} Sending Bank:
        ABA number:                     063000021
        Short name:                     FIRST UNION JAX
        ABA lookup (REL):               FIRST UNION OF FLORIDA
                                        JACKSONVILLE, FL
                                        .
                                        .

{3320} Sender Reference:                990507008779

{3400} Receiving Bank:
        ABA number:                     122234149
        Short name:                     CITZ BUS BK ONT
        ABA lookup:                     Address not on file

{3600} Business Function Code:          CTR (Customer transfer)

{4200} Beneficiary:                     D/253051787
                                        IBCL LIMITED PARTNERSHIP

{5000} Originator:                      D/0009983871373
                                        BRITISH TRADE & COMMERCE BANK
                                        C/O FEC FINANCIAL HOLDINGS INC
                                        444 BRICKELL AVE STE P16
                                        MIAMI, FL 33131


    **** MESSAGE TEXT ****
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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. BENJAMIN FRANKLIN COOK, individually and dba DENNEL FINANCE LIMITED, GERALD LEE PATE, ELLSWORTH WAYNE MCLAWS, and ALAN CLAGG, Defendants, and FPC-1 LIMITED PARTNERSHIP, SAMUEL LIMITED PARTNERSHIP, ALLIANCE INVESTMENT CORP., CORNERSTONE MANAGEMENT, LLC, INTERNATIONAL BUSINESS CONSULTANTS LIMITED, HIGHLANDER LIMITED PARTNERSHIP, and KELLY OLSEN, Defendants Solely for Purposes of Equitable Relief	§ § § §

Accounting on March 8, 2000, his Fourth Report and Accounting on June 22, 2000, and his Fifth Report and Accounting on September 15, 2000.

Receivership Assets Defined

2. On March 16, 1999, the Court entered its "Order Appointing Temporary Receiver," which appointed Lawrence J. Warfield as Receiver and ordered him to collect, receive and take exclusive custody and control and possession of certain assets of the Defendants and Relief Defendants in the SEC Action ("Receivership Order"). The Court subsequently expanded the Receivership and the property constituting Receivership Assets. Receivership Assets, as defined in the Receivership Order and as supplemented by this Court's Order Finding Contempt and For Sanctions entered May 18, 1999; Order Re: Petition No. 3 entered August 11, 1999; Amended Order Re: Petition No. 3 entered August 26, 1999; Order Finding Contempt And For Sanctions Against C. Kelly Olsen And Preliminary Injunction entered on May 1, 2000; Ex Parte Temporary Restraining Order, Order Freezing Assets, Repatriation Order, Order for Accounting, and Order to Show Cause entered on May 24, 2000; Order Extending Temporary Restraining Order entered on June 8, 2000; and Order Re: Petition No. 48, Order Clarifying Receivership Order entered on October 11, 2000, include the following:

a. All assets of the Defendant Benjamin Franklin Cook;

b. All assets of Dennel Finance, Ltd., an international business corporation formed under the laws of British Virgin Islands;

c. All assets of Defendant Gerald Lee Pate;

d. All assets of Defendant Ellsworth Wayne McLaws;

e. All assets of Defendant Alan Wayne Clagg;

f. All assets of Relief Defendants FPC-1 Limited Partnership, Samuel Limited Partnership, Alliance Investment Corp., Cornerstone Management, LLC, International Business Consultants Limited, and Highlander Limited Partnership;

g. All assets derived from the fraudulent conduct alleged in the SEC Action;

h. All assets owned by, controlled by, or held in the name of C. Kelly Olsen, Rebecca Olsen, Laurenco, LLC, a Nevada limited liability company, ELN Management, Inc., a Nevada corporation, Warner Springs Limited Partnership, a Nevada limited partnership, or OT Management Limited Partnership, a Nevada limited partnership;

i. All assets owned by, controlled by or held in the name of Robert H. Burr doing business as R.H. Burr & Company, Patricia Burr, Capital Management Partners, Ltd. doing business as Millenium Growth Fund, Managing Agents (Europe) Limited, Silver Search International Trust, Right Hand Investments Trust, RHB Management LLC, The Trinity Trust, or Trinity Project Management (St. Vincent) Ltd.; and

j. All property owned by, controlled by, or held in the name of any of the following: 1050 Holding Group, Inc.; Academy of Publishing, Inc. aka Academy Publishing; Ashley Imports Limited Partnership, aka Ashley Imports, Ltd.; Bona, Inc.; Branfort, LLC; Bridge Capital Investments, Inc.; Centurian Management Trust; Chasen Properties Limited Partnership; Clagg Family Trust; Clagg Insurance Services; Collateral Equity Corporation; The Connection Corp.; Teri Cook, aka Teri Leslie Webb; Copia, Inc.; Cybernet Connections LLC; Dunhil Financial, LLC; Globaltell, LLC, aka Global Tell Limited Liability Corp.; Golden Security Living Trust; Goldstar Investments, LLC; aka Gold Star Investments; Greenwood, Ltd.; Highlander Ranches; Highlander Management Trust; International Financial Consultants, Inc.; The Investment Note Exchange; KOBE, LLC; Lagniappe Corp.; Lagniappe Trust; Lancer Investment Limited Partnership, aka Lancer Investments, Ltd.; Magma Point, LLC; Dorothy Groves McLaws; Meritus, LLC; Monolith Management, Inc.; Moroni, LLC; Nevina Holdings, LLC; Performance Plus 240 LP; Protec

Corp.; Safe Guard Services, Inc.; Service Insurance Agency, Inc.; Signum Limited Partnership; Solidus, LLC; Tri-Venture Group, Inc; Valuable Business Trust; Westport, Inc.; or White Mountain Investments, Inc.

Recovery of Receivership Assets

3. In order to identify the existence and location of Receivership Assets the Receiver initially attempted to obtain this information from the defendants. With the exception of Gerald Pate, however, the defendants and relief defendants invoked their Fifth Amendment Privilege in refusing to provide all of the information requested by the SEC and the Receiver. Since the defendants are in most cases the only persons who know what they did with the investors funds, their refusal to cooperate with the Receiver has resulted and will continue to result in substantial and unnecessary delays and expenses.

4. Because of the defendants' refusal to cooperate, the Receiver has had to attempt to reconstruct the flow of funds from investors to their ultimate destination through subpoenaing and reviewing the records of banks and other institutions, and by deposing or interviewing persons associated with the defendants who have knowledge of the handling of investor's funds.

5. The Receiver has identified over 200 bank accounts through which the Defendants and their associates diverted investor's funds. To reconstruct the flow of investor funds the Receiver has issued subpoenas to over 100 banks and institutions for their records and to over 20 individuals. This is in addition to the 50 subpoenas issued by the Commission in this case. Subpoenas were issued from this district and 16 others.

6. In addition to refusing to cooperate with the Receiver, the defendants have persuaded their associates to refuse to cooperate with the Receiver. Not only have these associates refused to cooperate with the Receiver but they have also ignored subpoenas compelling them to give sworn testimony and, in some cases, have even gone so far as to file objections in an attempt to prevent the Receiver from obtaining records from banks that would identify where investor's funds have been diverted. The result of this concerted effort to hide the location of Receivership Assets has resulted in substantial and unnecessary delays and expenses.

7. By way of example, in December 2000, the Receiver issued a subpoena to First Union Bank for the records of Sterling Investments and William Wise. These records were sought in order to determine the source of approximately $9,000.00 per month that has been transferred to Defendant Clagg and his wife *after* entry of the Receivership Order. The Receiver has reason to believe that tracing the source of these post-receivership transfers will disclose the location of Receivership Assets that have not been turned over to the Receiver in violation of this Court's orders. With the assistance of the Claggs and their legal counsel, counsel for William Wise has filed an objection to the Receiver's subpoena claiming an invasion of his right to privacy. In his objections Wise does not deny the Receiver's contention regarding the source of the funds being transferred to the Claggs, nor does he confirm Mary Clagg's claims that the funds are from her work in preparing living trusts. Mary Clagg has testified that she does not keep any records identifying the persons who she prepares trusts for, she does not keep copies of the trust documents, and she does not keep copies of invoices for the work performed. Mary Clagg had refused to disclose her personal bank records for months in the hopes of preventing the Receiver from discovering these transfers from William Wise and when asked the location or telephone number of the person responsible for making the transfers, she claimed not to have that information. Requests to her legal counsel to provide the information have been ignored.

8. During this reporting period, the Receiver continued his efforts to identify the source of monies paid to attorney George Neely in connection with his representation of Defendant Cook. Mr. Neely represented Mr. Cook for less than two months, and was requested by the Receiver to disclose the source of his retainer for such representation. Although attorneys who have represented other Defendants in this case have disclosed the source of their retainers, and turned over unearned retainers to the Receiver, Mr. Neely refused to cooperate with the Receiver and provide the information. As a result, the Receiver was forced to subpoena Mr. Neely to produce the records regarding the source of his retainer and any other documents regarding the location of Receivership Assets. After actively avoiding service of process for more than a month, Mr. Neely was finally served with a subpoena. In contempt of the subpoena,

Mr. Neely failed to produce the documents requested and did not serve an objection to any specific document request from the Receiver. Consequently, the Receiver was forced to file a Motion to Compel in the United States District Court for the Southern District of Texas, Southern Division. In response, the Court entered an order compelling Mr. Neely to turn over the documents to the Receiver and to compensate the Receiver for the attorneys fees incurred in filing the Motion to Compel. Mr. Neely and he failed to abide by the Court's Order. As a result, during the relevant period the Receiver filed a Motion for Contempt against Mr. Neely and requested that the Court issue an Order for Mr. Neely to show cause as to why he should not be held in contempt of court for refusing to abide by the Court's orders. Only after the Receiver filed the Motion for Contempt did Mr. Neely finally produce the requested document.

Receivership Assets Recovered or Liquidated Since the Receiver's Last Report

9. Since the Receiver's last report the Receiver has recovered the following:

   a. The house formerly occupied by C. Kelly Olsen was sold on October 25, 2000 for $915,000. After subtracting the amount needed to satisfy the secured debt, commissions, closing costs and other direct expenses, the Receiver received a net recovery of $168,393.36.

   b. The settlement with Defendant Pate closed during October 2000, resulting in a recovery of $128,927.71, in addition to the amounts previously recovered from Defendant Pate.

   c. The 1994 Dodge Truck, VIN #1B7FL26X7RS610982 was sold on October 13, 2000, for $2,600, less auction fees of $200, for a net recovery of $2,400.

10. During the reporting period, the Receiver settled a significant portion of the Receiver's claims against the Church of Scientology to recover contributions made by Defendant Cook and his wife Teri Cook. After the entities that comprise the Church of Scientology had refused to comply with a written demand for turnover of Investor Funds that they had received, the Receivership Court authorized the Receiver to file suit against these entities to recover

Dennel Investor Funds. In December, 2000, the Church of Scientology Religious Trust ("CSRT") contacted the attorneys for the Receiver and indicated that rather than file an Answer to the Receiver's lawsuit, the CSRT was prepared to return all of the monies it had received from Benjamin Franklin Cook and Teri Cook. As a result, in the last week of December, 2000, the CSRT issued a cashier's check to the Receiver in the amount of $1,215,000, and the Receiver dismissed CSRT from the Receiver's lawsuit. The Receiver is continuing pursuit of its lawsuit against other entities affiliated with the Church of Scientology that received Dennel investor funds. The Receiver's attorneys are in discussions with attorneys for these affiliated entities in an attempt to settle the remaining claims of the Receiver.

Related Proceedings

11. On August 30, 2000, the Arizona State Attorney General announced that the State Grand Jury had indicted defendant Benjamin Cook on 37 counts of fraud, racketeering and theft for his involvement in the Dennel Trading Program. The Receiver understands that the State is continuing to investigate the case and that other indictments may be forthcoming.

12. On November 22nd this Court entered its Order Re: Petition No. 50 authorizing the transfer of Defendant Cook from the federal detention center where he was being held for civil contempt of this Court's orders, to the State of Texas for extradition to the State of Arizona. Defendant Cook unsuccessfully fought extradition and he was extradited to Arizona in February 2001.

13. In the civil forfeiture proceeding, the Arizona Superior Court, on October 25, 2000, entered an order granting the Receiver's Motion for Summary Judgment and denied the claims filed by defendant various entities controlled by Defendant Cook. On January 4, 2001, the Arizona Superior Court entered an order granting another of the Receiver's Motion for Summary Judgment and denied the claims filed by Michael Patrick. The Receiver anticipates that in 2001 the Arizona Superior Court will release the funds affected by the granting of these motions and an earlier motion granted as to the claims filed by Wayne and Dorothy McLaws.

Receivership Records

14. The Dennel Document Depository continued to receive additional documents. As of the end of this reporting period, 148 boxes of documents had been contributed to the Depository.

Receivership Administration

15. The Receiver has prepared an accounting that reflects the cash receipts and expenditures by the Receiver for the period September 1, 2000 through December 31, 2000, which accounting is attached as Exhibit "A".

16. On October 10, 2000, the Court entered an Order granting Petition No. 46 establishing claims adjudication procedures for the receivership. In accordance with such procedures, the Receiver distributed to the investors the Court approved form for submission of claims and the Receiver published notice of such claim procedures in national publications. The Court set a deadline of December 29, 2000, for submission of claims to the Receiver.

WHEREFORE the Receiver respectfully requests that the Court approve the Receiver's Sixth Report and Accounting.

Respectfully submitted this ___ day of _____, 2001.

SCHEEF & STONE, L.L.P.

By: _____

Kelly M. Crawford
State Bar No. 05030700
1400 Sherry Lane Place
5956 Sherry Lane
Dallas, Texas 75225
Telephone: (214) 696-3450
Telecopier: (214) 696-0377

ATTORNEYS FOR THE RECEIVER
LAWRENCE J. WARFIELD

PO Box 2887 Apache Junction Arizona 85217
Bus: 602-671-8214
Fax: 602-671-8213

IBCL

Memo

To:	All Investors	**From:**	Peter Shifman
Fax:		**Pages:**	2
Phone:		**Date:**	07/20/98
Re:	Investment Program Update #4	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• Comments:

This is the fourth Program Update. I have just returned from Roseau, Dominica where I have completed the appropriate paperwork to open the disbursement account for distributions. As I mentioned in the last update, all pooled funds are now invested. I have received a letter from Dr. Charles Brazie, Vice President of Managed Accounts of British Trade and Commerce Bank indicating that our funds have been allocated for participation. All funds are now allocated and have been contracted for. The balance of funds that have not been appropriated, are IBCLD funds. Please note that the Company mentioned on the letter head (Global Investment Funds S.A.) is the Investment Company of British Trade and Commerce Bank. In the near future, this company will be forming an "Off Shore" Mutual Fund to attract the smaller investors.

The programs we have contracted for are "back end heavy". This means that a high percentage of the returns will be received towards the end of the contracts with low returns in the beginning of the contracts. The reason for this is that our contracts call for a minimum sixty-five percent (65%) reinvestment of returns at the end of each cycle. However, when all contracts terminate, the returns will be more than sufficient to ensure that all participants will receive their contacted yields and bonuses.

I am still awaiting the actual disbursement schedule for each program. Upon receipt, I will forward a copy to each one of you. Dr. Brazie has indicated that the first disbursement will now be sometime next week. Due to the nature of the contracts, it is difficult to pinpoint an actual date. However, once the first disbursement occurs, we will receive disbursements on a systematic basis. The date of the first payment will be the anniversary date for all future payments. For those investors who have requested their proceeds to be reinvested, you will be receiving your first statement in the beginning of August.

July 20, 1998

As a side note, British Trade and Commerce Bank have completed their acquisition of First Equity Securities of Florida. First Equity has over 100 traders on staff. New Accounts for Qualified Funds will be available in the beginning of August including the normal Custodian Services. These funds can then be invested through conventional Investments or through our Program. In addition, International Business Companies will be able to open trading accounts. I have requested a fee schedule for those of you who may be interested. Also, British Trade and Commerce Bank will soon be offering Master Cards for all account holders, including International Business Companies. Should you have any interest in this, please feel free to contact my office.

I wish to thank each one of you, again, for your patience and understanding during this start up period. Once disbursements start they will occur like clockwork. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Pete Shifman

PO Box 4797 Apache Junction Arizona 85278
Bus: 480-671-8214
Fax: 480-671-8213

IBCLD

Memo

To:	All Investors	**From:**	Peter Shifman
Fax:		**Pages:**	3
Phone:		**Date:**	04/01/99
Re:	Program Update	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☑ **Please Reply** ☐ **Please Recycle**

• **Comments:**

All of you are aware that statements and disbursements have not been issued since the beginning of December, 1998. This has been due to the lack of performance by the Bank that IBCLD is contracted with. After numerous conversations with the Bank, it is has become clear that the rules and procedures governing these investments have changed considerably since IBCLD first funded this program. According to the Bank, small contracts, such as ours, are now more difficult to complete.

In mid November 1998, small investment programs were closed for the holiday period. Large programs ($500,000,000. and up) continued to be offered. In the third week of January, the smaller investment programs re-opened for 1999. According to the Bank, we immediately entered into a program. Disbursements from this program were to be initiated by the end of February. However, disbursements did not and have not taken place as of this time. Therefore, the Bank's Contract has been violated and funds have been unreserved.

Now we have been entered into a new contract that spans ten months. The Bank is confident that this contract <u>will</u> perform, with the first disbursement scheduled for the end of April.

I realize that this option is not satisfactory at this time, either to you or myself. Due to the delays, and the frustrations that we have all felt associated with those delays, I opened discussions with the Comptroller of the Bank to review options that may be available. Based on these conversations, I am able to offer these options to each individual investor. They are as follows:

April 1, 1999

- ☐ Continue our current contract and wait until the end of April to see if that contract performs.
- ☐ Request the return of your investment. This will be forwarded to you within thirty (30) days of our receipt of your request.
- ☐ Terminate the current contract and issue a new contract with the following terms:

1. The investment contract will be for twelve (12) months.
2. A Certificate of Deposit will be purchased through the Bank and its Florida-based Securities Firm for the total amount of the investment.
3. A guaranteed rate of return of two percent (2%) per month, paid monthly will be paid to investors. No reinvestment opportunities will be available (this may change based on the value of the CD).
4. The Certificate of Deposit will be used by the Bank for Investment Programs.
5. Any gains from Investment Programs will be paid based on the Asset Management Agreement that IBCLD has with the Bank. All gains will be paid to IBCLD, minus any CD interest that has been already paid. IBCLD will then distribute gains to investors.
6. All funds will be committed for a twelve (12) month period, based on the purchase of the Certificate of Deposit. The contract date will be the start date of the twelve (12) month CD.

These are the options. I have included a form for you to complete, indicating which option you wish to choose. I would be pleased if you would **fax or mail this to us at your earliest possible convenience**. Please ensure that the form is completed in full to avoid any errors.

If you have any questions, I would be very appreciative if you would **not** call. We are not capable of handling a large volume of telephone calls at the same time. Please fax or mail us any questions you may have. We will respond to you as quickly as we can. Rest assured that we will do everything possible to ensure that you have the most updated information possible. You will be updated on a regular basis and / or if anything changes.

On behalf of IBCLD, I apologize that this opportunity did not go as planned. I am still very hopeful that the Bank can and will perform, and that, if you choose the CD option, we will at least be able to provide an attractive guaranteed rate of return for the contracted period.

We thank you for your patience and appreciate your understanding of this matter.

Sincerely,

Peter Shifman
IBCLD Representative

April 1, 1999

PROGRAM OPTIONS

INVESTOR NAME Wayne Brown

DATE April 6 1999

I request that my investment be handled in the following manner:

☒ I am requesting the return of my investment.

☐ Please continue our current contract and wait until the end of April to see if that contract performs.

☐ Please terminate the current contract and issue a new contract with the following terms:

1. The Investment contract will be for twelve (12) months.
2. A Certificate of Deposit will be purchased through the Bank and its Florida-based Securities Firm for the total amount of the investment.
3. A guaranteed rate of return of two percent (2%) per month, paid monthly will be paid to investors. No reinvestment opportunities will be available (this may change based on the value of the CD).
4. The Certificate of Deposit will be used by the Bank for Investment Programs.
5. Any gains from Investment Programs will be paid based on the Asset Management Agreement that IBCLD has with the Bank. All gains will be paid to IBCLD, minus any CD interest that has been already paid. IBCLD will then distribute gains to investors.
6. All funds will be committed for a twelve (12) month period, based on the purchase of a Certificate of Deposit. The contract date will be the start date of the twelve (12) month CD.

INVESTOR SIGNATURE

Please fax to:
602-671-8213

or mail to:
IBCLD
PO Box 4797
Apache Junction, Arizona 85278

PO Box 4797, Apache Junction, Arizona 85278
(602) 671-8214 telephone
(602) 671-8213 fax

IBCL OF DOMINICA, LTD.

Fax

To:	Wayne Brown	**From:**	Thomas H. Krepelka
Fax:	519/679-0707	**Pages:**	1
Phone:		**Date:**	10/8/99
Re:	Update/Clarification	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:**

Dear Mr. Brown,

Just to clarify everyone's position regarding your invested $30,000.00, the funds were transferred directly to the IBCL account. However, the funds were placed in that account under contract with Global Investments Network Ltd., leaving them outside of our control. In order to place them into the Certificate of Deposit Program, and realize further profits from the BTCB, we would have to enter a new JVA issued to you from this office.

I am expecting a call from Mr. Betts sometime in the next hour or so, and he and I will address your situation, as well as others, and figure out the best and most efficient means of handling your investment.

Thank you,

Thomas H. Krepelka

Sent By: BRITISH TRADE AND COMMERCE BANK; 1 767 448 6477; Oct-12-99 9:17AM; Page 1/1

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMCM

October 11, 1999

Mr. Tony Rodriguez
Global Investment Network Ltd.
13020 San Lucas Drive
Victorville, Ca. 92392

Sent via Fax: 760-241-2378

Dear Mr. Rodriguez

Thank you for your letter of September 20, 1999 agreeing to our proposed settlement. The Bank is prepared to take over the management of these funds in conjunction with Peter Shifman. However, the Bank is not prepared to release you and Global from all liability associated with your investors.

Since my last letter the situation has changed slightly. Mr. Charles Purser and Mr. John Dobbs have both notified the Bank to transfer their funds back to them from Global. I have discussed the situation with both of them and they are agreeable to participating in the situation as outlined in my letter of September 16,1999. The problem is now Global is short another $20,000 so the amount increases from $2,385 to $22,385. In view of this I propose to also transfer to IBCL the $4,915 in Coopman Ltd. and to retain in IBCL the $25,000 you indicated they have with IBCL. If any more depositors call we will have to figure out how to deal with them.

I have been in contact with Peter Shifman with regard to your request for the return of Coopman funds and interest. I suggest you contact Peter directly, as we have no knowledge of any arrangement you may have with Peter with regard to these funds.

We are preparing a formal acceptance to send to all the people who have notified us of their deposits and will be getting their acceptance to the proposal. At this point I only have verbal assurance from most of them. I will keep you informed.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

Cc: Peter Shifman

FROM : W.Kane PHONE NO. : 954 564 8701 Oct. 23 1999 01:57PM P1
Sent By: BRITISH TRADE AND COMMERCE BANK; 767 448 6477;

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emera Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

October 11, 1999

To all depositors in Global Investment Network Ltd
And certain depositors in International Business Consultants Ltd.

Sent via fax: 954 564 8701

I am pleased to report that we have come to an arrangement with Mr. Tony Rodriguez with respect to handling your deposits with Global and IBCL. As I have explained to many of you on the telephone the remaining balance in Global will only return 17% of your original principal. However, of the approximately $300,000 of your deposits that, went into Global, $252,615 was transferred into IBCL and is presently invested in their managed account with the Bank. Mr. Rodriguez and most of you have agreed that rather than have your funds returned at 17% of their original amount you would rather let Mr. Peter Shiffman manage your funds and participate in his investment program. I have explained to many of you that you wire transferred your funds directly into IBCL and those funds ($509,000) are under the managed account agreement with the Bank and are presently invested with a return on the investment expected in the very near future.

This is an extremely complicated situation to explain. The bottom line is that if you agree to let your funds be placed under the management of IBCL and Mr. Peter Shiffman then the Bank can assure you that your funds are safe and in an account that is intact and will stay that way until the investment program is over.

I have indicated below the amount of your deposit and the account into which you transferred it. If you agree with the above treatment, please indicate your approval below and fax your response back to the bank.

If you would like to discuss this matter with Peter Shiffman his telephone number is 480-671-8214 of please feel free to call me.

Sincerely,

George E. Betts
Executive Vice President

Your name: WAYNE BROWN Agreed: _____

Amount of deposit: $ 30,000.00

Deposited in: Global Investment Network Ltd.
✓ International Business Consultants Ltd.

May 8, 2000

Via: Fax 1-767-448-6477 & First Class Mail

George E. Betts, EVP
British Trade & Commerce Bank
Emens Building
Dame Eugenia Charles Boulevard
P. O. Box 2042
Bayfront, Rosseau
Commonwealth of Dominica

Dear Mr. Betts:

I am concerned and interest with regard to the contents of your 10/11/99 correspondence to Mr. Tony Rodriguez of Victorville, California.

Enclosed you will find a copy of an Order from Judge Jerry Buchmeyer of the Northern District of Texas Federal Court appointing me the Receiver of various individuals and entitles to included IBCL. There is some question as to whether this order would also extend to Coopman, Ltd. based upon our preliminary investigation.

To the extend IBCL has funds invested now, or at any time with your organization, I ask that this be "frozen" and identified.

This matter is most serious. Benjamin Franklin Cook, III is currently incarcerated for civil contempt of Judge Buchmeyer's order, and C. Kelly Olsen, one of the facilitators is currently a fugitive from the U.S. Marshall's Service.

I strongly suggest you understand your fiduciary duties with regard to this matter, as the frauds that have been committed against these investors will be prosecuted to the fullest.

Demand is hereby made relative to any and all funds derived from, or under the control of, Benjamin Franklin Cook, III, Dennel Finance, Samuel Limited, or any of the defendants or receivership entities listed on the enclosed, held by any person or entity in your organization are to be "frozen" and repatriated to me as Receiver for these entities.

Very truly yours,

Lawrence J. Warfield, CPA
Receiver, Dennel Finance, et al

LJW/jjb
Enclosure
cc: Patrick M. Murphy

British Trade & Commerce Bank
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau.
Commonwealth of Dominica
P.O. Box: 2042 Phone: (767) 448-6410 Fax: 448-6477

Date:05/11/00

Fax Cover Sheet

To:	LAWRENCE J. WARFIELD	From:	GEORGE BETTS
Company:	WARFIELD & CO.	Department:	EXECUTIVE VICE PRESIDENT
Fax:	1-480-951-3887	Pages:	1
		Ref:	

Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR MR. WARFIELD

I AM IN RECEIPT OF YOUR CORRESPONDENCE DATED MAY 8, 2000 REGARDING MR. TONY RODRIGUEZ.

PLEASE REFER ALL QUESTIONS AND REQUESTS FOR INFORMATION TO THE SOLICITOR FOR THE BANK, MR. MICHAEL BRUNEY, 12 VIRGIN LANE, ROSEAU, COMMONWEALTH OF DOMINICA, W.I. TELEPHONE 767-448-0200, FAX 767-448-0202.

SINCERELY,
GEORGE BETTS

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-5410 Fax: 448-6477
E-mail: bicbank@cwdom.dm - SWIFT: BTCBDMDM

July 25, 2000

Mr. David A. Corriette
Supervisor-Financial Institution
Government Headquarters
Kennedy Ave.
Roseau, Dominica

Dear Mr. Corriette

Enclosed are the major pieces of correspondence and documents relating to the complaint of Mr. Wayne Brown. As you can see from the schedule, Mr. Brown deposited $30,000 directly into the IBC account. In my discussions with him, and as indicated by his fax to me, his group (Transglobal Investment Club) placed $190,000 with Global. Mr. Rodriguez transferred those funds out of the Global Account into one of his other accounts in the United States.

After you have read the enclosed correspondence please call me if you have any questions.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

Tel.: (1-767) 448-2401 Ext. 3158/3354
Fax: (1-767) 448-0406
E-mail: ibu@cwdom.dm
Website: www.ibuoffshoredominica.dm

INTERNATIONAL BUSINESS UNIT,
MINISTRY OF FINANCE, INDUSTRY
AND PLANNING,
GOVERNMENT HEADQUARTERS,
KENNEDY AVENUE,
ROSEAU
COMMONWEALTH OF DOMINICA,
WEST INDIES.

August 1, 2000

Mr. Wayne Brown
80 Forward Ave.
London Ontario
Canada N6H 1B7

Dear Mr. Brown

We apologize for the delay in replying but we were seeking information from British Trade and Commerce Bank before replying and we were also experiencing problems with your fax number.

Please find attached a copy of a letter from Mr. George Betts of British Trade and Commerce Bank confirming that the funds you placed in Global Investments Network Ltd, the IBC own by Mr. Tony Rodriguez were subsequently transferred by Mr. Rodriguez to one of his other accounts in the United States.

It now appears that you have to pressure Mr. Rodriguez for the return of the funds. It was a mistake not to have invested directly with the bank.

DAVID A. CORRIETTE
SUPERVISOR - FINANCIAL INSTITUTIONS

LAW FIRM OF
GUTTILLA & MURPHY
A Professional Corporation
4150 WEST NORTHERN AVENUE
PHOENIX, ARIZONA 85051
(602) 937-2795
FAX (602) 937-6897

COPY

NICHOLAS C. GUTTILLA
PATRICK M. MURPHY
EILEEN T. BALDWIN
ALISAN M. B. PATTEN

June 18, 1999

Tony Rodriguez
Coopman, Ltd.
13020 San Lucas Drive
Victorville, CA 92392

Re: SEC v. Cook (ND TX 3:99CV0571-R)
Dennel Receivership

Dear Mr. Rodriguez:

This firm represents Lawrence J. Warfield who was appointed receiver on March 16, 1999, in the above action pending in the Northern District of Texas. Enclosed are copies of the order appointing Mr. Warfield as Receiver, the Complaint, and the Court's Preliminary Injunction.

The Receiver understands that Coopman, Ltd. has engaged in various business dealings with Ben Cook and Alliance Investments Corporation. The assets of both of these have been placed in receivership pursuant to the enclosed order. On behalf of the Receiver I request that you provide the undersigned with copies of any agreements, correspondence, or other documents regarding your dealings with Mr. Cook and Alliance, together with an explanation of those dealings.

If you will not provide this information without a subpoena, please let me know immediately.

Very truly yours,

Patrick M. Murphy

PMM:bb
Enclosures

NEW VISION INTERNATIONAL, INC. INSURANCE DEPARTMENT
7762 East Gray Road - Suite 200
Scottsdale, Arizona 85260

Tuesday, May 20, 1997

TONY R. RODRIQUEZ
WEALTH & FREEDOM NETWORK, LLC
13020 SAN LUCAS DR
VICTORVILLE, CA 92392

Dear TONY R. RODRIQUEZ:

Thank you for choosing to become an Additional Insured on New Vision International's Product Liability Insurance Policy. Your certificate is enclosed. Should you have any questions or concerns, please call us at (602)368-4500.

RECEIPT

CERT.#: 101152 EFFECTIVE DATE: 5/2/97 EXPIRATION DATE: 03/19/98

ADDITIONAL INSURED	WEALTH & FREEDOM NETWORK, LLC
ADMINISTRATIVE PROCESSING FEE	$125.00
METHOD OF PAYMENT	Visa
AUTHORIZATION OR CHECK NUMBER	030025

NEW VISION INTERNATIONAL, INC. INSURANCE DEPARTMENT
7762 EAST GRAY ROAD - SUITE 200
SCOTTSDALE, ARIZONA 85260
(602)368-4500
(602)596-6350 - FAX
(512)804-1288 EXT. 5 - FAX ON DEMAND

10/96

DD07400537

DD(

2280

Certificate of 'Additional Insured' Under

Product Liability Insurance Policy

WEALTH & FREEDOM NETWORK, LLC

Is Hereby Named An 'Additional Insured' Under New Vision International's Product Liability Policy

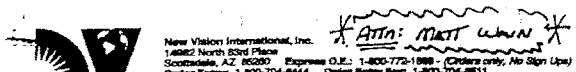
Certificate Number: **101152** Effective Date: **5/2/97** Expiration Date: **3/19/98**

I am aware of and agree that I am listed as an Additional Insured on New Vision's Product Liability Insurance policy and am not purchasing my own insurance policy. I am further aware of and agree that I should consult with my own insurance experts to obtain the necessary insurance for my business operations. I am further aware of and agree that I have been added as an Additional Insured to New Vision's Product Liability Insurance policy and will be covered for liability arising solely from the acts or omissions of New Vision with respect to Product Liability claims for New Vision's products. I am further aware of and agree that New Vision's Product Liability Insurance policy is underwritten by U.S.F&G, and American National Fire Insurance Companies in the aggregate amount of fifty-five million dollars ($55,000,000.00) [which amount will be reduced by the amount of claims paid, if any, during the policy period] on which I will be listed as an additional insured. I am further aware of and agree that the $125.00 administrative fee is the annual processing fee covering New Vision's costs for adding persons as Additional Insured's, and this fee is NON-REFUNDABLE. I am further aware of and agree that providing the $125.00 annual processing fee is paid, the date this application is received by mail or fax by the New Vision Insurance Department will be the effective date of my being added as an Additional Insured on the Product Liability Insurance policy. I am further aware of and agree that I will remain an Additional Insured from my effective date through March 19th, 12:00 Midnight of each year, which is the renewal date of New Vision's Product Liability Insurance policy. I am further aware of and agree that my status must be renewed every year to remain an Additional Insured.

DD07400538

DD07400538

DD07400538



New Vision International, Inc.
14862 North 83rd Place
Scottsdale, AZ 85260 Express O.E.: 1-800-772-1888 - (Orders only, No Sign Ups)
Order Entry: 1-800-704-6444 Order Entry Fax: 1-800-704-6511
Order Inquiry: 1-602-368-2000 Fax On Demand: 1-818-404-1288
Member Services: 1-602-368-2000 Member Services Fax: 602-948-2382
Sign Up By Phone: 1-800-704-6444 Sign Up By Fax: 1-800-704-6511 PowerLink: 1-602-951-1800

ATTN: MATT WAHN

Please Expedite — Thank You

CHANGE FORM

Please use a pen and print clearly in all the spaces provided.

☒ **VERY IMPORTANT: Please check if this change affects your Autoship Advantage Order.**

TEAM MEMBER INFORMATION - PRESENTLY ON FILE 2421055011 NVIN

T. Rodriguez Entrepreneurs, Inc.
LAST NAME FIRST NAME MIDDLE INITIAL

STREET ADDRESS 13020 San Lucas Drive
CITY Victorville COUNTY _____ STATE CA ZIP 92392
DAY TEL/TDD (619) 241-8304 EVE (619) 241-8304
FAX (619) 241-2378 E-MAIL Guerrananan@aol.com

Information to be changed: (Please check as many categories as apply.)

☒ Name (Legal name change, i.e., from maiden to married, etc.) (Can't be used to assign membership to another person. If adding spouse to membership, a new application is required.)
☐ Address
☒ Home (Evening) Telephone Number
☒ Business (Daytime) Telephone Number
☒ Fax Number ☐ E-MAIL
☐ Other, Please Explain

TEAM MEMBER INFORMATION - SHOULD BE CHANGED TO

All name, address, and/or phone number changes must be submitted in writing.

Wealth & Freedom Network
LAST NAME FIRST NAME MIDDLE INITIAL

STREET ADDRESS 13020 San Lucas Drive
CITY Victorville COUNTY _____ STATE CA ZIP 92392-660
DAY TEL/TDD (760) 241-0694 EVE (760) 241-8304 FAX (760) 241-2378

4/28/97
Date Signature

☒ Did you remember to sign and date the form? Thank you for your cooperation!

Send to Home Office

F0206 5/96

DD07400536

DD074005363DD07400534

New Vision International

New Vision International, Inc.
1920 East Broadway
Tempe, AZ 85282-1702
Order Entry: 800-704-6444
Order Inquiry: 602-303-5900
Member Services: 602-303-5900
Sign Up By Phone: 800-704-6444
NVI Promotions: 1-800-828-6140

OPERATING UNDER A BUSINESS NAME

APPENDIX A

Express Order Entry: 800-772-1888 - *(Orders only, No SignUps)*
Order Entry Fax: 1-800-704-6511
Fax On Demand: 512-404-1286
Sign Up By Fax: 800-704-6511
Member Services Fax: 602-303-5901
PowerLink: 602-303-5955

Please use a pen and print clearly in all the spaces provided.

BUSINESS INFORMATION

To operate your New Vision International, Inc. Team Membership under a business name, you must complete and return this document along with your duly completed Team Membership Application and Agreement form.

8 6 0 8 6 4 7 6 2 Federal ID Number

W E A L T H A N D F R E E D O M N E T W O R K

NAME OF BUSINESS (Maximum 25 characters)

ADDRESS 13020 San Lucas Drive

CITY Victorville COUNTY San Bernardino STATE CA ZIP 92392-6606

DAY TEL/TDD (760) 241-0674 EVE (760) 241-8304

FAX (760) 241-2378 E-MAIL Guaranamen@aol.com

Date business was Registered with State 4/4/97 State of Business registration Nevada

TYPE OF BUSINESS ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☒ L.L.C.

NAME	TITLE	SOCIAL SECURITY #	ADDRESS
Please list below all officers, directors, shareholders, members, managers, partners, and individuals of the above mentioned business, including social security numbers. None of theses entities may be in the form of a trust.			
T. Rodriguez Enterprises, Inc.		[redacted]	
Tony Rodriguez	President	[redacted]	13020 San Lucas Drive
			Victorville CA 92392

Redacted Information in Subcommittee Files

I certify that the operation of this New Vision International, Inc. Team Membership under the above-mentioned business name is authorized by all applicable laws whether federal, state, county, or local; and that all the relevant and necessary procedures, filings, declarations, etc., to use such a name have been properly followed or filed with the proper authorities.

It is agreed and understood that no individual having an interest in the above-mentioned business including those in the after-mentioned categories; i.e., Directors, Officers, Partners, Shareholders, etc., receives benefits from, nor is involved directly or indirectly, in any other New Vision International, Inc. Team Membership. All individuals in the above mentioned business agree to be bound by the policies and procedures of New Vision International, Inc.

I certify that the information provided in this document is accurate and complete and that I am obliged to notify New Vision International, Inc. within two weeks of any changes and/or amendments to the information contained herein.

SIGNATURE: I hereby declare that I have read the terms of the Team Member Application & Agreement form and that I fully understand and agree to abide by all said terms contained therein and that I am duly authorized to execute this document. I also understand that all checks for monies earned will be issued under the business name.

Signed 28th day of April 19 97 DD07400534

Tony Rodriguez — Signature of authorized officer (same as applicant)

Tony Rodriguez, Agent — Print name and title

I authorize New Vision International to use my credit card as payment for my Operating Under a Business Name application fee of $25.00 as follows:

Method of Payment: ☒ VISA ☐ Amex ☐ MC ☐ Discover ☐ Certified Check/Money Order Enclosed

Credit Card Number [redacted] Exp. Date 2/98

Cardholder's Name Tony Rodriguez Day Phone [redacted]

Cardholder's Signature Tony Rodriguez

White Copy - Must be MAILED, NOT FAXED to Home Office Yellow Copy - Applicant 3/97

DD074005341DD07400534

Coopman, Ltd.

Memorandum

Via Facsimile

To: Ben Cook, Alliance Investments Corporation
From: Tony Rodriguez
Date: February 10, 1999

Subject: Trust Documents and TRT Stock Certificate

Dear Mr. Cook,

As the managing member, and on behalf of Coopman, Ltd., we are requesting the pertinent documents regarding the establishment of the International Discretionary Trust to be forwarded to the U.S. correspondence address listed below as soon as possible. Our records indicate that on May 4, 1997, $9,500.00 U.S. was paid to Alliance Investments Corporation for the services included in their "International IBC Pak." To date, we have not received any documentation pertaining to the establishment of the International Discretionary Trust. Currently, we are in the process of reviewing our existing entities/structure and we therefore are requesting all pertinent documentation/information regarding the trust.

Secondly, in August of 1997, we invested monies for the purchase of TRT Free Trading Stock. In addition, additional stock was to be issued to us, per a mutually agreed upon transaction. To date, we have not received any stock certificates for said investment or transaction. Therefore, on behalf of Coopman, Ltd., we are requesting that the total aggregate of 50,000 shares of TRT Free Trading Stock be issued to Coopman, Ltd., and forwarded to the U.S. correspondence address listed below.

Thank you in advance for your prompt attention to these matters. Should you have any additional questions, please feel free to contact me at the numbers shown below.

Respectfully,

Tony Rodriguez

Tony Rodriguez
U.S. Correspondent

P.S.
I trust that you and your family are doing well. Please tell them I say, "Hello," and I wish you and yours continued success.

U.S. Correspondence Address:
13020 San Lucas Drive • Victorville, CA 92392
(760) 241-0694 Voice • (760) 241-2378 Fax

Coopman, Ltd.

Memorandum

Via Facsimile & U.S. Mail

To: Ben Cook, Alliance Investments Corporation
From: Tony Rodriguez
Date: February 18, 1999

Subject: Follow-up to February 10, 1999 Letter

Dear Mr. Cook,

On February 10, 1999, a request for trust documents and TRT Stock Certificate was sent to your office via facsimile. As my office has received no response to the correspondence, I am hereby requesting a formal acknowledgement and receipt of the letter and an estimated date that I may expect delivery of the requested documents.

I appreciate your prompt attention to this matter and await your reply. Should you have any additional questions, please feel free to contact me at the numbers shown below.

Respectfully,

Tony Rodriguez

Tony Rodriguez
U.S. Correspondent

Enclosure: February 10, 1999 Correspondence

0100103

U.S. Correspondence Address:
13020 San Lucas Drive • Victorville, CA 92392
(760) 241-0694 Voice • (760) 241-2376 Fax

From: Ben Cook <bcook@futureone.com>
To: Oliver Seraphine <floralgardens@tod.dm>
Date: Wednesday, July 29, 1998 10:35 PM
Subject: Response to your last Fax Transmission 7/28/98

Hi Oliver,

I would like to speak to you today. I you after I complete this e-mail.
In the meantime I would like to have a statement on each account by fax today so I can give each client an update. The last statements I received were in February 98 and Aldaniti's statement did agree with my deposit records. I sent several faxes to you about that matter and never received a reply on the matter and time has slipped away to the point where, is must be handled immediately.

Also, on May 10, 1998 I received a fax from you, stating that Platnium Corporation was registered that day and you would be sending a Fedx with the Amended changes. I haven't received that correspondence, please send me a fax and I need the original copies of that Amendment as well, please as soon as possible, your help is greatly appreciated.

To insure that this is done on a timely basis, I would like to talk with you today and work this out by telephone if possible.

I need statements for Platnium Corporation, (Formerly, International Enviromental Technology) Aldaniti, Coopman, Mooney, and Moroni. In my previous fax last week I mentioned White Sands disregard that it was Platnium Corporation.

I also need to have three wire transfers made today from the following accounts:

Please wire the sum of Three Thousand Nine Hundred Seventy ($3,970.00 USD) Dollars from Coopman's Account [redacted] to:

Wire Instructions:

For Credit to:

Bank Name: Bank One Arizona, NA
Bank Address: 7206 Warm Purn Way
Carefree, Az 85377

Routing/Transit No: 122100024

For Further Credit to:

Account Name: Dennel Finance, Ltd.
Address: 4727 E. Bell Rd. Suite 45-112
Phoenix, Arizona 85032
Account Number: 2060-4186

Ben this has the Original Wiring Instructions you used to send him his 42,000

Let me know the total you come up with. Please wire 20,000 to mary

Redacted Information in Subcommittee Files

Please wire the sum of Forty-two Thousand ($42,000.00 USD) Dollars from Aldaniti's Account [redacted] to:

7/29/98

02 DAVID R. MYER 02.17.99 WED 09:55 FAX 602 9160600

BANC ONE CORPORATION
WIRE TRANSFER – OVER THE COUNTER (OTC)
OUTGOING REQUEST

Please Print

☐ Domestic ☐ International | Date 1/20/99 | Time 12 30 | ☐ a.m. ☐ p.m.

☐ Walk-In ☐ Fax ☐ Phone ☐ Mail ☐ Walk-In ☐ Fax ☐ Phone ☐

The following must be completed to satisfy minimum security requirements:

Exception Approved By *(Signature)*

Callback Made To *(Customer Name)* | Telephone No. (with Area Code)

Callback Performed By *(Signature)* | Date | Time | ☐ a.m. ☐ p.m.

OUTGOING WIRE TRANSFER INFORMATION

SOURCE OF WIRE FUNDS: ☐ Checking Acct. No. ~~2227-6452~~ 0144 – ~~5227~~ 5255 Available Balance $ ☐ Cash ☐ Other *(Specify)*

Account No. To Be Debited By Wire Transfer Dept. *(Check one box and indicate account no.)*

☐ DDA ☐ SAV

☐ Internal Clearing Account Acct. No.

Amount of Wire	Wire	Total Charge
$12,196.45	$30.00	$12,206.45

INTERNATIONAL WIRES IN FOREIGN CURRENCY

Foreign Currency Type	Exchange Rate	Foreign Currency Amount

RECEIVING BANK INFORMATION

Bank Name: Security Bank N.A.
Bank ABA: 067-010-512
Bank Street Address *(P.O. Box not permitted)*: 144 Brickell Ave.
City: Miami
State/Province/ZIP Code: FL 33131
Country *(if not U.S.)*:
Beneficiary Name: British Trade and Commerce Bank
Beneficiary Account No.: 0400101400-01
Beneficiary Street Address, if available *(P.O. Box not permitted)*: Dame Eugenia Charles Blvd.
City: Bayfront Roseau
State/Province/ZIP Code: Commonwealth of Dominica
Country *(if not U.S.)*: British West Indies

SPECIAL INSTRUCTIONS

Information for Beneficiary (OBI) *(Optional)*
Final Credit to: Cooppnan LTD. Acct. #101-011133-3
Information for Receiving Bank (BBI) *(Optional)*

ORIGINATING CUSTOMER INFORMATION *(Required Per The U.S. Treasurer's Bank Secrecy Act)*

Customer Name: Dennel Finance Ltd. CTP-97 Disb.
Account Name *(if different from customer)*:
Customer Telephone No. (with Area Code): 602 488- 7739
Customer Street Address *(P.O. Box not permitted)*: 100 Easy Street
City: Carefree
State/Province/ZIP Code: AZ 85277
Country *(if not U.S.)*:
Taxpayer Identification No. *(SSN, EIN, AIN)*: 980160725
Identification Type and No. *(License, Passport, etc.)*: AZ DL B13291162

ORIGINATING CUSTOMER INFORMATION *(Required Per The U.S. Treasurer's Bank Secrecy Act)*

Subject to Article 4A of the Uniform Commercial Code and Regulation J of the Federal Reserve Bank, you agree to hold harmless and indemnify Bank One and all persons in privity with it from and against all liabilities, claims, losses, costs, expenses, and damages of any kind, including direct, indirect, incidental, consequential and punitive (including claims caused by Bank One's negligence or gross negligence), caused, incurred, or suffered by Bank One, or asserted against Bank One, resulting directly or indirectly from performance of the services owing in this transaction. Bank One's only responsibility and liability shall be commensurate you to the extent as required by Article 4A or Regulation J. Bank One will exercise every care in the selection of its processing agents and correspondents; however, Bank One assumes no responsibility for any loss occasioned by errors, omissions, or delays caused by any of its agents or correspondents or for any cause beyond its control. In addition, Bank One assumes no responsibility for the fees or deductions of any correspondent bank participating in this transaction. Bank One may charge a fee to initiate an investigation of this transaction, to be reimbursed only if an error can be determined to have occurred on the part of Bank One. If the transfer is in foreign currency, and funds are returned because, for any reason, payment cannot be made, Bank One's liability will be limited to the New York currency exchange market value due at the time refund is made, less charges taken by any correspondent banks. Banks are bound to follow the guidelines established by the Treasury's Office of Foreign Asset Control (OFAC) imposing economic sanctions against target foreign countries and entities. Under penalty of Federal Law, Bank One is obligated to block transactions to any party or included on one of OFAC's list of designees. Proceeds from blocked transactions must be held until such entity is removed from the list or upon special permission from OFAC. The undersigned confirms having purchased the order of payment described herein, understands of the Bank's current fee schedule, and agrees that this purchase is made subject to the Terms and Conditions stated above.

Customer Signature | Date

BANK ONE DEPARTMENT / LOCATION INFORMATION

Tribale Name and No.: Bank One Arizona
Banking Center / Department Name and No.: Carefree PO81
Internal ZIP: AZ10-0021
Preparer Name
Preparer Signature
Telephone No. (with Area Code): 602 970-7252
Approver Name (must have appropriate Wire Transfer Authorization)
Approver Signature 0100169
Telephone No. (with Area Code): 602-970-7252

FOR WIRE TRANSFER DEPARTMENT ONLY

Wire Sequence No. 1126
Input By Debbie
Secondary Authorized By
Date
Authorized Signature Print Name
Telephone No. (with Area Code)
Callback Performed By
Time (Callback) ☐ ☐

Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57k_____

Exhibit 57k.

Gold Chance fraud documents

COURT FILE NO.: 00-CV-188866
DATE: 20000612

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	
GOLD CHANCE INTERNATIONAL LIMITED, CEBY MANAGEMENT LIMITED and JBG MANAGEMENT INC.	*David E. Wires* *Arthur O. Jacques* *Lisa La Horey* for the Plaintiffs
Plaintiffs	
- and -	
DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE, TRIGLOBE INTERNATIONAL FUNDING INC., FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A., 1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV, THE BANK OF NOVA SCOTIA and BANK OF MONTREAL	*John Olah* *Colin D. Piercey* *Colin J. Grant* for the Defendant Daigle & Hancock *R. Geoffrey Newbury* for the Defendants Sayse Chatterpaul, Paul Zhernakov and 1170870 Ontario Limited
Defendants	
	HEARD: April 17, May 1, May 5, May 15, June 2 and June 8, 2000

C. CAMPBELL J.

REASONS FOR DECISION

[1] This application commenced with a motion for injunctive relief, appointment of a receiver and an order in aid of tracing. Various endorsements were made as this matter proceeded. I reserved the right to amplify those endorsements in written reasons which now follow.

[2] The matter proceeded before me first on April 17, 2000 by way of a notice of motion without notice. Counsel for the law firm and individual solicitors was in attendance, though not formally served. The motion material initially filed, and in particular the affidavit of Brent Binions, made it apparent that the Plaintiffs not only were unaware of the location of funds that had been advanced to various of the Defendants, but that time would be of the essence in any attempt to trace and recover those funds. Given the nature of the relief sought as against the solicitors and the effect that it may have on any additional relief to be granted, the motion proceeded in stages.

[3] The Plaintiff Gold Chance International Limited ("Gold Chance") is incorporated in the British Virgin Islands, with its head office in Aurora, Ontario. It has North American territorial rights to a novel technology for a certain type of refined combustible fuel for automobiles and other uses.

[4] In order to exploit the technological rights, Gold Chance required working capital, estimated to be in excess of U.S.$12 million. Through an intermediary, Gold Chance and its president Mr. Greg Binions were introduced to Sayse Chatterpaul, who through 1170870 Ontario Limited, carries on business as G & S Enterprises Limited. Chatterpaul represented to Gold Chance that he could arrange funding from a bank or other financial institution outside Canada. On September 27, 1999, Chatterpaul offered funding of US$27.5 million by way of loan, on condition that 25% of the loan be put up by way of collateral. The sum of $6.875,000 was said to be a pre-requisite for this type of loan. The purpose was to enable flexible repayment terms of principal and interest and carried with it an administrative fee of 3%.

[5] As confirmed by the defendant solicitors, the "liquid collateral" was to be held by a fiduciary to be agreed upon by both Gold Chance and G & S Enterprises. A borrowing agreement was drafted between Gold Chance as the borrower and Triglobe International Funding Inc., of which Chatterpaul was the signing officer, as lender. The agreement provided in part that "the deposited collateral will be kept by lender's lawyer in a fiduciary account designated by the lender." The agreement went on to note that the lender and lender's lawyer should have the right and privilege to change banking or financial institutions in which the deposited collateral may be located, on condition that notice be delivered to the borrower no later than 30 days after such change.

[6] For some reason that was not made clear in the material, the first agreement was replaced with a second borrowing agreement made as of February 17, 2000, in which Gold Chance again was the borrower and Free Trade Bureau, S.A. ("Free Trade"), incorporated under the laws of Dominica, again with Chatterpaul as the sole signing officer, was the lender. This time the amount of the loan had been agreed upon in the sum of US$12 million and the security for the loan to be put up by the borrower in the sum of US$3 million.

[7] Article 3.01(b) of the agreement provides "the deposited collateral will be kept by the law firm of Daigle & Hancock in a fiduciary account designated by the lender."

[8] Article 3.02 provides that "the lender and lender's lawyer shall have the right and privilege to change banking or financial institutions in which the deposited collateral may be

located at any time and on condition that notice be delivered to the borrower no later than 30 banking days prior to such change. Such change shall only occur after the full loan amount is delivered."

[9] Article 4.01 reflects the agreement between the lender and the borrower that:

"(a) the nature of the security being advanced, with the right in the lender to a lien to secure the loan;

(b) the lender to specify the financial institutions into which the collateral is to be deposited;

(c) ...the cash collateral was to be designated to the lender's sole signatory only after three-quarters of the full amount of the loan was advanced to the borrower."

[10] Pursuant to the first agreement, on December 3, 1999, Gold Chance obtained a bank draft in the sum of US$3 million, drawn on the Toronto-Dominion Bank, which was funded by a ten-year term loan. The bank draft was delivered to the defendant solicitors, who then deposited the sum into the Bank of Montreal at the Mississauga main office.

[11] Despite various promises that the loan funds were on the way, and confirmation of that undertaking by Chatterpaul from time to time, no funds were received. As of March 6, 2000, a notice of termination of contractual right was served by Gold Chance, should they not receive the loan advance by March 10, 2000. Despite promises, the loan advance was not forthcoming and by March 13, 2000, the Plaintiffs advised the defendant solicitors that due to the failure of Free Trade to fund as agreed, they wished the return of their collateral.

[12] Article 7.01 of the agreement provided for the return of collateral as follows:

"(c) if the lender ceases for any reason or under any circumstance whatsoever to provide the funds for the loan for a period of at least one week after the date of agreed schedule of instalments herein, and such default has not been cured within fourteen days of notice of default; in which case the collateral shall be forthwith returned to the borrower in full and with accrued interest ..."

[13] According to the affidavit of Mr. Binions, it was not until some time in March that the Plaintiffs realized that the collateral security was apparently no longer in Ontario, which put into the question the ability of the defendant solicitors to act as a fiduciary.

[14] On March 14, 2000, Free Trade executed a termination protocol, which purported to cancel the agreement when the US$3 million was received by the Plaintiffs. The collateral funds, in the sum of US$3 million, have not been returned to the Plaintiffs. As of April 17, 2000, it would appear on the material that the funds were supposed to be in a bank or other financial institution somewhere in the Caribbean islands.

[15] The relief sought as against the defendant solicitors is in the nature of a tracing order to obtain information with respect to the transfer of funds into and out of the solicitors' trust account, to ascertain their present whereabouts. Counsel for the defendant solicitors raised a concern that the information sought with respect to the identity of institutions, the specific accounts and dealings with the accounts might be subject to solicitor-and-client privilege. Based on the authorities to which I was referred, I am satisfied, particularly on the authority of *Re Ontario Securities Commission and Greymac Credit Corp.* (1983) 41 O.R. (2d) 328 (Div.Ct.), that much of the information sought is not covered by solicitor/client privilege. Accordingly, I direct the solicitors to provide the information set out in the notice of motion.

[16] The case of *Chitel v. Rothbart* (1982) 39 O.R. (2d) 513 (C.A.) and more recent authorities in the material satisfies me that the defendant solicitors be ordered to turn over to the Plaintiffs documentation or information to identify the location in terms of the institution and physical setting, the site of the security deposited. Such information is to include the account number and any information in possession of the solicitors of dealings in such account, including any claim for lien advanced on the account and the identity of the signatories for the account.

[17] An order of confidentiality was also made until service of the notice of motion and supportive material on the remaining Defendants, and at the request of counsel for the defendant solicitors, an order of confidentiality was granted.

[18] The motion was adjourned to April 18, 2000 based on the efforts of the solicitors to cooperate in providing information relating to the whereabouts of funds. Information obtained by the defendant solicitors from a Mr. George Betts, executive vice-president of British Trade & Commerce Bank ("BTCB"), located in Dominica was divulged on the basis that the contents of the conversations would remain confidential until further order of the Court. Based on later events the information from Mr. Betts could not be found reliable.

[19] The motion was adjourned to April 20, 2000 or such earlier time as might become necessary, the defendant solicitors being ordered to advise through counsel of any further information received as to the location and timing of receipt of funds, which if received, were to be kept in a trust account separate and apart from other trust funds, all subject to the further order of the Court.

[20] On the return of the motion on April 20, 2000, I was referred to two affidavits, one of Greg Banks, the other of Brent Binions. Based on the information provided and the submissions, no-one was able to provide any information on which the Court could conclude that it was within the power, ability or control of the defendant solicitors to ensure return of the funds into the fiduciary account in the Bank of Nova Scotia in this jurisdiction on a timely basis.

[21] The additional affidavit evidence supported the concern of the Plaintiffs that the Defendants not only had not to date but might not in the future be in a position to return the funds as provided for in the agreement.

[22] The test for injunctive relief of this nature is set out in *R.J.R. Macdonald Inc. v. Canada (A.G.)* (1994) 111 D.L.R. 4385 (S.C.C.) at pp 400-407, namely:

(1) that there is a serious issue to be tried;

(2) that there is a greater risk of irreparable harm to the Plaintiffs in recovery of their funds should relief not be granted; and

(3) that pending a hearing on the merits, the greater risk of harm is to the Plaintiffs,

[23] I am satisfied that on the material, given the passage of time since April 17, 2000, the Plaintiffs have demonstrated a strong *prima facie* case for the extensive "Mareva" relief sought. See *Chitel v. Rothbart, supra,* pp 528-533 and *Aetna Financial Services v. Feigelman* (1985) 15 D.L.R. (4th) 161 (S.C.C.).

[24] The basis of my conclusion that the extended relief sought is appropriate, pending a decision on the merits, is that on the material before the court, it would appear that the fiduciary account that was contemplated in the agreement to be subject to at least some control of the defendant solicitors, no longer contains the funds that were in it. It would also appear that in the absence of the solicitors being able to provide a satisfactory explanation, that a person or persons associated with the "lenders" under the agreement, utilizing banking and other financial institutions, not only outside Canada but through the intermediary of one or more United States banks beyond the immediate jurisdiction of the U.S. authorities, are preventing or failing to ensure the replacement of the US$3 million advanced by the Plaintiffs through the "fiduciary account" set up by the defendant solicitors in the first instance. The affidavit material gives no reasonable or rational explanation for the non-return, except beyond a few days from the 1st of April, 2000, and despite some suggestion that it may come "shortly". On the other hand, the material points to the real risk that the absence of the funds' return may be part of a scheme which would deprive the Plaintiffs of recovery. For this reason, an order for investigation and gathering of appropriate information and other relief is required and granted.

[25] The history of what has become known as the "Mareva Injunction" is set out in *Injunctions & Specific Performance*, Robert J. Sharpe, looseleaf edition, Canada Law Book Inc. The type of order recognizes, as the author points out at page 2-48:

> "that restraining a defendant from dealing with his or her property before judgment constitutes a form of pre-trial execution. While the courts have always allowed a plaintiff, who asserts a specific or proprietary claim, to call upon the equitable jurisdiction of the court to protect a claim pending determination of the right at trial, pre-trial execution of an unsecured or non-proprietary claim has been treated quite differently. Pre-trial execution is authorized by statutes in many jurisdictions but, except for the specific cases already discussed, was not available under ordinary common law or equitable principles."

[26] At page 2-49, the author goes on to note:

> "The rationale underlying the ordinary interlocutory injunction is surely met where the plaintiff is able to show that there is a strong case on the merits and

> that, if the defendant is not stopped, the plaintiff's right to an appropriate remedy at trial will be lost. The purpose of interlocutory injunctive relief is to prevent the effective destruction of the plaintiff's right in the period of delay awaiting trial. If the risk that the plaintiff's right will be destroyed exceeds the risk that the defendant may be unduly interfered with, an interlocutory injunction is justified." See *D. Aquino v. First Choice Capital Fund Ltd.* [1997] 9 W.W.R. 177.

[27] On this basis the relief sought for the appointment of a receiver of the assets of various of the defendants, subject to return of the funds, was granted and further leave granted to issue Letters of Request to appropriate courts with jurisdiction in the Dominica and the United States of America for the attendance of individuals who could give evidence with respect to the whereabouts of funds, was granted.

[28] It was on this basis that the motion was adjourned to May 1, 2000. On that date, counsel for the defendants Zhernakov and Chatterpaul appeared, in addition to counsel for the other parties. A request was made by counsel for Zhernakov and Chatterpaul to have an opportunity to have access to books and records seized for the purpose of instructing counsel and preparing for a response to the motion and action. This matter was left to be dealt with between counsel and the Receiver.

[29] The motion was adjourned to Friday, May 5, 2000 and an order made permitting counsel to have access to the books and records and to the extent reasonable, the receiver was ordered to return seized documents or copies thereof, as well as keys to the seized premises and the honouring of a retainer cheque to the extent reasonable and consistent with the Order of April 20, 2000.

[30] The receiver was authorized to deal with the urgent business requirements of the defendants, other than the defendant solicitors, as they arise on an urgent basis and to examine under oath Messrs Chatterpaul and Zhernakov, if so advised, with respect to tracing the funds in issue.

[31] In addition, each party was to provide a plan to enable a return of the business records not required for the litigation, to enable the defendants to continue their business. Such plan was to include preservation of assets as they may be appropriate. The defendant solicitors were to make available to counsel for Messrs. Chatterpaul and Zhernakov certain of their privileged documents, which was not to be taken as a waiver of any solicitor-and-client privilege.

[32] On May 5,2000, the Plaintiffs moved for a continuation of the orders of April 20, 2000 which had been continued to May 1, subject to some additions. That request was not opposed by counsel for the defendant solicitors, subject to the opportunity to have access to material obtained by the receiver from Messrs. Chatterpaul and Zhernakov, which relief was consented to on behalf of those individuals.

[33] All parties agreed that the volume marked "Plaintiffs' Document Brief" should be sealed under further order of the Court, which order was made.

[34] No fresh material was filed on behalf of the defendants Zhernakov or Chatterpaul and no plan for return of documents was suggested on their behalf. Having heard the submissions, I was satisfied on the material that there was at least a strong *prima facie* case for connection between Mr. Chatterpaul and those who would appear to be directly involved in the inability of the Plaintiffs to recover their funds.

[35] It was on this basis that I ordered that not only would the previous orders continue, but that the further relief sought by the Plaintiffs should be granted to enable the Receiver to:

(a) put on title notice of these proceedings;

(b) to permit the issuance of a commission directed to those individuals who may be able to provide further information as to the whereabouts of the funds; and

(c) to request the assistance of the necessary authorities to assist in the commission.

[36] Counsel for the defendants Chatterpaul and Zhernakov submit that the granting of the receiving order and ancillary relief, including freezing of assets of clients, amounts to execution before judgment or, at the very least, discovery before even a statement of claim has issued.

[37] The prerequisites and safeguards with respect to these extraordinary remedies are recognized in *Sharpe, supra* at pps 2.67 and 2.68:

> "A court may order discovery in aid of the "Mareva Injunction" where the defendant does have assets within the jurisdiction where the plaintiff has insufficient particulars as to the whereabouts of such assets to make the injunction effective. The purpose of the injunction is to determine the present whereabouts of property for the purpose of enforcing the injunction."

[38] The possibility of making a discovery order will be important in cases where the defendant has not yet filed an affidavit and where the plaintiff can show the need to obtain details as to a fund, account or other property upon which the injunction is to operate, so as to make it effective.

[39] Where the defendant is not candid, the court has the authority to appoint an accountant to act as an examiner of the defendant's affairs and to require the defendant to pay the costs associated with the appointment. See *Community Assn. of South Indian Lake Inc. v. MacIver* (1996) 1 W.W.R. 168 (Man.S.A.)"

[40] In this case, notwithstanding that the order of April 20, 2000 anticipated an end to the receivership upon repayment into the trust account of $3 million, the material before the Court at this time tends to support the Plaintiffs' claim that, without further investigatory relief, the funds may not be recovered.

[41] In my Order of May 1st, I invited counsel for the defendants to provide a plan to permit the continuation of the business of Messrs Chatterpaul and Zhernakov. The invitation is still open, although no material has been filed to date.

[42] Mr. Wires appeared on May 15 to request Letters Rogatory in aid for further tracing the funds advanced by the Plaintiffs. The material filed was ordered sealed except to the extent necessary to give effect to the Letters Rogatory or until further order of the Court.

[43] Based on information contained in the newly filed material, it would appear that the $3,000,000 was deposited on December 15 into an account with First Union National Bank located in Jacksonville, Florida. From the account, some 29 transfers have been made to the various accounts set out in the material filed.

[44] The Order requested was in further aid of tracing the $3,000,000 which on the material I am satisfied is appropriate. A further order in aid of tracing funds and in examination of Mr. Betts of the BTCB was granted on June 2, 2000. A motion by the Defendants was adjourned to June 8 due to short service and a request for cross-examination.

[45] The motion returnable on June 8, 2000 on behalf of the Defendants (other than the solicitors) is for an Order discharging the Receiver and requiring the delivering up of all materials obtained in that capacity, for release of notice against specific real property and for an order that the costs and expenses of the Receiver not be taken from seized assets and for an accounting of the Receivership.

[46] The essence of the matter submitted by counsel for the Defendants is that the continuation of the Receivership has become punitive in nature and is now a waste since the Defendants have received confirmation from at least April 20, 2000 that fiduciary funds are no longer within the control of the Defendants and have been requested to be returned from the BTCB, Dominica, where the funds are alleged to be.

[47] In the affidavit filed in support, Paul Zhernakov states that he cannot control Mr. George Betts, an officer of the BTCB, who has confirmed that the Bank has the funds, and therefore he has done everything he can to accelerate their return. As a result, the Receivership operates in a punitive manner as to deprive him from carrying on business, and in particular denial of access to business records and bank accounts for personal purposes.

[48] In a second affidavit filed in support of a motion for security for costs as against the Plaintiff Gold Chance, Mr. Zhernakov said, relating to the Receiver's attempts to trace the funds received by him in a fiduciary capacity:

> "None of this research is in any way related to the object of the lawsuit but is intended to obtain frivolous and vexatious gossip to blacken the name of George Betts and BTCB. None of it has any relationship to the Ontario defendants. At present the plaintiffs are acting as if all of the costs which may be incurred, in any way, can and will be abstracted from the assets frozen into the hands of the Receiver".

[49] A transcript of the cross-examination of Mr. Zhernakov on his affidavit was filed, together with a report of the Receiver on his effort to trace funds.

[50] Contrary to the statements of Mr. Zhernakov, it would appear on the evidence before me that not only did the funds to be placed in a fiduciary account by Mr. Zhernakov not end up where he says they did (in a legitimate bank in Dominica), but rather they were transferred to an account with First Union Bank in Jacksonville, Florida, from where they were dispersed in a number of directions, including directly into Mr. Zhernakov's bank account.

[51] I reject the suggestion by Mr. Zhernakov that the transfer to First Union was to a "corresponding Bank" of BTCB. There is not one shred of appropriate banking documentation to back that up. The funds appear to have been transferred to an account of the BTCB in First Union and from there, Mr. Betts or his designate disbursed the $3,000,000 in a variety of directions, none of which Mr. Zhernakov has heard, or over which he has or claims to have control, apart from his own account.

[52] There is a total lack of any agreement between any of the Defendants and BTCB or any documentation that one would expect to see in the operation of a fiduciary account. The prepared statement of Mr. Betts that the funds are in BTCB is not to be believed, against either the tracing evidence or Mr. Betts' failure to deliver the funds.

[53] The motion for security for costs and much of the motion dealing with relief from the Receiving Order is adjourned on consent, to be heard before the end of June, 2000, on a date to be arranged. The remaining matters dealt with involved removal or modification of the Receiving Order insofar as it affects the assets of the Defendants.

[54] In his submissions, counsel for the Defendants submitted that the Receiving Order as it affects his clients' assets operates in a punitive way and in effect amounts to execution before judgment.

[55] The problem with that submission is that this is the first time that specific relief from the Receiving Order has been sought. In the order of May 1, 2000, I recognized the extensive nature of the relief, but was satisfied then, as now, that in view of a strong case of breach of fiduciary duty and determination of what might be available to redress the Plaintiffs' loss, the remedy was reasonable.

[56] I had anticipated that the Defendants would provide a list of assets by way of affidavit, and then if following cross-examination on that list, the parties could not reach agreement, I would hear submissions on how far the Receiving Order would have to stay in place, given the relief granted by the Mareva injunction.

[57] Apparently, the parties for whatever reason were not able to agree until June 8, 2000 on that procedure. In my view, assuming that the Defendants provide the list of assets contemplated in my May 1, 2000 Order by way of affidavit, and submit themselves for cross-examination on that list, counsel for the Plaintiffs will have to demonstrate to what extent, if any, the Receiver is

needed to deal with the assets of the Defendants, beyond the relief already in place with the injunctive order.

[58] In the meantime, and before the further return of this matter before me, the Receiver will respond to reasonable requests for return of individual assets, including business records and bank accounts for personal needs, upon receipt of the affidavits. On the return of the motion, the Defendants will be at liberty to fully argue their position with respect to managing or eliminating the Receiving Order, as it may directly affect them.

[59] The costs of this day, as for the various previous attendances, are reserved until final determination of the motion.

C. CAMPBELL J.

Released: June 12, 2000

01-23-01 08:55AM FROM-JACQUES LITTLE +4167770384 T-594 P.02/02 F-200

UCOMING SWIFT MESSAGE OPER ORG: 02126 INT'L TRADE CENTRE - ONTARIO
10/24/00 13:45 ICN: 001024-047833-000 BESS SEQ NO: 0081 PAGE: 1

SENDER SWFT ADDRESS	RECEIVER SWFT ADDRESS	MSG TYPE	L/C ID	DOC TRACK ID	STATUS	ERROR FOUND
BTCDMDM	ROYCCAT2	00000000		00000000	UPL	NO

ENDER CID: 0330605
RITISH TRADE+COMM BK.
/A
OSEAU
OMINICA NO

700

ROYAL BANK OF CANADA
TRADE SERVICE CENTRE
L/C # E153899T02126
DOCTRAC # 471569

THIS CABLE IS THE
OPERATIVE INSTRUMENT

ROYAL BANK OF CANADA
LETTERS OF CREDIT DEPARTMENT
INTERNATIONAL TRADE CENTRE, ONTARIO

27 : SEQUENCE OF TOTAL
: 1/1
:
20 : TRANSACTION REFERENCE NUMBER
: 001024/L4
:
23 : FURTHER IDENTIFICATION
: LCFTB102300
:
30 : DATE
: 001024
:
70: DETAILS OF GUARANTEE
: L/C NUMBER: FTB102300
: DATE OF ISSUE: OCTOBER 23, 2000
: DATE OF MATURITY: DECEMBER 15, 2000
: DATE OF EXPIRATION: DECEMBER 30, 2000
: WE BRITISH TRADE AND COMMERCE BANK HEAD OFFICE AT EMENS
: BUILDING, BAYFRONT, DAME EUGENIA CHARLES BLVD., ROSEAU,
: COMMONWEALTH OF DOMINICA, WEST INDIES, HEREBY OPEN OUR
: UNCONDITIONAL, IRREVOCABLE, DIVISIBLE, ASSIGNABLE AND FREELY
: TRANSFERABLE LETTER OF CREDIT IN FAVOUR OF MR.R. GEOFFREY
: NEWBURY, BARRISTER AND SOLICITOR IN TRUST FOR COURT ACTION NO.
: 00-CV-188865 IN THE ONTARIO SUPERIOR COURT OF JUSTICE FOR THE
: AMOUNT OF 3,000,000.00 (UNITED STATES DOLLARS THREE MILLION ONLY)
: WHICH IS DUE ON DECEMBER 15, 2000.
: PARTIAL PAYMENTS UNDER THIS LETTER OF CREDIT ARE ALLOWED BEFORE
: MATURITY AT THE DECISION OF THE ISSUER. THE PAYMENT OF THE
: UNPAID BALANCE IS AVAILABLE UPON BENEFICIARY'S FIRST WRITTEN
: DEMAND VIA BANK WIRE SYSTEM AT MATURITY. DEMAND HEREUNDER MUST BE
: MARKED 'DRAWN UNDER LETTER OF CREDIT NUMBER FTB102300 DATE
: OCTOBER 23, 2000'.
: WE ENGAGE WITH YOU THAT DEMAND DRAWN UNDER AND IN COMPLIANCE WITH
: THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED ON DUE
: PRESENTATION TO US BUT NOT BEFORE MATURITY DATE DECEMBER 15,
: 2000.
: THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND
: PRACTICES FOR DOCUMENTARY CREDIT (1993 REVISION) ICC PUBLICATION
: NO.500.
: THIS IS AN OPERATIVE INSTRUMENT,NO MAIL CONFIRMATION TO FOLLOW.
: GEORGE E. BETTS, EXECUTIVE VICE PRESIDENT
: PATRICIA INLGIS, VICE PRESIDENT, COMMERCIAL BANKING

1

Court File No: 00-CV-188866

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

GOLD CHANCE INT'L LIMITED,
CEBY MANAGEMENT LIMITED, and
JBG MANAGEMENT INC.

Plaintiffs

and

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE
TRIGLOBE INTERNATIONAL FUNDING INC.,
FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A.,
1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S
ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES
ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV,
THE BANK OF NOVA SCOTIA, BANK OF MONTREAL
SAYSENARINE CHATTERPAUL (also known as SAYSE CHATTERPAUL),
BRITISH TRADE & COMMERCE BANK, and GEORGE BETTS

Defendants

AMENDED STATEMENT OF CLAIM
(Notice of Action issued on April 17, 2000)

1. The plaintiffs' claim is for:

(a) As against the defendants Daigle & Hancock, Douglas H. Hancock and Peter M. Daigle damages in the amount of $3,000,000.00 dollars U.S. funds and interest converted to Canadian funds for negligence, breach of contract and breach of fiduciary duties;

(b) As against the defendants Triglobe International Funding Inc.,

Freetrade Bureau, S.A., Free Trade Bureau, S.A., 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul, and Paul Zhernakov, Saysenarine Chatterpaul, British Trade & Commerce Bank and George Betts damages in the amount of $3,000,000.00 in U.S. funds and interest converted to Canadian funds for breach of contract, fraudulent, or in the alternative, negligent misrepresentation, fraud, fraudulent conveyance, deceit, conversion, breach of trust, inducing breach of a fiduciary's duties, intentional interference with a fiduciary in the execution of his duties and for a tracing order, an accounting and declaration of constructive trust;

(c) As against Freetrade Bureau, S.A., Free Trade Bureau, S.A., 1170870 Ontario limited operating as G & S Enterprises, G & S Enterprises limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul, and Paul Zhernakov, Saysenarine Chatterpaul, British Trade & Commerce Bank and George Betts punitive, aggravated and exemplary damages in the amount of $750,000;

(d) As against Freetrade Bureau, S.A., Free Trade Bureau, S.A., 1170870 Ontario limited operating as G & S Enterprises, G & S Enterprises limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul, and Paul Zhernakov, Saysenarine Chatterpaul, an interlocutory and permanent injunction restraining the said defendants from selling, transferring, disposing of, pledging, removing from Ontario or otherwise encumbering (i) any assets owned by them, directly or indirectly, whether held in their own name or in the name of any corporation of which the individuals are an officer or director or standing to their credit or to the credit of a corporation of which they are an officer or director

including any assets in the possession of any financial institution or any other saving institution or (ii) any equitable interests in any assets, directly or indirectly, whether held in their own name or in the name of any corporation of which the individuals are an officer or director or standing to their credit or to the credit of a corporation of which they are an officer or director including any assets in the possession of any financial institution or any other saving institution; except with the permission of and by order of this Honourable Court.

(e) An order appointing a receiver and manager over the property, undertaking and assets of Freetrade Bureau, S.A., Free Trade Bureau, S.A., 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul, and Paul Zhernakov, and Saysenarine Chatterpaul;

(f) An order appointing a Receiver over the Funds as hereinafter defined;

(g) As against the defendants Bank of Montreal and The Bank of Nova Scotia an order disclosing the state of and the documents and correspondence relating to the accounts of Triglobe International Funding inc., Freetrade bureau, S.A., Free Trade Bureau, S.A., 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul, Paul Zhernakov and the trust account of Daigle & Hancock into which the sum of U.S. $3,000,000.00 was paid in the month of December, 1999 or into which return of the funds was received;

(h) Orders seeking the aid and assistance of the Courts of the United States and Dominica and such other jurisdiction as is necessary to

facilitate the return of the Funds;

(i) Pre-judgment and post-judgment interest at the rate of the prime rate of The Toronto-Dominion Bank plus 1.25% or in the alternative pursuant to the *Courts of Justice Act*;

(j) Solicitor and client costs;

(k) And such further and other relief as this honourable court deems just.

2. The plaintiff Gold Chance Int'l Limited ("Gold Chance") is a corporation incorporated pursuant to the laws of the British Virgin Islands.

3. The plaintiff CEBY Management Limited ("CEBY") is a corporation incorporated pursuant to the laws of Ontario.

4. The plaintiff JBG Management Inc. ("JBG") is a corporation incorporated pursuant to the laws of Ontario.

5. The defendants, Douglas H. Hancock ("Hancock") and Peter M. Daigle ("Daigle") are solicitors licensed to practise law in the Province of Ontario and are partners in the defendant law firm, Daigle & Hancock, located in Mississauga, Ontario. Daigle & Hancock, Daigle and Hancock are sometimes hereinafter collectively referred to as the "Solicitors".

6. The defendant Sayse Chatterpaul, is also known as Saysenarine Chatterpaul, Saysenarine Torarsing Chatterpaul, and Sayse Narine Chatterpaul ("Chatterpaul") and is an individual residing in Toronto, Ontario.

7. The defendant Paul Zhernakov is also known as Pavel B. Zhernakov ("Zhernakov") and is an individual residing in Niagara Falls, Ontario.

8. The defendant, Triglobe International Funding Inc. ("Triglobe") is represented by the defendants Chatterpaul and Zhernakov to be a corporation incorporated under the laws of Guyana, South America.

9. The defendant, Freetrade Bureau S.A. or Free Trade Bureau S.A. (collectively "Free Trade") is represented by the defendants Chatterpaul and Zhernakov to be a corporation incorporated under the laws of the Commonwealth of Dominica. Dominica is an island situated in the Caribbean Sea in the West Indies, south of the island of Montserrat and north of the island of St. Lucia.

10. In the event that either or both of Triglobe and Freetrade are not corporations validly constituted that Zhernakov and Chatterpaul are personally liable for the obligations of Triglobe and Freetrade.

11. 1170870 Ontario Limited operating as G & S Enterprises, which is also known as G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd. ("G&S") is a corporation incorporated pursuant to the laws of Ontario controlled by the defendant, Chatterpaul and others including his father, G. Chatterpaul. G&S carries on business in the Province of Ontario.

12. Zhernakov represents himself to be an authorized agent of the defendants, Free Trade and Triglobe.

13. The defendant, British Trade & Commerce Bank ("BTCB") is represented to be a corporation incorporated under the laws of Dominica as an offshore banking corporation.

14. BTCB also carries on business in the United States from an office at 444 Brickell Road, Miami, Florida.

15. The defendant, George Betts, is an officer of BTCB and a resident of Dominica and the States of Idaho and Florida in the United States and carries on business in those jurisdictions.

16. Gold Chance, CEBY and JBG have common officers including Greg Binions and Brent Binions, both of whom are residents of Ontario.

17. Gold Chance acquired rights from interests in Japan to exploit, produce and manufacture by means of a novel technology a certain type of refined combustible fuel for automobile and other uses. The plaintiffs invested in excess of U.S. $1,700,000 to acquire the territorial rights for North America and other selected areas from the Japanese licensor and owners of the technological properties (the "Project").

18. In order to finance the Project, Gold Change required working capital in excess of U.S. $12,000,000.

19. In the fall of 1999, George Politis of Gamda International Corporation ("Gamda") introduced Brent and Greg Binions to Chatterpaul and his business entity 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., (collectively "G&S") at 2300 Sheppard Avenue West, Suite 206, Toronto, Ontario.

20. On September 27, 1999 Chatterpaul, on behalf of G&S, rendered a letter of intent to Gold Chance expressing preliminary approval to fund the Project in the amount of U.S. $27,000,000. The letter provided that as a condition of financing, it was necessary for

Gold Chance to put up 25% of the loan amount in liquid collateral, the amount of U.S. $6,875,000. By letter of the same date, Hancock confirmed the collateral would be held by a fiduciary.

21. On December 3, 1999 Gold Chance entered into an agreement made October 21, 1999 (the "First Borrowing Agreement") purportedly with Triglobe. The First Borrowing Agreement provided, *inter alia*, that Triglobe, as lender, would lend to Gold Chance, as borrower, the amount of U.S. $12,000,000 (the "Loan").

22. Pursuant to 3.01 of the First Borrowing Agreement, as a condition precedent to the funding of periodic tranches of the loan, Gold Chance was required to provide cash collateral security in the amount of U.S. $3,000,000. (the "Collateral").

23. Greg Binions delivered a bank draft in the amount of U.S. $3,000,000.00 drawn on The Toronto-Dominion payable to "Daigle & Hancock, Barristers & Solicitors in trust" to Hancock on December 3, 1999 for deposit into a segregated fiduciary account. Gold Chance funded the payment with funds advanced by JBG and CEBY and those companies borrowed the funds from the Toronto Dominion Bank by a ten year term loan with the principal and interest payable each month.

23. Hancock deposited the trust draft into a Daigle & Hancock trust account, at Bank of Montreal, account number 3858-4603-325. The Solicitors held the funds in trust for the plaintiffs.

24. The First Borrowing Agreement provided in section 3.02 that Triglobe had the right and privilege to change banking or financial institutions in which the Funds were located at any time provided notice of the change was delivered to Gold Chance by the lender no later than thirty (30) days prior to such change and provided no change was to occur until the full amount of the Loan was advanced and delivered to Gold Chance.

25. Triglobe defaulted in the advance of funds under the First Borrowing Agreement. If Triglobe is not a validly constituted corporation then Zhernakov and Chatterpaul are liable to the plaintiffs under the First Borrowing Agreement.

26. Chatterpaul invited Gold Chance to enter into a second lending agreement to replace the loan promised under the First Borrowing Agreement. By agreement dated February 17, 2000, Free Trade agreed to loan Gold Chance U.S. $12,000,000.00 (the "Second Borrowing Agreement"). The Second Borrowing Agreement provided in section 3.01 that the Funds would be kept by Daigle & Hancock in a fiduciary account designated by the Lender. The Second Borrowing Agreement provided again that the lender and the lender's lawyer had the right and privilege to change banking or financial institutions in which the deposited Funds may be located at any time and on the condition that notice be delivered to the borrower no later than 30 banking days prior to such change, such change could only occur after the full loan amount was delivered. No notice was given by Free Trade or its lawyer that there was to be a change in the financial institution in which the funds were located. No funds were advanced by Free Trade under the loan agreement.

27. The Second Borrowing Agreement provided that failure by the Lender to fund the loan by March 10, 2000 would result in significant damages to the borrower and the Free Trade agreed that it would return the Funds together with accrued interest from the date of deposit by March 14, 2000.

28. No funds have been advanced to Gold Chance by Free Trade or any other party and Free Trade is in default under the Second Borrowing Agreement. If Free Trade is not a validly constituted corporation then Zhernakov and Chatterpaul are liable to the plaintiffs under the Second Borrowing Agreement.

29. In accordance with the First Borrowing Agreement and Second Borrowing Agreement, the plaintiffs demanded return of the Funds from Daigle & Hancock.

30. By facsimile dated December 7, 1997 George Betts advised Zhernakov that BTCB had reserved U.S. Dollar account 100-011381-6 for Free Trade Bureau S.A. and that instructions to operate the account would be accepted only if signed by Zhernakov and Hancock. On December 7, 1999 Gold Chance and Triglobe were parties to the First Borrowing Agreement. Free Trade was a company name unknown to the plaintiffs on December, 1999 until February, 2000.

31. Without the plaintiffs' permission and without notice to the plaintiffs, on or about December 10, 1999 Daigle & Hancock directed Bank of Montreal in writing to wire transfer the Funds in its trust account out of Canada to First Union National Bank to credit the correspondent account number 9983871373. The instructions referred to the beneficiary of the wired funds as being Free Trade Bureau S.A., account number 100-011381-6 whose bank was identified as BTCB.

32. Without the plaintiffs' permission and without notice to the plaintiffs the Funds were wire transferred to First Union National Bank Florida ("First Union") on or about December 15, 1999 via Harris Bank International Corp, which is Bank of Montreal's United States corresponding bank. The Funds were deposited to BTCB's account at First Union National Bank, account number 0009983871373 (the "First Union Account").

33. The First Union Account was opened in or about 1998. The application was made by British Trade & Commerce Bank c/o First Equity Corporation of Florida, 444 Brickell Avenue, Suite P-6, Miami, Florida. The primary contact persons were said to be George Betts and Ralph G. Hines.

34. Without the knowledge or consent of the plaintiffs, the First Union Account was

depleted by a series of wire transfers at the direction of BTCB, Geroge Betts, Herry Royer and other officers or directors of BTCB.

35. Without the knowledge or consent of the plaintiffs, BTCB through its officer Herry Royer, directed First Union on December 23, 1999 to wire the sum of $14,625 (U.S.) from the First Union Account to the defendant Zhernakov's bank account, 238120013066498 at Bank of Montreal in Niagara Falls, Ontario.

36. Without the knowledge or consent of the plaintiffs BTCB directed First Union to wire transfer funds in the amount of $100,000 (U.S.) from the First Union Account to its account in the name of BTCB at National Commercial Bank of Dominica. The funds were transferred in two stages; $50,000 on December 20, 1999 and a further $50,000 on or about December 23, 1999.

37. Without the knowledge or consent of the plaintiffs BTCB directed First Union to wire transfer funds in the amount of $55,000 (U.S.) from the First Union Account to its account in the name of BTCB at Pacific National Bank Miami, on or about December 21, 1999.

38. Without the knowledge or consent of the plaintiffs, BTCB also directed First Union, on or about December 23, 1999 to wire transfer funds in the sum of $40,000 from the First Union Account to an account at Union Planters Bank to the credit of Roldolfo Requena who is President of BTCB.

39. Without the knowledge or consent of the plaintiffs Herry Royer telephoned First Union on or about January 3, 2000 and directed that $1,000,000 (U.S.) be wire transferred from the First Union Account to the account of Orphan Advocates LLC at the Bank of America in Idaho. The wire transfer instruction was confirmed by George Betts.

40. Without the knowledge or consent of the plaintiffs BTCB and its officers and agents including George Betts directed First Union to wire transfer funds from the First Union Account to other persons and entities worldwide as follows:

a) $93,0000 (U.S.) to Bank of Nevis International, Charleston Nevis to the credit of Universal Marketing Consultants on or about December 16, 1999;

b) $15,339.95 (US.) to Bankers Bank, Oklahoma City, Oklahoma, for further credit to First National Bank of Antler Oklahoma to the credit of Republics Product on or about December 16, 1999; these funds were used to pay travel expenses inter alia, George Betts and his spouse Mavis Betts and representatives of companies related or associated with BTCB;

c) $29,037.25 (U.S.) to Lasalle National Bank Chicago to the credit of Arenson Office Furnishing on or about December 16, 1999;

d) $30,000 (U.S.) to Wells Fargo, San Francisco to the credit of Roeters Van Lennep on or about December 16, 1999;

e) $50,000 (U.S.) to National Commercial Bank Dominica to the credit of Caribbean Building Agency Ltd. on or about December 17, 1999;

f) $240,000 (U.S.) to Barclays Bank PLC to the credit of BSI Corp Nassau on or about December 17, 1999;

g) $10,000 (U.S.) to National Commercial Bank Dominica to the credit of Insat Com Limited on or about December 20, 1999

h) $10,000 (U.S.) to Northwest Bank Denver to the credit of John Hasbaick on or about December 20, 1999;

i) $205,000 (U.S.) to an unknown party on or about December 21, 1999;

j) $200,000 (U.S.) to Mashreq Bank Dubai to the credit of Graham Farrell on or about December 21, 1999;

k) $13,000 (U.S.) to Executive National Miami Bank to the credit of M.

Manfardo on or about December 21, 1999;

l) $612,000 (U.S,) to Banque Cantonale De Geneve to the credit of Laurent Finance and Switzerland on or about December 21, 1999;

m) $10,000 (U.S.) to ANZ Grindlays Bank PLC, New Delhi to the credit of Indian Forsaiting Company Ltd. on or about December 23, 1999;

n) $10,000 (U.S.) to Nationsbank Florida N.A. to the credit of Gertrude Lawrence Edwards on or about December 23, 1999;

o) $20,000 (U.S.) to Abudhabi Commercial Bank to the credit of Ashok Kumar on or about December 23, 1999;

p) $25,000 (U.S.) to ANZ Grindlays Bank, New Delhi to the credit of Ragiz Ahuga on or about December 23, 1999;

q) $50,000 (U.S.) to Mashreqbank Duba. UAE to the account of Greyhound Farrel on or about December 23, 1999;

r) $140,000 (U.S.) to ANZ Grindlay Bank, New Delhi to the account of Asset Management India on or about December 23, 1999; and,

s) $200,000 (U.S.) to Hongkong and Shanghai Bank Corporation Limited to the account of Wanvijit Chauatong on or about December 23, 1999.

41. The plaintiffs plead that the Funds were impressed with an express trust in favour of Gold Chance and that this trust was known by all of the defendants save and except The Bank of Nova Scotia. The defendants Triglobe, Freetrade, G&S, Zhernakov, Chatterpaul, BTCB and George Betts converted the funds to their own use.

42. The plaintiffs have demanded return of the deposit from the defendants. From March 23, 2000 to the date of the Notice of Action, the defendants asserted that the Funds were "in transit" and would be directed to a trust account held by Daigle & Hancock in The Bank of Nova Scotia, Mississauga. The funds were not deposited to The Bank of Nova Scotia and the defendants have otherwise refused to return the Funds. The

defendants refused to provide particulars of the institution into which the Funds were deposited, the names of the persons with signing authority, account numbers or transit numbers and particulars of the funds alleged to be in transit until ordered to do so by this Honourable Court.

43. The plaintiffs plead that the defendants Chatterpaul, G&S, Free Trade, Zhernakov, BTCB and George Betts have misappropriated and converted the Funds that were impressed with a trust in favour of Gold Chance.

44. The plaintiffs plead that the defendants, BTCB and George Betts, are in possession of the Funds or have control of the Funds with the knowledge that the Funds rightfully belong to the plaintiffs and notwithstanding same are refusing to return the Funds.

45. The plaintiffs plead that the Solicitors owe to the plaintiff, Gold Chance, a fiduciary duty as trustee of the Funds.

46. Hancock was a trustee for the plaintiffs.

47. The Solicitors have breached their fiduciary duty to Gold Chance by failing to return the Funds to Gold Chance.

48. The plaintiffs also plead that Gold Chance is a client of the Solicitors pursuant to the *Law Society Act*, R.S.O. 1990 L.8 and the by-laws and regulations thereunder. The said defendants have breached the duties to Gold Chance by their failure to return the Funds to Gold Chance.

49. At all material times, the Solicitors were under a duty to exercise all due professional care, skill and diligence as solicitors in relation to the Funds.

50. The plaintiffs plead that the Solicitors were negligent in directing or allowing the Funds to be transferred out of their control without the plaintiffs' consent, and in transferring the Funds to the credit of Free trade S.A. an entity not a party to any agreement with the plaintiffs in December 1999.

51. The defendant, Free Trade, is in breach of the loan agreement and is liable for damages for breach of the loan agreement including the return of the funds in the sum of U.S. $3,000,000 plus interest thereon and solicitor and client costs.

52. The plaintiffs plead that G & S, Chatterpaul, Zhernakov, Free Trade, BTCB, and George Betts are liable to the plaintiffs for damages in the amount of U.S. $3,000,000 plus interest thereon.

53. The plaintiffs plead that G & S, Chatterpaul and Zhernakov, Free Trade, BTCB, and George Betts interfered with the contractual right of the plaintiff, Gold Chance, to return of the Funds.

54. The plaintiffs plead that G & S, Chatterpaul, Zhernakov, Free Trade, BTCB, and George Betts interfered with the Solicitors in the carrying out of their fiduciary duties with respect to the fiduciary account.

55. The plaintiffs plead that G & S, Chatterpaul, Zhernakov, Free Trade, BTCB and George Betts and others known to the said defendants conspired to deprive the plaintiffs of the Funds and are therefore liable to the plaintiffs for damages in the sum of $3,000,000 (US) plus interest and costs.

56. The plaintiff pleads that G & S, Chatterpaul, Zhernakov, Free Trade, BTCB and George Betts are liable for breach of contract, fraudulent, or in the alternative, negligent misrepresentation, fraud, fraudulent conveyance, deceit, conversion, and breach of

trust.

57. The plaintiffs state that the conduct of the defendants G & S, Chatterpaul, Zhernakov, Free Trade, BTCB, and George Betts entitle the plaintiffs to an award of punitive, aggravated and exemplary damages against the said defendants.

58. The plaintiffs plead that they are entitled to interest on $3,000,000 (US) at a rate equivalent to the rate which they are paying to The Toronto-Dominion Bank for the loan of the $3,000,000 to the plaintiffs. The interest rate on the loan from The Toronto-Dominion Bank is the prime rate of The Toronto-Dominion Bank plus 1.25%. Therefore the plaintiffs are entitled to recover interest at the rate of the prime rate of The Toronto-Dominion Bank plus 1.25% on the sum of $3,000,000 U.S.

59. The plaintiffs plead that they are entitled to serve this statement of claim upon George Betts and British Trade & Commerce Bank outside Ontario without leave pursuant to Rules 17.02(f),(g),(h), and (i). The plaintiffs state that the First Borrowing Agreement and the Second Borrowing Agreement both provide that they are to be governed by the laws of the Province of Ontario (Rule 17.02(f)). The plaintiffs plead that torts have been committed in Ontario (Rule 17.02(g) and that they have sustained damages in Ontario (Rule 17.02(h)).

60. The plaintiffs propose that this action be tried at Toronto.

DATED: May 17, 2000

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Solicitors for the plaintiffs

Court File No. 00-CV-188866

SUPERIOR COURT OF ONTARIO

THE HONOURABLE MR. JUSTICE C. CAMPBELL	)))	MONDAY, THE 15TH DAY OF MAY, 2000

BETWEEN:

GOLD CHANCE INT'L LIMITED,
CEBY MANAGEMENT LIMITED, and
JBG MANAGEMENT INC.

Plaintiffs

and

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE
TRIGLOBE INTERNATIONAL FUNDING INC.,
FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A.,
1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S
ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES
ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV,
THE BANK OF NOVA SCOTIA, and BANK OF MONTREAL
SAYSENARINE CHATTERPAUL (also known as SAYSE CHATTERPAUL),
BRITISH TRADE & COMMERCE BANK, and GEORGE BETTS

Defendants

ORDER

THIS MOTION by the plaintiffs without notice for an order for the issuance of a commission and letter of request with respect to certain individual non-parties was heard this day at Toronto, Ontario.

ON READING the motion record including, the affidavits of Brent Binions sworn April 15, 2000 and Greg Binions sworn April 15, 2000, the affidavit of Brent Binions sworn April 20, 2000, the affidavit of Greg Banks sworn April 20, 2000, the affidavit of Greg Banks sworn May 1, 2000, the affidavit of Mark Goodfellow Chow sworn May 1, 2000, the affidavit of Greg Banks sworn May 5, 2000, the affidavit of Mark Goodfellow Chow sworn May 5, 2000, Plaintiffs' Exhibits 1 - 7 marked at the deposition of a Luis Domenech, a representative of Security Bank, N.A. on May 10, 2000 in proceedings in United States District Court Southern District of Florida, *In Re Application to Southern District of Florida Pursuant to 28 U.S.C. 1782 for Order Permitting Gold Chance Int'l Ltd., et al., to Take Discovery For Use In An Action Pending in the Ontario Superior Court of Justice, Canada*, Case No. 00-1589-CIV-GOLD ("Florida Proceedings"), and Plaintiffs' Exhibits 8 - 15 marked at the deposition of a representative of First Union Bank Florida held May 11, 2000 and on hearing submissions of counsel for the plaintiffs,

1. THIS COURT ORDERS that the registrar prepare and issue a commission, in the form attached hereto as Schedule "A", to take evidence of the witnesses:

    1. George E. Betts
       Boise or Donnelly, Idaho

    2. Mavis Betts
       Boise or Donnelly, Idaho

    3. A knowledgeable representative of
       Children's Adoption Services, Inc.
       2308 North Cole Road
       Boise, Idaho

    4. A knowledgeable representative of
       Orphan Advocates LLC or Inc.
       2308 North Cole Road, Suite E
       Boise, Idaho
       83704

5. A knowledgeable representative of
   CASI Foundation for Children
   2308 North Cole Road, Suite E
   Boise, Idaho
   83704

6. A knowledgeable representative
   of Bank of America
   Idaho

and any other witness who may be found there for use at trial and a pending motion with respect to:

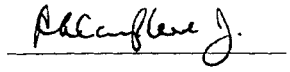
(a) US $3,000,000 which was given to the plaintiffs to the Ontario law firm of Daigle & Hancock on December 9, 1999 and which funds, were then deposited at an account at Bank of Montreal in Mississauga, Ontario Canada, and which were then transferred out of that account;
(b) funds flowing through the bank accounts at the British Trade & Commerce Bank in the names of the defendants;
(c) bank accounts and deposits in the name of British Trade & Commerce Bank;
(d) bank accounts in the name of the defendants herein or their designates;
(e) funds transferred from the account of British Trade & Commerce Bank at First Union National Bank Florida to bank accounts in the names Orphan Advocates LLC or Inc., Children's Adoption Services LLC, CASI Foundation for Children or their designates;
(f) funds transferred from the account of British Trade & Commerce Bank at Security National Bank, N.A. to bank accounts in the name of Orphan Advocates LLC or Inc., Children's Adoption Services LLC or Inc., CASI Foundation for Children or their designates;
(g) funds transferred from bank accounts in the name of British Trade & Commerce Bank to Bank of America from December 9, 1999 onwards;
(h) monies received by Orphan Advocates LLC or Inc., Children's Adoption Services LLC, CASI Foundation for Children from any of the defendants or Mavis Betts;
(i) monies received by Mavis Betts from British Trade & Commerce Bank, directly or through its accounts at Security National Bank, N.A., First Union National Bank

Florida;

(j) monies or assets received by Mavis Betts from George Betts from December 15, 1999 to present;

(k) matters arising from the foregoing.

2. THIS COURT ORDERS that the registrar prepare and issue a letter of request, in the form attached hereto as Schedule "B", addressed to the judicial authorities in United Kingdom, the Commonwealth of Dominica, St. Lucia, Venezuela, the United States including the federal and state courts of Florida, North Carolina, South Carolina, Minnesota, District of Columbia, Washington, New Jersey, Utah, and Idaho, requesting the issuing of such process as is necessary to compel the witnesses to attend and be examined before the commissioner.



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ON/BOOK NO:
LE/DANS LE REGISTRE NO.:

MAY 1 5 2000

AS DOCUMENT NO.:
À TITRE DE DOCUMENT NO.:
PER/PAR:

Court File No. 00-CV-188866

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	FRIDAY, THE 2nd DAY
	)	
MR. JUSTICE C. CAMPBELL	)	OF JUNE, 2000
	)	

B E T W E E N

GOLD CHANCE INT'L LIMITED,
CEBY MANAGEMENT LIMITED, and
JBG MANAGEMENT INC.

Plaintiffs

and

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE
TRIGLOBE INTERNATIONAL FUNDING INC.,
FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A.,
1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S
ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES
ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV,
THE BANK OF NOVA SCOTIA, and BANK OF MONTREAL
SAYSENARINE CHATTERPAUL (also known as SAYSE CHATTERPAUL),
BRITISH TRADE & COMMERCE BANK, and GEORGE BETTS

Defendants

ORDER

THIS MOTION by the plaintiffs for an order for the issuance of a commission and letter of request with respect to certain individual non-parties was heard this day at Toronto, Ontario.

ON READING the motion record including the affidavits of Brent Binions sworn April 15, 2000 and Greg Binions sworn April 15, 2000, the affidavit of Brent Binions sworn April 20, 2000, the affidavit of Greg Banks sworn April 20, 2000, the affidavit of Greg Banks sworn May 1, 2000, the affidavit of Mark Goodfellow Chow sworn May 1, 2000, the affidavit of Greg Banks sworn May 5, 2000, the affidavit of Mark Goodfellow Chow sworn May 5, 2000, Plaintiffs' Exhibits 1 - 7 marked at the deposition of Luis Domenech, a representative of Security Bank, N.A. on May 10, 2000 in proceedings in United States District Court Southern District of Florida, *In Re Application to Southern District of Florida Pursuant to 28 U.S.C. 1782 for Order Permitting Gold Chance Int'l Ltd., et al., to Take Discovery For Use In An Action Pending in the Ontario Superior Court of Justice, Canada*, Case No. 00-1589-CIV-GOLD ("Florida Proceedings"), and Plaintiffs' Exhibits 8 - 15 marked at the deposition of a representative of First Union Bank Florida held May 11, 2000 in the Florida proceedings, the affidavit of Mark Chow sworn May 31, 2000, the affidavit of Cathleen Delaney sworn May 31, 2000, and the Brief of Records Obtained From Bank of America in Idaho Proceedings and on hearing submissions of counsel for the plaintiffs,

1. **THIS COURT ORDERS** that the registrar prepare and issue a commission, in the form attached hereto as Schedule "A", to take evidence of the witnesses:

1. Glen W. Fairbourn
   10536 W. Springdale
   Boise, Idaho
   83704

2. Joseph W. Roberts
   15032 Hollow Road
   Caldwell, Idaho
   83605

3. Edward A. Johnson
   5330 Farrow
   Boise, Idaho
   83713

4. A knowledgeable representative of

Orphan Advocates Foundation
2308 North Cole Road, Suite E
Boise, Idaho
83704

5. A knowledgeable representative of
Orphan Advocates Trust
2308 North Cole Road, Suite E
Boise, Idaho
83704

and any other witness who may be found there for use at trial and a pending motion with respect to:

(a) US $3,000,000 which was given by the plaintiffs to the Ontario law firm of Daigle & Hancock on December 9, 1999 and which funds were then deposited at an account at Bank of Montreal in Mississauga, Ontario Canada, and which were then transferred out of that account to First Union National Bank of Florida;

(b) the transfer on or around January 3, 2000, of US $1,000,000 from First Union National Bank into a Bank of America account and the subsequent transfer out of the Bank of America account on or around January 3, 2000;

(c) funds transferred from the account of British Trade & Commerce Bank at First Union National Bank Florida to bank accounts in the names Orphan Advocates LLC or Inc., Children's Adoption Services LLC, CASI Foundation for Children, Orphan Advocates Trust, Orphan Advocates Foundation or their designates;

(d) funds flowing through the bank accounts at the British Trade & Commerce Bank in the names of the defendants;

(e) any and all bank, credit union or other financial accounts, whether designated as correspondent accounts or otherwise, held by Orphan Advocates

Trust including but not limited to Bank of America account numbers 53973491 and 26784201;

(f) any and all bank, credit union or other financial accounts, whether designated as correspondent accounts or otherwise, held by Orphan Advocates Foundation including but not limited to Bank of America account numbers 53973491 and 26784201;

(g) all accounting and banking records of Orphan Advocates Trust;

(h) all accounting and banking records of Orphan Advocates Foundation;

(i) the relationship among Orphan Advocates, LLC, Orphan Advocates Foundation, Orphan Advocates Trust, Children's Adoption Services LLC, CASI Foundation for Children and the China Fund for the Handicapped;

(j) bank accounts in the name of the defendants herein or their designates;

(k) funds transferred from the account of British Trade & Commerce Bank at Security National Bank, N.A. to bank accounts in the name of Orphan Advocates LLC or Inc., Children's Adoption Services LLC or Inc., CASI Foundation for Children, Orphan Advocates Foundation, Orphan Advocates Trust or their designates;

(l) monies received by Orphan Advocates LLC or Inc., Children's Adoption Services LLC, CASI Foundation for Children, Orphan Advocates Foundation, or Orphan Advocates Trust from any of the defendants

2. **THIS COURT ORDERS** that the registrar prepare and issue a letter of request, in

the form attached hereto as Schedule "B", addressed to the judicial authorities in United Kingdom, the Commonwealth of Dominica, St. Lucia, Venezuela, the United States including the federal and state courts of Florida, North Carolina, South Carolina, Minnesota, District of Columbia, Washington, New Jersey, Utah, and Idaho, requesting the issuing of such process as is necessary to compel the witnesses to attend and be examined before the commissioner.

ENTERED AT/INSCRIT À TORONTO
ON/BOOK NO:
LE/DANS LE REGISTRE NO.:

JUN 0 8 2000

AS DOCUMENT NO.:
À TITRE DE DOCUMENT NO.:
PER/PAR:

Court File No: 00-CV-188866

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

GOLD CHANCE INT'L LIMITED,
CEBY MANAGEMENT LIMITED, and
JBG MANAGEMENT INC.

Plaintiffs

and

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE
TRIGLOBE INTERNATIONAL FUNDING INC.,
FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A.,
1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S
ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES
ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV,
THE BANK OF NOVA SCOTIA, and BANK OF MONTREAL
SAYSENARINE CHATTERPAUL (also known as SAYSE CHATTERPAUL),
BRITISH TRADE & COMMERCE BANK, and GEORGE BETTS

Defendants

FACTUM OF THE PLAINTIFFS

PART I – THE MOTION

1. Two motions are brought by the defendants Triglobe International Funding Inc. ("Triglobe"), Freetrade Bureau S.A. Free Trade Bureau S.A. (collectively "Free Trade"), 1170970 Ontario Limited operating as G & S Enterprises, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd. (collectively "G&S"), Sayse Chatterpaul ("Chatterpaul"), Paul Zhernakov, ("Zhernakov"), Saysenarine Chatterpaul (also known as Sayse Chatterpaul) ("Chatterpaul").

2. In the notice of motion entitled "To Set Aside or Amend prior Order", the moving parties request, *inter alia*, an order that the Receiver be discharged, an order requiring the Receiver to discharge the notice against the property municipally known as 100 Pelmo Crescent, Toronto, Ontario (the "Pelmo Property"), an order requiring the Receiver to provide an accounting, an order that the Receiver obtain independent counsel and that the Receiver shall not report to, obtain advice from nor provide information to counsel for the plaintiffs, except through reports to be provided to the Court, and approved for release to all parties.

PART II - THE FACTS

State of Affairs Known to the Plaintiffs on April 17, 2000

3. The plaintiffs commenced this action by issuance of a Notice of Action on April 17, 2000 (the "Action"). In the Action, the plaintiff claims damages in the approximate amount of $3,000,000 USD together with interest and costs by way reimbursement of funds belonging to the plaintiff, or in the alternative damages for breach of contract, negligence, breach of fiduciary duty and for other relief.

4. The plaintiff Gold Chance Int'l Limited ("Gold Chance") entered into a borrowing agreement with Triglobe International Funding Inc. ("Triglobe") in December, 1999 ("First Borrowing Agreement').

> *Affidavit of Brent Binions sworn April 15, 2000, Motion Record, Tab B ("Brent Affidavit") para. 5; Exhibit 5*

5. The plaintiffs JBG Management Inc. ("JBG") and CEBY Management

Limited ("CEBY") funded Gold Chance's payment of the sum of US $3,000,000, as collateral for the loan under the Borrowing Agreement.

Brent Affidavit, para. 1

6. Pursuant to the First Borrowing Agreement Gold Chance deposited the sum of US $3,000,000 on December 3, 1999 (the "Funds") by way of a bank draft drawn on The Toronto-Dominion Bank with the law firm Daigle & Hancock who were directed to place the funds in a fiduciary account.

Brent Affidavit, paras. 6 and 9; Exhibits 6, 8 - 10

7. The lender Triglobe defaulted in providing funds under the Borrowing Agreement.

Brent Affidavit, para. 5, Exhibits 12 and 13

8. A second borrowing agreement was entered into between Gold Chance and Free Trade Bureau Inc. or Freetrade Bureau S.A. (collectively referred to as "Freetrade") in February, 2000 (the "Borrowing Agreement').

Brent Affidavit, para. 5, Exhibit 6

9. Freetrade defaulted in providing funds under the second Borrowing Agreement.

Brent Affidavit, paras. 10 - 17; 39; Exhibits 23 - 36

10. Gold Chance demanded the return of the collateral deposited with Daigle & Hancock.

Brent Affidavit, paras. 12, 13; Exhibits 25, 32, 33, 36, 38, 41, and 42

11. The Funds were not returned. Daigle & Hancock refused to state why the funds would not be returned or state the location of the funds. Daigle & Hancock stated that the funds were initially deposited to Bank of Montreal but were removed to another financial institution.

Brent Affidavit, paras. 9, 18, 20, 22; Exhibit 29, 30

Affidavit of Greg Binions sworn April 15, 2000, Motion Record Tab C ("Greg Affidavit") para. 10

12. The defendant Sayse Chatterpaul ("Chatterpaul") stated that the funds would be returned to The Bank of Nova Scotia. A letter on the letterhead of Free Trade Bureau S.A. signed by Chatterpaul dated April 5, 2000 states:

> Please be advised that we had already accepted your latest fax message dated March 31, 2000 as your request for the termination of our Loan Agreement. We had already started this process yesterday. Please accept the date of April 4, 2000 as the date of the beginning of the termination process for our Loan Agreement. We had already made necessary arrangements in order to disconnect the loan funding procedure and will return your collateral of $3,000,000.-USD free and clear back to the Trustee's account with Bank of Nova Scotia in Canada shortly, strictly as per terms of our Loan Agreement without any delay. The Trustee will advise you accordingly. Please note, that in accordance with the policy of the bank currently keeping your collateral, there is no service available for the opening of either savings or any other type of the interest bearing account.
>
> Should there be any questions, please do not hesitate to contact me or our Trustee.

Brent Afffidavit; Exhibit 35, 37

Information obtained since the within action was commenced

13. Notwithstanding that both the First Borrowing Agreement and the Second Borrowing Agreement provided that the deposited collateral could be moved to a different financial institution only after the full loan was delivered, the Funds were almost immediately transferred out of Bank of Montreal to the control of British Trade & Commerce Bank ("BTCB").

Motion Record, Exhibits 5 and 6

14. The Funds were received by Bank of Montreal on December 3, 1999. Daigle & Hanock by fax dated December 10, 1999 instructed Bank of Montreal to wire the $3,000,000 to First Union National Bank ("First Union"), account number 9983871373 (the "First Union account'). The letter states that the funds were for the "Beneficiary - Free Trade Bureau S.A." and that the "Bank of the Beneficiary" was "British Trade & Commerce Bank".

Affidavit of Greg Banks sworn May 1, 1999 (Banks May 1 Affidavit), Exhibit 3 (Bank of Montreal Records)

15. On December 10, 1999 when the Funds were sent to the First Union Account for the "Beneficiary" Free Trade Bureau S.A., Free Trade was not a party to any agreement with the plaintiffs.

16. A fax has been produced dated December 8, 1999 from Zhernakov to Chatterpaul in which Zhernakov provides the wire instructions for the transfer of $3,000,000 to First Union National Bank account no. 9983871373. Zhernakov identified his siganture on the document and admits that the money was to be sent to the benefit of Free Trade even though they were not party to the borrowing agreement.

Banks May 1 Affidavit, Tab 1

Cross-examination of Paul Zhernakov held June 5, 2000 ("Zhernakov

Transcript"), page 147, q. 940 - p. 149, q. 946

17. Zhernakov admits that Triglobe, the lender under the First Borrowing Agreement in place at the time of delivery of the Funds to Daigle & Hancock, does not exist.

Zhernakov Transcript, p. 35, q. 255

18. The First Union Account was in the name of BTCB. The individuals authorized to transact business on the account included Betts.

Brief of Exhibits from U.S. Proceedings, Tab 10

19. Zhernakov was not a signatory on the First Union Account. He knew that the Funds were being sent to an account (the First Union Account) that he had no control over and was in the control of BTCB.

Zhernakov Transcript, p. 149, q. 948 - p. 151, q. 954; p. 152, q. 964 - p. 153, q. 969

20. The Funds were dispensed from the First Union Account all over the world from December 1999 to February 2000 including transfers to Switzerland, Nevis, Hong Kong, India, United Arab Emirates, Dominica, the United States and Canada. The largest transfer was a $1,000,000 US transfer made to a Bank of America account for Orphans Advocates Trust in Idaho on January 3, 2000. The $1,000,000 US was then transferred on the same day to China Fund for the Handicapped.

Brief of Records of U.S. Proceedings, Tabs 13 - 15 (wire transfer records from First Union Account)

Brief of Records Obtained in Idaho Proceedings

21. One of the transfers out of the First Union Account was to Zhernakov. On December 23, 1999 the sum of US $14,625 was wire transferred to his personal account in Niagara Falls, Ontario.

Brief of Records in U.S. Proceedings, Tab 15
Brief of Exhibits to Cross-Examination of Zhernakov, Exhibit 1, p. 23

22. Zhernakov admits the transfer from BTCB to him on December 23, 1999.

Zhernakov transcript, p. 86, q. 549 - p. 87 - p. 87

23. Zhernakov was born in Moscow in 1954. In Russia he received a university diploma with a specialty of navigation as a seaman. He was in the Russian Navy from 1971 to 1988. From 1988 until 1996 he was a director of an airline, Transit Airways, and did business consulting under the name Sea Sparrow Overseas Limited, a Cypress company. He lives in Niagara Falls with his wife Irene, who is a housewife.

Zhernakov Transcript p. 1, q. 4 - p. 6, q. 44; p. 165, 1047 - 1049

24. Zhernakov is a citizen of Grenada, has a Grenadian passport and has bank accounts there.

Zhernakov Transcript p. 157 - q. 993 - p. 158, q. 999

25. Zhernakov's only source of income are his investments with Bank of Montreal. He does not work or have a business.

Zhernakov Transcript p. 198, q. 1233 - p. 200, q. 1245

26. Zhernakov was introduced to Betts in 1997 or 1998. Zhernakov was in

Dominica for two months in about May - June 1999. He went to Dominica to look into BTCB and met with Betts, Herry Royer and others. He was also in Dominica in August 1999.

Zhernakov Transcript p. 11, q. 84; p. 17, q. 104 - p. 132

27. Zhernakov would speak with Betts a couple of times a week during the period June 1999 to September 1999

Zhernakov Transcript p. 23 - q. 169 - 170

28. Zhernakov's evidence is that he is an authorized person for Free Trade, although not a director or officer. He says he is authorized negotiate on behalf of Free Trade and structure and sign contracts on its behalf. For arranging loans he would receive a commission. These loans would use the facilities of BTCB. BTCB would give money to Free Trade and Free Trade would lend money to Zhernakov's client. The collateral for the loan would always go to BTCB. The arrangements with respect to Free Trade were established while he was in Dominica. He says he does not know the names of the directors of Free Trade. He says that the officers are Herry Royer and George Betts. He believes that it is owned by a trust company and that it is managed by ICS and the one of the persons involved with ICS is George Betts.

Zhernakov Transcript p. 8, q. 59 - p. 10, q. 79; p. 17, q. 133 - p. 20, q. 151; p. 25, q. 183; p. 27, q. 195 - 198

29. Zhernakov has undertaken to produce an agreement in place between BTCB and Free Trade with respect to these loan arrangements.

Zhernakov Transcript, p. 37, p. 269 - p. 40, q. 286

30. Zhernakov met Chatterpaul in 1997 or 1998 and discussed the arrangements with Free Trade and BTCB.

Zhernakov Transcript, p. 21, q. 158 - p. 22, q. 166

32. Zhernakov's evidence is that Chatterpaul was authorized to sign on behalf of Free Trade.

Zhernakov Transcript p. 95, q. 605

33. Zhernakov acknowledges that the Funds delivered to Daigle & Hancock were delivered in trust. His evidence was that Hancock was a trustee for the lender and the borrower and that the Funds were to remain in a fiduciary account until the loan advanced.

Zhernakov Transcript p. 120, q. 780 – 783; p. 121, q. 787 – 789

34. Zhernakov admits that Gold Chance should get its money back.

Zhernakov Transcript, p. 212, q. 1331

35. Zhernakov stated that Betts has admitted the obligation to return the Funds.

Zhernakov Transcript p. 194, q. 1213 - 1216

36. Zhernakov admits that $60,000 US was transferred from his account to BTCB on May 6, 1999. The account is stated to be for the account of Free Trade Bureau S.A.

Brief of Exhibits to Zhernakov Cross-examination, Exhibit 1, p. 2

Zhernakov Transcript, p. 73, 478 - p. 74, q. 484

37. Zhernakov's evidence was that he transferred the funds to BTCB's account at Barclay's Bank for his personal use while he was in Dominica with his family in May - June 1999. He then said, "they gave that money when I was there". Zhernakov's evidence on this point was confusing.

Zhernakov Transcript, p. 75, q. 488 - p. 76, q. 498; p. 77, q. 503

38. Zhernakov said that the $14,625 US transferred to him in December 1999 was the leftover balance from the $60,000 US.

Zhernakov Transcript, p. 88, q. 559

39. Bank of Montreal records show that Zhernakov received the sum of $65,000 US from BTCB on December 8, 1999. Of this amount $51,800 (Cdn) was transferred to Chatterpaul on the same day and were deposited to Chatterpaul's account at Bank of Montreal.

Brief of Exhibits to Zhernakov's Cross-examination, Exhibit 1, p. 23
Receiver's Report filed June 8, 2000

40. The Receiver has written to Zhernakov and Chatterpaul requesting their statements of assets and specific information on pre-authorized payments but has received no response.

Affidavit of Mark Chow sworn May 31, 2000

PART III- THE ISSUES, ARGUMENT AND LAW

Duties of a court appointed receiver

41. A court appointed receiver is an officer of the court and must discharge its powers honestly and in good faith. The receiver is not the agent of the party that sought its appointment. The receiver's duty is also that of a fiduciary to all interested parties involving the property under its control. The receiver must exercise its obligations with prudence, diligence, due care and skill.

> *Bennett on Receiverships, 2nd ed. (Thompson: Toronto, 1999), pp. 24 - 26*
>
> *Canada Trustco Mortgage Co. v. York-Trillium Development Group Ltd., 1992 CarswellOnt. 168, 12 C.B.R. (3d) 220 (Gen. Div.)*

Test for discharge of a court appointed receiver

42. In *Canada Trust Mortgage Co. v. York Trillium Development Group*, Mr. Justice Farley considered the test on a motion to replace a receiver in circumstances where there were allegations that the receiver was in a conflict of interest and stated:

> There is a heavy onus on the party seeking to replace a receiver. It is heavier than on a party seeking to oppose the court appointment in the first place (Royal Bank v. Vista Homes Ltd. (1985), 57 C.B.R. (N.S.) 80, 63 B.C.L.R. 366 (S.C.) at p. 90 [C.B.R.]). It seems to me that if the receiver is engaged in blatant intentional action contrary to the interests of one involved group, this would be a situation where the court would readily step in to replace the receiver. Notwithstanding that such replacement may have cost and other dislocation repercussions. If such were the case why should the receiver not be obliged to show why it should not compensate the parties suffering a loss because of its "wrongdoing"? On the other hand if it is shown that the receiver inadvertently caused a problem, then I would think the court would be

> more concerned about weighing the balance for removal. By this I do not advocate any policy of allowing a receiver to turn a blind eye to matters or the receiver to engage in relaxed negligence. The receiver owes a duty to exercise its responsibilities in a careful manner considering the circumstances. However the measuring of the action of the receiver is one that must take place as of the events as they unfold -- not with the benefit of the ever perfect hindsight. [para. 5]
>
> ...
>
> Where a moving party alleges conflict of interest or impartiality the court should be concerned that such allegations are well founded after a reasonable investigation as opposed to being part of a scattergun smear -- even if parts of the allegations have been "checked out" in some reasonable manner. [para 6]
>
> ...
>
> While in my view it would have been better to have made disclosure to the defendants at the same time as to the lenders, that is with the benefit of feeling the defendants' present outrage. No doubt the receiver will be more sensitive in the future if not for anything but to avoid a repeat performance. Yet the receiver should not be expected to perpetually walk on eggshells -- such would only slow the process down and increase costs beyond their already high level. [para. 10]
>
> *Canada Trustco Mortgage Co. v. York-Trillium Development Group Ltd. at para. 5, 6, 10*
>
> *See Bennett on Receiverships, pp. 476 - 480 as to the circumstances in which it will be appropriate to discharge a court appointed receiver*

Ability of counsel for plaintiffs to also represent the receiver

43. It is not necessarily the case that a solicitor cannot act for a court-appointed receiver and manager and the creditor who sought the appointment of the receiver.

> *Nash v. C.I.B.C. Trust Corp. [1996] O.J. No. 1833 (Gen. Div.); 7 C.P.C. (4th) 263*

44. It is submitted that the moving parties defendants have not put forward

any cogent theory of a conflict of interest nor have they presented the facts to support such a proposition.

Registration of Order against 100 Pelmo Crescent

45. The moving parties have not submitted an affidavit of Chatterpaul on the motion. The affidavit filed by Zhernakov is merely on information and belief of Chatterpaul pursuant to which he is advised by Chatterpaul that Chatterpaul has no interest in the Pelmo Property having transferred his interest in the Pelmo Property to his parents in 1991.

> *Affidavit of Paul Zhernakov sworn June 2, 2000 (on motion to set aside order), para. 9 -10*

46. Zhernakov's affidavit attaches the first page of a transfer registered against title to the Pelmo Property on August 19, 1991 pursuant to which the Pelmo Property was transferred from Saysenarine Singh Chatterpaul, Torarsingh Chatterpaul and Etwaree Chatterpaul to Torarsingh Chatterpaul and Etwaree Chatterpaul. The remaining 7 pages of the transfer are not included in the exhibit; specifically the land transfer tax affidavit is not included. Exhibit "D" is the first page of a form of mortgage which is apparently two pages. It is an unregistered document.

> *Affidavit of Paul Zhernakov sworn June 2, 2000 (on motion to set aside order), Exhibit "C" , "D"*

47. Chatterpaul's parents have not submitted an affidavit, they have not joined in the motion as moving parties, and they have not made any request of the Receiver with respect to the registration of the order.

48. Chatterpaul filed an assignment in bankruptcy on November 12, 1991, less than three months after the registration of the transfer of title to his parents.

Order for Discharge of Bankruptcy for Chatterpaul dated April 16, 1992, Plaintiff's Document Brief (#8), Tab 9, p. 338

49. Chatterpaul does not deny that he resides at the Pelmo Property.

50. The plaintiffs' position is that Chatterpaul has a beneficial interest in the Pelmo Property.

PART III – ORDER REQUESTED

51. The plaintiffs respectfully that this motion be dismissed with costs to it.

ALL OF WHICH IS RESPECTFULLY SUBMITTED,

DATE: June 8, 2000

David E. Wires and Lisa La Horey
McCague Wires Peacock,
Of counsel for the plaintiffs

Arthur O. Jacques
Jacques Little
Solicitor for the plaintiffs

01-23-01 09:55AM FROM-JACQUES LITTLE +4167770384 T-534 P.02/02 F-200

UCOMING SWIFT MESSAGE OPER ORG: 02126 INT'L TRADE CENTRE - ONTARIO
10/24/00 13:45 ICN: 001024-047833-000 BESS SEQ NO: 0081 PAGE: 1

SENDER SWFT ADDRESS	RECEIVER SWFT ADDRESS	MSG TYPE	L/C ID	DOC TRACK ID	STATUS	ERROR FOUND
NTCBDMDM	ROYCCAT2		00000000	00000000	UPL	NO

ENDER CID: 0330605 700
RITISH TRADE+COMM BK.
/A
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OMINICA DO

ROYAL BANK OF CANADA
TRADE SERVICE CENTRE
L/C # E153899T02126
DOCTRAC # 471569

THIS CABLE IS THE OPERATIVE INSTRUMENT

ROYAL BANK OF CANADA
LETTERS OF CREDIT DEPARTMENT
INTERNATIONAL TRADE CENTRE - ONTARIO

27 : SEQUENCE OF TOTAL
: 1/1
:
20 : TRANSACTION REFERENCE NUMBER
: 001024/L4
:
23 : FURTHER IDENTIFICATION
: LCFTB102300
:
30 : DATE
: 001024
:
7C: DETAILS OF GUARANTEE
: L/C NUMBER: FTB102300
: DATE OF ISSUE: OCTOBER 23, 2000
: DATE OF MATURITY: DECEMBER 15, 2000
: DATE OF EXPIRATION: DECEMBER 30, 2000
: WE BRITISH TRADE AND COMMERCE BANK HEAD OFFICE AT EMENS
: BUILDING, BAYFRONT, DAME EUGENIA CHARLES BLVD., ROSEAU,
: COMMONWEALTH OF DOMINICA, WEST INDIES, HEREBY OPEN OUR
: UNCONDITIONAL, IRREVOCABLE, DIVISIBLE, ASSIGNABLE AND FREELY
: TRANSFERABLE LETTER OF CREDIT IN FAVOUR OF MR.R. GEOFFREY
: NEWBURY, BARRISTER AND SOLICITOR IN TRUST FOR COURT ACTION NO.
: 00-CV-188866 IN THE ONTARIO SUPERIOR COURT OF JUSTICE FOR THE
: AMOUNT OF 3,000,000.00 (UNITED STATES DOLLARS THREE MILLION ONLY)
: WHICH IS DUE ON DECEMBER 15, 2000.
: PARTIAL PAYMENTS UNDER THIS LETTER OF CREDIT ARE ALLOWED BEFORE
: MATURITY AT THE DECISION OF THE ISSUER. THE PAYMENT OF THE
: UNPAID BALANCE IS AVAILABLE UPON BENEFICIARY'S FIRST WRITTEN
: DEMAND VIA BANK WIRE SYSTEM AT MATURITY. DEMAND HEREUNDER MUST BE
: MARKED 'DRAWN UNDER LETTER OF CREDIT NUMBER FTB102300 DATE
: OCTOBER 23, 2000'.
: WE ENGAGE WITH YOU THAT DEMAND DRAWN UNDER AND IN COMPLIANCE WITH
: THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED ON DUE
: PRESENTATION TO US BUT NOT BEFORE MATURITY DATE DECEMBER 15,
: 2000.
: THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND
: PRACTICES FOR DOCUMENTARY CREDIT (1993 REVISION) ICC PUBLICATION
: NO.500.
: THIS IS AN OPERATIVE INSTRUMENT,NO MAIL CONFIRMATION TO FOLLOW.
: GEORGE E. BETTS, EXECUTIVE VICE PRESIDENT
: PATRICIA INLGIS, VICE PRESIDENT, COMMERCIAL BANKING
:

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	2

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/08/98		[illegible]	3,418,173.93		100000.00
4/09/98				10,000.00	110000.00
4/09/98				10,000.00	120000.00
4/09/98				3,418,571.93	3538571.93
4/09/98			10.00		3538561.93
4/09/98			13,456.00		3525105.93
4/09/98			10.00		3525095.93
4/09/98			3,425,095.93		100000.00
4/09/98				3,425,494.74	3525494.74
4/10/98			3,425,494.74		100000.00
4/10/98				5,000.00	105000.00
4/13/98				34,500.00	139500.00
4/13/98				3,426,673.72	3566173.72
4/13/98			10.00		3566163.72
4/13/98		Sinfree	20,000.00		3546163.72
4/13/98		W/T F/O P.ZHERNAKOV	10.00		3546153.72
4/13/98			3,446,153.72		100000.00
4/13/98				3,446,549.08	3546549.08
4/14/98			3,446,549.08		100000.00
4/14/98				40,000.00	140000.00
4/15/98				25,000.00	165000.00
4/15/98				3,446,962.19	3611962.19
4/15/98			3,511,962.19		100000.00
4/15/98				40,000.00	140000.00
4/16/98				20,000.00	160000.00
4/16/98				3,512,365.10	3672365.10
4/16/98			3,572,365.10		100000.00
4/16/98				5,000.00	105000.00
4/17/98				10,000.00	115000.00
4/17/98					115,000.00

Redacted Information
in Subcommittee Files

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5178 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	3

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/17/98				3,572,774.94	3687774.94
4/17/98		[redacted]	990.25		3686784.69
4/17/98			10.00		3686774.69
4/17/98		W/T RE-TRANSM.F/O P.ZHERNAK	20,000.00		3666774.69
4/17/98		W/T RE-TRANSMIT FEE	10.00		3666764.69
4/17/98			3,566,764.69		100000.00
4/20/98				2,500,000.00	2600000.00
4/20/98				10,000.00	2610000.00
4/20/98				26,000.00	2636000.00
4/20/98				3,568,010.61	6204010.61
4/20/98			10.00		6204000.61
4/20/98			6,104,000.61		100000.00
4/20/98				30,000.00	130000.00
4/21/98				10,000.00	140000.00
4/21/98				20,000.00	160000.00
4/21/98				10,000.00	170000.00
4/21/98				25,000.00	195000.00
4/21/98				20,000.00	215000.00
4/21/98				10,000.00	225000.00
4/21/98				6,104,690.44	6329690.44
4/21/98			10,000.00		6319690.44
4/21/98			20.00		6319670.44
4/21/98			6,219,670.44		100000.00
4/22/98				15,000.00	115000.00
4/22/98				6,220,405.29	6335405.29
4/22/98			1,815.00		6333590.29
4/22/98			10.00		6333580.29
4/22/98			20,000.00		6313580.29
4/22/98			10.00		6313570.29
4/22/98		CARRY OVER...:			6,313,570.29

Redacted Information
in Subcommittee Files

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT WE SHALL CONSIDER STATEMENT TO BE CORRECT.

BRITISH TRADE AND COMMERCE BANK
EMMENS BUILDING, BAYFRONT
ROSEAU
COMMONWEALTH OF DOMINICA

9/02/98

LD /062020001

ODA/USD

5

VAL/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	BROUGHT FORWARD...:			100,000.00
5/15/98			6993,738.08	7093,738.08
5/15/98		6993,738.08		100,000.00
5/18/98		200,000.00		100,000.0000
5/18/98		10.00		100,010.0000
5/18/98			10,500.00	89,510.0000
5/18/98			10,000.00	79,510.0000
5/18/98			20,000.00	59,510.0000
5/18/98	WT F/O PAVEL B ZHERNAKOV	50,000.00		109,510.0000
5/18/98	WT FEE	10.00		109,520.0000
5/18/98	[illegible]		10,500.00	99,020.0000
5/18/98			25,000.00	74,020.0000
5/18/98			6996,252.95	6922,232.95
5/18/98		6822,232.95		100,000.00
5/19/98			1000,000.00	1100,000.00
5/19/98		10.00		1099,990.00
5/19/98			20,000.00	1119,990.00
5/19/98			6823,039.00	7943,029.00
5/19/98		7843,029.00		100,000.00
5/20/98			26,850.00	126,850.00
5/20/98			450,000.00	576,850.00
5/20/98			7843,955.65	8420,805.65
5/20/98		8320,805.65		100,000.00
5/21/98		2,250.00		97,750.00
5/21/98		10.00		97,740.00
5/21/98			8321,774.51	8419,514.51
5/21/98		8319,514.51		100,000.00
5/22/98		5000,000.00		4900,000.0000
5/22/98		10.00		4900,010.0000
5/22/98			5000,000.00	99,990.00
5/22/98			8320,468.97	8420,458.97
5/22/98		8320,458.97		100,000.00
5/26/98			10,000.00	110,000.00
5/26/98			25,000.00	135,000.00
	CARRY OVER...:			135,000.00

Redacted Information
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BVI's Response to HSBC Congressional Subpoena 0043

2341

User: F6AZPD1 16:35:33 04/13/1998 Funds Transfers : Verify
a Message V2.50.30
File: FLTRANJ Record: 6 New Status: TQ Appl Sequ #: 000005
Queued for Transmission

FT P #### FT OUTGOING #### URC: FT0006
{1520} IMAD: 19980413 F60CA11C 000005
{3100} Sender: 066010801 BANCO IND DE VENEZ {2000} Amount: $20,000.00
{3400} Receiver: 021000089 CITIBANK NYC {3600} Bus Function Code: CTR
{1510} Type Code: 1000
{5000} Originator: D62020001
BRITISH TRADE AND COMMERCE BANK
ROSEAU, DOMINICA
{4200} Beneficiary: [redacted]
PAUL ZHERNAKOV
{3320} Sender Ref: 5
##############

Redacted Information
in Subcommittee Files

```
###.02 #### FT PROD ###.      FT INCOMING        ####NORMAL MSG/ACCTG ENTRY####
{2100} Sender: 021000089 CITIBANK NYC            {2000} Amount:          $20,000.00
{3400} Receiver: 066010801 BCG INC VENEZUELA     {3600} Bus Function Code: BTR
{1510} Type Code:          1000
{5000} Originator:         CANADA TRUST COMPANY, THE
                           (GLOBAL BANKING SERVICES)
                           TORONTO

{5100} Originator's FI:    [redacted]
                           CANADA TRUST CO. (GLOBAL BKING SER)

{5200} Instructing FI:     [redacted]
                           CANADA TRUSTCO MORTGAGE COMPANY
                           CANADA TRUST TOWER. BCE PLACE
                           161 BAY ST. AT FRONT, 3RD FLOOR
                           TORONTO. ONTARIO M5J 2T2
{320} Ref for BNF:         E
{100} Receiver FI Info:    RETURN OF YOUR FED WIRE PYMT D
                           D 13APR95. FED IMAD NUMBER 0413F6
                           0CA11C000005. UNABLE TO APPLY. BE
                           NEFICIARY NAME AND ACCOUNT NUMBER
                            NOT PROVIDED. PAYMENT CANCELLED.
{20} IMAD:                 19980416B108024C002680
{320} Sender Ref:            S0781065431401
{110} Timestamp:           04161432FT01
{120} OMAD:                19980416F60CA11C00000504161432FT01
##############

stistics for session 2:
```

Dr 10080100
Cr 62020001

Redacted Information in Subcommittee Files

Ref #5
FT0006

Dr 62020001/$20,000.
/$ 10.0
Cr 10080100-$20,000.
Cr 50505001-$ 10.00

13/04/98-12:09:22 FileOutputMT-0352-000001 1

---------- Transmission ----------

Received from SWIFT
Network Priority : Normal
Message Output Reference : 1209 980413INDSUS3MAXXX2628030693
Correspondent Input Reference : 1157 980413BTCBDMDMAXXX0279000387

---------- Message Header ----------

Swift Output Original
FIN 100 customer transfer
Sender : BTCBDMDMXXX
BRITISH TRADE AND COMMERCE BANK

ROSEAU DM
Receiver : INDSUS3MXXX
BANCO INDUSTRIAL DE VENEZUELA, C.A. MIAMI AGENCY

MIAMI,FL US
MUR : Banking Priority :

---------- Message Text ----------

20: transaction reference no.
040998/L1
32A: value date,currency and amount
Date : 09 April 1998
Currency : ~~USD (US DOLLAR)~~
Amount : #20,000.#
50: ordering customer
BRITISH TRADE AND COMMERCE BANK
ROSEAU, DOMINICA
ACCT. NO. 062020001
57D: account with institution - address
CANADA TRUST A/C [redacted]
CITY BANK
NY.,NY
ABA 02100089
59: beneficiary customer
[redacted]
PAUL ZHERNAKOV
71A: details of charges
OUR

Note: Per conv. betw. [illegible] & British Trade the [illegible] the correct [illegible]:
4/16/98

Citi Bank
ABA# 02100089
Benef: Paul Zhernakov
A/C # [redacted]

Benef. FI: Canada Trust
A/C [redacted]

Redacted Information in Subcommittee Files

---------- Message Trailer ----------

{MAC:2E81C0E7}
{CHK:A93802F47599}

SFV's Response to 4/6/00 Congressional Subpoena 0278

(1520) IMAD: 19980417 F6QCRIID000000
(3100) Sender: 066010801 BANCO IND DE PER
(3400) Receiver: 021000089 CITIBANK/NY
(1510) Type Code: 1000
(5000) Originator: [redacted]
BRITISH TRADE AND COMMERCE BANK
ROSEAU, DOMINICA
(4200) Beneficiary: [redacted]
PAUL ZHERNAKOV
(4100) Beneficiary's FI: [redacted]
CANADA TRUST MORTGAGE COMPANY
TORONTO, ONTARIO
CANADA
(3320) Sender Ref: 1
###############

Redacted Information
in Subcommittee Files

ser: F6AZP01 17:03:39 04/17/1998 Funds Transfers : Verify
Message V2.50.30
le: FLTRANJ Recent

[redacted]

>> Outgoing message URC: FT0002, Queued on HOST 04/21/98 16:43:42

02 #### FT PROD #### FT INCOMING ####NORMAL MSG/ACCTG ENTRY####

{3100} Sender: 021000089 CITIBANK NYC {2000} Amount: $20,000.00

{3400} Receiver: 066010801 BCO INC VENEZUELA {3600} Bus Function Code: BTR

{1510} Type Code: 1000

{5000} Originator: CANADA TRUST COMPANY, THE
(GLOBAL BANKING SERVICES)
TORONTO

Dr 10080100
Cr 62020001

{5100} Originator's FI: [redacted]
CANADA TRUST CO. (GLOBAL BKING SER)

{5200} Instructing FI: [redacted]
CANADA TRUSTCO MORTGAGE COMPANY
CANADA TRUST TOWER, BCE PLACE
161 BAY ST. AT FRONT, 3RD FLOOR
TORONTO, ONTARIO M5J 2T2

{4320} Ref for BNF: 1

{6100} Receiver FI Info: RETURN OF YOUR FED WIRE PYMT D
D 17APR98. FED IMAD NUMBER 0417F6
QCA11C000001. UNABLE TO APPLY. BE
NEFICIARY NAME AND ACCOUNT NUMBER
DO NOT MATCH. PAYMENT CANCELLED.

{1520} IMAD: 19980421B1Q8023C003370

{3320} Sender Ref: S0781114922501

{1110} Timestamp: 04211617FT01

{1120} OMAD: 19980421F6QCA11C000009042116 17FT01

##############

Redacted Information in Subcommittee Files

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica. P.O Box: 2042

FAX COVER
Date:04/17/98

TO:	LOUISA	FROM:	GEORGE BETS
COMPANY	BANCO INDUSTRIAL DE VENEZUELA	FAX Nº:	(767) 448-6477
FAX Nº	305-355-8241	PHONE Nº:	(767) 448-6410
PHONE Nº		Pages:	(Including this one)

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:

DEAR LOUISA (I HOPE THE SPELLING IS CORRECT)

PLEASE AMEND OUR MT100 FOR TRANSFER OF US$20,000 TO CITY BANK TO READ AS FOLLOWS:

BENEFICIARY CUSTOMER:
CANADA TRUST
[redacted]
FOR FURTHER CREDIT TO PAUL ZHERNAKOV
ACCOUNT NO. [redacted]

Redacted Information in Subcommittee Files

SORRY FOR THE CONFUSION AND MY DELAYS.

REGARDS,

GEORGE E. BETTS

HERRY ROYER

Spoke w/ Mr. Betts
Ben. Name is
Paulo
he will send an
MT 100 on 199
4/22/98
lo

Lincenced for Full Trust Business

06/10/98 12:02 FAX 9059716071 SECURITY BANK NA 002

SECURITY BANK N. A.
OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

5 -- 10 -- 90 :DATE TIME: : AMOUNT $ 90,000.00

[X] OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW
[ ] INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
[X] DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: MARINE MIDLAND BANK
RECEIVING BANK'S "ABA" NUMBER: # 021-001-088
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY: ONE MARINE MIDLAND CENTER
CITY: BUFFALO
STATE: NY
COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

Redacted Information in Subcommittee Files

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): PAVEL B. ZHERNAKOV
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]
TYPE OF ID, IF PUPIO: NUMBER: #
ADDRESS (IF APPLICABLE): CITY: STATE: COUNTRY:
FOR FURTHER CREDIT TO (NAME): NUMBER: #
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK NUMBER: #
SPECIAL INSTRUCTIONS, IF ANY: ATTN: MRS. DENISE OWENS

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER TO CHARGE (DEBIT): # [redacted]

WIRE AMOUNT $	90,000.00
WIRE FEES	15.00
OTHER	
TOTAL AMOUNT $	90,015.00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED
CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
[ ] NOTE:
[X] "ABA" BANK NUMBER HAS BEEN VERIFIED
[X] HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER: SIGNATURE OF OFFICER

(WIRE DEPARTMENT USE ONLY)

WIRE SENT BY: FSS
DATE WIRE SENT: / / 19
TIME WIRE SENT: : 19
WIRE NUMBER (#) 10V 29
VERIFIED BY: SIGNATURE OF OFFICER

06/10/98 12:02 FAX 3059716071 SECURITY BANK NA 013

Jun-09-98 02:29P BT Bank/Trust (809) 448-6477 P.01

British Trade & Commerce Bank

Emera Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau
Commonwealth of Dominica
P.O. Box: 2042 Phone: (767) 448-8410 Fax: 448-6477

Date:08/09/98

Fax Cover Sheet

To:	FERNANDO GONZALEZ	From:	GEORGE BETTS
Company:	SECURITY BANK N.A.	Department:	
Fax:	305-374-4207	Pages:	1
Phone:	305-374-3722	Ref:	

☐ Urgent ☐ Reply ASAP ☐ Comment ☐ Review

COMMENTS:

DEAR MR GONZALEZ
PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCOUNT 0400101400-01. PLEASE FAX US COPIES OF THE WIRES FOR OUR RECORDS.

[redacted]

[redacted]

Redacted Information in Subcommittee Files

MARINE MIDLAND BANK
ONE MARINE MIDLAND CENTER
BUFFALO, NY. 14203
ATTN MRS. DENISE OWENS
ABA NO. 021-001-088
ACCOUNT OF PAVEL B. ZHERNAKOV
ACCOUNT NO [redacted]
AMOUNT USD$90,000.00

[redacted]

OK!

Licensed for Full Trust Business

96 1132 2613 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 11
FROM 03/01/99 THRU 03/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
03/18		35.00		193,808.12
03/18		570.00		193,238.12
03/18		1,500.00		191,738.12
03/18		2,000.00		189,738.12
03/18		2,000.00		187,738.12
03/18		3,728.62		184,009.50
03/18		4,000.00		180,009.50
03/18		4,000.00		176,009.50
03/18		5,000.00		171,009.50
03/18		8,473.57		162,535.93
03/18	WIRE 6697 PAUL ZHE RNAKOV	10,000.00		152,535.93
03/18		18,457.00		134,078.93
03/18		20,000.00		114,078.93
03/18		64,078.93		50,000.00

Redacted Information in Subcommittee Files

[illegible] FT [illegible] 9999 FT [illegible]

(1300) Sender: [illegible] CITIBANK (2000) Amount: [illegible]

(1400) Receiver: [illegible] (2100) [illegible]

(1500) Type Code: 1000

(2000) Originator: [illegible]
[illegible] AVE W NORTH YORK ON M3N2K4

(3100) Originator's FI: [illegible]

(3200) Instructing FI: [redacted]
CANADA TRUSTCO MORTGAGE COMPANY
ATTN INTAN SCHEXIO CANADA TRUST
TOWER 2 PLACE 161 BAY ST AT FRONT
3RD FL TORONTO ONTARIO M5J 2T2

(4200) Beneficiary: [redacted]
FREE TRADE BUREAU S.A.

(4100) Beneficiary's FI: [redacted]
BRITISH TRADE AND COMMERCE BANK [illegible]
NG BLDG, DAME EUGENIA CHARLES BLV
D., BAYFRONT, COMNLTH OF DOMINICA

(1200) IMAD: [illegible]
(3000) Sender Ref: [illegible]
(3100) Timestamp: [illegible]
(1100) OMUD: [illegible]

Redacted Information in Subcommittee Files

IN 90621 0002

96 1118 2516 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 7
FROM 06/01/99 THRU 06/30/99

NUMBER OF ITEMS ENCLOSED: 4

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
	I W			
06/18	IN906180004		11,000.00	75,377.51
	I W			
06/18	OT906180009	5,337.51		70,040.00
	O W			
06/18	OT906180010	9,000.00		61,040.00
	O W			
06/18	OT906180003	11,000.00		50,040.00
	O W			
06/18	IN906180011	10.00		50,030.00
	W /F			
06/18	OT906180009	15.00		50,015.00
	W /F			
06/18	OT906180010	15.00		50,000.00
	W /F			
06/21	WIRE 10 REJECT 06/18/99		9,000.00	59,000.00
06/21	IN906210003		51,600.00	110,600.00
	I W			
06/21	IN906210002		680,000.00	790,600.00
	I W			
06/21	IN906210003	10.00		790,590.00
	W /F			
06/21	IN906210002	10.00		790,580.00
	W /F			
06/21	-AUTO TRANSFER TO ACCT.--0010140002	740,580.00		50,000.00

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FIRST UNION NATIONAL BANK FL Fullcran Run 16-DEC-1999 23:18 Page 34071
FULL TRANSACTION REPORT For 16-DEC-1999

<<< TRN: 991215-038806 >>>

**** MESSAGE ENVELOPE **** { Bank : 003 }

SRC:FED CALLER: EXT:
RPT# AMT:3,000,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:N CD:A COM:N CBL:N

DBT [redacted]
DEPT:0000001660
HARRIS BANK INTERNATIONAL CORP NY
345 PARK AVE
NEW YORK NY 10154
SEND:/[redacted]
BANK OF MONTREAL
INTERNATIONAL BANKING H.O.
129 ST. JAMES ST. WEST
MONTREAL, P.Q. CANADA
SNDR REF NUM:0077513266991215
ORDERING BNK:

CDT [redacted] ADV:PHN
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
FAX CUSTOMER SHIFT RELEASE TO
PROCESS
ALT FAX 011 767 448 6477
BNF:/1000113816 CHG:B BK?
FREE TRADE BUREAU S.A.

Redacted Information in Subcommittee Files

ORIG:E/ID/9/UNKNOWN
DAIGLE AND HANCOCK

REF NUM:OP2970 76737

**** MESSAGE TEXT ****

{1100}02P N
{1110}12151719FT01
{1120}19991215F3QCAA1C003195121517 19FT01
{1510}1000
{1520}19991215B1QFFI1A001022
{2000}000300000000
{3100}026007760HARRIS BK INTL NYC*
{3320}0077513266991215*
{3400}063000021FIRST UNION FL.*
{3600}CTR
{4100} *
BRITISH TRADE AND COMMERCE BANK*
ACCT 998 38 713 73*
{4200}D1000113816*
FREE TRADE BUREAU S.A.*
{4320}OP2970 76737*
{5000}9UNKNOWN*
DAIGLE AND HANCOCK*
{5100} *
.*
{5200}D000021027937*
BANK OF MONTREAL*
INTERNATIONAL BANKING H.O.*

CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 12 of 151.

FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

4 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/10	99345551	WIRE TRANSFER TR# 020759				500,000.00	146,573.22
12/13		DEPOSIT - CHECKING (22 ITEMS)			5,825.00		
12/13		DEPOSIT - CHECKING (31 ITEMS)			8,000.00		
12/13	99348286	WIRE TRANSFER FEE TR# 024060				18.00	
12/13	99348287	WIRE TRANSFER FEE TR# 017720				18.00	
12/13	99348289	WIRE TRANSFER FEE TR# 023581				18.00	
12/13	99348291	WIRE TRANSFER TR# 023581				4,000.00	
12/13	99348290	WIRE TRANSFER TR# 024060				25,000.00	
12/13	99348288	WIRE TRANSFER TR# 017720				50,000.00	81,344.22
12/14	99349168	WIRE TRANSFER FEE TR# 021737				18.00	
12/14	99349169	WIRE TRANSFER FEE TR# 019617				18.00	
12/14	99349171	WIRE TRANSFER TR# 021737				2,000.00	
12/14	99349172	WIRE TRANSFER TR# 019617				20,000.00	
12/14	99349170	WIRE TRANSFER TR# 019885				45,000.00	14,308.22
12/15		WIRE TRANSFER TR# 038806			3,000,000.00		3,014,308.22
12/16	99351862	WIRE TRANSFER FEE TR# 020843				18.00	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

5 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/16	99351863	WIRE TRANSFER FEE TR# 021149				18.00	
12/16	99351864	WIRE TRANSFER FEE TR# 021563				18.00	
12/16	99351865	WIRE TRANSFER FEE TR# 020929				18.00	
12/16	99351873	WIRE TRANSFER FEE TR# 021038				18.00	
12/16	99351874	WIRE TRANSFER FEE TR# 020600				18.00	
12/16	99351875	WIRE TRANSFER FEE TR# 020354				18.00	
12/16	99351868	WIRE TRANSFER TR# 021149				309.65	
12/16	99351871	WIRE TRANSFER TR# 020354				1,000.00	
12/16	99351869	WIRE TRANSFER TR# 020600				5,000.00	
12/16	99351870	WIRE TRANSFER TR# 020929				15,339.95	
12/16	99351867	WIRE TRANSFER TR# 021038				29,037.25	
12/16	99351866	WIRE TRANSFER TR# 020843				30,000.00	
12/16	99351872	WIRE TRANSFER TR# 021563				93,000.00	2,840,495.37
12/17	99352510	WIRE TRANSFER FEE TR# 030657				18.00	
12/17	99352511	WIRE TRANSFER FEE TR# 014944				18.00	
12/17	99352512	WIRE TRANSFER FEE TR# 026346				18.00	
12/17	99352513	WIRE TRANSFER TR# 026346				2,603.97	
12/17	99352515	WIRE TRANSFER TR# 014944				50,000.00	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

6 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/17	99352514	WIRE TRANSFER TR# 030657				240,000.00	2,547,837.40
12/20	99355014	WIRE TRANSFER FEE TR# 026882				18.00	
12/20	99355015	WIRE TRANSFER FEE TR# 009616				18.00	
12/20	99355016	WIRE TRANSFER FEE TR# 010044				18.00	
12/20	99355017	WIRE TRANSFER FEE TR# 009930				18.00	
12/20	99355018	WIRE TRANSFER FEE TR# 010748				18.00	
12/20	99355019	WIRE TRANSFER FEE TR# 010992				18.00	
12/20	99355027	WIRE TRANSFER FEE TR# 009757				18.00	
12/20	99355028	WIRE TRANSFER FEE TR# 010863				18.00	
12/20	99355024	WIRE TRANSFER TR# 010992				4,500.00	
12/20	99355025	WIRE TRANSFER TR# 010863				4,512.00	
12/20	99355021	WIRE TRANSFER TR# 010044				7,646.00	
12/20	99355029	WIRE TRANSFER TR# 026882				8,000.00	
12/20	99355020	WIRE TRANSFER TR# 009757				10,000.00	
12/20	99355023	WIRE TRANSFER TR# 010748				10,000.00	
12/20	99355022	WIRE TRANSFER TR# 009930				20,000.00	
12/20	99355026	WIRE TRANSFER TR# 009616				50,000.00	2,433,035.40

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

7 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/21		WIRE TRANSFER TR# 020951			262.50		
12/21	99356964	WIRE TRANSFER FEE TR# 017079				18.00	
12/21	99356965	WIRE TRANSFER FEE TR# 018359				18.00	
12/21	99356966	WIRE TRANSFER FEE TR# 011085				18.00	
12/21	99356969	WIRE TRANSFER FEE TR# 015838				18.00	
12/21	99356970	WIRE TRANSFER FEE TR# 011230				18.00	
12/21	99356968	WIRE TRANSFER TR# 018359				13,000.00	
12/21	99356973	WIRE TRANSFER TR# 011230				49,000.00	
12/21	99356975	WIRE TRANSFER TR# 011012				55,000.00	
12/21	99356974	WIRE TRANSFER TR# 011085				200,000.00	
12/21	99356972	WIRE TRANSFER TR# 015838				205,000.00	
12/21	99356971	WIRE TRANSFER TR# 017079				612,000.00	1,299,207.90
12/22		WIRE TRANSFER TR# 002913			20,000.00		
12/22	99357154	WIRE TRANSFER FEE TR# 009836				18.00	
12/22	99357153	WIRE TRANSFER TR# 009836				20,000.00	1,299,189.90
12/23		WIRE TRANSFER TR# 027360			4,775.00		
12/23	99358454	WIRE TRANSFER FEE TR# 022384				18.00	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

8 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/23	99358455	WIRE TRANSFER FEE TR# 012749				18.00	
12/23	99358456	WIRE TRANSFER FEE TR# 012495				18.00	
12/23	99358457	WIRE TRANSFER FEE TR# 011115				18.00	
12/23	99358458	WIRE TRANSFER FEE TR# 009187				18.00	
12/23	99358459	WIRE TRANSFER FEE TR# 009735				18.00	
12/23	99358460	WIRE TRANSFER FEE TR# 010775				18.00	
12/23	99358461	WIRE TRANSFER FEE TR# 010265				18.00	
12/23	99358462	WIRE TRANSFER FEE TR# 010675				18.00	
12/23	99358463	WIRE TRANSFER FEE TR# 012656				18.00	
12/23	99358464	WIRE TRANSFER FEE TR# 009438				18.00	
12/23	99358465	WIRE TRANSFER FEE TR# 010400				18.00	
12/23	99358466	WIRE TRANSFER FEE TR# 010026				18.00	
12/23	99358467	WIRE TRANSFER FEE TR# 010532				18.00	
12/23	99358473	WIRE TRANSFER TR# 010775				395.00	
12/23	99358476	WIRE TRANSFER TR# 010400				1,500.00	
12/23	99358477	WIRE TRANSFER TR# 010026				3,500.00	
12/23	99358475	WIRE TRANSFER TR# 010532				4,775.00	
12/23	99358469	WIRE TRANSFER TR# 012656				10,000.00	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

9 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/23	99358474	WIRE TRANSFER TR# 010675				10,000.00	
12/23	99358472	WIRE TRANSFER TR# 009187				14,625.00	
12/23	99358471	WIRE TRANSFER TR# 011115				20,000.00	
12/23	99358478	WIRE TRANSFER TR# 009735				25,000.00	
12/23	99358470	WIRE TRANSFER TR# 010265				40,000.00	
12/23	99358468	WIRE TRANSFER TR# 022384				50,000.00	
12/23	99358481	WIRE TRANSFER TR# 009438				50,000.00	
12/23	99358480	WIRE TRANSFER TR# 012495				140,000.00	
12/23	99358479	WIRE TRANSFER TR# 012749				200,000.00	733,917.90
12/30		WIRE TRANSFER TR# 025085			275,000.00		1,008,917.90
12/31		CAP ACCOUNT INTEREST/DIVIDEND			2,620.63		1,011,538.53
12/31		Closing Balance 12/31			$ 3,988,805.22	$ 3,052,217.91	$ 1,011,538.53

Summary of Deposits

Date	Description	Amount	Check Ref Number
12/01	DEPOSIT - CHECKING (34 ITEMS)	11,850.00	3036369615
12/01	DEPOSIT - CHECKING (4 ITEMS)	13,122.09	3036369610

Account Activity continued on next page

FIRST UNION NATIONAL BANK FL Fulltran Run 22-DEC-1999 21:28 Page 23814
FULL TRANSACTION REPORT For 21-DEC-1999

Sample of wire transfer withdrawals using $3 million deposit of Gold Chance funds

<<< TRN: 991221-011085 >>>

**** MESSAGE ENVELOPE **** [Bank : 003]

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:200,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:OB:A CD:N COM:N CBL:N

DBT D/0009983871373/
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
ALT PHN 0 767 448 5410

CDT [redacted] ADV:FED
DEPT:0000001660
PACIFIC NATIONAL BANK
P.O. BOX 012620
ATTN FINANCE DEPT.
MIAMI FL 33101
BNF: [redacted] CHG: BK7N
BRITISH TRADE & COMMERCE BANK

**** CREDIT PAYMENT MESSAGE TEXT ****

Redacted Information in Subcommittee Files

{1510} Type/Subtype Code:	
Type Code:	10 (Transfer of funds)
Subtype Code:	00 (Regular transfer)
{2000} Amount:	$200,000.00
{3100} Sending Bank:	
ABA number:	063000021
Short name:	FIRST UNION JAX
ABA lookup (REL):	FIRST UNION OF FLORIDA JACKSONVILLE, FL
{3320} Sender Reference:	[redacted]
{3400} Receiving Bank:	
ABA number:	066011350
Short name:	PACIFIC NATL BK MI
ABA lookup (REL):	PACIFIC NATIONAL BANK P.O. BOX 012620 ATTN FINANCE DEPT. MIAMI FL
{3600} Business Function Code:	CTR (Customer transfer)
{4200} Beneficiary:	[redacted] BRITISH TRADE & COMMERCE BANK
{5000} Originator:	[redacted] BRITISH TRADE & COMMERCE BANK C/O FEC FINANCIAL HOLDINGS INC 444 BRICKELL AVE STE P16 MIAMI, FL 33131

FIRST UNION NATIONAL BANK FL Fulltran Run 22-DEC-1999 23:28 Page 34104
FULL TRANSACTION REPORT For 21-DEC-1999

<<< TRN: 991221-015838 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:205,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/[redacted] CDT [redacted] ADV:CHP
BRITISH TRADE & COMMERCE BANK DEPT:0000188
C/O FEC FINANCIAL HOLDINGS INC BANK OF NEW YORK
444 BRICKELL AVE STE P16 48 WALL STREET, 19TH FLOOR
MIAMI, FL 33131 NEW YORK, NY USA 10015
SPECIAL INSTRUCTIONS: INTER BK:C/[redacted]
ALT PHN 0 767 448 6410 [redacted]
MASHREQ BANK
255 FIFTH AVENUE - 1ST. FLOOR
NEW YORK, N.Y. 10016
BNF BANK:
MASHREQ BANK
BURJUMAN BRANCH
DUABI UE
BNF:/[redacted] CHG: BK?N
[redacted]
[redacted]
BAHRAIN UE

Redacted Information in Subcommittee Files

**** CREDIT PAYMENT MESSAGE TEXT ****

CHIPS 10 - PAYMENT MESSAGE

201 Transmission Data:
  Format version: 01 Value date: 1999/12/21
  Send participant: 0285
211 Payment Disposition Data:
  Receive participant: 0001
  Beneficiary type: N (Non-bank)
  Compression flag: 2 (Compress response)
  Disposition flag: 2 (Store and attempt release)
260 Amount: $205000.00
270 PSN: 000455
320 SWIFT field 20: 991221015838
400 Intermediary Bank: [redacted] (CHIPS lookup key)
412 Beneficiary's Bank: (No CHIPS lookup)
  MASHREQ BANK
  BURJUMAN BRANCH
  DUABI UE
422 Beneficiary: [redacted] (No CHIPS lookup)
  [redacted]
  [redacted]
  BAHRAIN UE
502 Originator: [redacted] (No CHIPS lookup)
  BRITISH TRADE & COMMERCE BANK
  C/O FEC FINANCIAL HOLDINGS INC
  444 BRICKELL AVE STE P16

FIRST UNION NATIONAL BANK FL Fulltran Run 22-DEC-1999 23:28 Page 36806
FULL TRANSACTION REPORT For 21-DEC-1999

<<< TRN: 991221-017079 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:612,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/[redacted]
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
ALT PHN 0 767 448 6410

CDT [redacted] ADV:CHP
DEPT:0000188
CITIBANK N.A.
111 WALL STREET, 17TH FLOOR
NEW YORK, NY USA 10043
BNF BANK:[redacted]
[redacted]
BANQUE CANTONALE DE GENEVE
QUAI DE L'ILE 17
P.O. BOX 2251
CH-1211 GENEVA 2, SWITZERLAND
BNF:/[redacted] CHG: BK?N
LAURENT FINANACE AND SWIZERLAND

Redacted Information in Subcommittee Files

**** CREDIT PAYMENT MESSAGE TEXT ****

CHIPS 10 - PAYMENT MESSAGE

201 Transmission Data:
  Format version: 01 Value date: 1999/12/21
  Send participant: 0295
211 Payment Disposition Data:
  Receive participant: 0008
  Beneficiary type: N (Non-bank)
  Compression flag: 2 (Compress response)
  Disposition flag: 2 (Store and attempt release)
260 Amount: $612000.00
270 PSN: 000452
320 SWIFT field 20: 991221017079
410 Beneficiary's Bank:[redacted] (CHIPS lookup key)
422 Beneficiary: [redacted] (No CHIPS lookup)
  LAURENT FINANACE AND SWIZERLAND
502 Originator: [redacted] (No CHIPS lookup)
  BRITISH TRADE & COMMERCE BANK
  C/O FEC FINANCIAL HOLDINGS INC
  444 BRICKELL AVE STE P16
  MIAMI, FL 33131
512 Originator's Bank: (No CHIPS lookup)
  FIRST UNION NATIONAL BANK FL

**** MESSAGE TEXT ****

MESSAGE HISTORY SEQUENCE

FIRST UNION NATIONAL BANK FL Fulltran Run 24-DEC-1999 22:36 Page 266S1
FULL TRANSACTION REPORT For 23-DEC-1999

<<< TRN: 991223-012495 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:140,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/[redacted]
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
ALT PHN 0 767 448 6410

CDT [redacted] ADV:CHP
DEPT:0000188
AUSTRALIA AND NEW ZEALAND BANKING
120 WALL STREET
NEW YORK,NY USA 10005
INTER BK:S/GRNDINBB/[redacted]
[redacted]
ANZ GRINDLAYS BANK PLC BOMBAY
P.O. BOX 1175
90 MAHATMA GANDHI ROAD
MUMBAI 400023, INDIA
BNF BANK:
ANZ GRINDLAYS BANK LIMITED

NEW DEHLI
INDIA
BNF:/[redacted] CHG: BK?N
ASSEST MANAGEMENT INDIA

Redacted Information in Subcommittee Files

**** CREDIT PAYMENT MESSAGE TEXT ****

CHIPS 10 - PAYMENT MESSAGE

201 Transmission Data:
  Format version: 01 Value date: 1999/12/23
  Send participant: 0285
211 Payment Disposition Data:
  Receive participant: 0991
  Beneficiary type: N (Non-bank)
  Compression flag: 2 (Compress response)
  Disposition flag: 2 (Store and attempt release)
260 Amount: $140000.00
270 PSN: 000338
320 SWIFT field 20: 991223012495
400 Intermediary Bank: [redacted] (CHIPS lookup key)
412 Beneficiary's Bank: (No CHIPS lookup)
  ANZ GRINDLAYS BANK LIMITED
  NEW DEHLI
  INDIA
422 Beneficiary: [redacted] (No CHIPS lookup)
  ASSEST MANAGEMENT INDIA
502 Originator: [redacted] (No CHIPS lookup)
  BRITISH TRADE & COMMERCE BANK
  C/O FEC FINANCIAL HOLDINGS INC
  444 BRICKELL AVE STE P16

FIRST UNION NATIONAL BANK FL Fulltran Run 24-DEC-1999 22:36 Page 27218
FULL TRANSACTION REPORT For 23-DEC-1999

<<< TRN: 991223-012749 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:200,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/[redacted] CDT [redacted] ADV:CHP
BRITISH TRADE & COMMERCE BANK DEPT:0000188
C/O FEC FINANCIAL HOLDINGS INC HSBC BANK USA
444 BRICKELL AVE STE P16 140 BROADWAY
MIAMI, FL 33131 NEW YORK, NY USA 10015
SPECIAL INSTRUCTIONS: BNF BANK:S/[redacted] WIR:
ALT PHN 0 767 448 6410 HONGKONG AND SHANGHAI BANKING CORPO
RATION LIMITED, THE
1 QUEEN'S ROAD, CENTRAL
HONG KONG,HK
BNF:/[redacted] CHG: BK?N
[redacted]

**** CREDIT PAYMENT MESSAGE TEXT ****

Redacted Information in Subcommittee Files

CHIPS 10 - PAYMENT MESSAGE

201 Transmission Data:
  Format version: 01 Value date: 1999/12/23
  Send participant: 0285
211 Payment Disposition Data:
  Receive participant: 0108
  Beneficiary type: N (Non-bank)
  Compression flag: 2 (Compress response)
  Disposition flag: 2 (Store and attempt release)
260 Amount: $200000.00
270 PSN: 000340
320 SWIFT field 20: 991223012749
412 Beneficiary's Bank: [redacted] (No CHIPS lookup)
  HONGKONG AND SHANGHAI BANKING CORPO
  RATION LIMITED, THE
  1 QUEEN'S ROAD, CENTRAL
  HONG KONG,HK
422 Beneficiary: [redacted] (No CHIPS lookup)
  [redacted]
502 Originator: [redacted] (No CHIPS lookup)
  BRITISH TRADE & COMMERCE BANK
  C/O FEC FINANCIAL HOLDINGS INC
  444 BRICKELL AVE STE P16
  MIAMI, FL 33131
512 Originator's Bank: (No CHIPS lookup)
  FIRST UNION NATIONAL BANK FL

**** MESSAGE TEXT ****

12/30/98 14:31 FAX 3059716071 SECURITY BANK NA Page 1/1 002
Sent By: BRITISH TRADE AND COM E BANK; 1 787 448 6477; Dec-30-99 1:58PM;

British Trade &
Commerce Bank
Emera Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau,
Commonwealth of Dominica
P.O. Box 2042 Phone: (767) 448-6410 Fax: 448-6477

Date: 12/29/99

URGENT TODAY!!

Fax Cover Sheet

To:	FERNANDO GONZALEZ	From:	GEORGE BETTS
Company:	SECURITY BANK N.A.	Department:	FINANCE
Fax:	1-305-374-4207	Pages:	TWO
Telephone:	1-305-375-3722	Ref:	FUND TRANSFERS

Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCT#0400101400-01.

FIRST UNION NATIONAL BANK
ABA# 063-000-021
BENEFICIARY: BRITISH TRADE & COMMERCE BANK
ACCOUNT NO: [redacted]
AMOUNT: USD$275,000
REF: BTCB TRANSFER

Redacted Information in Subcommittee Files

TEST KEY FOR ABOVE WIRE BASED ON USD$275,000 DATED DECEMBER 29, 1999 IS 861244

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

TEST KEY VERIFIED BY: [illegible]
DATE: 12/30/99

Licensed for Full Trust Business

FIRST UNION NATIONAL BANK FL Fulltran Run 1-JAN-2000 03:55 Page 54020
FULL TRANSACTION REPORT For 30-DEC-1999

<<< TRN: 991230-025085 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:FED CALLER: EXT:
RPT# AMT:275,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:N CD:A COM:N CBL:N

---

*DBT [redacted] CDT D[redacted] ADV:PHN
DEPT:0000001660 BRITISH TRADE & COMMERCE BANK
SECURITY BANK NA C/O FEC FINANCIAL HOLDINGS INC
NORTH LAUDERDALE, FL 444 BRICKELL AVE STE P16
MIAMI, FL 33131
SNDR REF NUM:OT912300005 SPECIAL INSTRUCTIONS:
ORIG:/10140001 FAX CUSTOMER SHIFT RELEASE TO
BRITISH TRADE & COMMERCE BANK PROCESS
EMENS BLDG.D.EUGENIA CHARLES BLVD.
BAYFRONT ORIG TO BNF INFO:
, ROSEAU-COMMONWEALTH OF DOMINCA, REF: BTCB TRANSFER

Redacted Information in Subcommittee Files

**** MESSAGE TEXT ****

{1100}02P N
{1110}12301352FT01
{1120}19991230F3QCAA1C00197812301352FT01
{1510}1000
{1520}19991230F6QC611C000006
{2000}000027500000
{3100}[redacted]SECURITY BANK N.A.*
{3320}OT912300005*
{3400}[redacted]FST UNION NATL BK*
{3600}CTR
{4200}[redacted]
BRITISH TRADE& COMMERCE BK*
, , *
{5000}[redacted]
BRITISH TRADE & COMMERCE BANK*
EMENS BLDG.D.EUGENIA CHARLES BLVD.*
BAYFRONT*
, ROSEAU-COMMONWEALTH OF DOMINCA, *
{6000}REF: BTCB TRANSFER*

MESSAGE HISTORY SEQUENCE

---

003 is the owning bank. Priority: Delivery ACK:

REF_INDEX	REF #: 991230025085 30-DEC-1999 13:52:54.80
FEDSNAIN1	SEQ #: 43599 30-DEC-1999 13:52:54.80
FEDIN1	SEQ #: 1978 30-DEC-1999 13:52:54.80
FLASHRCV	ABA: 067010512 FED REF: OT912300005
	IMAD: 1230F6QC611C000006123013 52FT01

FIRST UNION NATIONAL BANK FL Fulltran Run 4-JAN-2000 23:13 Page 10594
FULL TRANSACTION REPORT For 3-JAN-2000

<<< TRN: 000103-005083 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:1,000,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:DB:A CD:Y COM:N CBL:N

DBT D/[redacted] CDT [redacted] ADV:FED
BRITISH TRADE & COMMERCE BANK DEPT:0000001660
C/O FEC FINANCIAL HOLDINGS INC BANK OF AMERICA NA
444 BRICKELL AVE STE P16 COUER D ALENE,ID
MIAMI, FL 33131
SPECIAL INSTRUCTIONS: BNF:/[redacted] CHG. BKPN
ALT PHN 0 767 448 6410 ORPHAN ADVOCATES LLC

**** CREDIT PAYMENT MESSAGE TEXT ****

Redacted Information in Subcommittee Files

{1510} Type/Subtype Code:
Type Code: 10 (Transfer of funds)
Subtype Code: 00 (Regular transfer)

{2000} Amount: $1,000,000.00

{3100} Sending Bank:
ABA number: 063000021
Short name: FIRST UNION JAX
ABA lookup (REL): FIRST UNION OF FLORIDA
JACKSONVILLE, FL
.
.

{3320} Sender Reference: 000103005083

{3400} Receiving Bank:
ABA number: 123103716
Short name: BK AMER ID BOISE
ABA lookup: Address not on file

{3600} Business Function Code: CTR (Customer transfer)

{4200} Beneficiary: [redacted]
ORPHAN ADVOCATES LLC

{5000} Originator: [redacted]
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131

**** MESSAGE TEXT ****

FIRST UNION NATIONAL BANK FL Fulltran Run 21-JUN-1999 23:10 Page 40674
FULL TRANSACTION REPORT For 21-JUN-1999

<<< TRN: 990621-019064 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:FED CALLER: EXT:
RPT# AMT:2,999,985.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:N CD:A COM:N CBL:N

DBT A/[redacted]
DEPT:0000001660
CORESTATES BK INTL (PHILA INTL BK)
180 MAIDEN LANE
NEW YORK, NY 10038, USA

SNDR REF NUM:9906210226002778
ORDERING BNK:
CHIYU BANKING CORP. LTD. 74-78 DEX
VOEUX RD CENTRAL HONG KONG

ORIG:
CHINA FUND FOR THE HANDICAPPED [redacted]

CDT D/[redacted] ADV:PHN
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
FAX WIRE TO 305 960 2120
ALT FAX 011 767 448 6477

REF NUM:039730OT29002616
BANK TO BANK INFO:
/REC/ABR NO.063000021 SWIFT B/C: FU
NBUS3F /TELEBEN/

Redacted Information in Subcommittee Files

**** MESSAGE TEXT ****

{1100}02P N
{1110}06211353FT01
{1120}19990621F3QCAA1C0016640621135 3FT01
{1510}1000
{1520}19990621B6B7001C002778
{2000}000299998500
{3100}[redacted]FIRSTUNION NY*
{3320}9906210226C02778*
{3400}[redacted]FST UNION JAX*
{3600}CTR
{4200}[redacted]
ORPHAN ADVOCATES LLC*
{4320}[redacted]
{5000} *
CHINA FUND FOR THE HANDICAPPED [redacted]
{5100} *
CHIYU BANKING CORP. LTD. 74-78 DEX*
VOEUX RD CENTRAL HONG KONG*
{6500}/REC/ABR NO.063000021 SWIFT B/C: FU*
NBUS3F /TELEBEN/*

FIRST UNION NATIONAL BANK FL Fulltran Run 9-JUL-1999 22:45 Page 13245
FULL TRANSACTION REPORT For 8-JUL-1999

<<< TRN: 990708-006383 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:1,000,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:DB:A CD:Y COM:N CBL:N

DBT D/[redacted] CDT *A/[redacted] ADV:FED
BRITISH TRADE & COMMERCE BANK DEPT:0000001660
C/O FEC FINANCIAL HOLDINGS INC M&I MARSHALL AND ILSLEY BANK
444 BRICKELL AVE STE P16 MILWAUKEE, WI
MIAMI, FL 33131
SPECIAL INSTRUCTIONS: BNF:/[redacted] CHG: BKPN
ALT PHN 0 767 448 6410 LAW OFFICES OF JOHN P SAVAGE ATTNY
AT LAW ACCOUNT

**** CREDIT PAYMENT MESSAGE TEXT ****

Redacted Information in Subcommittee Files

{1510} Type/Subtype Code:
- Type Code: 10 (Transfer of funds)
- Subtype Code: 00 (Regular transfer)

{2000} Amount: $1,000,000.00

{3100} Sending Bank:
- ABA number: 063000021
- Short name: FIRST UNION JAX
- ABA lookup (REL): FIRST UNION OF FLORIDA
  JACKSONVILLE, FL

{3320} Sender Reference: 990708006383

{3400} Receiving Bank:
- ABA number: 075000051
- Short name: MARSHALL MILW
- ABA lookup: Address not on file

{3600} Business Function Code: CTR (Customer transfer)

{4200} Beneficiary: [redacted]
LAW OFFICES OF JOHN P SAVAGE ATTNY
AT LAW ACCOUNT

{5000} Originator: [redacted]
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131

**** MESSAGE TEXT ****

08/11/99 13:13 FAX 305[illegible]16071 SECURITY BANK NA 007
Aug-11-99 12:08P B[illegible]C Bank/Trust (76[illegible] 448-6477 P.01

British Trade & Commerce Bank
Emeris Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau,
Commonwealth of Dominica
P.O. Box 2942 Phone: (767) 448-5410 Fax: 448-5477

Date:08/11/99

Fax Cover Sheet

To:	FERNANDO GONZALEZ	From:	GEORGE BETTS
Company:	SECURITY BANK N.A.	Department:	FINANCE
Fax:	1-305-374-4207	Pages:	TWO
Telephone:	1-305-375-3722	Ref:	FUND TRANSFERS

: Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidentisl. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCT#0400101400-01.

[redacted]

Redacted Information in Subcommittee Files

[redacted]

DATE: 8/11/99

MARSHALL & ISLEY BANK, 770 N. WATER ST., MILWAUKEE
ABA# 075-000-051
BENEFICIARY: JOHN P. SAVAGE - ATTORNET-AT-LAW TRUST A/C
ACCOUNT NO: 000-355-5453; AMOUNT: USD$2,500
REF: ORPHANS ADVOCATES LTD

TEST KEY FOR ABOVE WIRE BASED ON USD$132,500 DATED AUGUST 11, 1999 IS [redacted]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

Licensed for Full Trust Business

FAXED 12:39 PM

STMT96 96 1107 2488 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 6
FROM 08/01/99 THRU 08/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
08/09		15.00		238,701.12
08/09		35.00		238,666.12
08/09		15,000.00		223,666.12
08/09		73,666.10		150,000.02
08/10		100,000.02		50,000.00
08/11			118,454.38	168,454.38
08/11			25,000.00	193,454.38
08/11		54.38		193,400.00
08/11		1,500.00		191,900.00
08/11	OT908110008 O W	2,500.00		189,400.00
08/11		9,300.00		180,100.00
08/11		30,000.00		150,100.00
08/11		100,000.00		50,100.00
08/11		10.00		50,090.00

Redacted Information in Subcommittee Files

FIRST UNION NATIONAL BANK FL Fulltran Run 1-DEC-1999 23:27 Page 24755
FULL TRANSACTION REPORT For 30-NOV-1999

<<< TRN: 991130-011578 >>>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC:PHN CALLER:ROYER, HENRY EXT: SND DATE:99/11/30
RPT# AMT:150,000.00 CUR:USD TRER#
TEST: VAL:99/11/30 TYP:FTR/ FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/[redacted]
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE 916
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:
ALT PHN 0 767 448 5410

CDT [redacted] ADV:CHP
DEPT:0000188
FIRST UNION BANK INTERNATIONAL
180 MAIDEN LANE
NEW YORK,NY USA 10038
INTER BK:S[redacted]
BANK OF COMMUNICATION
HEAD OFFICE
18, XIAN XIA ROAD
SHANGHAI 200335, CHINA
ADVICE INSTRUCTIONS:
WIR/

BNF BANK:/ WIR:
BANK OF COMUNICATION
BEIJING BRANCH
BEIJING,CHINA
BNF:/[redacted] CHG: BK?N
CORPORATION PROJECT OF THE
REHABITATION OF DISABLE CHILDREN

Redacted Information in Subcommittee Files

**** CREDIT PAYMENT MESSAGE TEXT ****

CHIPS 10 - PAYMENT MESSAGE

201 Transmission Data:
  Format version: 01 Value date: 1999/11/30
  Send participant: 0285
211 Payment Disposition Data:
  Receive participant: 0509
  Beneficiary type: N (Non-bank)
  Compression flag: 2 (Compress response)
  Disposition flag: 2 (Store and attempt release)
260 Amount: $150000.00
270 PSN: 000887
320 SWIFT field 20: 991130011578
400 Intermediary Bank: [redacted] (CHIPS lookup key)
412 Beneficiary's Bank: (No CHIPS lookup)
  BANK OF COMUNICATION
  BEIJING BRANCH
  BEIJING,CHINA
422 Beneficiary: [redacted] (No CHIPS lookup)
  CORPORATION PROJECT OF THE
  REHABITATION OF DISABLE CHILDREN

YAHOO! FINANCE Home - Yahoo! - Help

[Business | US Market | By Industry | IPO | AP | S&P | International | PRNews | BizWire | CCN | CNW]

Monday August 7, 7:56 am Eastern Time

Press Release

SOURCE: Special Olympics, Inc.

Related Quotes

^DJI	10792.54	-87.97
^IXIC	3446.94	+17.92
^SPC	1424.20	-4.12
^IIX	460.82	+9.71
^PSE	999.61	+2.11

delayed 20 mins - disclaimer

Get Quotes

Special Olympics, Inc. Announces New International Board Members

WASHINGTON, Aug. 7 /PRNewswire/ -- Special Olympics, Inc. welcomes eight new members to its worldwide Board of Directors. The new members represent diverse professional and geographic backgrounds, ranging from The First Lady of Peru to a Special Olympics Washington athlete.

The Special Olympics Board is the ultimate governing authority for the entire Special Olympics movement. Its members manage the global affairs and strategies of Special Olympics; determine its policies and programs; and oversee top level management. Joining the 39 current board members are: Disney/ABC Cable Networks President Anne Sweeney; Special Olympics athlete Stacey Johnston; China Disabled Person's Federation Chairman Deng Pufang; First Lady of Peru Keiko S. Fujimori; founding member of Special Olympics Pakistan Parveen Ali; Booz.Allen & Hamilton, Inc. Senior Vice President Bruce A. Pasternack, WPP Group PLC Chief Executive Sir Martin Sorrell and Executive Board Member of the European Olympic Committee Walther Troeger. Each director will serve a three-year term.

``We are fortunate to have the passionate commitment of these men and women who are distinguished experts in their fields," said Timothy Shriver, president and CEO of Special Olympics, Inc. ``It's this kind of accomplished leadership and influential advocacy that will help catapult the growth of the Special Olympics movement throughout the world."

Deng Pufang, a well-known advocate of humanitarianism and famous international activist in disability affairs, established the China Fund for the Handicapped in 1984. He is the principal leader of China's disability movement and has been the Chairman of the China Disabled Person's Federation since its establishment in 1988. Deng Pufang is also the son of Deng Xiaoping, who led China for more than a decade following the death of Mao Tse-tung.

Special Olympics Washington athlete, Stacey Johnston has participated in 12 different sports and has attended five Special Olympics World Games. As one of the Special Olympics 30th Anniversary Global Messengers, Johnston has traveled the world for the past two years, telling audiences on every continent about her Special Olympics experiences and educating the public about the benefits of participating in sports for people with mental retardation.

Keiko S. Fujimori, the First Lady of Peru, has been active in creating awareness for the needs of

children and adolescents since 1994. She is the President of the Foundation for the children of Peru and the President and Founder of the Foundation Peruana Cardioinfantil.

Founding member and National Director of Special Olympics Pakistan Parveen Ali joined the Program's initial board in 1989 and served as Assistant Secretary. Ms. Ali was also elected its Treasurer in 1995. Ms. Ali was elected as a member of the Asia-Pacific Regional Leadership Council for Special Olympics in 1998 and was re-elected in January 2000. She represents the Special Olympics Asia-Pacific Region on the Board's International Advisory Committee.

Bruce A. Pasternack is a senior vice president of Booz Allen & Hamilton, Inc., a member of the firm's Executive Committee, and Managing Partner of its San Francisco Office. He is responsible for Booz.Allen's firm-wide Organization and Strategic Leadership Practice where he leads the firm's development, transfer and public distribution of intellectual capital related to the CEO/top management agenda. Mr. Pasternack co-authored ``The Centerless Corporation," which was published by Simon & Schuster in 1998.

Disney/ABC Cable Network President Anne Sweeney is responsible for non- sports cable programming for The Walt Disney Company and ABC subsidiary. She oversees the operation of The Disney Channel, Toon Disney and SoapNet, as well as ABC's interests in Lifetime, A&E Television Network, The History Channel and E! Entertainment Television. Ms. Sweeney has won many awards, including Women in Cable's 1997 ``Woman of the Year" Award, American Women in Radio and Television's 1995 prestigious ``STAR Award," and was inducted into the American Advertising Federation's Advertising Hall of Achievement in 1996. Ms. Sweeney is also the parent of a Special Olympics athlete.

Walther Troeger has been an Honorary Professor at the University of Potsdam since 1994 and is currently the President of the National Olympic Committee for Germany. Mr. Troeger is the Deputy Chairman of the German Sports Aid Foundation, First Vice President of the German Basketball Federation, and a delegate for Sports for the Disabled. An active member of the International Olympic Committee (IOC) since 1989, Mr. Troeger served as the IOC's Sports Director for seven years.

Chief Executive of WPP Group PLC, Sir Martin Sorrell, is a leader in communication services companies. Prior to founding WPP, Mr. Sorrell was Group Finance Director of the advertising agency group Saatchi & Saatchi Company PLC and was instrumental in planning and implementing its international expansion.

These leaders join current Special Olympics, Inc. board members including Eunice Kennedy Shriver, Special Olympics, Inc. Founder and Honorary Chairman; Sargent Shriver, Chairman of the Board; Frank Gifford, ABC TV Sports Broadcaster; and Bart Conner, Olympic Gymnastics Gold Medalist.

About Special Olympics

Special Olympics is an international year-round program of sports training and competition for individuals with mental retardation. More than one million athletes in over 160 countries train and compete in 25 Olympic-type summer and winter sports. Founded in 1968 by Eunice Kennedy Shriver, Special Olympics provides people with mental retardation continuing opportunities to develop fitness, demonstrate courage, and experience joy as they participate in the sharing of gifts, and friendship with their families and community.

Special Olympics is grateful to its Worldwide Partners, America Online, AMF Bowling Worldwide, The Coca-Cola Company, Oracle Corporation, and Phoenix Home Life Mutual Insurance Company, for providing ongoing funding and support to its global mission.

Visit Special Olympics online at ``www.specialolympics.org or on AOL (Keyword: Special

251

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

(Instructions on back of application)

1. The name of the limited liability company is: Orphan Advocates, LLC

2. The address of the initial registered office is: 2308 N. Cole Suite E, Boise, Id. 83704 and the name of the initial registered agent at that address is: Glen Fairbourn

Signature of registered agent: Glen Fairbourn

3. Management of the limited liability company will be vested in:

Manager(s) ☒ or Member(s) ☐. (please check the appropriate box)

4. If management is to be vested in one or more manager(s), list the name(s) and address(es) of at least one initial manager. If management is to be vested in the members, list the name(s) and address(es) of at least one initial member.

Name	Address
Joseph W. Roberts	[redacted], Caldwell, Id. 83605
Glen W. Fairbourn	[redacted], Boise, Id. 83704

Redacted Information in Subcommittee Files

5. Signature of at least one person responsible for forming the limited liability company:

Joseph W. Roberts

Secretary of State use only
IDAHO SECRETARY OF STATE
04/28/1999 09:00
CK: CASH CT: 114349 BA: 206943
1 @ 100.00 = 100.00 ORGAN LLC E P
W8582

EXHIBIT A

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION
OF

CHILDREN'S AID OF IDAHO, INC.
File number C 106221

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of CHILDREN'S AID OF IDAHO, INC. duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: May 5, 1994

GREAT SEAL OF THE STATE OF IDAHO

Pete T. Cenarrusa
SECRETARY OF STATE

By

Exhibit C

MAY 5 10 59 AM '94
SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

CHILDREN'S AID OF IDAHO, INC.

THE UNDERSIGNED for the purposes of forming a nonprofit Corporation under the Idaho Nonprofit Corporation Act of the laws of the State of Idaho, does hereby make and adopt the following Articles of Incorporation:

ARTICLE I.

NAME

The name of this Corporation is CHILDREN'S AID OF IDAHO, INC.

ARTICLE II.

NONPROFIT

The Corporation is a nonprofit Corporation under the laws of the State of Idaho. The Corporation is not formed for pecuniary profit. No part of the income or assets of the Corporation is distributable to or for the benefit of its officers or directors.

ARTICLE III.

PURPOSES

The Corporation is organized for the following purposes:

A. To foster and promote, for the benefit of the general public, and the welfare and happiness of children in the state of Idaho and welfare of the family unit, a nondenominational agency which provides pregnancy, adoption and post-adoption counseling and services, and such other non-profit purposes which qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

B. For charitable, educational and literary purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended.

C. To do such other things as are incidental to the purposes of the corporation or necessary or desirable in order to accomplish them.

IDAHO SECRETARY OF STATE
19940505 0900 77902 2
CK # 6054 CUST# 20658
CORP 10 30.00= 30.00

C

ARTICLE IV.
POWERS

The corporation shall have:

A. All powers granted non-profit corporations under the laws of Idaho, and to do everything and anything reasonably and lawfully necessary, proper, suitable or convenient for the achievement or furtherance of the above-stated purposes.

B. Without limitation, the power to acquire by bequest, devise, gift, purchase, lease or otherwise, any property of any sort or nature without limitation as to its amount or value, and to hold, invest, reinvest, manage, use, apply, employ, sell, expend, disburse, lease, mortgage, convey, option, donate or otherwise dispose of such property and the income, principal and proceeds of such property for any of the purposes set forth herein.

ARTICLE V.
LIMITATION

The purposes and powers of the corporation shall be limited as follows:

A. This corporation shall not possess or exercise any power or authority either expressly, by interpretation, by operation of law that will or might prevent it at any time from qualifying, and continuing to qualify, as a corporation described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, contributions to which are deductible for Federal Income tax purposes; nor shall it engage directly or indirectly in any activity which might cause a loss of such qualification.

B. This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

C. No part of the net earnings of the corporation shall inure to the benefit or be distributable to its officers or directors, but the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

D. No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall it participate or

intervene in any manner, or to any extent, in any political campaign on behalf of any candidate for public office, whether by publishing or distributing statements or otherwise.

E. No solicitation of contributions to this corporation shall be made, and no gift, bequest or devise to this corporation shall be accepted, upon any condition or limitation which, in the opinion of the corporation, may cause the corporation to lose its exemption from payment of Federal Income taxes.

F. Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable, educational, literary, religious and/or scientific purposes which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

G. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or by an organization contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE VI.

NO MEMBERS

The Corporation shall have no members.

ARTICLE VII.

INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is 2308 N. Cole Road, Suite E, Boise, Idaho 83704. The name of its initial registered agent at that address is Helen Fairbourn.

ARTICLE VIII.

INITIAL BOARD OF DIRECTORS

The management of the Corporation shall be vested in the board of directors. The number of directors constituting the initial board of directors shall be four (4). The number of directors may be increased or decreased from time to time in accordance with the Bylaws, but never be less than three (3. The name and address of each initial director of the Corporation is as follows:

NAME	ADDRESS
Betty Griffin	[redacted] Boise, ID 83709
Mary Lou Weiner	[redacted] Meridian, ID 83642
Claudette Vail	Canyon Area United Way 1225 7th Street South Box 939 Nampa, ID 83653
Spencer Wheatley	[redacted] Boise, ID 83704

Redacted Information in Subcommittee Files

ARTICLE IX.

INCORPORATOR

The name and address of the incorporator is Wm. Lyman Belnap, P. O. Box 2864, Boise, Idaho 83701.

ARTICLE X.

AMENDMENT

The Directors reserves the right to amend or repeal any provision contained in these Articles of Incorporation or any amendment to them.

ARTICLE XI.

INDEMNIFICATION

The corporation shall indemnify its officers and directors, including former officers and directors, to the full extent permitted by the law of the State of Idaho.

DATED this 7 day of May, 1994.

Wm. Lyman Belnap, Incorporator

State of Idaho

Department of State

CERTIFICATE OF AMENDMENT
OF

CHILDREN'S AID OF IDAHO, INC.
File Number C 106221

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of CHILDREN'S AID OF IDAHO, INC., changing the corporate name to CHILDREN'S ADOPTION SERVICE INTERNATIONAL, INC., duly executed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: October 18, 1995

Pete T. Cenarrusa
SECRETARY OF STATE

By Amy J. Clark

Exhibit D

ARTICLES OF AMENDMENT

Oct 13 '4 29 PM '95

OF

SECRETARY OF STATE
STATE OF IDAHO

CHILDREN'S AID OF IDAHO, INC.

1. The current name of the Corporation is CHILDREN'S AID OF IDAHO, INC., and it is a corporation existing under the laws of the State of Idaho.

2. The amendment(s) adopted are to change ARTICLE II to read as follows:

The name of the corporation is Children's Adoption Service International, Inc.

3. The amendment(s) were adopted by the Directors on the 13th day of October. The Board of Directors have the authority to amend the Articles of Incorporation and the Board of Directors voted unanimously to amend the Articles of Incorporation as set forth above.

4. The corporation has no members and all members of the Board of Directors voted affirmatively for the amended contained herein.

Dated this 13 day of October, 1995.

Spencer Wheatley
Chairman of the Board of Directors

Oct 10 4 29 PM '95

IDAHO SECRETARY OF STATE
10/13/95 9:00:00 AM
Customer # 20658
INC360015751 15284

CORPORATION NON PROFIT AMENDMENT
1 @ 30.00 = 30.00

1 ARTICLES OF AMENDMENT

STATE OF IDAHO)
) ss
County of Ada)

I, [illegible], a Notary Public, do hereby certify that on the 13th day of October, 1995, personally appeared before me Spencer Wheatley, who, being by me first duly sworn, declared that he is the Chairman of the Board for Children's Aid of Idaho, Inc., that he signed the foregoing document as Chairman of the Board of the corporation, and that the statements therein contained are true.

[illegible]
Notary Public for Idaho
Residing at Boise, Idaho
My Commission expires: [illegible]

State of Idaho

Department of State

CERTIFICATE OF AMENDMENT
OF

CHILDREN'S ADOPTION SERVICE INTERNATIONAL, INC.
File Number C 106221

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of CHILDREN'S ADOPTION SERVICE INTERNATIONAL, INC., changing the corporate name to CHILDREN'S ADOPTION SERVICES, INC., duly executed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: February 28, 1996

Pete T. Cenarrusa
SECRETARY OF STATE

By Sheryl Deines

Exhibit E

ARTICLES OF AMENDMENT

OF

CHILDREN'S ADOPTION SERVICE INTERNATIONAL, INC.

FEB 28 4 15 PM '96
SECRETARY OF STATE

1. The current name of the Corporation is CHILDREN'S ADOPTION SERVICE INTERNATIONAL, INC., and it is a corporation existing under the laws of the State of Idaho.

2. The amendment(s) adopted are to change ARTICLE II to read as follows:

The name of the corporation is Children's Adoption Services, Inc.

3. The amendment(s) were adopted by the Directors on the 1st day of November, 1995. The Board of Directors have the authority to amend the Articles of Incorporation and the Board of Directors voted unanimously to amend the Articles of Incorporation as set forth above.

4. The corporation has no members and all members of the Board of Directors voted affirmatively for the amended contained herein.

Dated this 28 day of February, 1996

Spencer Wheatley
Chairman of the Board of Directors

IDAHO SECRETARY OF STATE
DATE 02/28/1996 0900 41340
2
CK #: 991 CUST# 62517
NON PROF A
1@ 30.00= 30.00

C

STATE OF IDAHO)
) ss
County of Ada)

I, Judith R. F. Wright, a Notary Public, do hereby certify that on the 28th day of February, 1996, personally appeared before me Spencer Wheatley, who, being by me first duly sworn, declared that he is the Chairman of the Board for Children's Adoption Service International, Inc., that he signed the foregoing document as Chairman of the Board of the corporation, and that the statements therein contained are true.

Judith R. F. Wright
Notary Public for Idaho
Residing at Boise Idaho
My Commission expires:

State of Idaho

Department of State

CERTIFICATE OF AMENDMENT
OF

CHILDREN'S ADOPTION SERVICES, INC.
File Number C 106221

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of CHILDREN'S ADOPTION SERVICES, INC., duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: April 18, 1997

Pete T. Cenarrusa
SECRETARY OF STATE

By

Exhibit F

APR 18 4 25 PM '97

SECRETARY OF STATE
STATE OF IDAHO

RESTATED ARTICLES OF INCORPORATION

OF

CHILDREN'S ADOPTION SERVICES, INC.

THE UNDERSIGNED, for the purposes of restating the Articles of Incorporation of a nonprofit Corporation under the Idaho Nonprofit Corporation Act of the laws of the State of Idaho, do hereby make and adopt the following Restated Articles of Incorporation pursuant to Idaho Code §30-3-94. These Restated Articles of Incorporation contain amendments to ARTICLE III, PURPOSES and ARTICLE VII, INITIAL REGISTERED OFFICE AND AGENT as unanimously adopted by the Board of Directors in accordance with Idaho Code §30-3-91. The corporation has no members. The Board of Directors has authority, and does hereby, Restate the Articles of Incorporation pursuant to a Unanimous Directors Consent Resolution affirmatively adopted April 16, 1997, and does hereby affirm that these Restated Articles of Incorporation correctly set forth, without change, all corresponding provisions of the original Articles of Incorporation as heretofore amended. The said Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

ARTICLE I.

NAME

The name of this Corporation is CHILDREN'S ADOPTION SERVICES, INC.

IDAHO SECRETARY OF STATE
DATE 04/21/1997
0900 84604 2
DK #: 2797 CUST# 20628
INC NONP $ 30.00 = 30.00

ARTICLE II.

NONPROFIT

The Corporation is a nonprofit Corporation under the laws of the State of Idaho. The Corporation is not formed for pecuniary profit. No part of the income or assets of the Corporation is distributable to or for the benefit of its officers or directors.

ARTICLE III.

PURPOSES

The Corporation is organized for the following purposes:

A. To foster and promote, for the benefit of the general public, and the welfare and happiness of children in the world and the welfare of the family unit, a nondenominational agency to provide pregnancy, adoption and post-adoption counseling and services to promote adoption, child care, establishment of and operation of homes, nurseries, orphanages, and other similar facilities for children; to select and assist adopting parents with obtaining available children and the legalization of the parent/child relationship; to form alliances with other qualified entities involved with the well-being of parentless children, and such other non-profit purposes which qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

B. For charitable, educational and literary purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

C. To do such other things as are incidental to the purposes of the corporation or necessary or desirable in order to accomplish them.

ARTICLE IV.

POWERS

The corporation shall have:

A. All powers granted non-profit corporations under the laws of Idaho, to do everything and anything reasonably and lawfully necessary, proper, suitable or convenient for the achievement or furtherance of the above-stated purposes.

B. Without limitation, the power to acquire by bequest, devise, gift, purchase, lease or otherwise, any property of any sort or nature without limitation as to its amount or value, and to hold, invest, reinvest, manage, use, apply, employ, sell, expend, disburse, lease, mortgage, convey, option, donate or otherwise dispose of such property and the income, principal and proceeds of such property for any of the purposes set forth herein.

ARTICLE V.

LIMITATION

The purposes and powers of the corporation shall be limited as follows:

A. This corporation shall not possess or exercise any power or authority either expressly, by interpretation, or by operation of law that will or might prevent it at any time from qualifying, and continuing to qualify, as a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, contributions to which are deductible for Federal Income tax purposes; nor shall it engage directly or indirectly in any activity which might cause a loss of such qualification.

B. This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

C. No part of the net earnings of the corporation shall inure to the benefit or be distributable to its officers or directors, but the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

D. No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall it participate or intervene in any manner, or to any extent, in any political campaign on behalf of any candidate for public office, whether by publishing or distributing statements or otherwise.

D. No solicitation of contributions to this corporation shall be made, and no gift, bequest or devise to this corporation shall be accepted, upon any condition or limitation which, in the opinion of the corporation, may cause the corporation to lose its exemption from payment of Federal Income taxes.

F. Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable, educational, literary, religious and/or scientific purposes which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

G. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal Income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or by an organization

contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE VI.

NO MEMBERS

The Corporation shall have no members.

ARTICLE VII.

INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is 6903 Kingsdale Drive, Boise, Idaho 83704. The name of its initial registered agent at that address is Wm. Lyman Belnap.

ARTICLE VIII.

INITIAL BOARD OF DIRECTORS

The management of the Corporation shall be vested in the Board of Directors. The number of Directors constituting the initial Board of Directors shall be four (4). The number of directors may increase or decrease from time to time in accordance with the Bylaws, but never be less than three (3). The name and address of each initial director of the Corporation is as follows:

NAME	ADDRESS	
Betty Griffin	[redacted] Boise, ID 83709	Redacted Information in Subcommittee Files
Mary Lou Weiner	[redacted] Meridian, ID 83642	

Claudette Vail

Canyon Area United Way
1225 7th Street South
Box 939
Nampa, ID 83653

Spencer Wheatley

[redacted]
Boise, ID 83704

Redacted Information
in Subcommittee Files

ARTICLE IX.

INCORPORATOR

The name and address of the incorporator is Wm. Lyman Belnap, Post Office Box 2864, Boise, Idaho 83701.

ARTICLE X.

AMENDMENT

The Directors reserve the right to amend or repeal any provision contained in these Articles of Incorporation or any amendment to them.

ARTICLE XI.

INDEMNIFICATION

The corporation shall indemnify its officers and directors, including former officers and directors, to the full extent permitted by the law of the State of Idaho.

DATED: April 17, 1997

Wm. Lyman Belnap, Director/Chairman

Joseph W. Roberts, Director

Glen Fairbourn, Director

FILED

ARTICLES OF AMENDMENT

OF

CHILDREN'S ADOPTION SERVICES, INC.

1. The current name of the Corporation is CHILDREN'S ADOPTION SERVICES, INC., and it is a corporation existing under the laws of the State of Idaho.

2. The amendment(s) adopted are to change ARTICLE I to read as follows:

The name of the corporation is CASI FOUNDATION FOR CHILDREN, INC.

3. The amendment(s) were adopted by the Directors on the 27th day of January, 1998. The Board of Directors have the authority to amend the Articles of Incorporation and the Board of Directors voted unanimously to amend the Articles of Incorporation as set forth above.

Dated this 22nd day of February, 1999.

Glen W. Fairbourn

STATE OF IDAHO)
)ss
County of Ada)

I, the undersigned am a Notary Public, do hereby certify that on the 22nd day of February, 1999, personally appeared before me R. WADE CURTIS, who, being by me first duly sworn, declared that he is the attorney for CHILDREN'S ADOPTION SERVICES, INC., that he signed the foregoing document as their attorney, and that the statements therein contained are true.

R. WADE CURTIS NOTARY PUBLIC STATE OF

Notary Public for Idaho
Residing at Boise
My Commission expires: 1999

IDAHO SECRETARY OF STATE
02/26/1999 09:00
CK: 1006 CT: 106457 BH: 136707
1 @ 30.00 = 30.00 NON PROF/A I D
C106221

1 - ARTICLES OF AMENDMENT
N:\BORGIE\WP\DOCS\CORP\ACT\CASI\AMDTCHNG.

Exhibit 5

MAY.-16'00(TUE) 11:16 HAWLEY TROXELL TEL:208-342-3829 P.027

[redacted] ISSUED: 07-05-1994

No. 106221

Idaho Corporation Annual Report Form

Due No Later Than November 14, 1994

Return To

Secretary of State
Room 203, Statehouse
P.O. BOX 83720
Boise, ID 83720-0080

* FIRST NOTICE *
NO FEE REQUIRED

1. Mailing Address
CHILDREN'S AID OF IDAHO, INC.
HELEN FAIRBOURN
2308 N COLE RD STE E

BOISE ID 83704

2. Registered Agent and Office [redacted]
HELEN FAIRBOURN
2308 N COLE RD. STE E

BOISE ID 83704

3. Incorporated Under The Laws
of ID
NO: 106221

4. Names and Addresses of Officers and Directors [redacted]

	Name	Street or P.O. Address	City	State	Zip
President:	Spencer Wheatley	[redacted]	Boise	Idaho	83704
Secretary:	Helen Fairbourn	[redacted]	Boise	Idaho	83704
Directors:	W. Lyman Belnap, Attny	[redacted]	Boise	Idaho	83702
	Claudette Vail	[redacted]	Nampa	Idaho	83653
	Mary Lou Weiner	[redacted]	Meridian	Idaho	83642
	Betty Griffin	[redacted]	Boise	Idaho	83702

Redacted Information in Subcommittee Files

5. Nature of Business
Adoption Service

6. I certify that this Annual Report has been examined by me and is to the best of my knowledge true, correct and complete.
Signature Helen Fairbourn Date
Name (Type or Print) Helen Fairbourn Title Adp. Prog. Mgr.

Exhibit H

MAY.-16'00(TUE) 11:16 HAWLEY TROXELL TEL:208-342-3829 P.028

INSTRUCTIONS ON REVERSE SIDE

No. 106221

Return To:
Secretary of State
700 W Jefferson
P.O. Box 83720
Boise, ID 83720-0080
* FIRST NOTICE *
NO FEE REQUIRED

Idaho Corporation Annual Report Form

Due No Later Than November 15, 1995

[redacted]
CHILDREN'S AID OF IDAHO, INC.
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

2. Registered Agent and Office NOT A P.O. BOX
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

3. Incorporated Under The Laws of
ID
NO: 106221

4. Names and Addresses of Officers and Directors

	Name	Street or P.O. Address	City	State	Postal Code
President:	Spencer Wheatley	[redacted]	Boise	ID	83704
Secretary:	Helen Fairbourn	[redacted]	Boise	ID	83704
Directors:	Lyman Belnap	[redacted]	Boise	ID	83702
	Mary Lou Weiner	[redacted]	Meridian	ID	83642
	Betty Griffin	[redacted]	Boise	ID	83702
	Phyllis Oullette	[redacted]	Boise	ID	83704
	Joe Roberts	[redacted]	Caldwell	ID	83605

Redacted Information
In Subcommittee Files

5. Nature of Business
Adoption Agency

6. I certify that this Annual Report has been examined by me and is to the best of my knowledge true, correct and complete.
Signature: Helen Fairbourn Date: July 13 1995
Name (Type or Print): Helen Fairbourn Title: Adopt Prog Dir

Exhibit I

MAY -16'00(TUE) 11:17 HAWLEY TROXELL TEL:208-342-3829 P.029

No. C106221

Annual Report Form 1996
Due No Later Than November 30,

Return to:
SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080
NO FEE REQUIRED

* FIRST NOTICE *

1. Mailing address [redacted]
CHILDREN'S ADOPTION SERVICES
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

2. Registered Agent and Office NOT A P.O. BOX
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

3. Organized Under the Laws of:
ID C106221

4. Corporations: Enter Names and Addresses of President, Secretary and Directors
Limited Liability Companies: Enter Names and Addresses of ☐ Managers or ☐ Members (check one)

Office held	Name	Street or P.O. Address	City	State	Zip
Corp President -	Joe Roberts -	[redacted]	Caldwell	ID	83605
Corp Secretary -	Helen Fairbourn -	[redacted]	Boise	ID	83704
Bd Chairman -	Lyman Belnap -	[redacted]	Boise	ID	83702
Director	Spencer Wheatley -	[redacted]	Boise	ID	83704
Director	Glen Fairbourn -	[redacted]	Boise	ID	83704
Director	Joe Roberts -	[redacted]	Caldwell	ID	83702

5. NATURE OF BUSINESS
WELFARE OF CHILDREN

6. I certify that this Annual Report has been examined by me and is to the best of my knowledge true, correct and complete.
Signature Helen Fairbourn Date 7-15-96
Name (Print or Type) Helen Fairbourn Title Corp Sec

ISSUED: 07-06-1996 19512

Redacted Information
in Subcommittee Files

Exhibit J

MAY. -16' 00(TUE) 11:17 HAWLEY TROXELL TEL:208-342-3829 P. 030

No. C106221

Annual Report Form 1997

Due No Later Than November 30

Return to:
SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080

NO FEE REQUIRED

* FIRST NOTICE *

1. [redacted]
CHILDREN'S ADOPTION SERVICES
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

2. Registered Agent and Office NOT A P.O. BOX
WM LYMAN BELNAP
6983 KINGSDALE DR
BOISE ID 83704

3. Organized Under the Laws of:
ID C106221

4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors
Limited Liability Companies: Enter Names and Addresses of ☐ Managers or ☐ Members (check one)

Office held	Name	Street or P.O. Address	City	State	Zip
PRESIDENT	JOSEPH ROBERTS	[redacted]	CALDWELL	ID	83605
DIRECTOR	HELEN FAIRBOURN	[redacted]	BOISE	ID	83704

Redacted Information
in Subcommittee Files

5.

6. Signature [signature] Date AUG 11, 1997
Name (Type or Print) HELEN FAIRBOURN Title DIRECTOR

ISSUED: 07-04-1997 DO NOT TAPE OR STAPLE 20329

Exhibit K

MAY. -16' 00(TUE) 11:17 HAWLEY TROXELL TEL:208-342-3829 P. 031

Annual Report Form 1998
Due No Later Than November 30,

Return to:
SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080
NO FEE REQUIRED
* FIRST NOTICE *

[redacted]
CHILDREN'S ADOPTION SERVICES
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83704

2. Registered Agent and Office NOT A P.O. BOX
~~WS LYMAN DELNAP~~
~~6703 KINGDALE DR~~
Joseph Roberts
BOISE ID 83704
2308 N. Cole Rd STE E

3. Organized Under the Laws of:
ID C106221

4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors
Limited Liability Companies: Enter Names and Addresses of ☐ Managers or ☐ Members (check one)

Office held	Name	Street or P.O. Address	City	State	Zip
PRESIDENT	JOSEPH ROBERTS	[redacted]	CALDWELL	ID	83605
EXEC DIR.	HELEN FAIRBOURN	[redacted]	BOISE	ID	83704
BOARD CHAIR	GLEN FAIRBOURN	[redacted]	BOISE	ID	83704
BOARD MEMBER	LARRY WINTERSTEED	P.O. BOX 739	BOISE	ID	83701
~ ~	MARY MCDOUGAL	[redacted]	BOISE	ID	83713
~ ~	TED JOHNSON	[redacted]	BOISE	ID	83713
~ ~	JAN JOHNSON	[redacted]			

5. Signature of New Registered Agent
Joseph Roberts
ISSUED: 07-03-1998

6. Signature [signature] Date 7-17-98
Name Please Print GLEN FAIRBOURN Title VP BOARD
21172

DO NOT TAPE OR STAPLE

Redacted Information
in Subcommittee Files

Exhibit L

MAY.-16'00(TUE) 11:17 HAWLEY TROXELL TEL:208-342-3829 P.032

No. C106221

Return to:
SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080

NO FEE REQUIRED

* FIRST NOTICE *

Annual Report Form
Due No Later Than November 30, 1999

[redacted]

CASI FOUNDATION FOR CHILDREN
HELEN FAIRBOURN
2308 N COLE RD STE E
BOISE ID 83706

2. Registered Agent and Office NOT A P.O. BOX
JOSEPH ROBERTS
2308 N COLE RD STE E
BOISE ID 83704

3. Organized Under the Laws of:
ID C106221

4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors
Limited Liability Companies: Enter Names and Addresses of ☐ Managers or ☐ Members (check one)

Office held	Name	Street or P.O. Address	City	State	Zip
PRESIDENT	JOSEPH ROBERTS	[redacted]	CALDWELL	ID	83605
EXEC DIRECTOR	HELEN FAIRBOURN	[redacted]	BOISE	ID	83704
BOARD CHAIR	GLEN FAIRBOURN	[redacted]	BOISE	ID	83704
BOARD MEMBER	TED JOHNSON	[redacted]	BOISE	ID	83713
" "	JAN JOHNSON	" "	"	"	"
" "	LARRY WINTERSTEIN	[redacted]	BOISE	ID	83704
" "	MARY McDONAL-MEALON	[redacted]	BOISE	ID	83702

5. Signature of New Registered Agent

6. Signature [illegible] Date 1-31-00
Name (Print) GLEN FAIRBOURN Title BOARD CHAIRMAN

ISSUED: 07-03-1999 22554

Redacted Information
in Subcommittee Files

Exhibit M

Court File No. 00-CV-188866

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

GOLD CHANCE INT'L LIMITED,
CEBY MANAGEMENT LIMITED and
JBG MANAGEMENT INC.

Plaintiffs

- and -

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK, PETER M. DAIGLE,
TRIGLOBE INTERNATIONAL FUNDING INC.,
FREETRADE BUREAU, S.A., FREE TRADE BUREAU, S.A.,
1170870 ONTARIO LIMITED operating as G & S ENTERPRISES, G & S
ENTERPRISES LIMITED, G & S ENTERPRISES LTD., G & S ENTERPRISES
ONTARIO LTD., SAYSE CHATTERPAUL, PAUL ZHERNAKOV,
THE BANK OF NOVA SCOTIA, and BANK OF MONTREAL
SAYSENARINE CHATTERPAUL (also known as SAYSE CHATTERPAUL),
BRITISH TRADE & COMMERCE BANK, and GEORGE BETTS

Defendants

AFFIDAVIT OF DR. RODOLFO REQUENA

I, Dr. Rodolfo Requena, of the City of Miami, State of Florida, Businessman, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of the Defendant British Trade and Commerce Bank ("BTCB") and as such have knowledge of the matters to which I hereinafter depose.

OVERVIEW

2. BTCB was established in 1997 in Roseau, Commonwealth of Dominica. It is a regulated and full-time operating financial institution.

3. None of the Plaintiffs is or has ever been a customer of BTCB. At no time has BTCB had any contractual or other relationship with any of the Plaintiffs.

4. At no time prior to this action being commenced was BTCB aware of the identity of the Plaintiffs or their involvement with respect to the $3 million (U.S.) investment which is the subject matter of this action. BTCB was advised that these monies were owned by and deposited by the Defendant Free Trade Bureau S.A. ("Free Trade") into a managed investment account for a locked-in period of one year. BTCB was never advised that the investment was deposited at BTCB in trust for, or for the benefit of the Plaintiffs.

5. BTCB acknowledges that the $ 3 Million (U.S.) investment made by Free Trade must be repaid to Free Trade, but any repayment should be in accordance with the written agreements entered into by Free Trade and BTCB regarding the money. Pursuant to those agreements BTCB is not required to return the money until the one year anniversary date of the investment, namely on 15 December 2000. BTCB acknowledges that Free Trade has requested an early return of this money and is taking steps to accommodate that request. BTCB may be in a position to return the money earlier even though it is only contractually obligated to return the money on 15 December 2000.

6. Pursuant to the terms of those same agreements, any disputes relating to this investment must be resolved by arbitration, not Court action and must be resolved in accordance with the laws of the Commonwealth of Dominica. BTCB requires that the disputes in this action be referred to arbitration and requests that this action be stayed as against it, and its officer, George Betts.

THE PARTIES

(a) George Betts

7. George Betts is the Executive Vice President and Chief Financial Officer of BTCB. He is a qualified CPA who served for 22 years with Deloitte and Touche. For 10 years he was a Partner in Charge of Asia for Deloitte and Touche.

8. All activities engaged in by George Betts with respect to these matters, he engaged in as an officer of BTCB and not in any personal capacity. All such activities were carried out in the course of his duties as an officer of BTCB.

9. Neither BTCB nor George Betts have misappropriated any of the monies at issue in this action.

(b) BTCB

10. BTCB was incorporated in the Commonwealth of Dominica on February 26th 1997 and was issued a licence to conduct an offshore banking and trust business on March 27th 1997 by the Government of the Commonwealth of Dominica. Now shown to me and marked as Exhibits "A" and "B" respectively to this my Affidavit are true copies of BTCB's Certificate of Incorporation and Licence.

11. As our website sets out, BTCB is the Carribean's banking leader,

> "with innovative strategies fostering its customers' desire for asset protection and wealth preservation with a proven dividend. Through its affiliated companies, BTCB provides its clients secure and confidential access to the world's financial, real estate, internet and securities markets. Our solid foundation is a result of more than a century of executive expertise in accounting, portfolio management, securities trading and project financing".

In order to provide access to these markets, all investments must be made on a long term basis of at least one year. Now shown to me and marked as Exhibit "C" to this my Affidavit is a true copy of excerpts of our website.

12. BTCB is not a traditional commercial bank. It functions as an investment bank and manages funds for high net worth individuals providing them with an array of services under the privacy of the offshore banking laws of Dominica. Those banking laws make it a criminal offence for

an officer, director or employee of a bank to disclose information regarding its clients without an appropriate court order or the express written consent of the client. Now shown to me and marked as Exhibit "D" to this my Affidavit are true copies of excerpts of the applicable privacy laws.

13. BTCB is not a lending bank and it has never been a lending bank. Since its inception it has only once loaned funds to a customer and that was for a housing project in co-operation with the Government of Dominica.

14. BTCB operates under a strict "Know Your Customer Policy". To comply with this policy, if there are any questions about funds received by the bank, BTCB will request a "proof of funds" letter from the bank where the funds originate. Moreover, all of the transactions undertaken by BTCB are in U.S. dollar wire transfers and all U.S. dollars go through the Federal Reserve System in the United States. As a result, the Federal Reserve has an opportunity to look at every single dollar, which comes into BTCB.

15. BTCB has also willingly volunteered to be supervised by the Eastern Carribean Central Bank. It would welcome this supervision.

16. I have reviewed the various Affidavits filed by the Plaintiffs and their solicitors which contain many unwarranted allegations regarding the "character" or "reputation" of BTCB which are based on second or third hand information, internet chat room gossip, innuendos and rumours. For the sake of brevity, I do not intend to comment on these unsubstantiated allegations in this Affidavit

except to state that I dispute them all. If this action proceeds each of these allegations will be refuted fully.

(c) Free Trade Bureau S. A.

17. The Defendant Free Trade is an International Business Corporation, which was incorporated on 2 January 1998 under the *International Business Companies Act, 1996* in the Commonwealth of Dominica. Free Trade was incorporated for the Defendant, Paul Zhernakov pursuant to his instructions. Free Trade is not owned, controlled, or affiliated with BTCB. It has been a customer of BTCB since January 1998. Now shown to me and marked as Exhibits "E" and "F" respectively to this my affidavit are true copies of the Certificate of Incorporation and the Certificate of Good Standing for Free Trade.

(d) Triglobe International Funding Inc., 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., Sayse Chatterpaul.

18. Except for what it has learned in this action BTCB does not have any knowledge or information regarding Triglobe International Funding Inc., 1170870 Ontario Limited operating as G & S Enterprises, G & S Enterprises Limited, G & S Enterprises Ltd., G & S Enterprises Ontario Ltd., or Sayse Chatterpaul. BTCB does not have and has never had any business or other relationship or affiliation with any of these parties.

BTCB'S INVESTMENT PROGRAMS

19. In order for a client to transact any business with BTCB the client must have an International Business Corporation (an "IBC"). Any investments must be conducted through the IBC.

20. In order for an IBC to open an account with BTCB it must complete and submit an Account Opening Form providing important details regarding the IBC, its business and the type of account required, e.g., whether it is a business account for the IBC or a trust account. Now shown to me and marked as Exhibit "G" to this my affidavit is a true copy of such a form.

21. One of the investment options available with BTCB is a Managed Account through the Managed Accounts Department, which is headed by Dr. Charles Brazie. Managed Accounts are governed by a series of standard form agreements including a Cooperative Venture Agreement, a Managed Account Custody Agreement, a Specific Transaction Instructions Agreement and a Residual Distribution Instructions Agreement. Each of the latter three agreements is incorporated by reference in the Cooperative Venture Agreement. All investments placed in a Managed Account must be placed for at least a one year period. This is a standard provision for Managed Accounts and is disclosed in our material including, for example, our website which describes Managed Accounts in the following manner:

> "Managed Accounts
>
> Our Managed Accounts Department provides a broad spectrum of Investment Banking Services to select, qualified investor clientele. Our qualified professionals manage client assets in a secure, tax

friendly environment with access to both traditional and private-placement international finance opportunities. This Department couples measures that protect our corporate and trust clientele's principal assets with substantial earnings potential all within a structure designed to afford maximum privacy considerations. *This component of BTCB's client services affords sophisticated investors, having substantial assets that can be committed for periods of at least one year under our Managed Account Custody Agreement*, the opportunity for high periodic portfolio growth under the dedicated expertise and experience of our acknowledged professionals." (emphasis added).

Now shown to me and marked as Exhibits "H", "I", "J" and "K" respectively to this my Affidavit are true copies of a Cooperative Venture Agreement, a Managed Account Custody Agreement, a Specific Transaction Instructions Agreement and a Residual Distribution Instructions Agreement.

22. The Cooperative Joint Venture Agreement contains a number of relevant provisions with respect to this action:

"2.4 The period of the **AGREEMENT** is for at least one (1) year.....

. . . . . .

3. <u>DISPUTES</u>

3.1 In the event of any dispute concerning any aspect of this **AGREEMENT**, including breach or alleged breach hereof, the **Parties** agree to have the matter arbitrated by a third party mutually agreed by the **Parties**. If the **Parties** cannot agree upon the arbitrator, the **Parties** agree to have the dispute arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the dispute). The venue for such arbitration shall be the city of London and any such arbitration decision shall be

final and binding on the **Parties** and may be enforced in any Court of Law having jurisdiction thereto.

. . . . . .

5.3 This **AGREEMENT** is a full recourse, private, non-public agreement executed under the laws of the Commonwealth of Dominica, which shall be the jurisdiction governing the construction, interpretation, execution, validity, enforceability, performance, or any other matter respect to this **AGREEMENT** including breach or claim thereof."

The reference to the city of London in clause 3.1 above is a reference to London, England.

23. The Managed Account Custody Agreement also contains the following important provisions:

"**Governing Law, Successors and Assigns.** This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Dominica without giving effect to that Commonwealth's principles of conflicts of laws and will be binding on our and your respective successors and assigns.

...

Arbitration. Any controversy between you and the undersigned arising out of or relating to this Agreement, including breach or alleged breach, hereof, shall be resolved by arbitration by a third party mutually agreed upon by you and the undersigned. In the event you and the undersigned cannot agree upon such a arbitrator, the matter shall be arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M 1990 or latest revision in effect at the time of the controversy). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on all parties and may be enforced in any Court of Law having jurisdiction thereto."

Once again, the reference to the City of London is a reference to London, England.

24. These provisions are important because they demonstrate that all controversies or disputes regarding a Managed Account investment must be resolved by arbitration, and that the Agreements described above are governed by and must be construed in accordance with the laws of the Commonwealth of Dominica. As will be seen below, these agreements govern the relationship between BTCB and Free Trade regarding the investment of the $3 Million (U.S.).

BTCB'S BUSINESS DEALINGS WITH FREE TRADE

25. In January 1998 Free Trade entered into a Cooperative Venture Agreement, a Managed Account Custody Agreement, a Specific Transaction Instructions Agreement and a Residual Distribution Instructions Agreement with BTCB. These agreements contain each of the provisions described above. Now shown to me and marked as Exhibit "L" to this my Affidavit are true copies of the said Agreements.

26. I am advised by Dr. Brazie and do verily believe that the Specific Transaction Instructions Agreement also contains an express clause requested by Zhernakov to ensure that Free Trade would have the contractual right to make investments on an on-going basis into its Managed Account under these Agreements and that in each instance such investments would be subject to the terms of the Agreements.

27. Free Trade invested monies from time to time into its Managed Account. On each occasion these investments were accepted by BTCB subject to the above described Agreements.

One such investment was made in early December 1999. This is the investment involving the $3 Million (U.S.) which is the subject of this action.

28. I am advised by Dr. Brazie and do verily believe that Zhernakov contacted him by phone in early December 1999 and discussed the matters set out below.

a) Zhernakov advised Dr. Brazie that Free Trade had $3 Million (U.S) which it wished to invest in its Managed Account.

b) Zhernakov asked for confirmation that the money would be invested by BTCB pursuant to the terms of the Agreements already in place (which require an investment for at least one year).

c) Dr. Brazie advised Zhernakov that BTCB would invest the money pursuant to the terms of the said Agreements.

Zhernakov then indicated he would confirm the arrangements in writing.

29. By fax dated 7 December 1999 Free Trade confirmed in writing to BTCB that it wished to deposit $3 Million (U.S.) into its Managed Account. Free Trade advised BTCB that the "Funds are already on [sic] our lawyer's account in Canada. He is Mr. Douglas Hancock". Now shown to me and marked as Exhibit "M" to this my affidavit is a true copy of the fax.

30. The only change requested by Free Trade with respect to the investment of this $3 Million (U.S.) to the existing terms of its Managed Account Agreements was that a second signature be required, in addition to Zhernakov's signature, to operate the Managed Account.

I am advised by George Betts who handled this request and do verily believe that Free Trade requested that this second signature be required to access and disburse the principal and any yields which accrued to the investment under the Managed Accounts Agreements. Therefore, a copy of the appropriate page of the Account Opening Form was sent to Free Trade so that the required change could be made. The relevant page is page 2 of Exhibit "G" to my Affidavit.

31. On about 7 December 1999 this page was completed by Free Trade, and more particularly, by the Defendants Zhernakov and Douglas Hancock, each of whom signed the page. The page was then returned to BTCB. Now shown to me and marked as Exhibit "N" to this my Affidavit is a true copy of the completed page.

32. There are a number of significant points that must be made regarding the information sent to BTCB by Free Trade (and by Zhernakov and Hancock) in Exhibit "N". First, on the top half of that page is a section entitled "TRUST PROPOSAL". This section is to be completed if the proposed investment involves a trust. It requires the customer to identify the type of trust, the trustees and the beneficiaries. This section was left blank by Free Trade, Zhernakov and Hancock indicating that no trust was involved.

33. Second, in the bottom section of the page in which Zhernakov and Hancock printed, then signed their names they were required to indicate if the bank account owner was an IBC (e.g. Free Trade) or a trust. A check mark was not placed in the box indicating that a trust was involved. Rather the check mark was placed in the box indicating that the IBC (i.e. Free Trade)

was the bank account owner. The box indicating that 2 signatures were required for transactions was also checked off.

34. Third, because the requirement of a second signature only applied to the pending investment of $3 Million (U.S.) and not to any other Free Trade investments at BTCB, a new sub-account number was assigned. Hence, the reference to "New Account" on the page.

35. By fax dated 7 December 1999 BTCB confirmed that a United States Dollar account number had been assigned. There is no reference to any trust account being established for the monies. Now shown to me and marked as Exhibit "O" to this my affidavit is a true copy of the said fax.

36. By separate faxes dated 10 December 1999 each of Hancock and Zhernakov confirmed their instructions regarding the $3 Million (U.S.). Neither fax contained any suggestion that the monies were trust monies or did not beneficially belong to Free Trade. Now shown to me and marked as Exhibits "P" and "Q" respectively, are true copies of the said faxes.

37. At no time when Free Trade, Zhernakov and Hancock were providing instructions to BTCB regarding the $3 Million (U.S.) did any of them advise BTCB that the monies were trust monies or that they were to be held in trust. There was no mention of the Plaintiffs or any suggestion that the Plaintiffs had any interest in the money.

38. In short, based on the information provided by Free Trade, Zhernakov and Hancock, BTCB believed that the $3 Million (U.S.) belonged to Free Trade and was being invested by Free Trade in its Managed Account pursuant to the terms of the relevant Agreements. BTCB accepted and dealt with the money on this basis. This meant, among other things, that the money was locked in for a one year period.

39. I am aware from the material filed by the Plaintiffs and the orders granted by the Ontario court that there is concern regarding the distribution of monies from BTCB's account at First Union National Bank in Florida, into which Free Trade deposited its $3 Million (U.S.) investment. The First Union National Bank account is a general account used for business and investment purposes by BTCB. The money from Free Trade was not trust money as far as BTCB was aware and so it was co-mingled with the general funds in this account. The money in this account was used by BTCB in the ordinary course of its business to meet business and investment obligations. This is why there are many individual distributions of funds to different individuals, businesses and other entities around the world. Free Trade's account at BTCB is credited with the $3.0 million (U.S.) which was invested on 15 December 1999 and its account remains open.

40. One other point must be made regarding this transaction with Free Trade. This was an investment by Free Trade and nothing more. In particular, it was never suggested, discussed or agreed that the money was intended to be collateral for a loan. There was never any discussion or agreement that BTCB would provide any money to Free Trade or anyone else by way of a

loan. BTCB was not aware until after this action was commenced and it was served with the Statement of Claim that Free Trade had agreed to arrange a loan of $12 Million (U.S.) for the Plaintiffs. This was not an issue that any of the Defendants ever raised with BTCB.

SUBSEQUENT EVENTS

41. BTCB will in some circumstances provide to customers who have a Managed Account investment, advances of the expected earnings of that investment during the term of the investment and prior to maturity. BTCB made such advances to Free Trade from time to time relating to Free Trade's other investments.

42. In early March 2000 Free Trade requested that advances of expected earnings be paid to it with respect to its $3 Million (U.S.) investment. BTCB agreed to credit the account of Free Trade at the rate of 2% per month and the amount of $60,000 monthly was credited to the Free Trade Managed Account with effect from 15 December 1999.

43. I am advised by George Betts and do verily believe that:

a) on about 23 March 2000 Free Trade requested a lump sum advance against projected earnings in the amount of $400,000 (U.S.) and that BTCB confirmed its agreement to make such an advance in two faxes to Free Trade dated 23 and 24 March 2000;

b) before the transfer of this advance could be completed, Free Trade asked BTCB to terminate its $3 Million (U.S.) investment in the Managed Account Investment Program and to wire transfer its money to the bank account of Mr. Hancock's law firm;

c) George Betts spoke to Zhernakov about this request and reminded him that the money was locked in an investment program for one year and could not be withdrawn until 15 December 2000 but, that he (George Betts) would attempt either to arrange an early release of the money from the investment program, or failing that, to locate another investor to take over Free Trade's position in the investment so that Free Trade could be paid out prior to maturity;

d) by fax dated 12 April 2000 George Betts confirmed to Free Trade that the monies would be transferred, "when the funds are received from the investment arrangement into which they have been placed";

e) at the time George Betts sent the above fax he was hopeful that another investor could be found to take over Free Trade's position immediately, but unfortunately such an investor could not be found; and

f) on 18 April 2000 George Betts spoke to Hancock and his lawyer John Olah and advised Hancock that the $3 million (U.S.) could not be returned immediately

> because it was invested in a Managed Account subject to an agreement that it remain invested for one year and that in order to have the funds returned early Free Trade would have to break the investment (which might not be possible) and suffer certain penalties including loss of any earnings, or find somebody to buy out its position in the investment.

Now shown to me and marked as Exhibits "R", "S", "T", "U" and "V" respectively to this my Affidavit are true copies of the said faxes dated 23 March, 24 March, 10 April and 12 April 2000 and a copy of the notes made by Olah and Hancock during their telephone call with George Betts on 18 April 2000 (These notes were marked as Exhibit 2 to the Affidavit of Greg Banks sworn on 1 May 2000).

44. By fax dated 28 April 2000 to Free Trade BTCB again explained why the money could not be returned immediately.

> "1. The investment program you selected required a deposit of funds for a period of one year. There is no provision for withdrawal before the end of the period.
>
> 2. When you entered the program, you were informed that other parties whose funds were also invested depended on the commitment of all investors to the one-year lock up of funds.
>
> 3. The managed account agreement you received and signed did not promise a specific return on investment. It does allow you to participate in profit earned on pooled funds at the end of the one-year term. The profits are to be earned on the best efforts basis of the fund managers.

4. You made the deposit into this investments program in December 1999.

5. When you requested a return of your investment, BTCB informed you that it would assist in locating a replacement for your funds. The replacement party would make its funds available in an amount equal to the sum invested, and "buy" your position in the investment program by allowing BTCB to deliver the new funds to you. The profits would belong to the replacement party at the end of the term. It is in this manner that we are able to discontinue your participation in the financing arrangement in which you are part.

6. BTCB is optimistic that a replacement investor has been located, and the sum you invested can be returned to you in the near future.

7. The funds have not been moved and remain under control of BTCB.

8. BTCB confirms that it accepts full responsibility for the return of USD $3M (three million United States dollars) reserved previously for financing arrangements."

The above statements accurately summarize BTCB's position regarding the $3 Million (U.S.) investment made by Free Trade. Now shown to me and marked as Exhibit "W" to this my Affidavit is a true copy of said fax.

CURRENT STATUS OF THE $3 MILLION (U.S.).

45. BTCB has been attempting since April 10th to find a replacement investor for Free Trade so that the $3 Million (U.S.) can be returned. As soon as such a replacement investor is found

the money will be returned to Free Trade. In any event, it will be returned no later than the anniversary date of the investment, namely, 15 December 2000.

46. Pursuant to the Agreements governing this $3 Million (U.S.) investment, if the money is withdrawn prior to the one year anniversary date, Free Trade is not entitled to any earnings made on the money. However, as I have explained above, the Free Trade account has already been credited with advances on the projected earnings in the amount of $240,000.00 (U.S.). In such circumstances these advances would usually have to be repaid because of the early withdrawal from the investment program.

47. In reviewing the account history of this Free Trade Managed Account for the purposes of preparing this Affidavit I discovered that the advances which had been credited to the account had been paid out to various other accounts pursuant to instructions received from Zhernakov alone. It was not unusual to receive such instructions from Zhernakov to pay out such advances with respect to his other investments and so when the same instructions were given regarding the $3 Million (U.S.) investment those instructions were followed by BTCB.

48. In paying out those advances BTCB inadvertently overlooked the account instructions that two signatures, from Zhernakov and Hancock, were required to authorize account activity in this particular sub-account. Since this discovery, BTCB has not paid out (and will not pay out) any further advances in this fashion. BTCB will not seek to recover from Free Trade the advances already made if the $3 Million (U.S.) is returned prior to 15 December 2000 (i.e. it will

not deduct the advances of $240,000.00 (U.S.) from the principal sum of $3 Million (U.S.) which is to be returned to Free Trade). In addition, if the $3 Million (U.S.) is not repaid until 15 December 2000 as required by the Agreements, BTCB will pay to Free Trade the full amount owing for the $3 Million (U.S.) investment without any deduction for the advances already made. Rather, BTCB will deal directly with Zhernakov regarding repayment of those advances.

BTCB REQUESTS ARBITRATION

49. As I have described above, BTCB did not have any contact of any kind with the Plaintiffs prior to the commencement of this action. BTCB was not aware of the Plaintiffs' interest in or involvement with the $3 Million (U.S.) investment made by Free Trade. None of the Plaintiffs has ever been a customer of BTCB and BTCB does not have any relationship, contractual or otherwise with the Plaintiffs. The $3 Million (U.S.) which BTCB received from and invested on behalf of Free Trade is subject to the various Agreements described above.

50. Pursuant to the Agreements governing the $3 Million (U.S.) Investment made by Free Trade any disputes or controversies regarding these matters must be resolved by arbitration, and the Agreements must be construed in accordance with the laws of Dominica. BTCB requires that the disputes which are the subject of this action be resolved on that basis.

51. Accordingly, BTCB requests that this action be stayed or dismissed as against it and its officer George Betts who was acting in the course of his duties at all material times.

SWORN BEFORE ME at the)
City of Miami, in the State of Florida)
on the 7th day of September 2000)

Dr. Rodolfo Requena

Commissioner for Taking Affidavits

SWORN TO, ACKNOWLEDGED AND SUBSCRIBED before me this 7th day of September, 2000, by Rodolfo Requena, who is personally known to me or has produced Florida Drivers' License as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 728854
MY COMMISSION EXP. APR. 22,2003

THIS IS EXHIBIT "E" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "E" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

COMMONWEALTH OF DOMINICA

IN THE MATTER OF
THE INTERNATIONAL BUSINESS COMPANIES (IBC) ACT

AND

IN THE MATTER OF THE REGISTRATION OF

FREE TRADE BUREAU S.A.

CERTIFICATE OF INCORPORATION

I DO HEREBY CERTIFY THAT **FREE TRADE BUREAU S.A.** is this day incorporated under the International Business Companies Act, 1996 and that the Company is limited by shares.

Given under my hand this
20 day of January ,1998.

REGISTRAR OF COMPANIES
COMMONWEALTH OF DOMINICA

THIS IS EXHIBIT "H" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "H" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Driver's License
as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLO...
COMMISSION NO. CC 828834
MY COMMISSION EXP. APR. 22,20..

COOPERATIVE VENTURE AGREEMENT NO. FIELD(ConCode)
Transaction Code: FIELD(TRANSCODE)

THIS AGREEMENT is entered into this FIELD(Day) day of FIELD(Month) FIELD(Year), by and between: FIELD(IBCNAME), having principal offices at FIELD(IBCAddress), as represented by INTERNATIONAL CORPORATE SERVICES LTD. (hereinafter "ICS"), its SOLE DIRECTOR-DESIGNEE:
Attention: FIELD(IBCRep), FIELD(IBCRepTitle)
Telephone: FIELD(IBCPhone) Facsimile: FIELD(IBCFax)
(hereinafter "**Client**" shall mean FIELD(IBCNAME), its attorneys, affiliated companies, or designees).

AND

BRITISH TRADE & COMMERCE BANK, having principal offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.
Attention: Dr. Charles L. Brazie, Vice President - Managed Accounts
Telephone: (767) 448-6410 Facsimile: (767) 448-6477
(hereinafter "**BTCB**" shall mean British Trade & Commerce Bank, its attorneys, affiliated companies, or designees/nominees, and "**Parties**" herein shall mean **Client** and **BTCB**).

WITNESSETH THAT:

WHEREAS, BTCB is a bank chartered and operating under the laws of the Commonwealth of Dominica and fully empowered to provide the necessary accounts and conduct the activities envisioned herein; and

WHEREAS, BTCB has the legal capacity and authority to cause assets to be entered into certain established International Cash Management Scenario(s) conducted at Top American and Western European Banks; and

WHEREAS, BTCB has correspondent relationships with major world banks; has agreed to enter into the Managed Account Custody Agreement hereinbelow with **Client**; has opened an Account in the name of **Client** for the transactions envisioned hereunder; and has the ability to effect participation in such Scenario(s), with attractive yields emitting from such Scenario(s); and

WHEREAS, BTCB has the legal capacity and authority to issue Certificates of Deposit ("CD's") and other bank Instruments; and

WHEREAS, Client is an International Business Company that is organized and operated under the laws of the Commonwealth of Dominica; and

WHEREAS, Client will have qualified funds on deposit in the amount of at least FIELD(PrinAmount) United States Dollars (USFIELD(Prin$$)) in its such Account that is committed for at least one (1) year and that may be placed in such Scenario(s), and **WARRANTS** that such deposits are clean, clear and legally obtained funds of non-criminal origin; and

WHEREAS, BTCB and Client have determined to enter into a cooperative venture relationship in order to participate in such Scenario(s) in full accord with all applicable rules and regulations [including I.C.C. Publication 500/600]; and

WHEREAS, BTCB, and Client intend to finance projects or to place appropriate funds into approved project funding sources from the profits arising from this **AGREEMENT**; and

WHEREAS, BTCB and Client, by entering into this **AGREEMENT**, do not intend to create a taxable partnership/corporation/entity, but rather intend to create a vehicle of cooperative enterprise in which the **Parties** have agreed to participate; and

C.V. Agreement # : FIELD(ConCode)
Transaction Code : FIELD(TRANSCODE)

WHEREAS, BTCB and Client, mutually desire to transact business with one another for the period specified in this **AGREEMENT** but not less than one (1) year; and

WHEREAS, this **AGREEMENT,** when signed, shall constitute that **BTCB** and **Client,** each, are fully responsible, ready, and able to fulfill their respective obligations and responsibilities hereunder.

NOW THEREFORE, in consideration of the foregoing, and the various covenants and undertaking herein, and for other good and valuable considerations, the value and the adequacy of which is acknowledged by each of the parties hereto upon execution of this **AGREEMENT, BTCB** and **Client** agree as set forth hereinbelow.

1. PURPOSE

1.1 The primary purpose of the **Parties** is to cause the funding of certain projects and programs with the net proceeds derived from participating in certain established International Cash Management Scenario(s) through financial mechanisms advantageous to the **Parties** and which comply with the rules and regulations from various jurisdictions and authorities that apply to such project financing. Significant proceeds from participating in such Scenario(s), net of normal costs (scenario participation costs, service fees, Custodial and Transaction Fees and costs), shall be deposited into development trust/project funding accounts which shall be used to cause the funding of such worthwhile projects and programs.

1.2 Notwithstanding the foregoing, each of the **Parties** shall be paid FIELD(IBCPercent) (FIELD(IBC#%)) points from the proceeds of such Scenario(s), as fees for services rendered. [FIELD(IBCPercent) (FIELD(IBC#%)) points are defined herein as FIELD(IBCPercent) Percent (FIELD(IBC#%)%) of such proceeds received from each participation cycle of such Scenario(s).] These funds shall be owned exclusively by the paid party and the other party hereby waives any and all claim to such paid funds.

1.3 The remaining proceeds from participation in the Scenario(s), as defined herein, shall be divided into two (2) parts upon their receipt. One (1) of these parts, which equals Fifty Percent (50%) of such remaining proceeds, shall be placed into CARIBAREA TRUST Accounts designated by **BTCB** and shall be used to fund projects/programs solely at the discretion of that Trust.

1.4 The remaining One (1) part, which equals the other Fifty Percent (50%) of such remaining proceeds, shall be disbursed through a Business Trust and placed into Project Funding Accounts that shall fund qualified projects solely under the discretion of **Client**. The subject of this paragraph and that immediately preceding shall not be subject to any litigation or arbitration.

2. TRANSACTION SCENARIO

2.1 **Client** has established a Custody/Transaction Account at **BTCB** for these Transactions, under the "Managed Account Custody Agreement" as set forth in EXHIBIT "A" attached hereto and made a part hereof.

2.2 **Client** will cause the deposits into such Account the amount of at least FIELD(PrinAmount) United States Dollars (USFIELD(Prin$$)) in exchange for a CD in the name of **Client,** which CD shall bear interest at the rate of Six Percent (6.0%) per annum, payable in arrears, and the term of such CD shall be for One (1) year. All interest payments under such CD shall be deemed advance disburse-

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ment(s) of proceeds from such Scenario(s) as provided under Paragraph 1.4 above. **BTCB** shall use its best efforts to cause such funds to be placed into such Scenario(s). **Client** may increase the qualified amounts on deposit with advanced notice to **BTCB**. The total qualified amount of such funds on deposit shall be deemed the Account Principal

2.3 **BTCB** shall place such Account Principal into such Scenario(s) and that participation shall be confirmed to the satisfaction of both **Parties**. The detailed activities to accomplish the intent of the paragraphs hereinabove are contained in the "Specific Transaction Instructions" set forth in EXHIBIT "B" attached hereto and made a part hereof.

2.4 If such Scenario shall provide a 106% Major Bank Instrument of Guarantee in exchange for such Account Principal, then that Instrument shall be exchanged for said CD and said CD shall be cancelled. Otherwise, when the cumulative disbursements to **Client** hereunder shall reach the amount of the Account Principal for which said CD has been issued, such CD shall be returned to **BTCB** and deemed paid in full and shall be cancelled.

2.4 The period of the **AGREEMENT** is for at least one (1) year, pursuant to **BTCB's** ability to place said assets in such Scenario(s). If the ongoing distribution of proceeds, as defined hereunder, does not occur within forty (40) days of the initial formal placement/acceptance of the assets into/by such Scenario(s), or within ten (10) days of each subsequent month of participation in such Scenario(s), **Client** may terminate this **AGREEMENT** without prejudice to itself and all such Principal assets and any such **Client's** proceeds, without additional set-off, reduction, or deduction, shall be distributed, immediately upon release from such Scenario(s), to bank coordinates that will be provided by **Client**.

2.5 The proceeds from participating in such Scenario(s) for any given participation cycle shall be disbursed, as provided hereinabove, at the beginning of the next subsequent participation cycle.

3. DISPUTES

3.1 In the event of any dispute concerning any aspect of this **AGREEMENT**, including breach or alleged breach hereof, the **Parties** agree to have the matter arbitrated by a third party mutually agreed upon by the **Parties**. If the **Parties** cannot agree upon the arbitrator, the **Parties** agree to have the dispute arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the dispute). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on the **Parties** and may be enforced in any Court of Law having jurisdiction thereto.

4. CONFIDENTIALITY

4.1 The **Parties** agree: that any and all information disclosed, or to be disclosed, by any other party hereto, or by legal counsel or other associate; and, that any and all documents and procedures transmitted to each other for and in execution of this **AGREEMENT** are privileged and confidential and are to be accorded the highest secrecy. Accordingly, the I.C.C. rules and regulations pertaining to Non-Disclosure and Non-Circumvention shall be included herewith by reference hereto. Moreover, the **Parties** specifically:

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A) Acknowledge and undertake for themselves, their legal counsel, employees, associates, officers, directors, trustees, bankers and/or representatives to treat any and all such information as privileged and confidential and not to disclose to any third party, directly or indirectly, or to use any such information for any purpose other than for accomplishment of the objectives of the business undertaken herein without the expresses, written prior consent of the party supplying that such information.

B) Acknowledge that any unauthorized dealing or disclosures or uses of any such information obtained for and in execution of the present **AGREEMENT** shall constitute a breach of confidence and shall form the basis of an action for damages by the injured party with a view to compensate the injured party to the extent any financial reward might have accrued but for the unauthorized dealing, misuse of information, or breach of confidence and contract.

5. GENERAL TERMS

5.1 Each party, individually and separately, accepts liability for its own taxes, imposes, levies, duties, or other charges that may be applicable in the execution of its respective roles.

5.2 Each party recognizes the unique services rendered by their representatives and agree: that each shall be responsible for the commissions and fees to which it has agreed in writing; and, that the party that has incurred any obligations shall indemnify and hold harmless the other party against any claim, demand, and/or expense, however arising.

5.3 This **AGREEMENT** is a full recourse, private, non-public agreement executed under the laws of the Commonwealth of Dominica, which shall be the jurisdiction governing the construction, interpretation, execution, validity, enforceability, performance, or any other matter in respect to this **AGREEMENT**, including breach or claim thereof.

5.4 Both parties acknowledge: that they had adequate time and opportunity to consult with counsel of their choosing prior to execution hereof; that each fully understands the facts and has been fully informed as to any rights and obligations in connection therewith; and, that, having this knowledge or lack of knowledge by voluntary choice, each has executed this **AGREEMENT** freely and without reservation.

5.5 The **Parties** acknowledge and accept that the I.C.C. rules and regulations appertaining to Force Majeure shall be included herewith by reference hereto.

5.6 The **AGREEMENT** cannot be assigned, transferred or conveyed by either party without the expressed, written, prior consent of the other party.

5.7 No unauthorized communications by either party with any bank outside of these procedures is allowed without the prior written consent of the other party. Failure to observe this consideration will immediately cause this **AGREEMENT** to be deemed to have been breached.

5.8 Each party shall be solely responsible for its own, unique institutional costs, except as otherwise provided hereinabove.

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6. COMPLETE AGREEMENT AND CONFORMING DOCUMENTS

6.1 This **AGREEMENT** reflects the complete understanding of the **Parties** on the matters hereto.

6.2 A facsimile copy of a fully executed original of this document will be deemed an original, binding and enforceable document until otherwise agreed to by the Parties.

6.3 This **AGREEMENT** shall remain in full force and effect until completion of the transactions envisioned hereinabove and shall be binding upon **BTCB** and **Client** and theirs heirs, successors and assigns, agents, principles, and all other parties associated with or involved in the transactions.

6.4 This **AGREEMENT** may consist of one or more counterparts, all of which upon execution shall constitute one and the same **AGREEMENT**. The **Parties** acknowledge that a hard copy of this **AGREEMENT** may be signed by each respective party at different places and different times. Both **Parties** have the right to require courier delivery of the original **AGREEMENT**.

6.5 Each addendum, change, or modification to this **AGREEMENT** must be made in writing and approved and executed by the **Parties** as a condition precedent to the implementation and effect of such addendum, change, or modification.

6.6 If any of the provisions of this **AGREEMENT** are, or become, invalid by virtue of applicable law(s) or fail enforceability, then this **AGREEMENT** shall remain in full force. The invalid and/or unenforceable provision(s) shall be replaced by provisions mutually agreed between the **Parties** within the spirit and intent of the original provision.

6.7 The **Parties** hereby confirm that each is fully empowered, legally qualified, and duly authorized to execute and deliver this **AGREEMENT** and to be bound by its terms and conditions. All statements and representations under this **AGREEMENT** are made with full legal and corporate responsibility.

IN WITNESS WHEREOF, the **Parties** declare herein that they have signed hereinbelow in full and bonafides, thereby entering into this contractual commitment as defined and provided under the terms, conditions, and provisions of this **AGREEMENT** on the dates last written herein below.

DATE: FIELD(MONTH) FIELD(Day#), FIELD(Year)

FOR AND ON BEHALF OF FIELD(IBCNAME) BY ITS DIRECTOR-DESIGNEE, INTERNATIONAL CORPORATE SERVICES LTD, BY:

FIELD(IBCSIGNATORY)
FIELD(IBCSIGTITLE)

FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK BY:

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT

THIS IS EXHIBIT "I" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "I" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLO
COMMISSION NO. CC 62
MY COMMISSION EXP. APR. 22

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EXHIBIT "A"

MANAGED ACCOUNT CUSTODY AGREEMENT

To: British Trade & Commerce Bank
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, W.I.

Gentlemen:

The undersigned hereby requests you to open and maintain a Custody Account in the name of the undersigned and to receive and hold therein as custodian, upon the following terms and conditions, cash and Investments (hereinafter defined).

Transactions. Subject to the provisions of this Agreement, you are authorized:

(a) To receive all interest and dividends payable on Investments and to credit such interest and dividends to the account or accounts of the undersigned with you as are designated by an Authorized Person (hereinafter referred to as the "Cash Account");
(b) To credit all proceeds received from sales and redemptions of Investments to the Cash Account;
(c) To debit the Cash Account for the cost of acquiring Investments for the Custody Account;
(d) To present obligations (including coupons) for payment upon maturity, when called for redemption and when income payments are due;
(e) To exchange securities for other securities where the exchange is purely material;
(f) To sell fractional interests resulting from a stock split or dividend;
(g) To convert any currency received with respect to Investments in the Custody Account into another currency whenever it is practical or necessary to do so through customary banking channels. You shall incur no liability on account of any loss suffered or expense incurred as a result of such conversion, including without limitation losses arising from fluctuations in exchange rates affecting any such conversion;
(h) On instructions of an Authorized Person or as otherwise provided hereunder, to purchase and sell Investments for the account of the undersigned;
(i) To execute in the name of the undersigned, whenever you deem it appropriate, such ownership and other certificates as may be required to obtain payments with respect to, or to effect the sale, transfer or other disposition of Investments; and
(j) To enter into spot or forward transactions for the purchase and/or sale of currencies for the account of the undersigned in connection with or in anticipation of the purchase or sale of securities.

"Investments" means securities of every type and description in any currency including but not limited to stocks, warrants, puts, calls, forwards, futures, options on futures, bonds, debentures, notes, unit trusts, precious metals and other commodities, bank deposits, mortgages and other obligations, and any documents of title, certificates, receipts, and other instruments evidencing ownership, or representing rights to receive, purchase or subscribe to, any of the foregoing, or evidencing or representing any other rights or interests therein.

Instructions. You are authorized to accept and rely upon all written instructions which you believe in good faith are given by an Authorized Person. "Authorized Person" means the undersigned or other person or entity designated in a statement signed by the undersigned or (if the undersigned is a corporation) one or more officers, employees or agents of the undersigned authorized by a corporate resolution of the board of directors of the undersigned delivered to you or described as authorized in a certificate of the Secretary, Assistant Secretary, or Managing Director of the undersigned.

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You may also rely on instructions when bearing or purporting to bear the facsimile signature of any Authorized Person. In addition, you may rely on instructions received by telephone, telex, TWX, facsimile transmission, bank wire or other teleprocess acceptable to you which you believe in good faith to have been given by an Authorized Person or which are transmitted with proper testing or authentication pursuant to terms and conditions which you may specify. You may also rely on instructions transmitted electronically through a client data entry system or any similar instruction system acceptable to you. You shall incur no liability to the undersigned or otherwise as a result of any act or omission by you in accordance with instructions on which you are authorized to rely pursuant to the provisions of this paragraph unless your reliance is the result of your gross negligence or willful misconduct. You shall incur no liability for the failure of any written confirmation to conform to the telephone instructions which you received or your failure to produce such confirmation at any subsequent time. Unless otherwise expressly provided, all authorizations and instructions shall continue in full force and effect until canceled or superseded by subsequent authorizations or instructions received by your safekeeping account administrator.

The undersigned agrees that if you require test arrangements, authentication methods or other security devices to be used with respect to instructions which an Authorized Person may give, the undersigned shall safeguard any testkeys, identification codes or other security devices which you make available to any Authorized Person and agrees that the undersigned shall be responsible for any loss, liability or damage incurred by you or by the undersigned as a result of your acting in accordance with instructions from any unauthorized person using the proper security device. You may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Custody Account or transactions pursuant to this Agreement.

Registration. Unless you receive contrary instructions from an Authorized Person, you are authorized to keep securities in your own vaults registered in the name of your nominee or nominees or where securities are eligible for deposit in a securities depository, including without limitation The Depository Trust Company or the Federal Reserve Bank of New York, you may utilize any of the services of any such depository and permit the registration of registered securities in the name of its nominee or nominees, and the undersigned agrees to hold you and the nominees harmless from any liability as holders of record. The undersigned will accept the return or delivery of securities of the same class and denomination as those deposited with you by the undersigned or otherwise received by you for the Custody Account, and you need not retain the particular certificates so deposited or received.

If any securities registered in the name of your nominee or held in a securities depository and registered in the name of the depository's nominee are called for partial redemption by the issuer of such securities, you are authorized to allot the called portion to the respective beneficial holders of the securities in any manner deemed to be fair and equitable by you in your sole discretion.

Statements. You will supply to the undersigned from time to time as mutually agreed upon a statement in respect to the Investments held by you or by a subcustodian and an advice or notification of any transfers of Investments to or from the Custody Account, indicating, as to Investments acquired for the undersigned, the identity of the entities having physical possession of such Investments. In the absence of the filing in writing with you by the undersigned of exceptions or objections to any such statement within sixty (60) days, the undersigned shall be deemed to have approved such statement, and you shall be released, relieved and discharged with respect to all matters and things set forth therein.

Proxies, Redemptions and Securities Rights. You will send to the undersigned such proxies (signed in blank, if issued in the name of your nominee or a nominee of a securities depository) and communications with respect to securities in the Custody Account as call for voting or relate to legal proceedings within a reasonable time after sufficient copies are received by you for forwarding to customers. In addition, you shall follow coupon payments, redemptions, exchanges or similar matters with respect to securities in the Custody Account and advise the undersigned of rights issued, tendered offers or other discretionary rights with respect to such securities, in each case, of which you receive notice from the issuer of the securities

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or as to which notice is published in publications routinely utilized by you for this purpose, subject to any terms and conditions as you may put into effect from time to time.

Investments and Funds Held Abroad. Investments in the Custody Account shall be held in such country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which a principal trading market for such Investments is located or in which such Investments are to be acquired, sold, transferred or presented for payment. Funds shall be credited to an account in such amounts and in the country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which such cash is a legal currency for the payment of public or private debts.

The undersigned authorizes you to hold cash and investments for the Custody Account in accounts which have been established by you with one of your branches or with one or more subcustodians. "Subcustodian" means a branch of another U.S. bank, a foreign bank acting as custodian or a foreign securities depository in which you participate. You shall select in your sole discretion the branch or subcustodian in the custody of which any Investment may be maintained or with which any funds may be deposited. Any entity so selected is authorized to hold such funds and Investments in its account with any foreign securities depository in which it participates.

You shall not be liable for any loss resulting from the maintenance of any Investments in a foreign country, including, but not limited to, losses resulting from nationalization, expropriation, currency restrictions, acts of war or terrorism, insurrection, revolution, or acts of God.

Overdrafts. The amount by which any payment made by you on behalf of the undersigned pursuant to this Agreement exceeds the available funds in the currency in the Cash Account shall be deemed a loan from you to the undersigned. Such loan shall be payable on demand and, in your discretion, shall bear interest at the rate customarily charge by you or your subcustodian on similar loans. In no event shall you have any duty to make any payment if such payment will exceed the funds available in the Cash Account.

Reimbursement. If you choose to credit the Cash Account or the Custody Account on the payable date for interest, dividends or redemptions, the undersigned will return to you such amount or property credited promptly upon your oral or written notification that you have been unable to collect such amount or property in the ordinary course of transactions for the account of the undersigned. You shall have no duty to institute legal proceedings, file a claim or proof of claim in any insolvency proceeding or take any action beyond your ordinary collection procedures to collect such amounts or property.

Crediting and Debiting Procedures. With respect to any Investment held in or to be acquired for the Custody Account you may, in your discretion, cause the Cash Account to be credited on the contractual settlement date with the proceeds of any sale or exchange of any Investment from the Custody Account and to be debited on the contractual settlement date for the cost of any Investment purchased or acquired for the Custody Account. If a transaction with respect to which a credit or debit has been made fails to settle, you may reverse such credit or debit upon instructions of an Authorized Person. Alternatively, while you assume no affirmative duty to act in the absence of such instructions, you may reverse any such credit or debit if a transaction fails to settle within a period of time after the contractual settlement date which you in your sole discretion consider reasonable in the light of market conditions. If any Investments delivered pursuant hereto are returned by the recipient thereof, you may cause any such credits or debits to be reversed at any time. With respect to any transactions as to which you do not determine so to credit or debit the Cash Account, the proceeds from the sale or exchange of Investments will be credited and the cost of such Investments purchased or acquired will be debited to the Cash Account on the date such proceeds or Investment are received by you.

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Notwithstanding the preceding paragraph, settlement and payment for any Investment received for, and delivery of any Investment out of, the Custody Account may be effected in accordance with the customary or established trading or processing practices and procedures for such Investment in the jurisdiction or market in which the transaction occurs, including, without limitation, delivering such Investment to the purchaser thereof or dealer therefor (or to an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such Investment from such purchaser or dealer (or agent therefor).

With respect to all transactions for the Custody Account, including, without limitation, dividend and interest payments and sales and redemptions of any Investment, availability of funds credited to the Cash Account will be based on the type of funds used in the trade settlement or payment, including, but not limited to, same day availability for federal or same day funds and next business day availability for clearing house or next day funds.

Security and Set-Off. As security for any performance of my obligations under this Agreement, I grant a security interest in and pledge, transfer, and assign to you my right, title and interest in and to all cash, Investments and other assets held by you or by any of your subsidiaries, affiliates or subcustodians (the "Collateral"). In addition, and without limiting the foregoing, I agree that you may set-off any and all of my obligations to you against any and all deposits of mine, whether general or special, with you or any of your subsidiaries, affiliates or subcustodians, wherever located and whether or not denominated in the same or different currencies. In the event that a debited deposit is maintained in a currency other than the currency of my obligation to you, such debit shall be made in the amount which, when converted to the currency of my obligation at your rate for purchasing such currency on the date of such debit, shall yield the amount then due and payable to you hereunder.

Custodian Responsibility. You will use the same care with respect to the performance of your duties under this Agreement as you use in respect to your own property similar to that held hereunder, but you need not maintain any insurance for the benefit of the undersigned. Except as may be provided otherwise herein, you are authorized to execute instructions given by or on behalf of the undersigned and take other actions pursuant to this Agreement in accordance with your customary processing practices for customers similar to the undersigned and, in accordance with such practices, you may retain agents, including subsidiaries or affiliates of yours, to perform certain of such functions, notwithstanding that such retention may result in a gain or profit to you or to any of your subsidiaries or affiliates. All collection and receipt of funds or Investments and all payment and delivery of funds or Investments under this Agreement shall be made by you as the agent of the undersigned, at the risk of the undersigned. You will be liable to the undersigned only to the extent of actual damages suffered by the undersigned determined on the basis of the market value of the property which is the subject of the loss at the date of discovery of such loss, suffered or incurred as a result of gross negligence or willful misconduct on your part.

You will be responsible for only those duties stated in this Agreement or expressly contained in instructions to perform the services described herein given to you pursuant to the provisions of this Agreement and accepted by you and, without limiting the foregoing, you shall have no duty or responsibility:

(a) to supervise the Investment of, or make recommendations with respect to the purchase, retention or sale of, any Investment relating to the Custody Account;
(b) with regard to the Investment in the Custody Account as to which default in the payment of principal or interest has occurred, to give notice of default, make demand for payment or take any other action with respect to such default;
(c) for any act or omission, or for the solvency or notice to the undersigned of the solvency, of any subcustodian, securities depository broker or agent selected by you (in the absence of gross negligence or willful misconduct by you in such selection) or by the undersigned or any other person to effect any transaction for the Custody Account;
(d) to evaluate, or report to the undersigned regarding, the financial condition of any party to which you deliver Investments or payment pursuant to this Agreement; or
(e) for any loss occasioned by delay in the actual receipt of notice by you or any payment, redemption or other transaction in respect to which you are authorized to take some action pursuant to this Agreement.

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If the undersigned is a trust and provides you with a copy of its trust Instrument, the undersigned understands and agrees that your review of such document is solely for the purpose of verifying the power of the trust to enter into and perform this Agreement and identifying the person(s) necessary to bind the trust, and that you assume no responsibility whatsoever for the proper administration of the trust.

Conflicts of Interest. The undersigned understands there is a potential conflict of interest between you and the undersigned in that you shall provide similar services to other clients and to your own accounts. Therefore, you or these other Accounts may compete for the same Investments. Further, the undersigned is aware that you and/or your clients may continually develop Investment strategies because of different financial positions or objectives, and such strategies could require Investments that are different from or opposite to those of the undersigned. However, in view of the fact that a large number of these Investments are available and in view of market liquidity, the undersigned accepts the effects of such activities.

Responsible as Principal. The undersigned will be responsible to you as principal for all obligations of the undersigned to you arising under or in connection with this Agreement, notwithstanding that the undersigned may be acting on behalf of other persons, and the undersigned warrants its authority to deposit in the Custody Account and Cash Account any Investments and funds which you or your agents receive therefor and to give instructions relative thereto. The undersigned further agrees that you shall not be subject to, nor shall your rights and obligations with respect to this Agreement and Custody Account be affected by any agreement between the undersigned and any such person, except as provided herein.

Taxes. You are authorized and directed to claim exemption from transfer taxes on all transfers and deliveries of Investments held for our Custody Account.

If the undersigned is not a United States person or entity, you are hereby advised that the proceed of any sale of a security to the issuer thereof in the context of a self-tender offer do not constitute dividends and you are hereby directed not to withhold taxes payable to the United States with respect to such proceeds. The undersigned hereby agrees to indemnify and hold you harmless from and against any and all damages, liabilities, costs, fees and expenses incurred by you as a result of not withholding such taxes.

You shall have no obligation to seek a refund of any taxes withheld against any dividend or interest paid on any Investment unless the undersigned provided you with all documents that you may reasonably require for that purpose.

Fees, Indemnification. The undersigned agrees to pay a monthly Custodial Fee. This monthly Fee shall equal One Fifth of One Percent (0.2%) of the combined average monthly balance(s) in the Custody Account(s) and the Cash Account(s) - (unless this combined balance is less than One Million USD (US$1,000,000) in which case this monthly Fee shall equal One Third of One Percent (0.334%) of such balances). The undersigned also agrees to pay a Transaction Fee equal to One Half of One Percent (0.5%) of the Face Amount of any and all Investment(s) acquired/traded per tranche to provide for the cost of the activities envisioned in those Investment transactions. Notwithstanding these Fees, the undersigned agrees to pay you reasonable compensation for other services requested by the undersigned pursuant to this Agreement at the standard fee for such services of which you will notify the undersigned from time to time. The undersigned also agrees to hold you and your agents harmless from, and to indemnify and reimburse you and them for, all liability, loss and expense (including out-of-pocket and incidental expenses and legal fees) incurred by you or them in connection with the Custody Account or your acting under this Agreement, provided that you or they, as the case may be, have not acted with gross negligence or willful misconduct with respect to the events resulting in such liability, loss and expense.

Termination. This Agreement may be terminated at any time by either party effective upon receipt by the other party of written notice of such termination or upon such subsequent date specified in such written notice. Upon such termination, you

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will within a reasonable time return to the undersigned or to whom we direct any Investments or other property then held by you in the Custody Account.

Notices. Notices required hereunder shall be in writing, and delivered by mail, postage prepaid, to the following addresses (or to such other address as either party hereto may from time to time designate by notice duly given in accordance with this paragraph).

To the undersigned at: FIELD(IBCNAME), FIELD(IBCAddress).

To you, to the attention of Dr. Charles L. Brazie at: British Trade & Commerce Bank, EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront, P. O. Box 2042, Roseau, Commonwealth of Dominica, W.I.

Governing Law, Successors and Assigns. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Dominica without giving effect to that Commonwealth's principles of conflicts of laws and will be binding on our and your respective successors and assigns.

Source and Use of Funds. The undersigned warrants and attests: 1) that all assets deposited in this Custody Account or any other Accounts with you are good, clean, cleared, and legally obtained from non-criminal origins; and, 2) that neither these assets nor the profits or emissions derived from the activities envisioned hereunder have been, or will be, used for any criminal or illegal purpose, and not limited to but including any activities involving dealing with controlled substances, drugs, arms, munitions, or armaments.

Liability and Ownership. As used herein, the term "undersigned" shall be deemed to include all signatories hereto, if more than one, in such event, the obligations, liabilities, representations and warranties of the undersigned shall be joint and several. If the undersigned consists of more than one person, the undersigned warrants and represents that the cash in the Cash Account and the assets in the Custody Account are owned jointly with right of survivorship.

Arbitration. Any controversy between you and the undersigned arising out of or relating to this Agreement, including breach or alleged breach, hereof, shall be resolved by arbitration by a third party mutually agreed upon by the you and the undersigned. In the event you and the undersigned cannot agree upon such an arbitrator, the matter shall be arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the controversy). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on all parties and may be enforced in any Court of Law having jurisdiction thereto.

Disclosure. The undersigned understands that certain regulations may require that you disclose to the issuer of a security upon request the name and address of the undersigned and other positions with respect to securities held in the Custody Account, unless the undersigned objects to such disclosure and notifies you accordingly.

Prior Proposals. This Agreement contains the complete agreement of the parties hereto with respect to the Custody Account (except as may be expressly provided to the contrary herein) and supersedes and replaces any previously made proposals, representations, warranties or agreements with respect thereto by either or both of the parties hereto, except that this Agreement does not modify any interest or rights in the assets in the Custody Account which was otherwise granted to you and does not supersede or replace any item that you may have provided to the undersigned describing your services with respect to securities with tender options. This Agreement shall become effective upon execution hereof by the undersigned and acceptance by you.

Separability. Any provisions of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such, be ineffective to the extent of such prohibition or unenforceability without

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invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

Accounts. From time to time an Authorized Person may hereafter instruct you to open more than one Custody Account for the undersigned. Unless the undersigned and you otherwise agree, this Agreement will govern such accounts, in addition to the Custody Accounts which you are opening or currently maintain for the undersigned to which it is applicable.

Special Terms. The following additional terms and provisions, if any, are included in and constitute a part of this Agreement:
Notwithstanding any of the above, the **SPECIFIC TRANSACTION INSTRUCTIONS**, if any, executed by Holder and BTCB and attached hereto and constitute a part hereof for all intents and purposes.

EXECUTED AND SUBMITTED ON THIS FIELD(DAY) DAY OF FIELD(MONTH), FIELD(Year).

FOR AND ON BEHALF OF FIELD(IBCNAME)
BY ITS DIRECTOR-DESIGNEE, INTERNATIONAL
CORPORATE SERVICES LTD., BY:

FIELD(IBCSIGNATORY)
FIELD(IBCSIGTITLE)

ACKNOWLEDGED AND ACCEPTED FOR
AND ON BEHALF OF BRITISH TRADE &
COMMERCE BANK BY:

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT - MANAGED ACCOUNTS

THIS IS EXHIBIT "J" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "J" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF
COMMISSION NO. CC
MY COMMISSION EXP. APR.

Print Name: CARLA S. MENDOZA

C.V. Agreement # : FIELD(ConCode)
Transaction Code : FIELD(TRANSCODE)

EXHIBIT "B"

SPECIFIC TRANSACTION INSTRUCTIONS

TO: BRITISH TRADE & COMMERCE BANK

As the Holder of Account Number: FIELD(IBCAC#), we hereby advise you that, with respect to the transaction identified with the codes set forth hereinabove, we will participate in International Cash Management Scenario(s) (involving Instruments from Top-rated World Banks) that you will designate, under internationally accepted Format and Procedures (I.C.C. 500/600).

Therefore, we request that you:

A) Incorporate these Instructions into our Managed Account Custody Agreement with you for these transactions.

B) Receive, accept, transmit and acknowledge all communications and documents relating to these transactions, including:

1. Deposits of funds into our Account [in exchange for your CD in our name, which CD shall bear interest at the rate of Six Percent (6.0%) per annum, payable in arrears, and the term of such CD shall be for One (1) year] as our Account Principal and the instructions herein concerning the use and/or disbursement of said Principal.

2. Deposits of additional funds into this account. The original deposits plus any additional qualified deposits shall be deemed as the Account Principal.

3. Causing the placement of such Account Principal into International Cash Management Scenario(s) within established Banks that will provide reasonable yield to us so that we may fund worthwhile international development projects. Such placement shall be in the form of "Blocked Funds" in an account in either our name and control or under BTCB's control, or shall be guaranteed by a major Bank Guarantee in face amount in excess of such placed Account Principal. From time to time when substantially higher yields can be obtained, such Account Principal can be combined with other of your Client Accounts for placement of such combined funds. In those cases similar measures shall apply to protect our Account Principal. Therefore, in all cases the Account Principal shall be protected on a "non-depletion" basis.

4. In the event that a Major Bank Guarantee Instrument is received, such Instrument shall be exchanged for said CD and that CD shall be deemed paid in full and shall be cancelled. Otherwise, when the cumulative disbursements to **Client** hereunder shall reach the amount of the Account Principal for which said CD has been issued, such CD shall be returned to **BTCB** and deemed paid in full and shall be cancelled.

5. Distributing the proceeds received from such placement(s) as instructed in the Residual Distribution Instructions (ATTACHMENT "A," hereto).

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C) Acknowledge the receipt of such communications or documents to such organizations or institutions as we shall designate in the normal course of the above described transactions.

D) Establish or coordinate the time, place, date, and manner of settlements.

E) Disburse funds in accordance with provided instructions, orders or directives.

F) Notify us, promptly, of the receipt and content of all such communications, documents and other relevant information, including time and place of settlement.

G) Treat all such communications, documents and any information relating to the said transactions in strict confidence.

We further request that you recognize and acknowledge that disclosures, introductions, procedures, and other relevant information provided in the course of the completion of the transaction(s) contemplated are to be treated as confidential, and that you will not disclose, negotiate, contract or in any other manner deal with such without our expressed written approval.

Any changes to the foregoing instructions and directives must be signed by all signatories hereinbelow.

We agree to indemnify and hold the bank harmless against any and all claims, demand, actions, damages, costs and expenses, including court costs, attorney's fees and disbursements arising from or connected with the foregoing requests, excepting, however, any such as may arise through or be caused by fraudulent or willful misconduct or gross negligence on the part of the bank.

Please acknowledge your agreement to observe and perform the foregoing instructions and directives.

Yours faithfully,

FIELD(IBCRep)
FIELD(IBCRepTitle)

ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned bank officers, for and on behalf of British Trade & Commerce Bank, acknowledge and accept the foregoing instructions and directives, and with full corporate and banking responsibility and authority agree that the bank will endeavor to observe these instructions and directives.

Date: FIELD(Month) FIELD(Day#), FIELD(Year)

Charles L. Brazie, Ph.D. Vice President - Managed Accounts	FIELD(BTCBOff2) FIELD(Off2Title)

THIS IS EXHIBIT "K" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affida~~vits~~

THIS IS EXHIBIT "K" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828654
MY COMMISSION EXP. APR. 21 2003

C.V. Agreement # : FIELD(ConCode)
Transaction Code : FIELD(TRANSCODE)

ATTACHMENT "A"

RESIDUAL DISTRIBUTION INSTRUCTIONS

The funds deposited in this account shall be utilized/disbursed as provided hereinunder.

1. The Principal shall be retained for a period of one year from the initial deposit and used solely as provided in the **SPECIFIC TRANSACTION INSTRUCTIONS** in EXHIBIT "B" to which this attachment is appended.

2. The additional amounts resulting from participation in the International Cash Management Scenario(s) as provided therein less all applicable Custodial and Transaction Fees and costs are defined as the Residual Amounts and shall be disbursed as follows:

   A. For each cycle for which such additional amounts are received, you shall distribute an amount equal to FIELD(IBCPercent) Percent (FIELD(IBC#%)%) of the Account Principal to your Bank and retain an equal amount to our account. Of the remaining residual amounts, Fifty Percent (50%), less any interest payments made under the CD, shall either be re-invested according to the schedule provided by us or shall be disbursed to the Business Trust we shall designate along with the Distribution Instructions we shall provide.

   B. All remaining residual amounts, in excess of the Principal and after deducting the amounts hereinabove, shall be disbursed to the following account coordinates in your bank:
   A/C # : **101-011214-3**
   A/C Name : **CARIBAREA TRUST ACCOUNT**
   Bank Officer : **Charles L. Brazie, Ph.D.**

FOR AND ON BEHALF OF FIELD(IBCNAME)
BY ITS DIRECTOR-DESIGNEE, INTERNATIONAL CORPORATE SERVICES LTD. BY:

FIELD(IBCSIGNATORY)
FIELD(IBCSIGTITLE)

FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK BY:

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT

THIS IS EXHIBIT "L" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "L" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 82[illegible]
MY COMMISSION EXP. APR. 24/2[illegible]

COOPERATIVE VENTURE AGREEMENT NO. 030301

Transaction Code: GREEN-1

THIS AGREEMENT is entered into this nineteenth day of January, 1998, by and between: Free Trade Bureau S.A., having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.

Attention: Paul B. Zhernakov via Canadian Representative Office
Telephone: (905) 353-9290 Facsimile: (905) 353-9290

(hereinafter **"Client"** shall mean Free Trade Bureau S.A., its attorneys, affiliated companies, or designees/nominees).

AND

BRITISH TRADE & COMMERCE BANK, having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.

Attention: Dr. Charles L. Brazie, Vice President - Managed Accounts
Telephone: (767) 448-6410 Facsimile: (767) 448-6477

(hereinafter **"BTCB"** shall mean British Trade & Commerce Bank, its attorneys, or affiliated companies, and **"Parties"** herein shall mean **Client** and **BTCB**).

WITNESSETH THAT:

WHEREAS, BTCB is a bank chartered and operating under the laws of the Commonwealth of Dominica and fully empowered to provide the accounts and conduct the activities envisioned herein; and

WHEREAS, BTCB has the legal capacity and authority to cause assets to be entered into certain established International Cash Management Scenarios involving Medium Term Notes ("MTN's") issued by Top Twenty-five (25) Asset-rated Western European Banks; and

WHEREAS, BTCB has correspondent relationships with major world banks; has agreed to enter into an Managed Account Custody Agreement with **Client** and has opened an Account in the name of **Client** for the transactions envisioned hereinunder; and has the ability to effect participation in such Scenarios, with attractive yields emitting from such Scenarios; and

WHEREAS, Client is an International Business Company that is organized and operated under the laws of the Commonwealth of Dominica; and

WHEREAS, Client has deposited ten (10) Government of Grenada Guarantees ("Guarantees") each of face value equal to Ten Million U.S.D. (US$10,000,000) into its such Account so they may be placed for purposes of participating in such Scenarios, and warrants that each and every such Guarantee is clean, clear and legally obtained and of non-criminal origin; and

WHEREAS, BTCB and Client have determined to enter into a cooperative venture relationship in order to participate in such Scenarios in full accord with all applicable rules and regulations [including I.C.C. Publication 500/600]; and

WHEREAS, BTCB, and Client intend to finance projects or to place appropriate funds into approved project funding sources from the profits arising from this **AGREEMENT**; and

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WHEREAS, BTCB and Client, by entering into this **AGREEMENT**, do not intend to create a taxable partnership/corporation/entity, but rather intend to create a vehicle of cooperative enterprise in which the **Parties** have agreed to participate; and

WHEREAS, BTCB and Client, mutually desire to transact business with one another for the period specified in this **AGREEMENT** but not to exceed one (1) year; and

WHEREAS, this **AGREEMENT**, when signed, shall constitute that **BTCB** and **Client**, each, are fully responsible, ready, and able to fulfill their respective obligations and responsibilities hereunder.

NOW THEREFORE, in consideration of the foregoing, and the various covenants and undertaking herein, and for other good and valuable considerations, the value and the adequacy of which is acknowledged by each of the parties hereto upon execution of this **AGREEMENT**, **BTCB** and **Client** agree as set forth hereinbelow.

1. PURPOSE

1.1 The primary purpose of the **Parties** is to cause the funding of certain projects and programs with the net proceeds derived from participating in certain established International Cash Management Scenarios through financial mechanisms advantageous to the **Parties** and which comply with the rules and regulations from various jurisdictions and authorities that apply to project financing. Significant proceeds from participating in such Scenarios, net of normal costs (scenario participation costs, service fees, Custodial and Transaction Fees and costs), shall be deposited into development trust/project funding accounts which shall be used to cause the funding of worthwhile projects and programs.

1.2 Notwithstanding the foregoing, each of the **Parties** shall be paid Three (3.0) points from the proceeds of such Scenarios, as fees for services rendered. [Three (3.0) points are defined herein as Three Percent (3.0%) of the Account Principal placed into such Scenarios.] These funds shall be owned exclusively by the paid party and the other party hereby waves any and all claim to such paid funds.

1.3 The remaining proceeds from participation in the Scenarios, as defined herein, shall be divided into two (2) parts upon receipt of such proceeds. One (1) of these parts, which equals Fifty Percent (50%) of such remaining proceeds, shall be placed into Trust Accounts designated by **BTCB** and shall be used to fund projects/programs solely at the discretion of that Trust.

1.4 The remaining One (1) part, which equals Fifty Percent (50%) of such remaining proceeds, shall be placed into a Project Funding Account(s) that shall fund qualified projects solely under the approval of **Client**. The subject of this paragraph and that immediately preceeding shall not be subject to any litigation or arbitration.

2. TRANSACTION SCENARIO

2.1 **Client** has established a Custody Transaction Account at **BTCB** for these Transactions, under the "Managed Account Custody Agreement" as set forth in EXHIBIT "A" attached hereto and made a part hereof.

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2.2 **Client** has placed said Guarantees into such Account in the combined face value of One Hundred Million United States Dollars (US$100,000,000). **BTCB** shall authenticate said Guarantees under standard bank-to-bank procedures and shall issue its "Safekeeping Receipt" for said Guarantees, after such authentication.

2.3 **BTCB** shall endeavor to place said Guarantees so as: to cause said Guarantees to be accepted directly into such Scenarios with an acceptable valuation so assigned to said Guarantees; or to cause funds to be made available against said Guarantees and such funds to be placed into such Scenarios, whichever is more advantageous.

2.4 Pending such placement by **BTCB**, should either party identify a buyer for such Guarantees and such buyer can purchase said Guarantees under acceptable procedures and at a price acceptable to **Client**, then the proceeds from such buyer's purchase of said Guarantees shall be placed into such Account. The amount of such proceeds or the valuation assigned to said Guarantees under 2.3 hereinabove shall be deemed the Account Principal.

2.5 **BTCB** shall place such Account Principal into such Scenarios and such participation shall be confirmed to the satisfaction of both **Parties**. The activities to accomplish the intent of the paragraphs hereinabove are contained in the "Specific Transaction Instructions" set forth in EXHIBIT "B" attached hereto and made a part hereof.

2.6 The period of the **AGREEMENT** is for one (1) year, subject to **BTCB's** ability to place said assets in such Scenarios. If the ongoing distribution of proceeds, as defined hereinunder, does not occur within thirty-eight (38) days of the initial placement of assets into such Scenarios or within eight (8) days of each subsequent month of participation in such Scenarios, **Client** may terminate this **AGREEMENT** without prejudice to itself and all such Principal assets and any such **Client's** proceeds, without set-off, reduction, or deduction of any kind whatsoever, shall be distributed, immediately, to bank coordinates that will be provided by **Client**.

2.7 The proceeds from participating in such Scenarios for any given month shall be disbursed, as provided hereinabove, at the beginning of the next subsequent month.

3. DISPUTES

3.1 In the event of any dispute concerning any aspect of this **AGREEMENT**, including breach or alleged breach, hereof, the **Parties** agree to have the matter arbitrated by a third party mutually agreed upon by the **Parties**. If the **Parties** cannot agree upon the arbitrator, the **Parties** agree to have the dispute arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M. 1990 or latest revision in effect at the time of the dispute). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on the **Parties** and may be enforced in any Court of Law having jurisdiction thereto.

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4. CONFIDENTIALITY

4.1 The **Parties** agree: that any and all information disclosed, or to be disclosed, by any other party hereto, or by legal counsel or other associate; and, that any and all documents and procedures transmitted to each other for and in execution of this **AGREEMENT** are privileged and confidential and are to be accorded the highest secrecy. Accordingly, the I.C.C. rules and regulations pertaining to Non-Disclosure and Non-Circumvention shall be included herewith by reference hereto. Moreover, the **Parties** specifically:

A) Acknowledge and undertake for themselves, their legal counsel, employees, associates, officers, directors trustees, bankers and/or representatives to treat any and all such information as privileged and confidential and not to disclose to any third party, directly or indirectly, or to use any such information for any purpose other than for accomplishment of the objectives of the business undertaken herein without the expresses, written prior consent of the party supplying that such information.

B) Acknowledge that any unauthorized dealing or disclosures or uses of any such information obtained for and in execution of the present **AGREEMENT** shall constitute a breach of confidence and shall form the basis of an action for damages by the injured party with a view to compensate the injured party to the extent any financial reward might have accrued but for the unauthorized dealing, misuse of information, or breach of confidence and contract.

5. GENERAL TERMS

5.1 Each party, individually and separately, accepts liability for its own taxes, imposes, levies, duties, or other charges that may be applicable in the execution of its respective roles.

5.2 Each party recognizes the unique services rendered by their representatives and agree: that each shall be responsible for the commissions and fees to which it has agreed in writing, and, that the party that has incurred any obligations shall indemnify and hold harmless the other party against any claim, demand, and/or expense, however arising.

5.3 This **AGREEMENT** is a full recourse, private, non-public agreement executed under the laws of the Commonwealth of Dominica, which be the jurisdiction governing the construction, interpretation, execution, validity, enforceability, performance, or any other matter in respect to this **AGREEMENT**, including breach or claim thereof.

5.4 Both parties acknowledge: that they had adequate time and opportunity to consult with counsel of their choosing prior to execution hereof; that each fully understands the facts and has been fully informed as to any rights and obligations in connection therewith; and, that, having this knowledge or lack of knowledge by voluntary choice, each has executed this **AGREEMENT** freely and without reservation.

5.5 The **Parties** acknowledge and accept that the I.C.C. rules and regulations appertaining to Force Majeure shall be included herewith by reference hereto.

5.6 The **AGREEMENT** cannot be assigned, transferred or conveyed by either party without the expressed, written, prior consent of the other party.

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5.7 No un-authorized communications by either party with any bank outside of these procedures is allowed without the prior written consent of the other party. Failure to observe this consideration will immediately cause this **AGREEMENT** to be deemed to have been breached.

5.8 Each party shall be solely responsible for its own, unique institutional costs, except as otherwise provided hereinabove.

6. COMPLETE AGREEMENT AND CONFORMING DOCUMENTS

6.1 This **AGREEMENT** reflects the complete understanding of the **Parties** on the matters hereto.

6.2 A facsimile copy of a fully executed original of this document will be deemed an original, binding and enforceable document until otherwise agreed to by the Parties.

6.3 This **AGREEMENT** shall remain in full force and effect until completion of the transactions envisioned hereinabove and shall be binding upon **BTCB** and **Client** and their heirs, successors and assigns, agents, principles, and all other parties associated with or involved in the transactions.

6.4 This **AGREEMENT** may consist of one or more counterparts, all of which upon execution shall constitute one and the same **AGREEMENT**. The **Parties** acknowledge that a hard copy of this **AGREEMENT** may be signed by each respective party at different places and different times. Both **Parties** have the right to require courier delivery of the original **AGREEMENT**.

6.5 Each addendum, change, or modification to this **AGREEMENT** must be made in writing and approved and executed by the **Parties** as a condition precedent to the implementation and effect of such addendum, change, or modification.

6.6 If any of the provisions of this **AGREEMENT** are, or become, invalid by virtue of applicable law(s) or fail enforceability, then this **AGREEMENT** shall remain in full force. The invalid and/or unenforceable provision(s) shall be replaced by provisions mutually agreed between the **Parties** within the spirit and intent of the original provision.

6.7 The **Parties** hereby confirm that each is fully empowered, legally qualified, and duly authorized to execute and deliver this **AGREEMENT** and to be bound by its terms and conditions. All statements and representations under this **AGREEMENT** are made with full legal and corporate responsibility.

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IN WITNESS WHEREOF, the Parties declare herein that they have signed hereinbelow in full and bonafides, thereby entering into this contractual commitment as defined and provided under the terms, conditions, and provisions of this **AGREEMENT** on the dates last written herein below.

DATE: January 19, 1998

FOR AND ON BEHALF OF
FREE TRADE BUREAU S.A.
BY:

PAUL B. ZHERNAKOV
PRESIDENT

DATE: January 20 1998

FOR AND ON BEHALF OF
BRITISH TRADE & COMMERCE BANK
BY:

Vice President
For

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT

C.V. Agreement # : 030381
Transaction Code : GREEN-1

EXHIBIT "A"

MANAGED ACCOUNT CUSTODY AGREEMENT

To: British Trade & Commerce Bank
EMENS Bldg. Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, W.I.

Gentlemen:

The undersigned hereby requests you to open and maintain a Custody Account in the name of the undersigned and to receive and hold therein as custodian, upon the following terms and conditions, cash and Investments (hereinafter defined).

Transactions. Subject to the provisions of this Agreement, you are authorized:

(a) To receive all interest and dividends payable on Investments and to credit such interest and dividends to the account or accounts of the undersigned with you as are designated by an Authorized Person (hereinafter referred to as the "Cash Account");
(b) To credit all proceeds received from sales and redemptions of Investments to the Cash Account;
(c) To debit the Cash Account for the cost of acquiring Investments for the Custody Account;
(d) To present obligations (including coupons) for payment upon maturity, when called for redemption and when income payments are due;
(e) To exchange securities for other securities where the exchange is purely material;
(f) To sell fractional interests resulting from a stock split or dividend;
(g) To convert any currency received with respect to Investments in the Custody Account into another currency whenever it is practical or necessary to do so through customary banking channels. You shall incur no liability on account of any loss suffered or expense incurred as a result of such conversion, including without limitation losses arising from fluctuations in exchange rates affecting any such conversion;
(h) On instructions of an Authorized Person or as otherwise provided hereinunder, to purchase and sell Investments for the account of the undersigned;
(i) To execute in the name of the undersigned, whenever you deem it appropriate, such ownership and other certificates as may be required to obtain payments with respect to, or to effect the sale, transfer or other disposition of Investments; and
(j) To enter into spot or forward transactions for the purchase and/or sale of currencies for the account of the undersigned in connection with or in anticipation of the purchase or sale of securities.

"Investments" means securities of every type and description in any currency including but not limited to stocks, warrants, puts, calls, forwards, futures, options on futures, bonds, debentures, notes, unit trusts, precious metals and other commodities, bank deposits, mortgages and other obligations, and any documents of title, certificates, receipts, and other instruments evidencing ownership, or representing rights to receive, purchase or subscribe to, any of the foregoing, or evidencing or representing any other rights or interests therein.

Instructions. You are authorized to accept and rely upon all written instructions which you believe in good faith are given by an Authorized Person. "Authorized Person" means the undersigned or other person or entity designated in a statement signed by the undersigned or (if the undersigned is a corporation) one or more officers, employees or agents of the undersigned authorized by a corporate resolution of the board of directors of the undersigned, delivered to you or described as authorized in a certificate of the Secretary, Assistant Secretary, or Managing Director of the undersigned.

You may also rely on instructions when bearing or purporting to bear the facsimile signature of any Authorized Person. In addition, you may rely on instructions received by telephone, telex, TWX, facsimile transmission, bank wire or other teleprocess acceptable to you which you believe in good faith to have been given by an Authorized Person or which are transmitted with proper testing or authentication pursuant to terms and conditions which you may specify. You may also rely on instructions transmitted electronically through a client data entry system or any similar instruction system acceptable to you. You shall incur no liability to the undersigned or otherwise as a result of any act or omission by you in accordance with instructions on which you are authorized to rely pursuant to the provisions of this paragraph unless your reliance is the result of your gross negligence or willful misconduct. You will incur no liability for the failure of any written confirmation to conform

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to the telephone instructions which you received or your failure to produce such confirmation at any subsequent time. Unless otherwise expressly provided, all authorizations and instructions shall continue in full force and effect until cancelled or superseded by subsequent authorizations or instructions received by your safekeeping account administrator.

The undersigned agrees that if you require test arrangements, authentication methods or other security devices to be used with respect to instructions which an Authorized Person may give, the undersigned shall safeguard any testkeys, identification codes or other security devices which you make available to any Authorized Person and agrees that the undersigned shall be responsible for any loss, liability or damage incurred by you or by the undersigned as a result of your acting in accordance with instructions from any unauthorized person using the proper security device. You may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Custody Account or transactions pursuant to this Agreement.

Registration. Unless you receive contrary instructions from an Authorized Person, you are authorized to keep securities in your own vaults registered in the name of your nominee or nominees or where securities are eligible for deposit in a securities depository, including without limitation The Depository Trust Company or the Federal Reserve Bank of New York, you may utilize any of the services of any such depository and permit the registration of registered securities in the name of its nominee or nominees, and the undersigned agrees to hold you and the nominees harmless from any liability as holders of record. The undersigned will accept the return or delivery of securities of the same class and denomination as those deposited with you by the undersigned or otherwise received by you for the Custody Account, and you need not retain the particular certificates so deposited or received.

If any securities registered in the name of your nominee or held in a securities depository and registered in the name of the depository's nominee are called for partial redemption by the issuer of such securities, you are authorized to allot the called portion to the respective beneficial holders of the securities in any manner deemed to be fair and equitable by you in your sole discretion.

Statements. You will supply to the undersigned from time to time as mutually agreed upon a statement in respect to the Investments held by you or by a subcustodian and an advice or notification of any transfers of Investments to or from the Custody Account, indicating, as to Investments acquired for the undersigned, the identity of the entities having physical possession of such Investments. In the absence of the filing in writing with you by the undersigned of exceptions or objections to any such statement within sixty (60) days, the undersigned shall be deemed to have approved such statement, and you shall be released, relieved and discharged with respect to all matters and things set forth therein.

Proxies, Redemptions and Securities Rights. You will send to the undersigned such proxies (signed in blank, if issued in the name of your nominee or a nominee of a securities depository) and communications with respect to securities in the Custody Account as call for voting or relate to legal proceedings within a reasonable time after sufficient copies are received by you for forwarding to customers. In addition, you shall follow coupon payments, redemptions, exchanges or similar matters with respect to securities in the Custody Account and advise the undersigned of rights issued, tendered offers or other discretionary rights with respect to such securities, in each case, of which you receive notice from the issuer of the securities or as to which notice is published in publications routinely utilized by you for this purpose, subject to any terms and conditions as you may put into effect from time to time.

Investments and Funds Held Abroad. Investments in the Custody Account shall be held in such country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which a principal trading market for such Investments is located or in which such Investments are to be acquired, sold, transferred or presented for payment. Funds shall be credited to an account in such amounts and in the country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which such cash is a legal currency for the payment of public or private debts.

The undersigned authorizes you to hold cash and investments for the Custody Account in accounts which have been established by you with one of your branches or with one or more subcustodians. "Subcustodian" means a branch of another U.S. bank, a foreign bank acting as custodian or a foreign securities depository in which you participate. You shall select in your sole discretion the branch or subcustodian in the custody of which any Investment may be maintained or with which any

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funds may be deposited. Any entity so selected is authorized to hold such funds and Investments in its account with any foreign securities depository in which it participates.

You shall not be liable for any loss resulting from the maintenance of any Investments in a foreign country, including, but not limited to, losses resulting from nationalization, expropriation, currency restrictions, acts of war or terrorism, insurrection, revolution, or acts of God.

Overdrafts. The amount by which any payment made by you on behalf of the undersigned pursuant to this Agreement exceeds the available funds in the currency in the Cash Account shall be deemed a loan from you to the undersigned. Such loan shall be payable on demand and, in your discretion, shall bear interest at the rate customarily charge by you or your subcustodian on similar loans. In no event shall you have any duty to make any payment if such payment will exceed the funds available in the Cash Account.

Reimbursement. If you choose to credit the Cash Account or the Custody Account on the payable date for interest, dividends or redemptions, the undersigned will return to you such amount or property credited promptly upon your oral or written notification that you have been unable to collect such amount or property in the ordinary course of transactions for the account of the undersigned. You shall have no duty to institute legal proceedings, file a claim or proof of claim in any insolvency proceeding or take any action beyond your ordinary collection procedures to collect such amounts or property.

Crediting and Debiting Procedures. With respect to any Investment held in or to be acquired for the Custody Account you may, in your discretion, cause the Cash Account to be credited on the contractual settlement date with the proceeds of any sale or exchange of any Investment from the Custody Account and to be debited on the contractual settlement date for the cost of any Investment purchased or acquired for the Custody Account. If a transaction with respect to which a credit or debit has been made fails to settle, you may reverse such credit or debit upon instructions of an Authorized Person. Alternatively, while you assume no affirmative duty to act in the absence of such instructions, you may reverse any such credit or debit if a transaction fails to settle within a period of time after the contractual settlement date which you in your sole discretion consider reasonable in the light of market conditions. If any Investments delivered pursuant hereto are returned by the recipient thereof, you may cause any such credits or debits to be reversed at any time. With respect to any transactions as to which you do not determine so to credit or debit the Cash Account, the proceeds from the sale or exchange of Investments will be credited and the cost of such Investments purchased or acquired will be debited to the Cash Account on the date such proceeds or Investment are received by you.

Notwithstanding the preceding paragraph, settlement and payment for any Investment received for, and delivery of any Investment out of, the Custody Account may be effected in accordance with the customary or established trading or processing practices and procedures for such Investment in the jurisdiction or market in which the transaction occurs, including, without limitation, delivering such Investment to the purchaser thereof or dealer therefor (or to an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such Investment from such purchaser or dealer (or agent therefor).

With respect to all transactions for the Custody Account, including, without limitation, dividend and interest payments and sales and redemptions of any Investment, availability of funds credited to the Cash Account will be based on the type of funds used in the trade settlement or payment, including, but not limited to, same day availability for federal or same day funds and next business day availability for clearing house or next day funds.

Security and Set-Off. As security for any performance of my obligations under this Agreement, I grant a security interest in and pledge, transfer, and assign to you my right, title and interest in and to all cash, Investments and other assets held by you or by any of your subsidiaries, affiliates or subcustodians (the "Collateral"). In addition, and without limiting the foregoing, I agree that you may set-off any and all of my obligations to you against any and all deposits of mine, whether general or special, with you or any of your subsidiaries, affiliates or subcustodians, wherever located and whether or not denominated in the same or different currencies. In the event that a debited deposit is maintained in a currency other than the currency of my obligation to you, such debit shall be made in the amount which, when converted to the currency of my obligation at your rate for purchasing such currency on the date of such debit, shall yield the amount then due and payable to you hereunder.

BTCB

Client

C.V. Agreement # : 030301
Transaction Code : GREEN-1

Custodian Responsibility. You will use the same care with respect to the performance of your duties under this Agreement as you use in respect to your own property similar to that held hereunder, but you need not maintain any insurance for the benefit of the undersigned. Except as may be provided otherwise herein, you are authorized to execute instructions given by or on behalf of the undersigned and take other actions pursuant to this Agreement in accordance with your customary processing practices for customers similar to the undersigned and, in accordance with such practices, you may retain agents, including subsidiaries or affiliates of yours, to perform certain of such functions, notwithstanding that such retention may result in a gain or profit to you or to any of your subsidiaries or affiliates. All collection and receipt of funds or Investments and all payment and delivery of funds or Investments under this Agreement shall be made by you as the agent of the undersigned, at the risk of the undersigned. You will be liable to the undersigned only to the extent of actual damages suffered by the undersigned determined on the basis of the market value of the property which is the subject of the loss at the date of discovery of such loss, suffered or incurred as a result of gross negligence or willful misconduct on your part.

You will be responsible for only those duties stated in this Agreement or expressly contained in instructions to perform the services described herein given to you pursuant to the provisions of this Agreement and accepted by you and, without limiting the foregoing, you shall have no duty or responsibility:

(a) to supervise the Investment of, or make recommendations with respect to the purchase, retention or sale of, any Investment relating to the Custody Account;
(b) with regard to the Investment in the Custody Account as to which default in the payment of principal or interest has occurred, to give notice of default, make demand for payment or take any other action with respect to such default;
(c) for any act or omission, or for the solvency or notice to the undersigned of the solvency, of any subcustodian, securities depository broker or agent selected by you (in the absence of gross negligence or willful misconduct by you in such selection) or by the undersigned or any other person to effect any transaction for the Custody Account;
(d) to evaluate, or report to the undersigned regarding, the financial condition of any party to which you deliver Investments or payment pursuant to this Agreement; or
(e) for any loss occasioned by delay in the actual receipt of notice by you or any payment, redemption or other transaction in respect to which you are authorized to take some action pursuant to this Agreement.

If the undersigned is a trust and provides you with a copy of its trust Instrument, the undersigned understands and agrees that your review of such document is solely for the purpose of verifying the power of the trust to enter into and perform this Agreement and identifying the person(s) necessary to bind the trust, and that you assume no responsibility whatsoever for the proper administration of the trust.

Conflicts of Interest. The undersigned understands there is a potential conflict of interest between you and the undersigned in that you shall provide similar services to other clients and to your own accounts. Therefore, you or these other Accounts may compete for the same Investments. Further, the undersigned is aware that you and or your clients may continually develop Investment strategies because of different financial positions or objectives, and such strategies could require Investments that are different from or opposite to those of the undersigned. However, in view of the fact that a large number of these Investments are available and in view of market liquidity, the undersigned accepts the effects of such activities.

Responsible as Principal. The undersigned will be responsible to you as principal for all obligations of the undersigned to you arising under or in connection with this Agreement, notwithstanding that the undersigned may be acting on behalf of other persons, and the undersigned warrants its authority to deposit in the Custody Account and Cash Account any Investments and funds which you or your agents receive therefor and to give instructions relative thereto. The undersigned further agrees that you shall not be subject to, nor shall your rights and obligations with respect to this Agreement and Custody Account be affected by any agreement between the undersigned and any such person, except as provided herein.

Taxes. You are authorized and directed to claim exemption from transfer taxes on all transfers and deliveries of Investments held for our Custody Account.

If the undersigned is not a United States person or entity, you are hereby advised that the proceed of any sale of a security to the issuer thereof in the context of a self-tender offer do not constitute dividends and you are hereby directed not to withhold taxes payable to the United States with respect to such proceeds. The undersigned hereby agrees to indemnify and hold you harmless from and against any and all damages, liabilities, costs, fees and expenses incurred by you as a result of not withholding such taxes.

BTCB

Client

C.V. Agreement # : 030301
Transaction Code : GREEN-1

You shall have no obligation to seek a refund of any taxes withheld against any dividend or interest paid on any Investment unless the undersigned provided you with all documents that you may reasonably require for that purpose.

Fees, Indemnification. The undersigned agrees to pay a monthly Custodial Fee. This monthly Fee shall equal One Fifth of One Percent (0.2%) of the combined average monthly balance(s) in the Custody Account(s) and the Cash Account(s) - (unless this combined balance is less than One Million Dollars ($1,000,000) in which case this monthly Fee shall equal One Third of One Percent (0.33%) of such balances). The undersigned also agrees to pay a Transaction Fee equal to One Half of One Percent (0.5%) of the Face Amount of any and all Investment(s) acquired/traded per tranche to provide for the cost of the activities envisioned in those Investment transactions. Notwithstanding these Fees, the undersigned agrees to pay you reasonable compensation for other services requested by the undersigned pursuant to this Agreement at the standard fee for such services of which you will notify the undersigned from time to time. The undersigned also agrees to hold you and your agents harmless from, and to indemnify and reimburse you and them for, all liability, loss and expense (including out-of-pocket and incidental expense and legal fees) incurred by you or them in connection with the Custody Account or your acting under this Agreement, provided that you or they, as the case may be, have not acted with gross negligence or willful misconduct with respect to the events resulting in such liability, loss and expense.

Termination. This Agreement may be terminated at any time by either party effective upon receipt by the other party of written notice of such termination or upon such subsequent date specified in such written notice. Upon such termination, you will within a reasonable time return to the undersigned or to whom we direct any Investments or other property then held by you in the Custody Account.

Notices. Notices required hereunder shall be in writing, and delivered by mail, postage prepaid, to the following addresses (or to such other address as either party hereto may from time to time designate by notice duly given in accordance with this paragraph).

To the undersigned at: its Representative Office at 5885 Ferry Street, Box N25, Niagra Falls, L2G 1S8, Ontario, Canada.

To you, to the attention of our designated safekeeping account administrator, at: British Trade & Commerce Bank, P. O. Box 2042, Bayfront, Roseau, Commonwealth of Dominica, W.I.

Governing Law, Successors and Assigns. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Dominica without giving effect to that Commonwealth's principles of conflicts of laws and will be binding on our and your respective successors and assigns.

Source and Use of Funds. The undersigned warrants and attests: 1) that all assets deposited in this Custody Account or any other Accounts with you are good, clean, cleared, and legally obtained from non-criminal origins; and, 2) that neither these assets nor the profits or emissions derived from the activities envisioned hereunder have been, or will be, used for any criminal or illegal purpose, and not limited to but including any activities involving dealing with controlled substances, drugs, arms, munitions, or armaments.

Liability and Ownership. As used herein, the term "undersigned" shall be deemed to include all signatories hereto, if more than one, in such event, the obligations, liabilities, representations and warranties of the undersigned shall be joint and several. If the undersigned consists of more than one person, the undersigned warrants and represents that the cash in the Cash Account and the assets in the Custody Account are owned jointly with right of survivorship.

Arbitration. Any controversy between you and the undersigned arising out of or relating to this Agreement, including breach or alleged breach, hereof, shall be resolved by arbitration by a third party mutually agreed upon by the you and the undersigned. In the event you and the undersigned cannot agree upon such an arbitrator, the matter shall be arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-ZAf, 1990 or latest revision in effect at the time of the controversy). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on all parties and may be enforced in any Court of Law having jurisdiction thereto.

C.V. Agreement # : 030301
Transaction Code : GREEN-1

Disclosure. The undersigned understands that certain regulations may require that you disclose to the issuer of a security upon request the name and address of the undersigned and other positions with respect to securities held in the Custody Account, unless the undersigned objects to such disclosure and notifies you accordingly.

Prior Proposals. This Agreement contains the complete agreement of the parties hereto with respect to the Custody Account (except as may be expressly provided to the contrary herein) and supersedes and replaces any previously made proposals, representations, warranties or agreements with respect thereto by either or both of the parties hereto, except that this Agreement does not modify any interest or rights in the assets in the Custody Account which was otherwise granted to you and does not supersede or replace any item that you may have provided to the undersigned describing your services with respect to securities with tender options. This Agreement shall become effective upon execution hereof by the undersigned and acceptance by you.

Separability. Any provisions of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

Accounts. From time to time an Authorized Person may hereafter instruct you to open more than one Custody Account for the undersigned. Unless the undersigned and you otherwise agree, this Agreement will govern such accounts, in addition to the Custody Accounts which you are opening or currently maintain for the undersigned to which it is applicable.

Special Terms. The following additional terms and provisions, if any, are included in and constitute a part of this Agreement:

Notwithstanding any of the above, the SPECIFIC TRANSACTION INSTRUCTIONS, if any, executed by Holder and BTCB and attached hereto and constitute a part hereof for all intents and purposes.

EXECUTED AND SUBMITTED on this nineteenth day of January, 1998.

FOR AND ON BEHALF OF FREE TRADE BUREAU S.A.
BY:

PAUL B. ZHERNAKOV
PRESIDENT

ACKNOWLEDGED AND ACCEPTED FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK BY:

For Vice President

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT - MANAGED ACCOUNTS

C.V. Agreement # : **030301**
Transaction Code : **GREEN-1**

EXHIBIT "B"

SPECIFIC TRANSACTION INSTRUCTIONS

TO: BRITISH TRADE & COMMERCE BANK

As the Holder of Account Number 102-0110503, we hereby advise you that, with respect to the transaction identified with the codes set forth hereinabove, we will participate in International Cash Management Scenarios (involving Instruments from Top-rated World Banks) that you will designate, under internationally accepted Format and Procedures (I.C.C. 500/600).

Therefore, we request that you:

A) Acknowledge that we are the account Holder for this account with you and that you agree to serve as our Asset Manager for those transactions.

B) Receive, accept, transmit and acknowledge all communications and documents relating to these transactions, including:

1. Deposits of certain Government of Grenada Guarantees in the combined face value of One Hundred Million United States Dollars (US$100,000,000), authenticating said Guarantees under standard bank-to-bank procedures and issuing a Safekeeping Receipt for said Guarantees after such authentication.

2. Placing said Guarantees so as to cause said Guarantees to be accepted directly into an International Cash Management Scenarios with an acceptable valuation assigned to said Guarantees, or causing funds to be made available against said Guarantees and placing such funds into such Scenarios, whichever is more advantageous.

3. Pending your such placement, assisting us should a buyer for such Guarantees be identified who can purchase said Guarantees under acceptable procedures and at a price acceptable to us, accepting deposit of such proceeds.

4. Deposits of additional funds into this account. The proceeds of such sale or the valuation assigned to said Guarantees under 2. above, plus any additional deposits shall be deemed as the Account Principal.

5. Causing the placement of such Account Principal into Trading Scenarios within established Banks that will provide significant yield to us so that we may fund worthwhile international development projects.

6. Distributing the proceeds received from such placement as instructed in the Residual Distribution Instructions (ATTACHMENT "A", hereto).

C) Acknowledge the receipt of such communications or documents to such organizations or institutions as we shall designate in the normal course of the above described transactions.

C.V. Agreement # : 030301
Transaction Code : GREEN-1

We agree to indemnify and hold the bank harmless against any and all claims, demand, actions, damages, costs and expenses, including court costs, attorney's fees and disbursements arising from or connected with the foregoing requests, excepting, however, any such as may arise through or be caused by fraudulent or willful misconduct or gross negligence on the part of the bank.

Please acknowledge your agreement to observe and perform the foregoing instructions and directives.

Yours faithfully,

Paul P. Zhernakov
President

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned bank officers, for and on behalf of British Trade & Commerce Bank, acknowledge and accept the foregoing instructions and directives, and with full corporate and banking responsibility and authority agree that the bank will endeavor to observe these instructions and directives.

Date: 20/1/98

(Name and Title)
George E. Betts
Vice-President

Date: 20-1-98

(Name and Title)
Henry Royer
Director.

C.V. Agreement # : 030301
Transaction Code : GREEN-1

ATTACHMENT "A"

RESIDUAL DISTRIBUTION INSTRUCTIONS

The funds deposited in this account shall be utilized/disbursed as provided hereinunder.

1. The Principal shall be retained for a period of one year from the initial deposit and used solely as provided in the SPECIFIC TRANSACTION INSTRUCTIONS in EXHIBIT "B" to which this attachment is appended.

2. The additional amounts resulting from participation in the International Cash Management Scenarios as provided therein less all applicable Custodial and Transaction Fees and costs are defined as the Residual Amounts and shall be disbursed as follows:

   A. For each week in which such addition amounts are received, you shall distribute an amount equal to Three Percent (3%) of the Account Principal to your Bank and retain an equal amount to our account. Fifty Percent (50%) of all remaining residual amounts shall be disbursed to the following account coordinates in your Bank:

   A/C # :
   A/C Name : (Project Funding Account Designated by us)
   Bank Officer :

   B. All remaining residual amounts, in excess of the Principal and after deducting the amounts hereinabove, shall be disbursed to the following account coordinates in your bank:

   A/C # :
   A/C Name : (Developmental Trust Account Designated by BTCB)
   Bank Officer :

FOR AND ON BEHALF OF FREE TRADE BUREAU S.A. BY:

PAUL B. ZHERNAKOV
PRESIDENT

FOR AND ON BEHALF OF BRITISH TRADE & COMMERCE BANK BY:

VICE PRESIDENT

THIS IS EXHIBIT "M" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "M" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. DRIVERS LICENSE
as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

FREE TRADE BUREAU S.A.

Commonwealth of Dominica Corporation with the representative at phone/fax:
1(905) 353-9280 ; FAX 1(810)-279-5133; Cell-phone 1(905)708-9105

CONFIDENTIAL TOTAL TWO PAGES

DATE.....DECEMBER 7,1999
TO.....BRITISH TRADE & COMMERCE BANK
ATT.....Mr.GEORGE BETTS , EXECUTIVE VICE PRESIDENT.
FROM.....FREE TRADE BUREAU S.A.

RE. NEW ACCOUNT FOR FREE TRADE BUREAU S.A.

DEAR GEORGE,

AS PER OUR CONVERSATION YESTERDAY, ABOUT THE DEPOSIT OF $3,000,000 USD TO BTCB. THE FUNDS ARE ALREADY ON OUR LAWYER'S ACCOUNT IN CANADA, HE IS MR.DOUGLAS HANCOCK. PLEASE REGISTER THE NEW ACCOUNT NUMBER FOR FREE TRADE BUREAU S.A. AND PLEASE ISSUE THE ACKNOWLEDGEMENT FROM BTCB APPROXIMATELY AS PRESENTED BELOW:

#

TO: FREE TRADE BUREAU.S.A.
ATT: MR.PAUL ZHERNAKOV
MR.DOUGLAS HANCOCK

DEAR SIRS,

WE, BRITISH TRADE & COMMERCE BANK HEREBY ACKNOWLEDGE THAT WE HAD RESERVED THE NEW US DOLLARS ACCOUNT NUMBER:..... FOR FREE TRADE BUREAU S.A. WE HEREBY ALSO ACKNOWLEDGE THAT ANY INSTRUCTIONS TO OPERATE THIS ACCOUNT WILL BE ACCEPTED ONLY IF SIGNED BY TWO AUTHORIZED SIGNATORIES; MR.PAUL ZHERNAKOV AND MR. DOUGLAS HANCOCK IN ACCORDANCE WITH THE ATTACHED SIGNATURE FORM FOR THIS ACCOUNT.

BEST REGARDS.....

#

PLEASE SEND THIS LETTER TO MY FAX NUMBER 1(810)279-5133. IF YOUR LETTER WILL BE READY TODAY, TOMORROW THE FUNDS WILL BE TRANSFERRED TO THIS NEW ACCOUNT NUMBER TO BTCB.
THANK YOU FOR COOPERATION.

BEST REGARDS.SINCERELY
PAUL ZHERNAKOV

THIS IS EXHIBIT "N" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "N" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

OFFICIAL NOTA
CARLA S MEN
NOTARY PUBLIC STATE O
COMMISSION NO. CC
MY COMMISSION EXP. APR.

Print Name: CARLA S. MENDOZA

:OM : H PHONE NO. : ++++++++++++ Dec. 07 1999 01:41PM P2
DEC- 7-99 TUE 5:02 PM P. 1

FROM : H PHONE NO. : ++++++++++++ Dec. 06 1999 05:46PM P1
ent By: BRITISH TRADE AND COMMERCE BANK; 1 787 448 6477; Sep-08-98 4:07PM; Page 2/6

[redacted] Individual / Principal (for Corporate) Ltd ☐ Individual ☐ IBC

Name of Trust

Type of Trust ☐ Asset Protection ☐ Tax Planning ☐ Business ☐ Charitable ☐ Other

Appointment of Trustee ☐ BTCB ☐ Other Name Address

Appointment of Protector ☐ BTCB ☐ Other Name Address

BENEFICIARIES OF TRUST (Either show here or in Beneficiary Information Form) ☐ Beneficiaries to be nominated later

Are the proceeds distributed as follows: ☐ Per Stirpes - Children of a deceased Beneficiary shall share the Beneficiaries position equally. ☐ Per Capita - All living Beneficiaries receive an equal share.

Name of Beneficiary #1 Phone Number ( ) % Of Participation
Address City State/Country Zip/Postal Code

Name of Beneficiary #2 Phone Number ( ) % Of Participation
Address City State/Country Zip/Postal Code

Name of Beneficiary #3 Phone Number ( ) % Of Participation
Address City State/Country Zip/Postal Code

[redacted] Individual / Asset Account Owner Ltd ☒ IBC ☐ Trust

Name of Account Holder FREE TRADE BUREAU S.A.

BANK REFERENCES

Bank Reference #1 Location Acct# New account Since Phone#

Bank Reference #2 Location Acct# Since Phone#

AUTHORIZED SIGNATORIES

Name #1 Paul Zhernakov Signature Title

Name #2 Douglas Hanuck Signature Title

Name #3 Signature Title

ACCOUNT DETAILS

Signature required for transactions: Owner ☐ Two ☐ Three Currency ☒ U.S. Dollars ☐ Canadian Dollars ☐ British Pounds ☐ Other

Please find monthly statements and other correspondence ☐ Mailed ☐ Emailed ☒ Faxed ☐ Monthly STOS

I would like the following based on this account: ☐ Personal Credit Card (Please complete separate application)

I/We Ltd Bc Interested in: ☐ Certificate of Deposits ☐ Securities Trading Account ☐ Mutual Fund Account ☐ Mortgage Referrals ☐ Insurance Products

it is the signature page
for the new account
of Free Trade Bureau S.A.

THIS IS EXHIBIT "O" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "O" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. DRIVER'S LICENSE
as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

British Trade & Commerce Bank
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau.
Commonwealth of Dominica
P.O. Box: 2042 Phone: (767) 448-6410 Fax: 448-6477

Date: 12/07/99

Ordered
File

Fax Cover Sheet

To:	PAUL ZHERNAKOV	From:	GEORGE BETTS
Company:	FREE TRADE BUREAU	Department:	
Fax:	810-279-5133	Pages:	1
		Ref:	

: Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR SIRS:

WE, BRITISH TRADE & COMMERCE BANK HEREBY ACKNOWLEDGE THAT WE HAVE RESERVED A UNITED STATES DOLLAR ACCOUNT NUMBER 100-011381-6 FOR FREE TRADE BUREAU S.A. WE HEREBY ALSO ACKNOWLEDGE THAT ANY INSTRUCTIONS TO OPERATE THIS ACCOUNT WILL BE ACCEPTED ONLY IF SIGNED BY TWO AUTHORIZED SIGNATORIES, NAMELY MR. PAUL ZHERNAKOV AND MR. DOUGLAS HANCOCK IN ACCORDANCE WITH THE SIGNATURE FORMS ON FILE FOR THIS ACCOUNT.

SINCERELY,
FOR AND ON BEHALF OF
BRITISH TRADE & COMMERCE BANK

GEORGE E. BETTS
EXECUTIVE VICE PRESIDENT

BRITISH TRADE & COMMERCE BANK
COMMON SEAL
DOMINICA

THIS IS EXHIBIT "P" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "P" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Driver's License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

Print Name: CARLA S. MENDOZA

Daigle &
Hancock
Barristers and Solicitors

Douglas H. Hancock, B.A., LL.B.
Peter M. Daigle, B.A., LL.B.

51 Village Centre Place
Mississauga, Ontario
L4Z 1V9

Telephone: (905) 273-3339
Toll Free: (877) 273-3339
Fax: (905) 273-5672

December 10, 1999

Refer to File No. 1550

VIA FACSIMILE TO (767) 448-6477

BRITISH TRADE & COMMERCE BANK
PO BOX 2042
Roseau, Dominica

Attention: George E. Betts, Executive Vice President

Dear Sir:

Re: Free Trade Bureau S.A.

I write further to our telephone conversation on the afternoon of December 9, 1999. As a preliminary comment, thank you for taking the time to answer my questions.

I confirm that it is my request, and that of the other signatory to the account (Paul Zhernakov), that both of us be notified with respect to any proposed account activity. Correspondence directly from Mr. Zhernakov will follow.

As well, I confirm your advice that funds will be held by your correspondent bank, First Union National Bank. Arrangements are being made to transfer the funds by wire transfer today.

Thank you for your assistance in this matter.

Yours very truly,
Daigle & Hancock

Douglas H. Hancock

Douglas H. Hancock
DHH/sc

cc: Sayse Chatterpaul

THIS IS EXHIBIT "Q" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "Q" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. DRIVERS LICENSE
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

FREE TRADE BUREAU S.A.

Commonwealth of Dominica Corporation with the representative at phone/fax:
1(905) 353-9290 ; FAX 1(810)-279-5133; Cell phone :1(905)708- 9105

CONFIDENTIAL

DATE.....DECEMBER 10,1999
TO.....BRITISH TRADE & COMMERCE BANK
ATT.....Mr.GEORGE BETTS, EXECUTIVE VICE PRESIDENT
FROM.....FREE TRADE BUREAU S.A.

RE: THE ACTIVITY ON THE ACCOUNT OF FREE TRADE BUREAU S.A.
N 100-011381-6

DEAR SIRS,

PLEASE FIND ENCLOSED OUR IRREVOCABLE INSTRUCTIONS TO NOTIFY BOTH AUTHORIZED SIGNATORIES WITH RESPECT TO ANY PROPOSED ACCOUNT ACTIVITY AS FOLLOWS:

MR. PAUL ZHERNAKOV: VIA FAX: 1(905) 353-9290
MR. DOUGLAS HANCOCK VIA FAX: 1(905) 273-5672

THANK YOU FOR COOPERATION.

BEST REGARDS.SINCERELY

PAUL ZHERNAKOV

FREE TRADE BUREAU S.A. COM. SEAL DOMINICA

THIS IS EXHIBIT "R" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "R" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Driver's License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828854
MY COMMISSION EXP. APR. 22,2003

Print Name: CARLA S. MENDOZA

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

March 23, 2000

Mr. Paul Zhernakov & Associates
Free Trade Bureau S.A.
Emens Building, Bayfront
Roseau, Commonwealth of Dominica

Sent via fax: 011-810-279-5133

Dear Sirs:

Please be advised that your instructions for the transfer of USD$400,000 have been accepted and are being processed by our bank. Due to some technical difficulties with one of our banks in Europe the necessary funds for this transfer and others have not been received as scheduled. We have been informed that the problems have been solved and the funds will be transferred to us either today or tomorrow. As soon as we receive the funds we will transfer within the next business day the $400,000 to the following account:

Daigle & Hancock Law Firm,
The Bank of Novia Scotia
2 Robert Speck Parkway at Hurontario, Suite 100
Mississauga, Ontario, Canada
Institution No. 002
Transit No. 97832
Account Number 0065218

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

THIS IS EXHIBIT "S" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "S" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced
as identification, and who did take an oath.

My Commission Expires: _____

Notary Public, State of Florida

Print Name: _____

British Trade & Commerce Bank
Emens Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau.
Commonwealth of Dominica
P.O. Box: 2042 Phone: (767) 448-6410 Fax: 448-6477

Date:03/24/00

Fax Cover Sheet

To:	FREE TRADE BUREAU & ASSOC.	From:	GEORGE BETTS
Company:		Department:	
Fax:	1-810-279-5133	Pages:	1
		Ref:	

: Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR SIRS:

WE HEREBY CONFIRM THAT THE WIRE TRANSFER OF USD$400,000 AS PER YOUR INSTRUCTIONS HAS BEEN PROCESSED BY US UNDER THE REFERENCE NUMBER 100000329. BASED ON OUR CURRENT SCHEDULE OF TRANSFERS FROM OUR CORRESPONDENT BANK IN EUROPE THIS TRANSFER SHOULD REACH YOUR ACCOUNT AT THE BANK OF NOVA SCOTIA BY APPROXIMATELY TUESDAY OR WEDNESDAY OF NEXT WEEK. IF THERE ARE ANY FURTHER PROBLEMS WE WILL CONTACT YOU IMMEDIATELY. WE SINCERELY APOLOGIZE FOR THE PROBLEMS THIS DELAY HAS CAUSED BUT WANT TO ASSURE YOU THAT IS WAS DUE TO SOME UNFORSEEN COMPLICATIONS WITH ONE OF OUR CORRESPONDENT BANKS IN EUROPE.

SINCERELY,
FOR AND ON BEHALF OF
BRITISH TRADE AND COMMERCE

GEORGE BETTS
EXECUTIVE VICE PRESIDENT

BRITISH TRADE & COMMERCE BANK
COMMON SEAL
DOMINICA

THIS IS EXHIBIT "T" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "T" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Drivers License
as identification, and who did take an oath.

My Commission Expires:

Carla S. Mendoza
Notary Public, State of Florida

Print Name: CARLA S. MENDOZA

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 825854
MY COMMISSION EXP. APR. 22,2003

Daigle &
Hancock
Barristers and Solicitors

Douglas H. Hancock, B.A., LL.B.
Peter M. Daigle, B.A., LL.B.
Carl H. Cassian, B.A., LL.B.

51 Village Centre Place
Mississauga, Ontario
L4Z 1V9

Telephone: (905) 273-3339
Toll Free: (877) 273-3339
Fax: (905) 273-5672

April 10, 2000

Refer to File No. 1550

VIA FACSIMILE TO (767) 448-6477

BRITISH TRADE & COMMERCE BANK
PO BOX 2042
Roseau, Dominica

Attention: George E. Betts, Executive Vice President

Dear Sir:

Re: Free Trade Bureau S.A.

Would you please confirm receipt of the enclosed Direction. As well, could you please advise when you expect that we would be in receipt of funds.

Thank you for your assistance in this matter.

Yours very truly,
Daigle & Hancock

Douglas Hancock

Douglas H. Hancock

FREE TRADE BUREAU S.A.

Commonwealth of Dominica Corporation, with the address at P.O.Box 2042, Bayfront, Dame Eugenia Charles blvd, Roseau, Commonwealth of Dominica. Tel/fax 1(905) 353-9290, fax:1(810)279-5133, cell phone 1(905)708-9105

CONFIDENTIAL

Date:.....April 10, 2000 total one page

To.....BRITISH TRADE & COMMERCE BANK
ATT:.....Mr. George Betts, Executive Vice President.
From.....Free Trade Bureau S.A.

Dear George,
Please perform the wire transfer of the balance in the amount of **$ 3,000,000.-(Three Million United States Dollars)** from the account N 100-011-318-6 as per coordinates below:

Beneficiary:..... Daigle & Hancock law firm
Beneficiary Bank: .....The Bank Of Nova Scotia
2 Robert Speck Parkway at
Hurontario, Suite 100
Mississauga, Ontario, Canada

Institution N.....002
Transit N.....97832
Account Number.....0065218 (USD Account)

Please close this account upon withdrawal of these funds.

Authorized Account Signatories:

Douglas Hancock Paul Chernakov

Sent to BTCB at 5 p.m. April 10, 200

THIS IS EXHIBIT "U" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "U" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Driver's License
as identification, and who did take an oath.

My Commission Expires:

Carla S Mendoza
Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 828834
MY COMMISSION EXP. APR. 22,2003

Print Name: CARLA S. MENDOZA

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

April 12, 2000

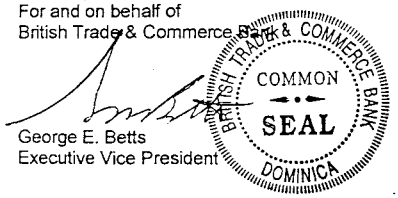
Free Trade Bureau S.A. and
Mr. Douglas Hancock
Building 7, Canefield Estates
Roseau, Commonwealth of Dominica

Sent via fax to: 1-810-279-5133

Dear Sirs:

In accordance to your instructions dated April 10,2000 we hereby confirm that the account with your joint signatures has been closed. The amount of USD$3,000,000 will be transferred to your designated account at the Bank of Nova Scotia when the funds are received from the investment financing arrangement into which they have been placed. This investment financing has been discontinued per your instructions received previously. We will provide you with the wire tracking reference as soon as it is available. We expect this to take place within five banking days.

Sincerely,
For and on behalf of
British Trade & Commerce Bank



George E. Betts
Executive Vice President

THIS IS EXHIBIT "V" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "V" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. Driver's License
as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC [illegible]
MY COMMISSION EXP. APR. [illegible]

Print Name: CARLA S. MENDOZA

This is Exhibit 2 to the affidavit
of Gregory G. Banks
sworn before me at the City
of Toronto in the Province
of Ontario
this 20th day of April, 2000
A Commissioner, etc.

NOTES FROM TELEPHONE CONVERSATION
TUESDAY, APRIL 18, 2000

JOHN OLAH (JO), GEORGES BETTS (GB), DOUGLAS HANCOCK (DH)

JO Letter from Mr. Little to DH – get a clear understanding what is status of 3Million US and precisely what steps have to be taken and timing?

GB 1ST thing - get permission from bank for GB to discuss bank with us as DH no longer on account and it is illegal for him disclose information to JO - when account was closed DH was removed - written instructions required to release info to JO - however can discuss with DH alone

JO states he is retiring from call - then asked for information about institution
Head Office - Dominica - financial institution - offshore - no financial statements available as private institution - there is a shareholders brochure which GB verbally agreed to send to JO - also listed in Thompson Palk Bank directly - supervised by Minister of Finance of Dominica

JO HANGS UP

GB problem - funds under managed account agreement for one year on a best efforts basis does not know arrangement with Paul Zhernakov
to return funds 1) break investment that they are in and take penalties (then earnings lost) or 2) find somebody to take place in investments - US Federal Reserve will review funds and will take a few days
as soon as he gets funds - will send to us - takes a few days to get 3M - account closed - does not anticipate any problem - maybe Wednesday he will have funds to send
money is still account - and we will not get less 3M

DH wire instructions (date?)
Swift system bank identifier code - international monies and securities transfer system
First Union Bank merged with bank in Pennsylvania - then ?Core State? - keep same identifier code numbers

funds are on account

will call ASAP WHEN FUNDS AVAILABLE - STATES PROBABLY WEDNESDAY, APRIL 19, 2000

Confidential By Court Order
Campbell J.
4.18.00

THIS IS EXHIBIT "W" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN BEFORE ME, AT THE CITY OF MIAMI,
IN THE STATE OF FLORIDA, THIS 7TH DAY OF
SEPTEMBER 2000

Commissioner for Taking Affidavits

THIS IS EXHIBIT "W" REFERRED TO IN
THE AFFIDAVIT OF DR. RODOLFO REQUENA
SWORN TO, ACKNOWLEDGED AND SUBSCRIBED
before me this 7th day of September, 2000, by
Dr. Rodolfo Requena, who is personally known to me
or has produced Fl. DRIVER'S LICENSE
as identification, and who did take an oath.

My Commission Expires:

Notary Public, State of Florida

OFFICIAL NOTARY SEAL
CARLA S MENDOZA
NOTARY PUBLIC STATE OF
COMMISSION NO. CC
MY COMMISSION EXP. APR.

Print Name: CARLA S. MENDOZA

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

April 28, 2000

Free Trade Bureau, S.A.
Building 7, Canefield Estates
Roseau, Commonwealth of Dominica

VIA FACSIMILE: 810-279-5133

Dear Sirs:

British Trade and Commerce Bank ("BTCB") has been informed that there is a controversy concerning the origin and ownership of funds you placed in an investment program through the facilities of BTCB. Therefore, be advised of the following:

1. The investment program you selected required a deposit of funds for a period of one year. There is no provision for withdrawal before the end of the period.
2. When you entered the program, you were informed that other parties whose funds were also invested depended on the commitment of all investors to the one-year lock up of funds.
3. The managed account agreement you received and signed did not promise a specific return on investment. It does allow you to participate in profit earned on pooled funds at the end of the one-year term. The profits are to be earned on the best efforts basis of the fund managers.
4. You made the deposit into this investment program in December 1999.
5. When you requested a return of your investment, BTCB informed you that it would assist in locating a replacement for your funds. The replacement party would make its funds available in an amount equal to the sum you invested, and "buy" your position in the investment program by allowing BTCB to deliver the new funds to you. The profits would belong to the replacement party at the end of the term. It is in this manner that we are able to discontinue your participation in the financing arrangement in which you are a part.
6. BTCB is optimistic that a replacement investor has been located, and the sum you invested can be returned to you in the near future.
7. The funds have not been moved and remain under the control of BTCB.
8. BTCB confirms that it accepts full responsibility for the return of USD$3M(three million United States dollars) reserved previously for financing arrangements.

BTCB has received requests for information from multiple parties about your account. The Off-Shore Banking Act and the International Business Companies Act of the Commonwealth of Dominica are quite strict. If anyone connected with BTCB were to divulge information about your identity or account balances, among other things, that person would be liable for criminal violations of the law in this jurisdiction. But you should be aware that it is our policy to cooperate fully with duly authorized government officials, and to act in complete compliance with the spirit as well as the letter of the law. Therefore you should take all necessary steps to settle the questions that have arisen about your handling of what appears to be money entrusted to you by other people, since BTCB could be required by the Banking Regulators in Dominica to disclose all information about this account.

If you have any questions, please contact us directly at the BTCB, and refer all questions about this matter here.

Sincerely,
For and on behalf of
British Trade and Commerce Bank

Mrs. Patricia Inglis
Vice-President/Commercial BAnking

Senate Permanent Subcommittee
On Investigations
EXHIBIT #____57l____

Exhibit 57l.

$10 million CD interpleader documents

B303110

SERIES NUMBER CD1

BTCB

CERTIFICATE NUMBER 12009

BRITISH TRADE & COMMERCE BANK

Evans Building, Dame Eugenia Charles Blvd., Roseau
Roseau, Commonwealth of Dominica
P.O. Box 2042, Phone: (767) 448-6410

CERTIFICATE OF DEPOSIT

110 999989

Issue Date: 26 June, 1998 Maturity Date: 25 June, 1999

~~THIS CERTIFIES~~ that BEARER

has deposited with this bank the sum of **** TEN MILLION DOLLARS ONLY********** United States Dollars (US $ 10,000,000.00

This deposit shall bear interest at the rate of SIX Per cent (6%) per Annum for a period of 365 Days from issue date and subject to the conditions stated herein:

1. Deposits made in any form shall not be considered good until the same have been cleared.
2. The deposit covered by this certificate will be paid by the issuing Bank and only upon presentation of the original certificate duly endorsed by the depositor.
3. If the deposit is not withdrawn on the maturity date, the deposit shall be treated as a regular savings account and shall earn interest as such from the date of maturity up to the date of actual withdrawal.
4. It is understood and agreed that the deposit covered by this certificate shall be subject to the prescribed rules and regulations, particularly on rate of pre-termination.
5. Assignment or pledge of the time deposit shall not be binding on the bank unless made with the Bank's prior consent in writing.
6. Prompt notice in writing should be given to the Bank if this certificate is lost, stolen or destroyed. In which case, the Bank may at it's option, cause a substitute to be issued to such depositor on such terms of indemnity or otherwise as the Bank may deem proper and the original certificate shall thereafter be void.

VICE-PRESIDENT

DIRECTOR/SECRETARY

⑆CC232⑆ #1010-2⑈ US$ 10 000.000⑆

Source: All Sources : / . . . / : Federal and State Cases - After 1944
Terms: correspondent and new w/1 york and sweet and date geq (8/1/00) (Edit Search)

*2000 U.S. Dist. LEXIS 11881, **

CORRESPONDENT SERVICES CORPORATION, Interpleader-Plaintiff, - against - J.V.W. INVESTMENT LTD., FIRST EQUITIES CORPORATION OF FLORIDA, J.V. WAGGONER, and DONAL KELLEHER, Defendants.

99 Civ. 8934 (RWS)

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF **NEW YORK**

2000 U.S. Dist. LEXIS 11881

August 16, 2000, Decided
August 18, 2000, Filed

DISPOSITION: [*1] Waggoner's motions to dismiss counterclaims of defendant Donal Kelleher granted in part and denied in part.

CASE SUMMARY

PROCEDURAL POSTURE: Defendant investor moved, pursuant to Fed. R. Civ. P. 12(b)(6), or Fed. R. Civ. P. 56, to dismiss defendant investment finder's counterclaims in an action stemming from the failure of certain investments. Defendant investment finder moved to disqualify defendant investor's counsel and to dismiss defendant investor's claims.

OVERVIEW: During a series of financial dealings, a dispute arose over losses sustained by defendants, an investor, an investment finder, and various corporations. Plaintiff/interpleader brokerage firm filed a complaint and defendants filed multiple crossclaims and motions. The case came before the court on defendant investor's motion to dismiss under Fed. R. Civ. P. 12(b)(6) or for summary judgment, and defendant investment advisor's motion to dismiss, which the court treated as summary judgment motions, and defendant finder's motion to disqualify defendant investor's counsel. The court held counsel's firm's representation of defendant corporation, with which defendant finder was associated, did not create an individual attorney/client relationship, and that anticipated testimony from a representative of the law firm was not necessary, so disqualification was unwarranted. Disputed issues of material fact regarding whether defendant investor had notice of defendant finders' ownership claims made summary judgment inappropriate. Issues concerning breach of fiduciary duty in a joint venture relationship also survived summary judgment.

OUTCOME: Motion to disqualify defendant investor's counsel denied because the law firm's representation of defendant corporation did not create an attorney/client relationship with its officers, and anticipated testimony from a law firm representative was not necessary to the action. Motions to dismiss counterclaims granted in part, because issues of material fact remained regarding notice and fiduciary duty in a joint venture, and denied in part.

CORE TERMS: certificate, summary judgment, bearer, adverse claim, registered, purchaser, joint venture, disqualification, correspondence, signature, ownership, transmittal letter, counterclaim, notice, transferred, minutes, prejudicial, former client, disqualified, disqualify, documentary evidence, matter of law, moving party, loyalty, beneficial ownership, sub-account, placement, appointed, trading, motion to dismiss

Contracts Law : Types of Contracts : Oral Agreements
Contracts Law : Statutes of Frauds
Under **New York** law, an oral agreement may be sufficient to create a joint venture and the Statute of Frauds is generally inapplicable to such an agreement.

COUNSEL: For J.V. Waggoner: KENNETH A. CARUSO, ESQ., Of Counsel, SHAW PITTMAN, **New York,** NY.

For Donal Kelleher: JAMES J. MAHON, ESQ., Of Counsel, RICHARDSON MAHON CASEY & ROONEY, **New York,** NY.

JUDGES: Robert W. **Sweet,** U.S.D.J.

OPINIONBY: Robert W. **Sweet**

OPINION:

Sweet, D. J.

Defendant J. Virgil Waggoner ("Waggoner") has moved, pursuant to Rule 12(b)(6), or, in the alternative, Rule 56, Fed. R. Civ. P., to dismiss the counterclaims of defendant Donal Kelleher ("Kelleher"). Kelleher has moved to disqualify Waggoner's counsel and to dismiss Waggoner's claims. For the reasons set forth below, the motions are granted in part and denied in part.

The Parties

Interpleader-Plaintiff **Correspondent** Services Corporation ("CSC") is a Delaware corporation with its principal place of business in **New York, New York.** It is a registered securities broker-dealer which provides clearance services to other registered securities brokerage firms.

Defendant First Equity Corporation of Florida ("FECF") is a Florida corporation with its principal place of business in Miami, Florida.

Defendant [*2] J.V.W. Investment Ltd. ("JVW") is a corporation formed under the laws of the Commonwealth of Dominica ("Dominica"), with its principal place of business in Dominica. JVW maintained an account at FECF which, pursuant to the clearing agreement between FECF and CSC, contained securities positions held by CSC in a custodial capacity.

Defendant Waggoner is a United States citizen domiciled in Texas.

Defendant Kelleher is a foreign national and a resident of Surrey, England.

Prior Proceedings

CSC's interpleader complaint was filed on August 16, 1999. Waggoner and JVW filed an answer and cross claims against FECF and Kelleher on November 10, 1999. Thereafter, Kelleher filed an answer, including counterclaims against Waggoner. On March 29, 2000, Waggoner filed notice of his instant motion. On April 3, 2000, Kelleher filed notice of his instant motion to disqualify and of his cross-motion. The return date for the motions was adjourned on consent of the parties, and the Court heard oral argument on May 24, 2000. Further written submissions were received through June 13, 2000.

Facts

Waggoner's motion comes in the posture of a motion to dismiss under Rule 12(b)(6), [*3] Fed. R.

Civ. P. With respect to the determination of ownership of JVW and its assets, however, Waggoner moves in the alternative for summary judgment under Rule 56. Kelleher's motions simply come as motions to dismiss under Rule 12(b)(6). Both Waggoner and Kelleher, however, have submitted multiple affidavits and documentary evidence in connection with these motions. ☛Where a District Court is provided with materials outside the pleadings in the context of a 12(b)(6) motion to dismiss, it has two options: the court may exclude the additional materials and decide the motion on the complaint alone or convert the motion to one for summary judgment. See Fed. R. Civ. P. 12(b); Kopec v. Coughlin, 922 F.2d 152, 154 (2d Cir. 1991); Fonte v. Board of Managers of Continental Towers Condominium, 848 F.2d 24, 25 (2d Cir. 1988). The Court has determined to treat these motions as motions for summary judgment.

☛Under the summary judgment standard, the Court must construe all disputed facts in the light most favorable to the non-movant. Because the Court is presented with cross-motions for summary judgment, any material factual dispute on a given claim will preclude [*4] the Court from finding summary judgment on that claim.

Setting forth a scenario of the events that precipitated this lawsuit is a challenging task. It has been made more difficult by both Waggoner's and Kelleher's sworn testimony that the other party has lied and has submitted forged documents. Thus, in many instances below, two competing factual scenarios are set forth, as both sides have moved for summary judgment and the Court cannot simply construe the facts in the light most favorable to one side or the other.

In November 1997, Kelleher and Waggoner entered into an arrangement whereby Kelleher was to introduce Waggoner to parties involved in international high-yield investment programs to which Kelleher had access, enabling Waggoner to explore the possibility of achieving a greater return on funds he had available for investment. In return, Waggoner agreed to pay a percentage of the profits on such investments to Kelleher, for locating, arranging, and helping to manage those investments. (Kelleher Aff. Supp. Mot. Disqualify P 3) (hereinafter "Kelleher Aff. # 1).

Pursuant to this arrangement, Kelleher introduced Waggoner to Ufinco Ltd. ("Ufinco"), and on December 1, 1997, Waggoner [*5] signed a Joint Participation Agreement in which he appointed Ufinco as his investment manager to invest the sum of $ 10 million. On December 5, 1997, Ufinco notified Waggoner that Kelleher was an additional appointed trustee for the funds under that agreement, and Waggoner acknowledged and agreed to Kelleher's appointment to that position. (Kelleher Aff. Supp. Mot. Dismiss P 26 (hereinafter Kelleher Aff. # 2); Exs. Z, AA.) However, no investments were ever made through Ufinco, as Waggoner decided not to proceed with that arrangement.

Later in December 1997, Kelleher introduced Waggoner to Bower Cotton, a firm of London solicitors, who in turn introduced Waggoner to Nikea, N.V. ("Nikea"), an investment firm that operated out of Bower Cotton's offices. Waggoner thereafter wired $ 10,000,000 to Bower Cotton, to be held in escrow for use in investment programs to be arranged through Nikea. (Kelleher Aff. # 1, P 5.)

Kelleher claims that in January 1998, he and Waggoner formed a joint venture (the "Joint Venture") in which Waggoner agreed to invest substantial funds in programs that Kelleher located, which were to involve (a) the guaranty of principal and 5-6% interest over a one-year [*6] period by the trading partner; and (b) estimated profits of 100% per month on a best efforts basis, based upon the trading of money market paper by recognized international financial institutions. n1 For his efforts and the access he provided, Kelleher was to receive 20-30% of the profits from such investments. (Id. P 5.) Waggoner denies that this alleged Joint Venture was ever formed, and no document has been submitted to the Court to substantiate Kelleher's claim. On January 23, 1998, Waggoner signed a document (the "January 23, 1998 Trustee Appointment") appointing Kelleher as his trustee for the limited purpose of coordinating placement of Waggoner's funds, held in escrow at Bower Cotton, into a high yield private placement program, and to manage such funds in accordance with instructions in an accompanying letter to Bower Cotton. (Kelleher Aff. # 2, P 27; Ex. BB.) Contrary to Kelleher's claims, the January 23, 1998 Trustee Appointment provides no

evidence of the existence of the Joint Venture. n2

- - - - - - - - - - - - - - - - - -Footnotes- - - - - - - - - - - - - - - - - -

n1 These terms sound so preposterous that it is difficult to fathom how any investor could possibly expect they could be fulfilled: an estimate of a 100% return per month, and not merely risk-free principal, but a guarantee of 5-6% interest per year on such principal! [*7]

n2 Ex. BB to Kelleher Aff. # 2 also contains a "Joint Participation Agreement" dated January 23, 1998. However, the signature lines on the agreement are blank. The January 23, 1998 Trustee Appointment is attached behind the agreement. Why these documents have been stuck together is a mystery, since nowhere in the January 23, 1998 Trustee Appointment is any reference made to any joint participation agreement. It is to be hoped that Kelleher, or his counsel, is not playing fast and loose with the Court. Unfortunately, this hope may be ill-founded, as Kelleher's submissions on the whole suggest a deliberate attempt at deception.

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Between January and May, 1998, Kelleher identified several further potential investment programs, but Waggoner declined to participate in any of them.

In April, 1998, Kelleher located an investment program managed by Mintus, Inc. ("Mintus") that would maintain its funds at and conduct its trading through Citibank, N.A. ("Citibank") in **New York.** Waggoner opened an account at Citibank, and on April 14, 1998, Kelleher and Waggoner entered into a contract, the "Joint Participation [*8] Agreement" ("JPA"), pursuant to which Kelleher and his company, Abbeyfield Asset Management, SA ("Abbeyfield"), were appointed as trustee for Waggoner. Kelleher was obligated to invest $ 10 million, belonging to Waggoner, in a high-yield investment program to be administered by Citibank. Pursuant to the JPA, Kelleher was to receive a share of profits earned from the high yield program ranging from 20% to 25%. The JPA is governed by **New York** law. (Kelleher Aff. # 1, PP 6-7; Kelleher Aff. # 2 P, 22; Caruso Affirm. Ex. C.)

Pursuant to Exhibit C of the JPA, the "Appointment of Trustee," Waggoner appointed Abbeyfield, represented by Kelleher, as:

> Trustee for the following specific and limited purpose only:
>
> 1. To coordinate placement of my funds, currently held in my escrow account at National Westminster Bank, number 01339044, RE: J. Virgil Waggoner, into a high yield private placement program whose bank has assigned me a transaction subaccount number. To manage this transaction account at all times as a non-declining balance (non-depletion) account. And never to reduce or deplete the cash or cash-equivalent balance in this account designated in the name of and [*9] under the sole ownership of J. Virgil Waggoner.
>
> 2. Within guidelines of my written instructions as above, to execute on behalf of myself, J. Virgil Waggoner, all documents reasonably required from any institution in order to carry out the intent and requirements of the private placement program and to manage its implementation and daily operations.
>
> 3. Within the constraints as noted above, to give and to grant to the Trustee the same authority to act as if said act were performed by Mr. Waggoner.

(Caruso Affirm. Ex. C.)

The JPA also provided that any changes to the JPA had to be made in writing and agreed to by the parties, and that verbal agreements would have no binding effect whatsoever. (Id.) Kelleher claims that the JPA, by its express terms, pertained only to the Mintus program. (Kelleher Aff. # 2, P 22.)

Waggoner subsequently declined to enter into the Mintus program. Early in June, 1998, Kelleher located yet another program, in which the funds were to be maintained, and the trading conducted, by Gert von Wippel. To facilitate entry into this program, on June 9, 1998, Kelleher and Waggoner entered into an Addendum to the JPA, which provided for a change [*10] of the specified bank from Citibank to "Barclay's or Midland or similar quality U.K. clearing bank." (Kelleher Aff. # 2, P 23; Caruso Affirm. Ex. D.) n3 However, no investment was made in the von Wippel program either.

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n3 The fact that the JPA could be amended simply by providing for a change of banks and thereby pertain to the von Wippel program demonstrates the absurdity of Kelleher's claim that the original JPA by its terms only applied to the Mintus program. Indeed, as set forth below, Kelleher's subsequent correspondence with Waggoner demonstrates that Kelleher believed that the JPA applied to the subsequent investment to which Waggoner finally committed himself.

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Kelleher next located an investment program managed by British Trade and Commerce Bank ("BTCB"), a bank doing business under the laws of Dominica. For maximum privacy, secrecy, and the ability to shield investments from taxes and creditors, BTCB recommended to Kelleher and Waggoner that an "International Business Company" ("IBC") be set up under [*11] the laws of Dominica. To this end, on June 12, 1998, Charles L. Brazie ("Brazie"), a vice president of BTCB, wrote to Kelleher and Waggoner, requesting that various forms be filled out in order to establish the IBC and set up the investment account at BTCB. (Kelleher Aff. # 2 Exs. B-E.)

On June 16, 1998, Waggoner informed Bower Cotton in writing that, due to delays in receiving specific contract terms, he was no longer interested in participating in investments arranged through their offices. Waggoner directed Bower Cotton to wire his $ 10 million, plus accumulated interest, to an account maintained at Citibank by Suisse Security Bank & Trust Company ("SSBT") for the benefit of JVW. (Kelleher Aff. # 2 P 27 & Ex. CC.)

On June 17, 1998, Kelleher wrote to George E. Betts ("Betts"), a vice-president of finance at BTCB, stating that he had been able to download an IBC order form and was sending it to Betts. (Kelleher Aff. # 2 Ex. F.)

Waggoner has submitted a form entitled "International Business Company (IBC) Order Form" (the "IBC Form"), allegedly completed as part of the organization of JVW. On the IBC Form, Waggoner is listed as owner of 100% of JVW and as its sole "Beneficial [*12] Owner," and Kelleher is listed as a "Non Shareholder Director." The IBC Form bears the signatures of Kelleher as "Trustee for J. Virgil Waggoner," and of Betts, the BTCB vice president. Both signatures are dated June 22, 1998. The IBC Form also indicates that Betts processed the application, approved it on June 22, 1998, and assigned it number 101-011200.9. Finally, the IBC Form indicates that JVW's authorized capital was to be $ 5,000, and that the par value of shares was to be $ 1.00. There is also the following notation: "[Bearer Share] Hold at BTCB for J.V. Waggoner." (Caruso Affirm. Ex. E.)

Kelleher has sworn that he has never seen the IBC Form submitted by Waggoner to the Court. Kelleher claims that he faxed a copy of the IBC Form (presumably filled out identically to the form submitted by Waggoner) to BTCB on June 17, 1998, after which he claims to have received a phone call from Betts, who told Kelleher that BTCB categorically refused to consider doing business with an IBC owned directly by an American citizen (i.e., Waggoner), because of concerns about "cross-jurisdictional exposure." Betts allegedly insisted that the IBC be owned by a business trust controlled by BTCB, [*13] and faxed a proposed authorization form to be used in that context.

(Kelleher Aff. # 2, P 7 & Ex. G; Kelleher Reply Aff. Supp. Mot. Dismiss P 3 (hereinafter Kelleher Aff. # 3.) These statements attributed to Betts are hearsay and are inadmissible. They are also difficult to reconcile with the fact that Betts's signature is on the IBC form submitted by Waggoner. In addition, nowhere in the BTCB literature submitted by Kelleher is any mention made of a refusal to do business with an IBC directly owned by a United States citizen. (See Kelleher Aff. # 2, Exs. B-E.) Presumably, if there was such a "categorical refusal," it would appear front and center in BTCB's literature. Finally, Exhibit G -- which appears to be an attachment to a contract and provides "residual distribution instructions" -- does not in any way substantiate Kelleher's allegation regarding Betts.

Kelleher next claims that he discussed Betts's alleged proposal that the IBC be owned by a business trust controlled by BTCB with Waggoner and his "assistant," Lisa Duperier ("Duperier"), and that the proposal was rejected because it meant effective loss of all control over the investment. (Kelleher Aff. # 2, P 8.)

Kelleher [*14] further alleges that, with the approval of Waggoner, Duperier, and Waggoner's accountant and son-in-law, Kevin Quisenberry ("Quisenberry"), Kelleher proposed that he would become the record owner of the stock, as trustee for Waggoner and himself. BTCB allegedly agreed to this, and sent the original corporate documents, including the bearer share certificate, to Kelleher in England rather than to Waggoner in Texas. (Kelleher Aff. # 2, P 9.)

Complicating this scenario even further is the fact that JVW was incorporated on June 19, 1998, as an IBC under the laws of Dominica (Kelleher Aff. # 2 Ex. H.), i.e., three days prior to the date the IBC Form was signed by Kelleher and Betts. Under the Memorandum of Association of JVW (the "Memorandum of Association"), the registered office was located in Roseau, Dominica, the registered agent was Micheal E. Bruney ("Bruney"), the authorized capital was $ 5,000, divided into 5,000 shares of no par value, and the issues of shares were to be under the control of JVW's director(s). (Kelleher Aff. # 2 Ex. I.) The Memorandum of Association was signed on June 19, 1998, by Herry Royer ("Royer") as director on behalf of International Corporate Services [*15] ("ICS"). JVW's Articles of Association (the "Articles of Association") were also signed by Royer, on behalf of ICS, on the same date. (Kelleher Aff. # 2 Ex. I.)

Kelleher has submitted a JVW Memorandum of Resolution of the Directors of the Company dated June 23, 1998 (the "JVW June 23, 1998 Memorandum") which states that Royer has resigned and has been replaced by Kelleher, and that an allotment of 5,000 bearer shares has been approved and is to be registered and issued as "bearer share certificate number one." The JVW June 23, 1998 Memorandum, which Betts allegedly instructed Kelleher to create, was signed by Kelleher as Director and as Secretary. It was not signed by Royer. Kelleher alleges that he sent a copy to Waggoner and Duperier after it was created. (Kelleher Aff. # 2 P 11 & Ex. J.)

On June 24, 1998, Waggoner wrote a letter (the "June 24, 1998 Confirmation Letter") to Kelleher stating:

> I hereby reconfirm the creation of JVW Investments, Ltd. as per the Memorandum of Association and Account Authorizing Resolution in the name of JVW Investments, Ltd. with J. Virgil Waggoner as the sole subscriber, member and assignee of the entire amount of company stock [*16] of 5,000 shares, at my official address of 111 [sic] Bagby St., Suite 2420, Houston, Texas 77002.
>
> The amount of fees due for the formation and registering of the limited liability company under the International Business Companies (IBC) Act is $ 1,500 (USD) to be paid from my account and covering the registration, set-up, annual management fee for the registered office and agent as required by law. The local address is:
>
> JVW Investments, Ltd.

Emens Building, Bayfront
Roseau, Commonwealth of Dominica

I acknowledge that a minimum of $ 5,000.00 is required for opening and maintaining a business account in the name of JVW Investments, Ltd. in the place of incorporation, Commonwealth of Dominica, at the British Trade and Commerce Bank, per implementation by my Trustee. In addition, $ 5,000.00 USD (in conjunction with the principal amount of $ 10,000,000 USD or greater in cash-equivalents) will also be maintained in my Suisse Security Bank & Trust Account.

(Caruso Affirm. Ex. F.)

Kelleher claims never to have received the June 24, 1998 Confirmation Letter and that the JVW corporate structure proposed therein is inconsistent with the corporate documents created [*17] by BTCB and with the "walled structure" essential to BTCB's trading program. Kelleher concludes that the letter is a recent fabrication generated in anticipation of litigation. (Kelleher Aff. # 2, P 12.) However, nothing about the letter is inconsistent on its face with JVW's corporate documents nor with the walled structure of BTCB's trading program, and Kelleher has not identified any actual inconsistencies. n4 Moreover, the letter is notarized. Furthermore, as Waggoner notes in his reply affidavit, the letter was sent to Kelleher at least in part so that SSBT would be authorized to allow Kelleher to debit the JVW account $ 6500 to open the business account and pay IBC fees. JVW's SSBT bank records indicate that SSBT debited JVW's account $ 6500 on June 24, 1998, thereby suggesting that Kelleher received the letter. (Waggoner Reply Aff. P 7, attached as Ex. 10 to Caruso Reply Affirm. (hereinafter "Waggoner Reply Aff.").)

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n4 To the extent Kelleher refers to BTCB's alleged prohibition on direct ownership of an IBC by a U.S. citizen, there is no such prohibition in JVW's corporate documents. See also the discussion on page 11 of this Opinion.

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On June 25, 1998, JVW issued 5,000 bearer shares (the "Bearer Shares") represented by a certificate, Certificate No. 1 (the "Certificate"). (Caruso Affirm. Ex. H.)

Kelleher has submitted a JVW Memorandum of Resolution of the Directors of the Company dated June 25, 1998 (the "Resolution"), according to which Kelleher was named sole Director and Secretary of JVW, 5000 shares were to be registered in Kelleher's name and held in trust for Waggoner and Abbeyfield as current joint beneficiaries of a "Cooperative Venture Agreement" (the "CVA") to be completed with BTCB, the share certificate was to be maintained in bearer form and held by Waggoner as custodian during the term of the CVA, and any benefits from the certificate were to go 80% to Waggoner and 20% to Abbeyfield. Bank accounts were also to be opened at BTCB and SSBT. The SSBT account was to generate interest, compounded daily at a rate of 6% per annum, and was to be deemed to be proft to be disbursed on the 80/20 ratio to Waggoner and Abbeyfield. The Resolution was signed in three places by Kelleher: as director, secretary, and member. (Kelleher Aff. # 2 Ex. L.) Waggoner swears that he never received notice of any JVW meeting [*19] on June 25, 1998, and never received a copy of the Resolution. (Waggoner Reply Aff. PP 5-6.)

As evidence of the share transfer, Kelleher has submitted copies of pages from JVW's Register books, which indicate that the 5,000 shares initially issued to ICS were transferred to Kelleher on June 25, 1998. (Kelleher Aff. # 2 Ex. M.)

Also on June 25, 1998, Kelleher, as Director of JVW, entered into a contract, the CVA, between

JVW and BTCB, which was to administer the high yield program (the "Investment Program"). The CVA provided that (a) JVW would deposit $ 10 million into a "Custody/Transaction Account at BTCB"; (b) BTCB would issue a certificate of deposit ("CD") in JVW's name; (c) the CD would have a term of one year and bear interest at 6% per annum; and (d) BTCB would place the $ 10 million into investments to provide a "significant yield" on a best efforts basis over the course of a year. (Caruso Affirm. Ex. I.)

Kelleher next claims that on July 2, 1998, he received the Certificate from BTCB, as well as the original Certificate of Incorporation and Memorandum of Association. Kelleher claims to have prepared directors' minutes (the "Directors' Minutes") on the same day, describing [*20] the actions taken by JVW up to that point in time. Kelleher also claims to have prepared a resolution (the "Resolution") reflecting that he was the record owner of JVW's stock, which he held as a trustee, 80% for Waggoner and 20% for his own benefit, and that he had sent the Certificate to Waggoner for safekeeping, along with copies of the Directors' Minutes, the Resolution, the Certificate of Incorporation, and the Memorandum of Association. (Kelleher Aff. # 2 P 13.)

Waggoner claims never to have received either the Directors' Minutes or the Resolution. (Waggoner Reply Aff. PP 5-6.) According to Waggoner, on or about July 6, 1998, Kelleher sent the Certificate to Waggoner at his Texas address. The Certificate has been in Waggoner's possession since he received it on July 6, 1998. Allegedly accompanying the Certificate was an undated transmittal letter (the "Transmittal Letter"), purportedly written by Kelleher, that stated, "Enclosed are [sic] the bearer share certificate - original for your company - 5000 shares in your name." Also enclosed with the Transmittal Letter were the Memorandum of Association, the Articles of Association, and the Certificate of Incorporation [*21] of JVW. A copy of the Transmittal Letter was submitted to the Court. (Caruso Affirm. Ex. G.)

Kelleher claims never to have seen the Transmittal Letter and that it is an obvious forgery, because "even an untrained layman can look at the signature . . . and see that it is substantially different from my own, which appears on the correspondence and other documents" submitted in connection with these motions. Kelleher also claims that the writing style is not his and, again, that the document is a recent fabrication. (Kelleher Aff. # 2, P 16.)

However, although Kelleher contends that the language in the Transmittal Letter referring to the bearer shares as being "in your name" is an "oxymoron," Kelleher uses precisely such language in the Resolution, where he wrote, "5000 shares shall be registered in the members register in the name of Donal Cieran Kelleher." (Kelleher Aff. # 2, Ex. L.) Additionally, Kelleher's claim that the Transmittal Letter is not consistent with his writing style is belied by numerous other pieces of correspondence written by him which have been submitted with these motions. Most tellingly, however, in response to Kelleher's claim of a forged signature, Waggoner [*22] has submitted eleven separate pieces of correspondence in which Kelleher's signature appears to be indistinguishable from the signature on the Transmittal Letter. (Caruso Reply Affirm. Ex. 2.)

According to Waggoner's pleadings, BTCB instructed Kelleher to place the $ 10 million into a BTCB sub-account in the name of JVW at SSBT in the Bahamas. Pursuant to the CVA, BTCB would then place the $ 10 million into the Investment Program and issue the CD to JVW. Kelleher, however, transferred Waggoner's $ 10 million into a freestanding account at SSBT, not the designated BTCB sub-account at SSBT. On or about June 26, 1998, Kelleher represented that the $ 10 million was available immediately, and that it would be immediately transferred into the designated BTCB sub-account at SSBT. BTCB then issued the CD to JVW in the face value amount of $ 10 million. (Caruso Affirm. Ex. A PP 23-26.)

SSBT, however, refused to transfer the $ 10 million from the freestanding account to the BTCB sub-account. As a result, Waggoner did not gain entry into the Investment Program. SSBT, when asked why it refused to effect the transfer, first stated that it was concerned that the $ 10 million might have an illegal [*23] origin. When a formal inquiry showed that to be wholly without basis, SSBT stated that it had placed the $ 10 million into ACM mutual funds and that it had done so at Kelleher's direction. SSBT provided copies of "letters of instruction" to that effect from Kelleher.

(Caruso Affirm. Ex. A PP 27, 30.)

Kelleher claims, by contrast, that he instructed SSBT to place the $ 10 million in the BTCB sub-account, not into a freestanding account. (Kelleher Aff. # 1 P 12.) Kelleher opened a brokerage account at First Equity Corporation of Florida ("FECF"), an affiliate of BTCB, and directed SSBT to deliver the CD to the FECF account. However, sometime thereafter, without Kelleher's consent, the original CD was replaced by BTCB with another CD with the identical certificate number, but issued in bearer form. (Kelleher Aff. # 2 P 15.) Also, although SSBT delivered the CD to FECF, SSBT refused to transfer the $ 10 million to BTCB's account for JVW. (Kelleher Aff. # 1 P 13.) n5

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n5 Like almost everything else recounted thus far, there are two different stories of what went wrong with the transfer of the $ 10 million and why it was held up by SSBT. These particular facts, however, are not material to the issues contested in the instant motions - it is sufficient to understand that something went wrong and that approximately $ 2.25 million of the original $ 10 million has apparently disappeared.

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According to Waggoner's pleadings, in September 1998, SSBT transferred the ACM mutual funds to BTCB. When liquidated, those mutual funds yielded proceeds of $ 2,339,239. Upon further inquiry and urging, SSBT transferred, in several stages, additional ACM mutual funds that, when liquidated, yielded proceeds of $ 5,384,492.55. These sums, totaling $ 7,723,731.55, were used to fund the CD. Although the CD has a printed face value amount of $ 10 million, the CD also states on its face, "Deposits made in any form shall not be considered good until the same have been cleared." Accordingly, the CD was only good to the extent of $ 7,723,731.55. Thus, the amounts transferred by SSBT left a shortfall of $ 2,276,268.45 from Waggoner's $ 10 million deposited at SSBT. (Caruso Affirm. Ex. A PP 31-32.)

In September 1998, Kelleher came to believe that the real reason for SSBT's refusal to deliver the funds to BTCB was due to unauthorized investments SSBT had made with the funds. According to Kelleher, to recover the missing money, Kelleher located two law firms specializing in litigation involving bank fraud and asset recovery: Harkavy's in London, and Shaw Pittman in **New York.** Kelleher recommended [*25] to Waggoner that JVW retain Harkavy's, but Waggoner chose Shaw Pittman. Kelleher then contacted Kenneth Caruso ("Caruso"), a partner at Shaw Pittman, and retained the firm to act as attorneys for JVW, Waggoner, and Kelleher in litigation against SSBT and other possible parties to recover the missing principal and interest due JVW. (Kelleher Aff. # 1 PP 14, 18, 19.)

According to Caruso, however, it was Duperier, Waggoner's associate, who first contacted Caruso to discuss these matters. Duperier and Caruso had known each other since 1981, when they were both working in the Justice Department in Washington, D.C. Duperier explained that she was assisting Waggoner in connection with an investment gone awry. She outlined the facts of the situation and asked Caruso to speak with her, Kelleher, and Michael Coleman of Harkavy's. Caruso spoke with Waggoner about the same time, who related substantially the same facts. According to Caruso, in his correspondence with Kelleher he was clear that he was acting on behalf of JVW, and that any recovery would be for the benefit of JVW. (Caruso Affirm. Opp. Mot. Disqualify PP 2-6.)

To assist Shaw Pittman, Kelleher assembled a detailed report on the [*26] communications and correspondence with BTCB, SSBT, and the other parties who were involved with or had an interest in the transactions affecting JVW's funds and its account. Kelleher also computed a damages figure for the claim against SSBT. (Kelleher Aff. # 1 P 21.)

On November 6, 1998, Kelleher issued instructions to BTCB to set up an account in the name of Abbeyfield Trust to receive all the profits from the investment fund pursuant to the CVA, from

which the profits would be distributed 20% to Kelleher and 80% to Waggoner. Also on November 6, Waggoner demanded of Kelleher that Waggoner and his son-in-law Quisenberry be named directors of JVW. Kelleher questioned this demand, allegedly because he was under the impression that JVW's funds had been invested by BTCB and had generated profits, which Kelleher believed had precipitated these instructions from Waggoner. (Kelleher Aff. # 1 PP 15-16.)

On November 10, 1998, pursuant to conversations with BTCB the previous week, Waggoner wrote a letter to Kelleher terminating the JPA due to alleged deceptions and breaches of the JPA by Kelleher. On the same date, Waggoner transferred all the shares of JVW to Wagonwheel Trust [*27] ("Wagonwheel"). On November 11, 1998, Wagonwheel resolved formally to remove Kelleher as a director of JVW, and so informed Kelleher by letter and fax. BTCB officers were named to take the place of Kelleher. Henceforth, BTCB refused to take instructions from Kelleher, on the grounds that Waggoner was the sole person with interest in the assets and affairs of JVW. BTCB has also refused to give Kelleher any information on the profits which have been generated since that time, or to pay any portion thereof to Kelleher. Nevertheless, Kelleher made representations as to his purported continuing status as director of JVW and made claims to a share of alleged profits supposedly earned by JVW. Kelleher believed (and believes) that the JPA related to an entirely different investment, was not applicable to the funds placed with BTCB, and had been abandoned by Waggoner.

Shaw Pittman has not brought any legal proceedings against SSBT to date. Kelleher claims that Shaw Pittman has used its retention and the knowledge provided by Kelleher to advance Waggoner's interests in JVW to the exclusion of Kelleher, to assist Waggoner in preventing Kelleher from obtaining information about JVW and its investments, [*28] and to bring the claims against Kelleher asserted in this action.

Shaw Pittman sent Kelleher a cease-and-desist letter dated February 17, 1999, in which Kelleher was instructed to cease correspondence with BTCB and Waggoner and to no longer hold himself out as a representative of JVW. In addition, the letter stated that Waggoner had previously terminated Kelleher's services, that Waggoner had earned nothing from his BTCB investment, that Waggoner held Kelleher "responsible for the loss of $ 2.5 million of his principal," and that Waggoner had requested that Shaw Pittman draw up papers for a lawsuit against Kelleher.

In June 1999, the CD fell due. Kelleher then made claims to the CD, whereupon the clearing agent, CSC, interpleaded the CD. Waggoner then asserted cross-claims against Kelleher for breach of the JPA, breach of fiduciary duty, conversion and interference. Waggoner seeks recovery of the $ 2.3 million shortfall, as well as money damages for lost profits and an injunction against further interference by Kelleher.

Kelleher, in turn, filed counterclaims against Waggoner, asserting that Kelleher has a beneficial interest in the shares of JVW and seeking a declaratory judgment [*29] that he is the sole shareholder, director and secretary of JVW and that he holds 20% of the JVW stock for Abbeyfield and 80% in trust for Waggoner. He also seeks an accounting for all the transactions relating to JVW and BTCB, and damages for Waggoner's alleged conversion of JVW's assets. Finally, he seeks compensation for his services.

Waggoner, in his affidavit, swears that Kelleher's relationship with Waggoner was strictly contractual, that Kelleher never had a property interest in JVW or its shares, and that Kelleher never notified Waggoner of any claim that Kelleher owned 20% of JVW's shares in trust for Abbeyfield and 80% of the shares in trust for Waggoner.

Discussion

The motion to disqualify will be addressed first. The competing motions to dismiss, as set forth above, are being treated as motions for summary judgment.

I. Shaw Pittman Will Not Be Disqualified. n6

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n6 At oral argument on May 24, 2000, the Court indicated that the motion for disqualification would be denied. The reasons for this determination are set forth herein.

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Kelleher maintains that Caruso and Shaw Pittman should be disqualified from appearing as counsel for Waggoner and JVW in this action for violating provisions of the Code of Professional Responsibility (the "Code").

Motions to disqualify opposing counsel are viewed with some disfavor in this Circuit. See Red Ball Interior Demolition Corp. v. Palmadessa, 908 F. Supp. 1226, 1239 (S.D.N.Y. 1995); Clark v. Bank of **New York**, 801 F. Supp. 1182, 1196-97 (S.D.N.Y. 1992); United States Football League v. National Football League, 605 F. Supp. 1448, 1452 (S.D.N.Y. 1985). Because litigants often make such motions for tactical reasons, and because disqualification of counsel impinges on a party's rights to employ the counsel of its choice, the moving party bears the burden of establishing the need for disqualification. See Evans v. Artek Sys. Corp., 715 F.2d 788, 791-92 (2d Cir. 1983); Stratagem Dev. Corp. v. Heron Int'l N.V., 756 F. Supp. 789, 792 n.8 (S.D.N.Y. 1991). The party moving for disqualification must meet a "high standard of proof" before opposing counsel will be disqualified. Evans, 715 F.2d at 791 [*31] (quoting Government of India v. Cook Indus., Inc., 569 F.2d 737, 739 (2d Cir. 1978)). Any doubt as to the existence of a conflict of interest, however, is to be resolved in favor of disqualification. See Hull v. Celanese Corp., 513 F.2d 568, 571 (2d Cir. 1975).

The Code has been adopted by the **New York** State Bar Association as its own code of ethics, see N.Y. Judiciary L. Appendix, and has been recognized in this Circuit as prescribing appropriate guidelines for the professional conduct of the bar. See NCK Org. Ltd. v. Bregman, 542 F.2d 128, 129 n.2 (2d Cir. 1976). Moreover, under this District's Local Rules 1.3 and 1.5, attorneys practicing in this Court must adhere to the Code as adopted by the Appellate Division of the **New York** State Supreme Court.

Canon 5 of the Code provides that "[a] lawyer should exercise independent professional judgment on behalf of a client," and Disciplinary Rule DR 5-105 prevents a lawyer from representing a client if that representation is adverse to the interests of another existing client. As the Second Circuit explained in Cinema 5, Ltd. v. Cinerama, Inc., 528 F.2d 1384 (2d Cir. 1976), [*32] such representation would do violence to the loyalty demanded of a lawyer to her client, and the propriety of simultaneous representation "must be measured not so much against the similarities in litigation, as against the duty of undivided loyalty which an attorney owes to each of his clients." Id. at 1386. n7 Because the Cinema 5 court's ultimate concern was for safeguarding the fidelity owed by attorney to client, and not merely protecting client confidences, the subject matter of the adverse representation was deemed of little import:

> Under the Code, the lawyer who would sue his own client, asserting in justification the lack of 'substantial relationship' between the litigation and the work he has undertaken to perform for that client, is leaning on a slender reed indeed. Putting it as mildly as we can, we think it would be questionable conduct for an attorney to participate in any lawsuit against his own client without the knowledge and consent of all concerned.

Id. Simultaneous representation is thus governed by what has been called a "per se" rule of disqualification, Monaghan v. SZS 33 Assocs., L.P., 1994 U.S. Dist. LEXIS 16054, No. 89 Civ. 4900 (RWS), 1994 WL 623185, [*33] at *3 (S.D.N.Y. Nov. 9, 1994); Stratagem Dev. Corp., 756 F. Supp. at 792, and no demonstration of any specific relationship between the adverse representations is required. "Where the relationship [between attorney and client] is a continuing

one," the Cinema 5 court explained, "adverse representation is prima facie improper, and the attorney must be prepared to show, at the very least, that there will be no actual or apparent conflict in loyalties or diminution in the vigor of his representation." 528 F.2d at 1387.

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n7 The Code's Ethical Considerations also highlight the absolute loyalty demanded of an attorney to his client. Ethical Consideration 5-1 provides that "the professional judgment of a lawyer should be exercised, within the bounds of the law, solely for the benefit of his client and free of compromising influences and loyalties." Ethical Consideration 5-14 states that "maintaining the independence of professional judgment required of a lawyer precludes his acceptance or continuation of employment that will adversely affect his judgment on behalf of or dilute his loyalty to a client."

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Kelleher asserts that Shaw Pittman should be disqualified on two grounds: (1) because Kelleher is a former client against whom Shaw Pittman cannot properly assert claims; and (2) because Caruso is a necessary witness in this action.

1. Kelleher Is Not A Former Client.

DR 5-108 provides, in relevant part:

> (a) [A] lawyer who has represented a client in a matter shall not, without the consent of the former client after full disclosure:
>
> (1) Thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client.
>
> (2) Use any confidences or secrets of the former client except as permitted by section 1200.19 (c) of this Part or when the confidence or secret has become generally known.
>
> (b) Except with the consent of the affected client after full disclosure, a lawyer shall not knowingly represent a person in the same or a substantially related matter in which a firm with which the lawyer formerly was associated had previously represented a client:
>
> (1) Whose interests are materially adverse to that person; and
>
> (2) About whom the lawyer had acquired information protected [*35] by section 1200.19(b) of this Part that is material to the matter.
>
> (c) Notwithstanding the provisions of section 1200.24 (d) of this Part, when a lawyer has terminated an association with a firm, the firm is prohibited from thereafter representing a person with interests that are materially adverse to those of a client represented by the formerly associated lawyer and not currently represented by the firm only if the law firm or any lawyer remaining in the firm has information protected by section 1200.19(b) of this Part that is material to the matter, unless the affected client consents after full disclosure.

To prevail on this claim, therefore, Kelleher must demonstrate that he is a former client of Shaw Pittman.

Under **New York** law, "the relationship of an attorney and client is contractual, and the rules

governing contractual formation determine whether such a relationship has been created." Hashemi v. Shack, 609 F. Supp. 391, 393 (S.D.N.Y. 1984). Formality, however, "is not an essential element in the employment of an attorney." Id. (quoting People v. Ellis, 91 Misc. 2d 28, 35, 397 N.Y.S.2d 541, 545 (N.Y. Sup. Ct. (1977)). To determine [*36] whether an attorney-client relationship exists, "it is necessary to look at the words and actions of the parties." Id.; see Kubin v. Miller, 801 F. Supp. 1101, 1112 (S.D.N.Y. 1992).

Here, the words and actions of the parties demonstrate that Shaw Pittman was engaged to act as attorney for JVW, not Kelleher individually. First, Kelleher concedes in an affidavit that he was "acting on behalf of JVW" when he identified Shaw Pittman as a potential firm to represent JVW in the attempt to recover the missing assets. (Kelleher Aff. in Supp. Mot. Disqual. P 18.) Although Kelleher also asserts in the affidavit that Shaw Pittman was retained "to act as the attorneys for JVW, Waggoner, and myself," (id. P 19), this statement is not supported by any of the documents submitted in connection with these motions.

Caruso wrote to Kelleher after the conference call with Kelleher and Duperier. The letter is addressed to Kelleher as Director of JVW and Trustee, stated that "As the Director and Trustee, you no doubt possess E-mail, documents, etc. in your computer, in originals, or in first-stage fax copies," and requested that copies of those be sent to Shaw Pittman to provide [*37] a background to the case. According to Caruso's uncontradicted affidavit, Kelleher then faxed Caruso a quantity of materials consisting largely of JVW corporate documents and correspondence between Kelleher and others on JVW corporate letterhead. In addition, Shaw Pittman's retainer was paid by JVW, not Kelleher, and Shaw Pittman's engagement letter stated that Shaw Pittman was "pleased to have been engaged to represent J.V.W. Investments, Ltd." for the purpose, inter alia, of recovering "amounts due and owing to J.V.W. Investments, Ltd." Shaw Pittman sent a bill on November 17, 1998 to "J.V.W. Investments Ltd." at Kelleher's address. Other documents support the conclusion that Kelleher, likewise, considered Shaw Pittman to be JVW's attorneys.

Finally, there is no record of correspondence from Kelleher during the period from the initial contact with Shaw Pittman to the date when Kelleher was allegedly terminated as director of JVW by Waggoner, in which Kelleher disputes that Shaw Pittman represented JVW exclusively. Indeed, on November 23, 1998, Kelleher wrote to Caruso, acknowledging that Waggoner had "appointed" Shaw Pittman, that "Wagonwheel Trust (a BTCB arranged and managed Trust [*38] for Mr. Waggoner) is now the new owner of the bearer shares of JVW Investment Ltd.," and that the bill had been sent to the wrong address. Kelleher stated that the bill should have been sent to JVW at its corporate office in Dominica. Nowhere in the correspondence does Kelleher suggest that he believed Caruso was Kelleher's personal attorney. Again, on December 16, 1998, Caruso wrote to Kelleher, mentioning that his client was JVW, and that the bill for services had been mistakenly sent to Kelleher's address in England, rather than to JVW's corporate address in Dominica.

Aside from Kellher's self-serving testimony, nothing submitted to the Court provides any evidence to support Kelleher's assertion that Shaw Pittman had ever been engaged as his personal attorney. To the contrary, the overwhelming weight of the submissions suggests that Shaw Pittman was only engaged to represent JVW.

Under the law, an attorney's representation of a corporation does not make that attorney counsel to the corporate officers and directors as individuals. See Stratton Group, Ltd. v. Sprayregen, 466 F. Supp. 1180, 1185 n.3 (S.D.N.Y. 1979); Quintel Corp., N.V. v. Citibank, N.A., 589 F. Supp. 1235, 1240 (S.D.N.Y. 1984); [*39] Kushner v. Herman, 215 A.D.2d 633, 633-34, 628 N.Y.S.2d 123, 124 (2d Dep't 1995). JVW's payment of Shaw Pittman's retainer also supports a finding that no attorney-client relationship exists between Kelleher individually and Shaw Pittman. See Kubin v. Miller, 801 F. Supp. 1101, 1115 (S.D.N.Y. 1992) (citing authorities).

The four cases cited by Kelleher are inapposite. In three of the cases, the record clearly established that the attorney in question had formerly represented the individual seeking disqualification. See Burda Media, Inc. v. Blumenberg, 1999 U.S. Dist. LEXIS 17336, 1999 WL 1021104, NO. 97 Civ. 7167, at *3 (S.D.N.Y. Nov. 8, 1999) (former client paid attorney legal fees of $ 20,000 for effort to

settle action); Felix v. Balkin, 49 F. Supp. 2d 260, 265-71 (S.D.N.Y. 1999); Forest Park Assoc. L.P. v. Kraus, 175 A.D.2d 60, 60, 572 N.Y.S.2d 317 (1st Dep't 1991). The fourth case, Rosman v. Shapiro, 653 F. Supp. 1441 (S.D.N.Y. 1987), differs on the facts. In Rosman, a law firm was found to have represented both a corporation and its corporate officers, but the finding was expressly based on the fact that the corporation [*40] was a close corporation consisting of two shareholders, each of whom held 50% of the corporation's shares. See id. at 1445. In this action, by contrast, as set forth below, Waggoner is the sole shareholder of JVW. Moreover, even if Kelleher were able to establish an issue of material fact whether he has a 20% beneficial interest, the 20% interest is a far cry from the 50-50 ownership stake in Rosman. More significantly, because Kelleher bears the burden of proof on this motion to disqualify, merely establishing a material issue of fact sufficient to defeat summary judgment on the beneficial interest claim is insufficient to support a finding on this motion that Kelleher was represented as an individual by Shaw Pittman.

2. Caruso Is Not A Necessary Witness.

Kelleher also contends that Shaw Pittman should be disqualified because Kelleher will compel Caruso to be a witness at trial and Caruso's testimony will be prejudicial to Waggoner.

DR 5-102 provides:

> (a) A lawyer shall not act, or accept employment that contemplates the lawyer's acting, as an advocate on issues of fact before any tribunal if the lawyer knows or it is obvious that the lawyer ought [*41] to be called as a witness on a significant issue on behalf of the client, except that the lawyer may act as an advocate and also testify:
>
> (1) If the testimony will relate solely to an uncontested issue.
>
> (2) If the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony.
>
> (3) If the testimony will relate solely to the nature and value of legal services rendered in the case by the lawyer or the lawyer's firm to the client.
>
> (4) As to any matter, if disqualification as an advocate would work a substantial hardship on the client because of the distinctive value of the lawyer as counsel in the particular case.
>
> (b) Neither a lawyer nor the lawyer's firm shall accept employment in contemplated or pending litigation if the lawyer knows or it is obvious that the lawyer or another lawyer in the lawyer's firm may be called as a witness on a significant issue other than on behalf of the client, and it is apparent that the testimony would or might be prejudicial to the client.
>
> (c) If, after undertaking employment in contemplated or pending litigation, a lawyer learns or it is obvious that [*42] the lawyer ought to be called as a witness on a significant issue on behalf of the client, the lawyer shall not serve as an advocate on issues of fact before the tribunal, except that the lawyer may continue as an advocate on issues of fact and may testify in the circumstances enumerated in 1200.21(b)(1) through (4) of this Part.
>
> (d) If, after undertaking employment in contemplated or pending litigation, a lawyer learns or it is obvious that the lawyer or a lawyer in his or her firm may be called as a witness on a significant issue other than on behalf of the client, the lawyer may continue the representation until it is apparent that the testimony is or may be prejudicial to the client at which point the lawyer and the firm must withdraw from acting as an advocate before the tribunal.

In view of the potential for use as a tactical device, motions to disqualify under DR 5-102(B) are subject to particularly strict scrutiny. See Lamborn v. Dittmer, 873 F.2d 522, 531 (2d Cir. 1989). Although a literal reading of DR 5-102(B) mandates disqualification merely on the showing that the potential testimony of a witness-advocate may be prejudicial to the party his firm represents, [*43] under **New York** law the party seeking disqualification must demonstrate that it is likely that the "'testimony to be given by the witness is necessary'" and that it is substantially likely to be prejudicial to the party represented by his firm. Luk Lamellen U. Kupplungsbau GmbH v. Lerner, 167 A.D.2d 451, 452-53, 562 N.Y.S.2d 134 (2d Dep't 1990) (quoting S & S Hotel Ventures Ltd. Partnership v. 777 S.H. Corp., 69 N.Y.2d 437, 515 N.Y.S.2d 735, 508 N.E.2d 647 (1987)); see also, e.g., Plotkin v. Interco Dev. Corp., 137 A.D.2d 671, 524 N.Y.S.2d 763 (2d Dep't 1988); In re Estate of Bartoli, 137 Misc. 2d 499, 521 N.Y.S.2d 392 (Surr. Ct. Nassau County 1987), aff'd, 143 A.D.2d 830, 533 N.Y.S.2d 324 (2d Dep't 1988); L-S Plate & Wire Corp. v. Federal Ins. Co., 1989 U.S. Dist. LEXIS 3481, No. 88 Civ. 0706, slip op. at 4, 1989 WL 32797 (S.D.N.Y. Mar. 28, 1989) (movant must demonstrate genuine necessity for testimony and substantial prejudice); Rice v. Baron, 456 F. Supp. 1361, 1371 (S.D.N.Y. 1978) (movant bears burden of establishing existence of factors warranting disqualification).

In determining the "necessity" [*44] of the testimony, a court should consider such factors as the significance of the matter, the weight of the testimony, and the availability of other evidence. See S & S Hotel Ventures Ltd. Partnership, 69 N.Y.2d at 446, 515 N.Y.S.2d 735, 508 N.E.2d 647. For testimony to be "prejudicial" under the rule,

> the "projected testimony of a lawyer or firm member must be sufficiently adverse to the factual assertions or account of events offered on behalf of the client such that the bar or the client might have an interest in the lawyer's independence in discrediting that testimony." Furthermore, the moving party "bears the burden of demonstrating specifically how and as to what issues in the case the prejudice may occur and that the likelihood of prejudice occurring is substantial."

Rice, 456 F. Supp. at 1371 (citations omitted), quoted in Lamborn, 873 F.2d at 531.

Kelleher contends that Waggoner had a "duty to mitigate damages" by suing SSBT and that Caruso will be compelled to give testimony prejudicial to Waggoner on this issue because no action has been commenced against SSBT. However, the fact that no action has been commenced [*45] against SSBT is undisputed and does not require Caruso's testimony. Moreover, numerous other witnesses are available to testify to this fact. As for Kelleher's suggestion that Caruso's testimony may be required to discover whether Waggoner reached an agreement with SSBT, it is not supported by any evidence in the record and does not meet the burden for a motion to disqualify.

Kelleher also contends that Caruso will be compelled to testify regarding his assertions, in a letter to Kelleher, that Waggoner "had neither earned nor received anything from BTCB," because such assertions undermine Waggoner's factual assertions that he has an ongoing relationship with BTCB. But there is no inherent inconsistency between Caruso's assertions and Waggoner's assertions: one can have an ongoing relationship with a bank without having earned anything from the bank. In addition, other witnesses can testify to whether Waggoner has earned profits from BTCB and whether he has a continuing business relationship with BTCB. Kelleher has simply not met his burden of proof to demonstrate the necessity of Caruso's testimony on this issue.

For these reasons, the motion to disqualify Caruso and Shaw Pittman [*46] is denied.

II. The Motions To Dismiss.

A. The Legal Standards.

On a Rule 12(b)(6) motion to dismiss, the factual allegations of the pleadings are presumed to be true and all factual inferences must be drawn against the party moving to dismiss. See Scheuer v. Rhodes, 416 U.S. 232, 236, 40 L. Ed. 2d 90, 94 S. Ct. 1683 (1974); Cosmas v. Hassett, 886 F.2d 8, 11 (2d Cir. 1989); Dwyer v. Regan, 777 F.2d 825, 828-29 (2d Cir. 1985).

Rule 12(b)(6) imposes a substantial burden of proof upon the moving party. A court may not dismiss a complaint unless the movant demonstrates that "'it is clear that no relief could be granted under any set of facts that could be proved consistent with the allegations.'" H.J., Inc. v. Northwestern Bell Tel. Co., 492 U.S. 229, 249-50, 106 L. Ed. 2d 195, 109 S. Ct. 2893 (1989) (citation omitted); Hishon v. King & Spalding, 467 U.S. 69, 73, 81 L. Ed. 2d 59, 104 S. Ct. 2229 (1984); Conley v. Gibson, 355 U.S. 41, 45-46, 2 L. Ed. 2d 80, 78 S. Ct. 99 (1957).

Rule 56(c) of the Federal Rules of Civil Procedure provides that a motion for summary [*47] judgment may be granted when "there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." The Second Circuit has repeatedly noted that "as a general rule, all ambiguities and inferences to be drawn from the underlying facts should be resolved in favor of the party opposing the motion, and all doubts as to the existence of a genuine issue for trial should be resolved against the moving party." Brady v. Town of Colchester, 863 F.2d 205, 210 (2d Cir. 1988) (citing Celotex Corp. v. Catrett, 477 U.S. 317, 330 n.2, 91 L. Ed. 2d 265, 106 S. Ct. 2548 (1986) (Brennan, J., dissenting)); see Tomka v. Seiler Corp., 66 F.3d 1295, 1304 (2d Cir. 1995); Burrell v. City Univ., 894 F. Supp. 750, 757 (S.D.N.Y. 1995). If, when viewing the evidence produced in the light most favorable to the non-movant, there is no genuine issue of material fact, then the entry of summary judgment is appropriate. See Burrell, 894 F. Supp. at 758 (citing Binder v. Long Island Lighting Co., 933 F.2d 187, 191 (2d Cir. 1991)).

Materiality is defined by the governing [*48] substantive law. "Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment. Factual disputes that are irrelevant or unnecessary will not be counted." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 91 L. Ed. 2d 202, 106 S. Ct. 2505 (1986). "The mere existence of factual issues -- where those issues are not material to the claims before the court -- will not suffice to defeat a motion for summary judgment." Quarles v. General Motors Corp., 758 F.2d 839, 840 (2d Cir. 1985).

For a dispute to be genuine, there must be more than "metaphysical doubt." Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586, 89 L. Ed. 2d 538, 106 S. Ct. 1348 (1986). "If the evidence is merely colorable, or is not significantly probative, summary judgment may be granted." Anderson, 477 U.S. at 249-50 (citations omitted).

B. Waggoner Owns JVW's Shares and the CD Free of Kelleher's Claim.

Kelleher's first counterclaim seeks a declaratory judgment that (a) Kelleher is the sole Director, Secretary, and shareholder of JVW; (b) that [*49] the CD is the property of JVW; and (c) that the CD should be returned to Kelleher in his JVW corporate capacity. Waggoner's answer and cross-claims seek, inter alia, a judgment that the CD and all interest thereon are the property of JVW and Waggoner.

Waggoner contends that he is entitled to summary judgment on this issue for two independent reasons: (1) he holds the Certificate as a "protected purchaser" under Texas law, and therefore owns JVW free of any adverse claims of ownership; and (2) Kelleher's claim of a 20% beneficial ownership interest constitutes an amendment of the JPA and fails for lack of a writing.

Kelleher contends that he is entitled to summary judgment - or, at a minimum, that contested factual issues preclude granting of summary judgment at this stage of the litigation - because (1) Waggoner cannot claim to own any shares of JVW, having asserted in his pleadings that he transferred ownership to Wagonwheel; (2) Kelleher's 20% beneficial ownership interest in the BTCB arrangement is not governed by the JPA, which Waggoner abandoned; and (3) Kelleher owns

all the shares of JVW.

1. Disputed Issues of Material Fact Preclude a Determination That Waggoner [*50] **Is a Protected Purchaser.**

It is not disputed that Waggoner is in possession of the Certificate, which states that the bearer is the owner of 5,000 shares of JVW. It is also not disputed that only 5,000 shares of JVW have ever been issued. Waggoner claims that, under Texas law, he is a "protected purchaser" of the shares and owns them free of any claims by Kelleher.

Nor do the parties dispute that Texas law applies to the question of whether Waggoner's possession of the Certificate is determinative of ownership of JVW. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1335. n8 ☞Because § 1335 is "merely a special brand of diversity jurisdiction," Whirlpool Corp. v. Ritter, 929 F.2d 1318, (8th Cir. 1991) (citing Griffin v. McCoach, 313 U.S. 498, 503, 61 S. Ct. 1023, 1025-26, 85 L. Ed. 1481 (1941)), and because a federal court sitting in diversity must apply the choice of law rules of the forum state, see id. (citing Klaxon Co. v. Stentor Elec. Co., 313 U.S. 487, 496, 61 S. Ct. 1020, 1021-22, 85 L. Ed. 1477 (1941)), this Court must apply **New York's** choice of law rules. [*51] Under the **New York** Uniform Commercial Code, "the local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered." N.Y. U.C.C. § 8-110(c). Since Kelleher delivered the Certificate to Waggoner in Texas, Texas law governs whether Kelleher can assert an adverse claim against Waggoner.

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n8 ☞§ 1335 provides jurisdiction over interpleader actions where the amount controverted is $ 500 or more, and where there are at least two adverse claimants of diverse citizenship, as defined in 28 U.S.C. § 1332, to the controverted money or property. Under § 1332(b), Waggoner and Kelleher are diverse, as Waggoner is a citizen of Texas and Kelleher of a foreign state.

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☞Section 8.303 of the Texas Business and Commercial Law, which parallels the same section of the Uniform Commercial Code, provides:

> (a) "Protected purchaser" means a purchaser of a certificated [*52] or uncertificated security, or of an interest therein, who:
>
> > (1) gives value;
> > (2) does not have notice of any adverse claim to the security; and
> > (3) obtains control of the certificated or uncertificated security.
>
> (b) In addition to acquiring the rights of a purchaser, a protected purchaser also acquires its interest in the security free of any adverse claim.

Waggoner claims that he satisfies the requirements for a protected purchaser. The Court finds that Waggoner is a "purchaser" under § 8.303 because he capitalized JVW with his $ 10 million investment, and JVW issued the bearer shares. ☞Under § 8.303 Comment 1, "'purchase' includes taking by issue, so a person to whom a security is originally issued can qualify as a protected purchaser."

Kelleher does not dispute that Waggoner gave value for the Certificate and that it is in his control.

The main area of contention is whether Waggoner received the Certificate with notice of (a) Kelleher's claim of a 20% beneficial ownership interest, and (b) Kelleher's belief that Waggoner was merely a "bailee," i.e., he had been given the Certificate merely for safekeeping, fully aware that the bearer shares had been registered [*53] in Kelleher's name. As set forth above, Kelleher claims that Waggoner and Duperier were sent the Resolution and the Director's Minutes in which these facts are made clear. Kelleher also claims that any documents submitted by Waggoner that controvert these facts are falsified. Likewise, Waggoner claims that Kelleher's documents and affidavits are false.

If Kelleher's version of the story is true, then Waggoner cannot be a protected purchaser, as he unquestionably would have received notice of an adverse claim to the bearer shares. n9

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n9 Under § 8-105(a) of the Texas UCC, a person has notice of an adverse claim if:

(1) the person knows of the adverse claim;

(2) the person is aware of facts sufficient to indicate that there is a significant probability that the adverse claim exists and deliberately avoids information that would establish the existence of the adverse claim; or

(3) the person has a duty, imposed by statute or regulation, to investigate whether an adverse claim exists, and the investigation so required would establish the existence of the adverse claim.

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Waggoner offers several responses to Kelleher's factual contentions. First, he claims that even if the Court accepts that Kelleher called a meeting of JVW on June 25, 1998, issued the Resolution, and effected the share transfer to himself, these actions are unlawful under the law of Dominica.

Under **New York** UCC § 8-110, which, as noted previously, provides the choice of law rule, the law of Dominica governs whether an adverse claim can be asserted against a person to whom a transfer of a certificated security is registered, if the adverse claim is based on the fact that the adverse interest has been recorded on the books of the issuer. See id. & Official Comment 1. However, Kelleher's claim is not simply based on the fact that the interest has been recorded on the books, but on the contention that the Resolution and the Director's Minutes were sent to Waggoner and Duperier, and on alleged conversations between Kelleher and Waggoner. For this reason, Waggoner's response that the law of Dominica controls this question is insufficient.

Moreover, Waggoner is not correct that, even if Kelleher's version of the events is taken to be true, Kelleher's claim fails as a matter of law. [*55] Waggoner contends that the share transfer action taken at the alleged meeting, memorialized in the Resolution, was invalid because (a) the change of the registered office from Dominica to Kelleher's address in Surrey, England was not permitted under § 38 of the International Business Companies Act of 1996 of Dominica (the "Act"); (b) the change of the registered agent, from Bruney to Kelleher, was not permitted under § 39 of the Act; (c) notice of the meeting was required to be given to Bruney, who as a matter of law remained the registered agent; (d) Bruney was not given notice; and (e) failure to give notice to Bruney invalidated the share transfer. The difficulty with this reasoning is that, as Kelleher points out, under § 60(3) of the Act, "the inadvertent failure of the directors to give notice of a meeting to a member, or the fact that a member has not received the notice, does not invalidate the meeting." Kelleher, predictably, claims that any failure to give notice was inadvertent. He also claims that copies of the Resolution, the Director's Minutes, and the share register reflecting Kelleher's legal ownership of the JVW shares were given to Brazie of BTCB in London, who [*56] allegedly assured Kelleher that he would give them to Bruney, who would insure that they were filed with

the Registrar's office in Dominica. Kelleher suggests that BTCB "should be equitably estopped from attempting to profit at this stage from its own malfeasance," and claims that, in any event, he cured any defect by sending copies of all the relevant documents to the Registrar's office, which acknowledged receipt on June 29, 1999. It is undisputed that Kelleher was - for better or worse - the sole director of JVW, and as a matter of law it cannot be said that the share transfer was invalid.

However, Waggoner also urges the Court to disregard Kelleher's affidavits as self-serving and to ignore his submissions of documentary evidence as post-hoc fabrications. The difficulty with this, however, is that the same reasoning can be applied to Waggoner's affidavit and documentary evidence. Waggoner's story holds together better than Kelleher's, and Kelleher's documentary evidence is questionable. Unfortunately, the Court is constrained to resolve any doubts against the party seeking summary judgment. Waggoner's citation to Federal Deposit Insurance Corp. v. National Union Fire Insurance Co., 205 F.3d 66, 71 (2d Cir. 2000) [*57] for the proposition that "unsubstantiated, self-serving testimony" does not create a genuine issue of material fact is inapposite. The testimony at issue in National Union was of a witness, Mr. Folks, who admitted possible knowledge of alleged wrongdoing and simply stated that he did not "recall" whether he had been informed of the wrongdoing. See id. This testimony Was in contrast to the testimony of several other witnesses who swore that they had informed Mr. Folks of the alleged wrongdoing. See id. at 68-71. It is also noteworthy that the summary judgment motion in National Union was filed "after extensive discovery." Id. at 70. Here, by contrast, almost no discovery has taken place - including, significantly, no depositions - and Waggoner has not supplied any affidavits of other individuals to corroborate his version of the events.

Moreover, while there are numerous inconsistencies in Kelleher's submissions, Waggoner's submissions are not entirely free from confusion. As previously noted, the IBC Form on which Waggoner places so much reliance was, on its fact, signed on June 22, 1998 by Betts and Kelleher. Yet the documents creating [*58] JVW were apparently drawn up on June 19, 1998. One must wonder how BTCB drew up those documents before it received the application to form the corporation.

Furthermore, with respect to the allegedly forged Transmittal Letter, while it appears to the relatively untrained eye of this Court that Kelleher's signature on the Letter resembles his signature on numerous other correspondence, this Court is no expert on handwriting, and Waggoner has not submitted the affidavit of a handwriting expert to substantiate his claim that Kelleher's signature on the Transmittal Letter is genuine.

With respect to Kelleher's claims that he never received the Waggoner June 24, 1998 Confirmation Letter, the debiting of JVW's account by $ 6500 suggests that Kelleher received the letter but is not dispositive on the issue.

Nevertheless, even viewing Kelleher's affidavits and documentary evidence in the light most favorable to him, this evidence is hardly solid. It is further undermined by three documents in which Kelleher essentially admits to Waggoner's ownership of JVW. See Caruso Reply Aff. Ex. 1 (Kelleher to Caruso: "You know that Wagonwheel Trust (a BTCB arranged and managed Trust for Mr. Waggoner) [*59] is now the new owner of the bearer shares of JVW Investment Ltd. . . ."); Waggoner Reply Aff. Ex. A (Kelleher to Waggoner: "I am also advised that it is advisable for you, as with other U.S. citizens of high net worth like yourself, that your bearer shares in the IBC are owned by a fully settled Family Trust or similar established by you to protect you and your family."); Caruso Reply Aff. Ex. 4 (Kelleher to Waggoner: "Your CD @ 6% interest which protects/insures your $ 10 M investment is in the First Equity/Paine Webber account. . . ."). These documents are dated after July 6, 1998, and are thus irrelevant and inadmissible to show Waggoner's knowledge, but are admissible against Kelleher under Fed. R. Evid. 801(d)(2) as non-hearsay admissions of a party-opponent. Yet these letters do not constitute unqualified admissions of Waggoner's ownership, and Kelleher, once again, proffers explanations which raise questions of material fact. (See Kelleher Aff. # 3 PP 26-30.)

Finally, with regard to Waggoner's claims that the contents of the Resolution are inconsistent with other submissions by Kelleher and establish that the Resolution was created in 1999, Kelleher offers an affidavit [*60] of John Carleton Paget, who swears that he saw the Resolution in July, 1998. In addition, Kelleher offers explanations for the alleged inconsistencies. (Kelleher Aff. # 3 PP 23-25.)

Because there are disputed issues of material fact regarding whether Waggoner had notice of Kelleher's claims of ownership of JVW, summary judgment is not appropriate at this stage of the litigation solely on the basis of Waggoner being a "protected purchaser" under the Texas U.C.C. n10

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n10 This said, it bears noting that this case involves not simply a disagreement about what actually happened, or one party's inability to remember, but outright accusations of forgeries and lying. It is very likely that one party has engaged in dishonest conduct. As indicated above, the submissions suggest that Kelleher is that party. While the Court refrains from reaching any conclusions on this question at this point, if it turns out, upon further discovery in this case, that a party has not conducted itself during the course of this litigation in accordance with the Federal Rules, some form of sanctions may well be appropriate.

- - - - - - - - - - - - - - - - - -End Footnotes- - - - - - - - - - - - - - - - - [*61]

2. The Alleged Trust Fails for Lack of a Writing.

Kelleher contends that he is the trustee of the bearer shares, holding 20% of them for the benefit of Abbeyfield and 80% for the benefit of Waggoner. Waggoner contends that the arrangement between Waggoner and Kelleher is governed by the JPA, which established a trust for the exclusive benefit of Waggoner. As the JPA could only be modified in writing, and as no such modification ever took place, Kelleher's alleged trust fails.

Kelleher does not dispute that the JPA established a trust for Waggoner's benefit only, that the trust could only be modified in writing, and that the JPA was not modified with respect to Waggoner being the sole beneficiary of the trust. If the JPA governed the BTCB transaction, then, Kelleher would have no claim on the CD. However, Kelleher claims that the JPA did not govern the BTCB transaction and was in fact abandoned. This claim has no merit. In at least thirty documents submitted to the Court, Kelleher admitted that the parties were operating under the JPA with respect to the BTCB investment. (See, e.g., Caruso Reply Aff. Exs. 6-9.) Here, in contrast to the discussion in the previous subsection [*62] regarding whether Waggoner is a protected purchaser, Kelleher's statement in his affidavit that the JPA was abandoned cannot create an issue of material fact in light of the overwhelming evidence that Kelleher considered the JPA to govern the BTCB transaction. See Seshadri v. Kasraian, 130 F.3d 798, 804 (7th Cir. 1997); Reisner v. General Motors Corp., 511 F. Supp. 1167, 1175 (S.D.N.Y. 1981). Moreover, Kelleher's claims that the BTCB investment was "totally different" from previous proposed investments is belied by one of Kelleher's affidavits and by his pleadings in this action. (See Kelleher Aff. # 1 P 9 (BTCB program "was similar to the other investments declined by Waggoner"); Answer and Counterclaims P 17 (same).)

Kelleher contends, in the alternative, that his own part performance of the JPA means that it is no longer subject to N.Y. G.O.L. § 15-301 prohibiting oral modification. The partial performance, however, must confer a benefit on the party against whom enforcement of § 15-301 is sought. See Merrill Lynch Interfunding, Inc. v. Argenti, 155 F.3d 113, 122 (2d Cir. 1998). Here, Kelleher's alleged partial [*63] performance benefitted Kelleher, who purportedly became a shareholder at Waggoner's expense.

Because the JPA governed the BTCB transaction, and because Waggoner was the sole beneficiary of the trust established under the JPA, Kelleher does not have a beneficial ownership interest in

JVW or the CD. Thus, summary judgment for Waggoner is appropriate.

The Court has considered the numerous additional arguments put forth by Kelleher, including his claims that his beneficial ownership is otherwise established through a purported joint venture, and that the trust arrangement is governed by the N.Y. E.P.T.L. The Court finds these arguments meritless. Even if a joint venture existed between Kelleher and Waggoner, it did not apply to the BTCB transaction.

As for the contentions that Waggoner cannot maintain this action because he has claimed that Wagonwheel Trust owns the JVW shares, not Waggoner, Wagonwheel's ratification of this action is sufficient. To satisfy Kelleher's concerns that Wagonwheel Trust has not formally ratified this action, Wagonwheel is directed to file a formal affidavit with the Court ratifying this action.

C. Kelleher's Claims Seeking an Accounting and for Conversion [*64] **Will Be Dismissed.**

Waggoner also seeks dismissal of the second and third of Kelleher's counterclaims, for an accounting and for conversion, on the basis that those claims are premised on Kelleher's alleged ownership interest in JVW. As set forth above, Kelleher does not have an ownership interest in JVW, and these counterclaims will therefore be dismissed.

D. Kelleher's Counterclaim for Breach of Fiduciary Duty Will Not Be Dismissed.

Waggoner seeks dismissal of Kelleher's Fourth Counterclaim on the grounds that (a) Kelleher's allegations are insufficient as a matter of law; and (b) that the claim, in essence, seeks a finder's fee and is barred by the Statute of Frauds. While Waggoner characterizes the counterclaim as seeking compensation for the reasonable value of Kelleher's services as a finder, on its face Kelleher is claiming that Waggoner breached the covenant of good faith required of joint venturers.

Waggoner cites Baytree Associates, Inc. v. Forster, 240 A.D.2d 305, 306, 659 N.Y.S.2d 19 (1st Dep't) for the proposition that a party's attempt to characterize an agreement as a joint venture would not preclude a court from determining that the agreement was in [*65] fact a finder's agreement if the record supported such a finding. Yet Baytree was decided on summary judgment, whereas here (at least with respect to this counterclaim) Waggoner seeks dismissal on the pleadings. Nor does Baytree stand for the proposition that a joint venture cannot be formed if one party does not contribute capital. See id. On this counterclaim, the Court is constrained to accept Kelleher's allegation that he formed a joint venture with Waggoner. n11

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n11 It should be noted, however, that Kelleher's allegations of a joint venture do not involve the BTCB transaction, which, as previously indicated, is governed exclusively by the JPA.

- - - - - - - - - - - - - - - - - -End Footnotes- - - - - - - - - - - - - - - - -

Under **New York** law, "an oral agreement may be sufficient to create a joint venture . . . and the Statute of Frauds is generally inapplicable to such an agreement." Unicorn Enterprises, Ltd. v. Stonewall Contracting Corp., 232 A.D.2d 404, 405, 648 N.Y.S.2d 153 (2d Dep't 1996).

The motion to dismiss Kelleher's Fourth Counterclaim is therefore [*66] denied.

Conclusion

For the reasons set forth above, Kelleher's First, Second, and Third Counterclaims against Waggoner are dismissed. Waggoner's claims against Kelleher, and Kelleher's Fourth Counterclaim against Waggoner, are not dismissed. Shaw Pittman is not disqualified. Wagonwheel Trust is directed to file a formal affidavit ratifying this action.

It is so ordered.

New York, N. Y.

August 16, 2000

Robert W. Sweet

U.S.D.J.

Source: All Sources : / . . . / : **Federal and State Cases - After 1944**
Terms: **correspondent and new w/1 york and sweet and date geq (8/1/00)** (Edit Search)
View: Full
Date/Time: Wednesday, September 13, 2000 - 3:44 PM EDT

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British Trade & Commerce Bank
Licensed for Full Trust Business

EMLNS Bldg., Dame Eugenia Charles Blvd., Bay Front
P.O. Box 2042
Roseau, Commonwealth of Dominica

BTCB

April 19, 1998

In order to protect assets properly, whether in BTCB or elsewhere you should consider setting-up a certain structure to assure privacy and avoid unnecessary reporting and taxation issues. There are no taxes on IBC or Trust income or capital gains in Dominica and the privacy laws are very tight. As discussed, the most attractive structure would be as illustrated on Attachment "A". The specifics are:

1. Immediately, establish an IBC in Dominica perhaps in same name as the one in which you have contractual identity and or the funds could be received. This will allow an orderly and mostly invisible transition. This IBC will have an Account at BTCB in order to receive the proceeds of Programs and to disburse them as instructed. This IBC should be 100% owned by bearer shares to be held by the Business Trust. The fee for setting and filing the IBC is $1,500, including Government filing and fees (in lieu of taxes) and routine Corporate Administration for the first year.

2. Immediately, establish a Business Trust (your choice of names) in Dominica. This trust will not hold any bank accounts nor hold any assets except the bearer shares of IBC. Any dividends from IBC will pass through Business Trust for immediate distribution in accord with the instructions that accompany the dividend. The fees for setting and filing such Trust are $4,000, including Government fees and routine Trust Administration for the first year.

3. You should select an "Organizer" of the IBC and Business Trust, and should designate International Corporate Services Ltd (an IBC owned 100% by BTCB) as the Director-Designee for the IBC and as Trustee of the Business Trust. Any documents executed by ICS Ltd will first be provided for review by the Organizer, who will advise that "they see no reason why IBC should not execute such documents as provided to Organizer." ICS Ltd will not execute any documents without having received such review comments.

4. IBC's Accounts should be set-up with dual signatures required, including an officer of ICS Ltd and an officer of BTCB (usually myself as Vice President over all managed accounts).

5. One or more Asset Trusts (Your choice of structure, trustees, and such) should be established, filed and activated once proceeds from trading are disbursed by IBC. The fees for setting and filing such are $4,000 each, including Government filing fees and routine Trust Administration for the first year.

6. Any interface with U.S. activities would be with these Asset Trusts, or in certain desirable cases, with other IBC's you may wish to set-up **under those Asset Trusts and all of assets accruing to such interfaces would be from/through those Asset Trusts** [e.g. such Trusts or their IBC's could purchase goods and services, hold international debit cards, reinvest assets, purchase and hold stocks or property, and such].

7. The IBC held under the Business Trust would be the entity that would enter into subsequent Trading Programs on a 50/50 cooperative venture with BTCB and would receive all resulting "Investor" proceeds for distribution. Such IBC would operate under a Cooperative Venture Agreement and written Special Transaction Instructions, which assure that the Principal held or applied under any Programs would be limited to Blocked Funds in that IBC's Account(s), or, secured by a top Western European Bank 106% Guarantee.

8. This structure provides: a) access to immediate programs without any significant burden on your resources; b) assurance that the subject assets and earnings are always under joint control of ICS Ltd and BTCB; c) accrual of substantial assets under the Asset Trusts with maximum flexibility on their utilization while maximizing the preservation of capital and earnings; and, all of the Privacy and fiscal advantages afforded by Dominican Law.

9. If you commence with another entity, any subsequent identity change is subject to penetration on the basis of "form over substance" claims.

10. The choice of structure is of course yours, however if any client entity is not domiciled in Dominica, our Board will not permit any Trading from the IBC Account in order to protect the bank and its client against "cross-jurisdictional" exposure/penetration.

11. If this is desirable to you, I can have the necessary forms sent by the Bank based upon what can you submit to me.

We trust that this information satisfies your request and we look forward to a mutually beneficial professional relationship. I will be happy to discuss this further

British Trade & Commerce Bank.
Licensed for Full Trust Business
Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph:(767) 448-5410 Fax:(767) 448-5477
E-Mail: btbank@bowtom.dn SWIFT: BTCB DM DM

June 12, 1998

Mr. Don Kellcher/J.V. Waggoner
J.V.W. INVESTMENTS LTD
Via: Wendy De Walden

Dear Messrs Kellcher and Waggoner:

In response to the information you submitted, please be advised that the steps to implement your requests (under the "walled structure") are as follows:

1. An account has been reserved pending your completion of the hereinbelow;

2. Please complete the attached IBC, Trust and A/C Opening Forms and submit them to the Bank, along with the evidence that you have transferred: $1,500 for establishing and filing the IBC, $4,000 for establishing and filing the Trust, and a minimum deposit of $5,000 on the Account.

3. For convenience, you can transfer the significant principal to be entered into a High Yield Income Program along with those minimal funds. [The principal will be held in the IBC Account subsequently entered into the most attractive Program available.]

4. The attached Cooperative Venture Agreement must be executed between said IBC and BTCB before we can place said principal into such HYIP. The attached Board Resolution and LOI must also be executed by said IBC. The organizer of said IBC must review that Agreement and those documents and send a letter to ICS/BTCB stating that he has "reviewed {such document} and can see no reason why such Document should not be executed by ICS Ltd for and on behalf off {IBC Name}."

All of this can be done immediately upon receipt of the above. I trust that this information satisfies your requirements, and we look forward to a mutually beneficial professional relationship.

Sincerely,

Charles L. Brazie, Ph.D.
Vice President - Managed Accounts

J. V. W. INVESTMENTS LTD

EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

Phone: (767) 448-6410 Fax: (767) 448-6477

AFFIDAVIT

DATE : June 25, 1998

TO : Program Manager

RE : Application To Private Placement Investment Program
: Transaction Code: VERMILLION-HLN-10M

Dear Sir:

We, the undersigned, hereby confirm, under penalty of perjury and with full corporate responsibility, that the Investor package submitted to you for processing, including but not limited to the assets utilized, has not been and is not currently submitted to any other source for application to the Private Placement Investment Programs.

Furthermore, we hereby warrant and represent that, in the event we had previously submitted our Investor Package to any other source for application to Private Placement Investment Programs, that we subsequently have issued the required Cease and Desist Orders to that other source or sources.

Facsimile documents, when properly endorsed, are hereby declared to be treated as originals, and originals may be obtained upon request.

FOR AND ON BEHALF OF J. V. W. INVESTMENTS LTD BY:

Donal C. Kelleher
Sole Director (Trustee)
Passport #: U.K. 500167267

BY:

Charles L. Brazie, Ph.D.
BTCB Vice President
Passport #: USA 014989065

Signed at Kingstown Thames
this 26th June 1998
before me

R. P. MacLaverty
Notary Public

J. V. W. INVESTMENTS LTD
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

Phone: (767) 448-6410 Fax: (767) 448-6477

LETTER OF INTENT

DATE : June 25, 1998

TO : Program Manager

RE : Private Placement Investment Program
: Transaction Code: VERMILLION-HLN-10M

Dear Sir:

We, the undersigned, hereby confirm our full commitment and agreement to participate in an investment opportunity, subject to our acceptance of the terms, conditions and procedures that shall be outlined in the Private Placement Agreement.

Furthermore, we hereby warrant and represent that we have available for placement into the proposed investment, the sum of Ten Million United States Dollars (US$10,000,000) of clean, clear funds, free of all liens and encumbrances and of non-criminal origin, and herewith attach documentary evidence of same. We further confirm that we are the beneficial owners of these cash funds, that we have full signatory authority and control thereof, and that such funds are available for immediate placement at our sole discretion.

We confirm and acknowledge, with full responsibility, that neither your Company nor anyone acting on your behalf has solicited us, that the documents that we shall receive shall not be deemed to be a solicitation of funds in connection with an Investment Program, and, that we are approaching you voluntarily for the purpose of securing participation in a bona fide Bank Secured High Yield Private Placement Program.

We are prepared to instruct our bank to act upon these funds as required pursuant to the specifics of this Program.

We hereby request information from you covering the terms, conditions and procedures of a Secured Investment and look forward to commencing the transaction, upon our acceptance of the Agreement.

Facsimile documents, when properly endorsed, are hereby declared to be treated as originals, and originals may be obtained upon request.

FOR AND ON BEHALF OF J. V. W.
INVESTMENTS LTD BY:

Donal C. Kelleher
Sole Director (Trustee)
Passport #: U.K. 500167267

BY:

Charles L. Brazie
Charles L. Brazie, Ph.D.
BTCB Vice President
Passport #: USA 014989065

Signed at Kingstown upon Thames
this 20th June 1998
before me

R. P. MacLaverty
NOTARY PUBLIC

Attachments:
- Bank Proof of Funds
- Supplement to Letter of Intent
- Corporate Resolution
- Limited Power of Attorney
- Enlarged Copy of Passports
- Affidavit

J. V. W. INVESTMENTS LTD

EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
Phone: (767) 448-6410 Fax: (767) 448-6477

SUPPLEMENT TO LETTER OF INTENT

DATE : June 25, 1998

TO : Program Manager

RE : Private Placement Investment Program
: Transaction Code: VERMILLION-HLN-10M

Dear Sir:

We, the undersigned, hereby confirm our full commitment and agreement that we wish to exchange our funds for a Top Asset Rated Bank Guarantee in the face amount of 106% of our funds for each entry, or re-entry, into the Program. We further understand that we shall be able to re-enter such Program twice, sequentially after our initial entry and completion of the Program and that we may re-enter with amounts in excess of the first entry of Funds.

Facsimile documents, when properly endorsed, are hereby declared to be treated as originals, and originals may be obtained upon request.

FOR AND ON BEHALF OF J. V. W. INVESTMENTS LTD BY:

Donal C. Kelleher
Sole Director (Trustee)
Passport #: U.K. 500167267

BY:

Charles L. Brazie
Charles L. Brazie, Ph.D.
BTCB Vice President
Passport #: USA 014989065

Signed at Kingston upon Thames
this 26th June 1998
before me

R. P. MacIlaverty
Notary Public

J. V. W. INVESTMENTS LTD
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
Phone: (767) 448-6410 Fax: (767) 448-6477

RESOLUTION OF THE BOARD OF DIRECTORS RELATING TO PRIVATE PLACEMENT OF FUNDS

References:

A. Minutes of the meeting of the Directors held on June 25, 1998.
B. Articles of Incorporation of the corporation.

In accordance with the Articles of Incorporation of J. V. W. Investments Ltd, on the twenty-fifth day of June 1998, Mr. Donal C. Kelleher, its Sole Director, undertook the following corporate resolution, which is recorded as Reference A in Minutes of the Corporation Meeting Book:

> "To utilize funds in the amount of at least Ten Million United States Dollars (US$10,000,000) drawn on British Trade & Commerce Bank, EMENS BLDG., Roseau, Commonwealth of Dominica, and/or its correspondent Banks and to allow Mr. Donal C. Kelleher, Secretary & Director (Trustee), and/or Dr. Charles L. Brazie, Vice President of British Trade & Commerce Bank, with full signatory authority, to negotiate the final details and, thereafter, execute and enter into the Trading Contract(s) relating to the Private Placement of said funds into a fully Bank Guaranteed Investment Program(s). Additionally, Mr. Donal C. Kelleher, Secretary & Director (Trustee), and/or Dr. Charles L. Brazie, Vice President of British Trade & Commerce Bank, are empowered to open and manage bank accounts, to enter into fee agreements, to receive and distribute all profits from the programs, to enter into agreements as necessary, and to make selections as to which program or programs will best suit the investment of these funds.
>
> The necessary authority and powers required to undertake these tasks and responsibilities are hereby granted by us to Mr. Donal C. Kelleher, Secretary & Director (Trustee), and/or Dr. Charles L. Brazie, Vice President of British Trade & Commerce Bank, as set forth above.
>
> It is therefore resolved that the named persons shall have the authority so empowered by this resolution."

FOR AND ON BEHALF OF J. V. W.
INVESTMENTS LTD BY:

Donal C. Kelleher
Sole Director (Trustee)
Passport #: U.K. 500167267

BY:

Charles L. Brazie
Charles L. Brazie, Ph.D.
BTCB Vice President
Passport #: USA 014989065

Signed at Kingston upon Thames
this 26th June 1998
before me

R. P. MacLaverty
NOTARY PUBLIC

Attachments:
- Bank Proof of Funds
- Supplement to Letter of Intent
- Corporate Resolution
- Limited Power of Attorney
- Enlarged Copy of Passports
- Affidavit

J. V. W. INVESTMENTS LTD

EMENS Bldg., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

Phone: (767) 448-6410 Fax: (767) 448-6477

LIMITED POWER OF ATTORNEY

The undersigned, J.V.W. Investments Ltd, hereby appoints and directs Lewis P. Malouf, USA Passport No. 036437944, as our authorized representative and lawful Attorney-In-Fact by granting unto him this Power of Attorney to represent the undersigned in the full and free access to interface directly with the Investment Program and to secure evaluation information and documentation on our behalf. However, this Limited Power of Attorney does not give Mr. Malouf the power to sign the Trading Agreement or access to any of our banking accounts.

I further grant to this Attorney-In-Fact full authority to act in our manner both proper and necessary to the exercise of the foregoing powers.

Effective Period: This Limited Power of Attorney shall become effective on this 25th day of June 1998, and shall remain in effect for a one (1) year and one (1) week.

The original or photocopy of this authority shall serve to notify and confirm to whomever it may concern as to the power and authority granted unto Lewis P. Malouf as if being the investor/client/owner of funds itself, with full access to the information and documentation, and shall be governed by the laws of the Commonwealth of Dominica.

IN WITNESS WHEREOF THE UNDERSIGNED, WITH FULL AUTHORITY, HAS EXECUTED THIS LIMITED POWER OF ATTORNEY ON THE DATE SET FORTH BELOW AT ROSEAU, COMMONWEALTH OF DOMINICA.

FOR AND ON BEHALF OF J. V. W. INVESTMENTS LTD BY:

Donal C. Kelleher
Sole Director (Trustee)
Passport #: U.K. 500167267

BY:

Charles L. Brazie, Ph.D.
BTCB Vice President
Passport #: USA 014989065

Signed at Kingstown St Vincent
this 26th June 1998
Before me

R. P. MacLaverty
Notary Public

COOPERATIVE VENTURE AGREEMENT NO. 130901
Transaction Code: VERMILLION-1

THIS AGREEMENT is entered into this twenty-fifth day of June 1998, by and between:
J. V. W. INVESTMENTS LTD, having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.:
Attention: Donal C. Kelleher, Sole Director
Telephone: (767) 448-6410 Facsimile: (767) 448-6477
(hereinafter **"Client"** shall mean J. V. W. INVESTMENTS LTD, its attorneys, affiliated companies, or designees/nominees).

AND

BRITISH TRADE & COMMERCE BANK, having principle offices at the EMENS Building, Dame Eugenia Charles Boulevard, Bayfront, Roseau, Commonwealth of Dominica, W.I.
Attention: Dr. Charles L. Brazie, Vice President - Managed Accounts
Telephone: (767) 448-6410 Facsimile: (767) 448-6477
(hereinafter **"BTCB"** shall mean British Trade & Commerce Bank, its attorneys, affiliated companies, or designees/nominees, and **"Parties"** herein shall mean **Client** and **BTCB**).

WITNESSETH THAT:

WHEREAS, BTCB is a bank chartered and operating under the laws of the Commonwealth of Dominica and fully empowered to provide the accounts and conduct the activities envisioned herein; and

WHEREAS, BTCB has the legal capacity and authority to cause assets to be entered into certain established International Cash Management Scenarios involving Medium Term Notes ("MTN's") issued by Top Twenty-five (25) Asset-rated Western European Banks; and

WHEREAS, BTCB has correspondent relationships with major world banks; has agreed to enter into the Managed Account Custody Agreement hereinbelow with **Client**; has opened an Account in the name of **Client** for the transactions envisioned hereunder; and has the ability to effect participation in such Scenarios, with attractive yields emitting from such Scenarios; and

WHEREAS, BTCB has the legal capacity and authority to issue Certificates of Deposit ("CD's") and other bank Instruments; and

WHEREAS, Client is an International Business Company that is organized and operated under the laws of the Commonwealth of Dominica; and

WHEREAS, Client will have on deposit at least Ten Million United States Dollars (US$10,000,000) in its such Account that may be placed in such Scenarios, and **warrants** that such deposits are clean, clear and legally obtained funds of non-criminal origin; and

WHEREAS, BTCB and Client have determined to enter into a cooperative venture relationship in order to participate in such Scenarios in full accord with all applicable rules and regulations [including I.C.C. Publication 500/600]; and

WHEREAS, BTCB, and Client intend to finance projects or to place appropriate funds into approved project funding sources from the profits arising from this AGREEMENT; and

WHEREAS, BTCB and Client, by entering into this AGREEMENT, do not intend to create a taxable partnership/corporation/entity, but rather intend to create a vehicle of cooperative enterprise in which the **Parties** have agreed to participate; and

WHEREAS, BTCB and Client, mutually desire to transact business with one another for the period specified in this **AGREEMENT** but not less than one (1) year; and

WHEREAS, this **AGREEMENT**, when signed, shall constitute that **BTCB** and **Client**, each, are fully responsible, ready, and able to fulfill their respective obligations and responsibilities hereunder.

NOW THEREFORE, in consideration of the foregoing, and the various covenants and undertaking herein, and for other good and valuable considerations, the value and the adequacy of which is acknowledged by each of the parties hereto upon execution of this **AGREEMENT**. **BTCB** and **Client** agree as set forth hereinbelow.

1. PURPOSE

1.1 The primary purpose of the **Parties** is to cause the funding of certain projects and programs with the net proceeds derived from participating in certain established International Cash Management Scenarios through financial mechanisms advantageous to the **Parties** and which comply with the rules and regulations from various jurisdictions and authorities that apply to such project financing. Significant proceeds from participating in such Scenarios, net of normal costs (scenario participation costs, service fees, Custodial and Transaction Fees and costs), shall be deposited into development trust/project funding accounts which shall be used to cause the funding of such worthwhile projects and programs.

1.2 Notwithstanding the foregoing, each of the **Parties** shall be paid Five (5.0) points from the proceeds of such Scenarios, as fees for services rendered. [Five (5.0) points are defined herein as Five Percent (5.0%) of such proceeds received from each trading cycle of such Scenarios.] These funds shall be owned exclusively by the paid party and the other party hereby waves any and all claim to such paid funds.

1.3 The remaining proceeds from participation in the Scenarios, as defined herein, shall be divided into two (2) parts upon their receipt. One (1) of these parts, which equals Fifty Percent (50%) of such remaining proceeds, shall be placed into Trust Accounts designated by **BTCB** and shall be used to fund projects/programs solely at the discretion of that Trust.

1.4 The remaining One (1) part, which equals the remaining Fifty Percent (50%) of such proceeds, shall be disbursed through a Business Trust and placed into Project Funding Accounts that shall fund qualified projects solely under the discretion of **Client**. The subject of this paragraph and that immediately preceding shall not be subject to any litigation or arbitration.

2. TRANSACTION SCENARIOS

2.1 **Client** has established a Custody/Transaction Account at **BTCB** for these Transactions, under the "Managed Account Custody Agreement" as set forth in EXHIBIT "A" attached hereto and made a part hereof.

2.2 Client will cause the deposits into such Account the amount of at least Ten Million United States Dollars (US$10,000,000) in exchange for a CD in the name of Client, which CD shall bear interest at the rate of Six Percent (6.0%) per annum, payable in arrears, and the term of such CD shall be for One (1) year. BTCB shall then cause such funds to be placed into such Scenarios. **Client** may increase the amounts on deposit with advanced notice to **BTCB**. The total amount of such funds on deposit shall be deemed the Account Principal.

2.3 **BTCB** shall place such Account Principal into such Scenarios and that participation shall be confirmed to the satisfaction of both **Parties**. The detailed activities to accomplish the intent of the paragraphs hereinabove are contained in the "Specific Transaction Instructions" set forth in EXHIBIT "B" attached hereto and made a part hereof.

2.4 If such Scenario shall provide a 106% Major Bank Instrument of Guarantee in exchange for such Account Principal, then that Instrument shall be exchanged for said CD and said CD shall be cancelled. Otherwise, when the cumulative disbursements to **Client** hereunder shall reach the amount of the Account Principal for which said CD has been issued, such CD shall be returned to **BTCB** and deemed paid in full and shall be cancelled.

2.5 The period of the **AGREEMENT** is for at least one (1) year, subject to **BTCB's** ability to place said assets in such Scenarios. If the ongoing distribution of proceeds, as defined hereunder, does not occur within forty (40) days of the initial placement of assets into such Scenarios or within ten (10) days of each subsequent month of participation in such Scenarios, **Client** may terminate this **AGREEMENT** without prejudice to itself and all such Account Principal shall be exchanged for said CD and any additional **Client's** proceeds, without additional set-off, reduction, or deduction, shall be distributed, immediately, to bank coordinates that will be provided by **Client**.

2.6 The proceeds from participating in such Scenarios for any given trading cycle shall be disbursed, as provided hereinabove, at the beginning of the next subsequent trading cycle.

3. DISPUTES

3.1 In the event of any dispute concerning any aspect of this **AGREEMENT**, including breach or alleged breach hereof, the **Parties** agree to have the matter arbitrated by a third party mutually agreed upon by the **Parties**. If the **Parties** cannot agree upon the arbitrator, the **Parties** agree to have the dispute arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the dispute). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on the **Parties** and may be enforced in any Court of Law having jurisdiction thereto.

4. CONFIDENTIALITY

4.1 The **Parties** agree: that any and all information disclosed, or to be disclosed, by any other party hereto, or by legal counsel or other associate; and, that any and all documents and procedures transmitted to each other for and in execution of this **AGREEMENT** are privileged and confidential and are to be accorded the highest secrecy. Accordingly, the I.C.C. rules and regulations pertaining to Non-Disclosure and Non-Circumvention shall be included herewith by reference hereto. Moreover, the **Parties** specifically:

A) Acknowledge and undertake for themselves, their legal counsel, employees, associates, officers, directors, trustees, bankers and/or representatives to treat any and all such information as privileged and confidential and not to disclose to any third party, directly or indirectly, or to use any such information for any purpose other than for accomplishment of the objectives of the business undertaken herein without the expresses, written prior consent of the party supplying that such information.

B) Acknowledge that any unauthorized dealing or disclosures or uses of any such information obtained for and in execution of the present **AGREEMENT** shall constitute a breach of confidence and shall form the basis of an action for damages by the injured party with a view to compensate the injured party to the extent any financial reward might have accrued but for the unauthorized dealing, misuse of information, or breach of confidence and contract.

5. GENERAL TERMS

5.1 Each party, individually and separately, accepts liability for its own taxes, imposes, levies, duties, or other charges that may be applicable in the execution of its respective roles.

5.2 Each party recognizes the unique services rendered by their representatives and agree: that each shall be responsible for the commissions and fees to which it has agreed in writing; and, that the party that has incurred any obligations shall indemnify and hold harmless the other party against any claim, demand, and/or expense, however arising.

5.3 This **AGREEMENT** is a full recourse, private, non-public agreement executed under the laws of the Commonwealth of Dominica, which be the jurisdiction governing the construction, interpretation, execution, validity, enforceability, performance, or any other matter in respect to this **AGREEMENT**, including breach or claim thereof.

5.4 Both parties acknowledge: that they had adequate time and opportunity to consult with counsel of their choosing prior to execution hereof; that each fully understands the facts and has been fully informed as to any rights and obligations in connection therewith; and, that, having this knowledge or lack of knowledge by voluntary choice, each has executed this **AGREEMENT** freely and without reservation.

5.5 The **Parties** acknowledge and accept that the I.C.C. rules and regulations appertaining to Force Majeure shall be included herewith by reference hereto.

5.6 The **AGREEMENT** cannot be assigned, transferred or conveyed by either party without the expressed, written, prior consent of the other party.

5.7 No unauthorized communications by either party with any bank outside of these procedures is allowed without the prior written consent of the other party. Failure to observe this consideration will immediately cause this **AGREEMENT** to be deemed to have been breached.

5.8 Each party shall be solely responsible for its own, unique institutional costs, except as otherwise provided hereinabove.

6. COMPLETE AGREEMENT AND CONFORMING DOCUMENTS

6.1 This **AGREEMENT** reflects the complete understanding of the **Parties** on the matters hereto.

6.2 A facsimile copy of a fully executed original of this document will be deemed an original, binding and enforceable document until otherwise agreed to by the Parties.

6.3 This AGREEMENT shall remain in full force and effect until completion of the transactions envisioned hereinabove and shall be binding upon BTCB and Client and theirs heirs, successors and assigns, agents, principles, and all other parties associated with or involved in the transactions.

6.4 This AGREEMENT may consist of one or more counterparts, all of which upon execution shall constitute one and the same AGREEMENT. The Parties acknowledge that a hard copy of this AGREEMENT may be signed by each respective party at different places and different times. Both Parties have the right to require courier delivery of the original AGREEMENT.

6.5 Each addendum, change, or modification to this AGREEMENT must be made in writing and approved and executed by the Parties as a condition precedent to the implementation and effect of such addendum, change, or modification.

6.6 If any of the provisions of this AGREEMENT are, or become, invalid by virtue of applicable law(s) or fail enforceability, then this AGREEMENT shall remain in full force. The invalid and/or unenforceable provision(s) shall be replaced by provisions mutually agreed between the Parties within the spirit and intent of the original provision.

6.7 The Parties hereby confirm that each is fully empowered, legally qualified, and duly authorized to execute and deliver this AGREEMENT and to be bound by its terms and conditions. All statements and representations under this AGREEMENT are made with full legal and corporate responsibility.

IN WITNESS WHEREOF, the Parties declare herein that they have signed hereinbelow in full and bonafides, thereby entering into this contractual commitment as defined and provided under the terms, conditions, and provisions of this AGREEMENT on the dates last written herein below.

DATE: June 25, 1998
FOR AND ON BEHALF OF

J. V. W. INVESTMENTS LTD

BY:

DONAL C. KELLEHER
[redacted]
SOLE DIRECTOR
EXHIBIT "A"

DATE: June 26, 1998
FOR AND ON BEHALF OF
BRITISH
TRADE & COMMERCE
BANK
BY:

CHARLES L, BRAZIE, Ph.D.

VICE PRESIDENT

MANAGED ACCOUNT CUSTODY AGREEMENT

To:British Trade & Commerce Bank
EMENS Bldg. Dame Eugenia Charles Blvd., Bayfront Roseau, Commonwealth of Dominica, W.I.

Gentlemen:
The undersigned hereby requests you to open and maintain a Custody Account in the name of the undersigned and to receive and hold therein as custodian, upon the following terms and conditions, cash and Investments (hereinafter defined).

Transactions. Subject to the provisions of this Agreement, you are authorized:
(a) To receive all interest and dividends payable on Investments and to credit such interest and dividends to the account or accounts of the undersigned with you as are designated by an Authorized Person (hereinafter referred to as the "Cash Account");
(b)To credit all proceeds received from sales and redemptions of investments to the Cash Account;
(c)To debit the Cash Account for the cost of acquiring Investments for the Custody Account;
(d)To present obligations (including coupons) for payment upon maturity, when called for redemption and when income payments are due;
(e)To exchange securities for other securities where the exchange is purely material;
(f)To sell fractional interests resulting from a stock split or dividend;
(g)To convert any currency received with respect to Investments in the Custody Account into another currency whenever it is practical or necessary to do so through customary banking channels. You shall incur no liability on account of any loss suffered or expense incurred as a result of such conversion, including without limitation losses arising from fluctuations in exchange rates affecting any such conversion;
(h)On instructions of an Authorized Person or as otherwise provided hereunder, to purchase and sell Investments for the account of the undersigned;
(i)To execute in the name of the undersigned, whenever you deem it appropriate, such ownership and other certificates as may be required to obtain payments with respect to, or to effect the sale, transfer or other disposition of Investments; and
(j)To enter into spot or forward transactions for the purchase and/or sale of currencies for the account of the undersigned in connection with or in anticipation of the purchase or sale of securities.

"Investments" means securities of every type and description in any currency including but not limited to stocks, warrants, puts, calls, forwards, futures, options on futures, bonds, debentures, notes, unit trusts, precious metals and other commodities, bank deposits, mortgages and other obligations, and any documents of title, certificates, receipts, and other instruments evidencing ownership, or representing rights to receive, purchase or subscribe to, any of the foregoing, or evidencing or representing any other rights or interests therein.

Instructions.
You are authorized to accept and rely upon all written instructions which you believe in good faith are given by an Authorized Person. "Authorized Person" means the undersigned or other person or entity designated in a statement signed by the undersigned or (if the undersigned is a corporation) one or more officers, employees or agents of the undersigned authorized by a corporate resolution of the board of directors of the undersigned delivered to you or described as authorized in a certificate of the Secretary, Assistant Secretary, or Managing Director of the undersigned.
You may also rely on instructions when bearing the facsimile signature of any Authorized Person (supplemented by telephonic verification). In addition, you may rely on instructions received by telephone, telex, TWX, facsimile transmission, bank wire or other teleprocess acceptable to you which you believe in good faith to have been given by an Authorized Person or which are transmitted with proper testing or authentication pursuant to terms and conditions which you may specify. You

may also rely on instructions transmitted electronically through a client data entry system or any similar instruction system acceptable to you. You shall incur no liability to the undersigned or otherwise as a result of any act or omission by you in accordance with instructions on which you are authorized to rely pursuant to the provisions of this paragraph unless your reliance is the result of your gross negligence or willful misconduct. You will incur no liability for the failure of any written confirmation to conform to the telephone instructions which you received or your failure to produce such confirmation at any subsequent time. Unless otherwise expressly provided, all authorizations and instructions shall continue in full force and effect until cancelled or superseded by subsequent authorizations or instructions received by your safekeeping account administrator.

The undersigned agrees that if you require test arrangements, authentication methods or other security devices to be used with respect to instructions which an Authorized Person may give, the undersigned shall safeguard any testkeys, identification codes or other security devices which you make available to any Authorized Person and agrees that the undersigned shall be responsible for any loss, liability or damage incurred by you or by the undersigned as a result of your acting in accordance with instructions from any unauthorized person using the proper security device. You may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Custody Account or transactions pursuant to this Agreement.

Registration.

Unless you receive contrary instructions from an Authorized Person, you are authorized to keep securities in your own vaults registered in the name of your nominee or nominees or where securities are eligible for deposit in a securities depository, including without limitation The Depository Trust Company or the Federal Reserve Bank of New York, you may utilize any of the services of any such depository and permit the registration of registered securities in the name of its nominee or nominees, and the undersigned agrees to hold you and the nominees harmless from any liability as holders of record. The undersigned will accept the return or delivery of securities of the same class and denomination as those deposited with you by the undersigned or otherwise received by you for the Custody Account, and you need not retain the particular certificates so deposited or received.

If any securities registered in the name of your nominee or held in a securities depository and registered in the name of the depository's nominee are called for partial redemption by the issuer of such securities, you are authorized to allot the called portion to the respective beneficial holders of the securities in any manner deemed to be fair and equitable by you in your sole discretion.

Statements.

You will supply to the undersigned from time to time as mutually agreed upon a statement in respect to the Investments held by you or by a subcustodian and an advice or notification of any transfers of Investments to or from the Custody Account, indicating, as to Investments acquired for the undersigned, the identity of the entities having physical possession of such Investments. In the absence of the filing in writing with you by the undersigned of exceptions or objections to any such statement within sixty (60) days, the undersigned shall be deemed to have approved such statement, and you shall be released, relieved and discharged with respect to all matters and things set forth therein.

Proxies, Redemptions and Securities Rights.

You will send to the undersigned such proxies (signed in blank, if issued in the name of your nominee or a nominee of a securities depository) and communications with respect to securities in the Custody Account as call for voting or relate to legal proceedings within a reasonable time after sufficient copies are received by you for forwarding to customers. In addition, you shall follow coupon payments, redemptions, exchanges or similar matters with respect to securities in the Custody Account and advise the undersigned of rights issued, tendered offers or other discretionary rights with respect to such securities, in each case, of which you receive notice from the issuer of the securities or as to which notice is published in publications routinely utilized by you for this purpose, subject to any terms and conditions as you may put into effect from time to time.

Investments and Funds Held Abroad.
Investments in the Custody Account shall be held in such country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which a principal trading market for such Investments is located or in which such Investments are to be acquired, sold, transferred or presented for payment. Funds shall be credited to an account in such amounts and in the country or other jurisdiction as shall be specified from time to time in instructions from an Authorized Person which are acceptable to you, provided that such country or other jurisdiction shall be one in which such cash is a legal currency for the payment of public or private debts.

The undersigned authorizes you to hold cash and investments for the Custody Account in accounts which have been established by you with one of your branches or with one or more subcustodians. "Subcustodian" means a branch of another U.S. bank, a foreign bank acting as custodian or a foreign securities depository in which you participate. You shall select in your sole discretion the branch or subcustodian in the custody of which any Investment may be maintained or with which any funds may be deposited. Any entity so selected is authorized to hold such funds and Investments in its account with any foreign securities depository in which it participates.

You shall not be liable for any loss resulting from the maintenance of any Investments in a foreign country, including, but not limited to, losses resulting from nationalization, expropriation, currency restrictions, acts of war or terrorism, insurrection, revolution, or acts of God.

Overdrafts.
The amount by which any payment made by you on behalf of the undersigned pursuant to this Agreement exceeds the available funds in the currency in the Cash Account shall be deemed a loan from you to the undersigned. Such loan shall be payable on demand and, in your discretion, shall bear interest at the rate customarily charge by you or your subcustodian on similar loans. In no event shall you have any duty to make any payment if such payment will exceed the funds available in the Cash Account.

Reimbursement.
If you choose to credit the Cash Account or the Custody Account on the payable date for interest, dividends or redemptions, the undersigned will return to you such amount or property credited promptly upon your oral or written notification that you have been unable to collect such amount or property in the ordinary course of transactions for the account of the undersigned. You shall have no duty to institute legal proceedings, file a claim or proof of claim in any insolvency proceeding or take any action beyond your ordinary collection procedures to collect such amounts or property.

Crediting and Debiting Procedures.
With respect to any Investment held in or to be acquired for the Custody Account you may, in your discretion, cause the Cash Account to be credited on the contractual settlement date with the proceeds of any sale or exchange of any Investment from the Custody Account and to be debited on the contractual settlement date for the cost of any Investment purchased or acquired for the Custody Account. If a transaction with respect to which a credit or debit has been made fails to settle, you may reverse such credit or debit upon instructions of an Authorized Person. Alternatively, while you assume no affirmative duty to act in the absence of such instructions, you may reverse any such credit or debit if a transaction fails to settle within a period of time after the contractual settlement date which you in your sole discretion consider reasonable in the light of market conditions. If any Investments delivered pursuant hereto are returned by the recipient thereof, you may cause any such credits or debits to be reversed at any time. With respect to any transactions as to which you do not determine so to credit or debit the Cash Account, the proceeds from the sale or exchange of

Investments will be credited and the cost of such Investments purchased or acquired will be debited to the Cash Account on the date such proceeds or Investment are received by you.

Notwithstanding the preceding paragraph, settlement and payment for any Investment received for, and delivery of any Investment out of, the Custody Account may be effected in accordance with the customary or established trading or processing practices and procedures for such Investment in the jurisdiction or market in which the transaction occurs, including, without limitation, delivering such Investment to the purchaser thereof or dealer therefor (or to an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such Investment from such purchaser or dealer(or agent there of).

With respect to all transactions for the Custody Account, including, without limitation, dividend and interest payments and sales and redemptions of any Investment, availability of funds credited to the Cash Account will be based on the type of funds used in the trade settlement or payment, including, but not limited to, same day availability for federal or same day funds and next business day availability for clearing house or next day funds.

Security and Set-Off.
As security for any performance of my obligations under this Agreement, I grant a security interest in and pledge, transfer, and assign to you my right, title and interest in and to all cash, Investments and other assets held by you or by any of your subsidiaries, affiliates or subcustodians (the "Collateral"). In addition, and without limiting the foregoing, I agree that you may set-off any and all of my obligations to you against any and all deposits of mine, whether general or special, with you or any of your subsidiaries, affiliates or subcustodians, wherever located and whether or not denominated in the same or different currencies. In the event that a debited deposit is maintained in a currency other than the currency of my obligation to you, such debit shall be made in the amount which, when converted to the currency of my obligation at your rate for purchasing such currency on the date of such debit, shall yield the amount then due and payable to you hereunder.

Custodian Responsibility.
You will use the same care with respect to the performance of your duties under this Agreement as you use in respect to your own property similar to that held hereunder, but you need not maintain any insurance for the benefit of the undersigned. Except as may be provided otherwise herein, you are authorized to execute instructions given by or on behalf of the undersigned and take other actions pursuant to this Agreement in accordance with your customary processing practices for customers similar to the undersigned and, in accordance with such practices, you may retain agents, including subsidiaries or affiliates of yours, to perform certain of such functions, notwithstanding that such retention may result in a gain or profit to you or to any of your subsidiaries or affiliates. All collection and receipt of funds or Investments and all payment and delivery of funds or Investments under this Agreement shall be made by you as the agent of the undersigned, at the risk of the undersigned. You will be liable to the undersigned only to the extent of actual damages suffered by the undersigned determined on the basis of the market value of the property which is the subject of the loss at the date of discovery of such loss, suffered or incurred as a result of gross negligence or willful misconduct on your part.
You will be responsible for only those duties stated in this Agreement or expressly contained in instructions to perform the services described herein given to you pursuant to the provisions of this Agreement and accepted by you and, without limiting the foregoing, you shall have no duty or responsibility:

(a) to supervise the Investment of, or make recommendations with respect to the purchase, retention or sale of, any Investment relating to the Custody Account;
(b) with regard to the Investment in the Custody Account as to which default in the payment of principal or interest has occurred, to give notice of default, make demand for payment or take any other action with respect to such default;

(c) for any act or omission, or for the solvency or notice to the undersigned of the solvency, of any subcustodian, securities depository broker or agent selected by you (in the absence of gross negligence or willful misconduct by you in such selection) or by the undersigned or any other person to effect any transaction for the Custody Account;
(d) to evaluate, or report to the undersigned regarding, the financial condition of any party to which you deliver Investments or payment pursuant to this Agreement; or
(e) for any loss occasioned by delay in the actual receipt of notice by you or any payment, redemption or other transaction in respect to which you are authorized to take some action pursuant to this Agreement.

If the undersigned is a trust and provides you with a copy of its trust Instrument, the undersigned understands and agrees that your review of such document is solely for the purpose of verifying the power of the trust to enter into and perform this Agreement and identifying the person(s) necessary to bind the trust, and that you assume no responsibility whatsoever for the proper administration of the trust.

Conflicts of Interest.
The undersigned understands there is a potential conflict of interest between you and the undersigned in that you shall provide similar services to other clients and to your own accounts. Therefore, you or these other Accounts may compete for the same Investments. Further, the undersigned is aware that you and/or your clients may continually develop Investment strategies because of different financial positions or objectives, and such strategies could require Investments that are different from or opposite to those of the undersigned. However, in view of the fact that a large number of these Investments are available and in view of market liquidity, the undersigned accepts the effects of such activities.

Responsible as Principal.
The undersigned will be responsible to you as principal for all obligations of the undersigned to you arising under or in connection with this Agreement, notwithstanding that the undersigned may be acting on behalf of other persons, and the undersigned warrants its authority to deposit in the Custody Account and Cash Account any Investments and funds which you or your agents receive therefor and to give instructions relative thereto. The undersigned further agrees that you shall not be subject to, nor shall your rights and obligations with respect to this Agreement and Custody Account be affected by any agreement between the undersigned and any such person, except as provided herein.

Taxes.
You are authorized and directed to claim exemption from transfer taxes on all transfers and deliveries of Investments held for our Custody Account.

If the undersigned is not a United States person or entity, you are hereby advised that the proceed of any sale of a security to the issuer thereof in the context of a self-tender offer do not constitute dividends and you are hereby directed not to withhold taxes payable to the United States with respect to such proceeds. The undersigned hereby agrees to indemnify and hold you harmless from and against any and all damages, liabilities, costs, fees and expenses incurred by you as a result of not withholding such taxes.

You shall have no obligation to seek a refund of any taxes withheld against any dividend or interest paid on any Investment unless the undersigned provided you with all documents that you may reasonably require for that purpose.

Fees, Indemnification.
The undersigned agrees to pay a monthly Custodial Fee. This monthly Fee shall equal One Fifth of One Percent (0.2%) of the combined average monthly balance(s) in the Custody Account(s) and the Cash Account(s) - (unless this combined balance is less than One Million USD (US$1,000,000) in which case this monthly Fee shall equal One Third of One Percent (0.334%) of such balances). The undersigned also agrees to pay a Transaction Fee equal to One Half of One Percent (0.5%) of the Face Amount of any and all Investment(s) acquired/traded per tranche to provide for the cost of the activities envisioned in those Investment transactions. Notwithstanding these Fees, the undersigned agrees to pay you reasonable compensation for other services requested by the undersigned pursuant to this Agreement at the standard fee for such services of which you will notify the undersigned from time to time. The undersigned also agrees to hold you and your agents harmless from, and to indemnify and reimburse you and them for, all liability, loss and expense (including out-of-pocket and incidental expenses and legal fees) incurred by you or them in connection with the Custody Account or your acting under this Agreement, provided that you or they, as the case may be, have not acted with gross negligence or willful misconduct with respect to the events resulting in such liability, loss and expense.

Termination.
This Agreement may be terminated at any time by either party effective upon receipt by the other party of written notice of such termination or upon such subsequent date specified in such written notice. Upon such termination, you will within a reasonable time return to the undersigned or to whom we direct any Investments or other property then held by you in the Custody Account.

Notices.
Notices required hereunder shall be in writing, and delivered by mail, postage prepaid, to the following addresses (or to such other address as either party hereto may from time to time designate by notice duly given in accordance with this paragraph).

To the undersigned at: EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront, P.O. Box N2042, Roseau, Commonwealth of Dominica, W.I.

To you, to the attention of Dr. Charles L. Brazie at: British Trade & Commerce Bank, EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront, P. O. Box 2042, Roseau, Commonwealth of Dominica, W.I.

Governing Law, Successors and Assigns.
This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Dominica without giving effect to that Commonwealth's principles of conflicts of laws and will be binding on our and your respective successors and assigns.

Source and Use of Funds.
The undersigned warrants and attests: 1) that all assets deposited in this Custody Account or any other Accounts with you are good, clean, cleared, and legally obtained from non-criminal origins; and, 2) that neither these assets nor the profits or emissions derived from the activities envisioned hereunder have been, or will be, used for any criminal or illegal purpose, and not limited to but including any activities involving dealing with controlled substances, drugs, arms, munitions, or armaments.

Liability and Ownership.
As used herein, the term "undersigned" shall be deemed to include all signatories hereto, if more than one, in such event, the obligations, liabilities, representations and warranties of the undersigned shall be joint and several. If the undersigned consists of more than one person, the undersigned warrants

and represents that the cash in the Cash Account and the assets in the Custody Account are owned jointly with right of survivorship.

Arbitration.
Any controversy between you and the undersigned arising out of or relating to this Agreement, including breach or alleged breach, hereof, shall be resolved by arbitration by a third party mutually agreed upon by the you and the undersigned. In the event you and the undersigned cannot agree upon such an arbitrator, the matter shall be arbitrated as fixed by the I.C.C. in accordance with the International Chamber of Commerce Rules of Conciliation and Arbitration (I.C.C. 447-2M, 1990 or latest revision in effect at the time of the controversy). The venue for such arbitration shall be the city of London and any such arbitration decision shall be final and binding on all parties and may be enforced in any Court of Law having jurisdiction thereto.

Disclosure.
The undersigned understands that certain regulations may require that you disclose to the issuer of a security upon request the name and address of the undersigned and other positions with respect to securities held in the Custody Account, unless the undersigned objects to such disclosure and notifies you accordingly.

Prior Proposals.
This Agreement contains the complete agreement of the parties hereto with respect to the Custody Account (except as may be expressly provided to the contrary herein) and supersedes and replaces any previously made proposals, representations, warranties or agreements with respect thereto by either or both of the parties hereto, except that this Agreement does not modify any interest or rights in the assets in the Custody Account which was otherwise granted to you and does not supersede or replace any item that you may have provided to the undersigned describing your services with respect to securities with tender options. This Agreement shall become effective upon execution hereof by the undersigned and acceptance by you.

Separability.
Any provisions of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

Accounts.
From time to time an Authorized Person may hereafter instruct you to open more than one Custody Account for the undersigned. Unless the undersigned and you otherwise agree, this Agreement will govern such accounts, in addition to the Custody Accounts which you are opening or currently maintain for the undersigned to which it is applicable.

Special Terms.
The following additional terms and provisions, if any, are included in and constitute a part of this Agreement:

SPECIFIC TRANSACTION INSTRUCTIONS ATTACHED AS EXHIBIT

EXECUTED AND SUBMITTED on this twenty-fifth day of June 1998.

FOR AND ON BEHALF OF

J. V. W. INVESTMENTS LTD

BY:

DONAL C. KELLEHER
SOLE DIRECTOR
EXHIBIT "B"

ACKNOWLEDGED AND ACCEPTED FOR
AND ON BEHALF OF BRITISH TRADE &
COMMERCE BANK BY:

CHARLES L. BRAZIE, Ph.D.
V. P. - MANAGED ACCOUNTS

SPECIFIC TRANSACTION INSTRUCTIONS

TO:BRITISH TRADE & COMMERCE BANK

As the Holder of Account Number 101-011200-9, we hereby advise you that, with respect to the transaction identified with the codes set forth hereinabove, we will participate in International Cash Management Scenarios (involving Instruments from Top-rated World Banks) that you will designate, under internationally accepted Format and Procedures (I.C.C. 500/600).

Therefore, we request that you:

A) Incorporate these Instructions into our Managed Account Custody Agreement with you for these transactions.

B) Receive, accept, transmit and acknowledge all communications and documents relating to these transactions, including: .

1.Deposits of funds into our Account [in exchange for your CD in our name, which CD shall bear interest at the rate of Six Percent (6.0%) per annum, payable in arrears, and the term of such CD shall be for One (1) year] as our Account Principal and the instructions herein concerning the use and/or disbursement of said Principal.

2.Deposits of additional funds into this account. The original deposits plus any additional deposits shall be deemed as the Account Principal.

3.Causing the placement of such Account Principal into Trading Scenarios within established Banks that will provide significant yield to us so that we may fund worthwhile international development projects. Such placement shall be in the form of "Blocked Funds" in an account in either our name and control or under BTCB's control, or shall be guaranteed by a major Bank Guarantee in face amount in excess of such placed Account Principal. From time to time when substantially higher yields can be obtained, such Account Principal can be combined with other of your Client Accounts for placement of such combined funds. In those cases similar measures shall apply to protect our Account Principal.

4. In the event that a Major Bank Guarantee Instrument is received, such Instrument shall be exchanged for said CD and that CD shall be deemed paid in full and shall be cancelled. Otherwise, when the cumulative disbursements to **Client** hereunder shall reach the amount of the Account Principal for which said CD has been issued, such CD shall be returned to **BTCB** and deemed paid in full and shall be cancelled.

5. Distributing the proceeds received from such placement as instructed in the Residual Distribution Instructions (ATTACHMENT "A," hereto).

C) Acknowledge the receipt of such communications or documents to such organizations or institutions as we shall designate in the normal course of the above described transactions.

E) Disburse funds in accordance with provided instructions, orders or directives.

F) Notify us, promptly, of the receipt and content of all such communications, documents and other relevant information, including time and place of settlement.

G) Treat all such communications, documents and any information relating to the said transactions in strict confidence.

We further request that you recognize and acknowledge that disclosures, introductions, procedures, and other relevant information provided in the course of the completion of the transaction(s) contemplated are to be treated as confidential, and that you will not disclose, negotiate, contract or in any other manner deal with such without our expressed written approval.

Any changes to the foregoing instructions and directives must be signed by all signatories hereinbelow.

We agree to indemnify and hold the bank harmless against any and all claims, demand, actions, damages, costs and expenses, including court costs, attorney's fees and disbursements arising from or connected with the foregoing requests, excepting, however, any such as may arise through or be caused by fraudulent or willful misconduct or gross negligence on the part of the bank.

Please acknowledge your agreement to observe and perform the foregoing instructions and directives.

Yours faithfully,

Donal C. Kellcher
Sole Director

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned bank officers, for and on behalf of British Trade & Commerce Bank, acknowledge and accept the foregoing instructions and directives, and with full corporate and banking responsibility and authority agree that the bank will endeavor to observe these instructions and directives.

Date: June 26, 1998

George E. Betts
Vice President - Financial Comptroller

ATTACHMENT "A"

RESIDUAL DISTRIBUTION INSTRUCTIONS

The funds deposited in this account shall be utilized/disbursed as provided hereinunder.

1. The Principal shall be retained for a period of one year from the initial deposit and used solely as provided in the SPECIFIC TRANSACTION INSTRUCTIONS in EXHIBIT "B" to which this attachment is appended.

2. The additional amounts resulting from participation in the International Cash Management Scenarios as provided therein less all applicable Custodial and Transaction Fees and costs are defined as the Residual Amounts and shall be disbursed as follows:

   A. For each cycle for which such additional amounts are received, you shall distribute an amount equal to Five Percent (5%) of the Account Principal to your Bank and retain an equal amount to our account. Of the remaining residual amounts, Fifty Percent (50%) shall either be re-invested according to the schedule we shall provided or shall be disbursed to the Business Trust we shall designate along with the Distribution Instructions we shall provide.

   B. All remaining residual amounts, in excess of the Principal and after deducting the amounts hereinabove, shall be disbursed to the following account coordinates in your bank:

A/C #:
A/C Name : **(Developmental Trust Account Designated by BTCB)**
Bank Office : **Charles L. Brazie, Ph.D.**

FOR AND ON BEHALF OF

J. V. W. INVESTMENTS LTD
BY:

DONAL C. KELLEHER
SOLE DIRECTOR

FOR AND ON BEHALF OF
BRITISH TRADE &
COMMERCE BANK
BY:

CHARLES L. BRAZIE, Ph.D.
VICE PRESIDENT

JVW Investments

British Trade & Commerce Bank

Licensed for full trust business

INTERNATIONAL BUSINESS COMPANY (IBC) ORDER FORM

1. - Name, Authorized Capital and Activities of the Company

Proposed Name (please indicate three options):

First Option: JV W INVESTMENTS LTD.

Second Option:

Third Option:

Note: *A Company name is not and with the word(s) "Limited", "Corporation", "Société Anonyme", "Sociedad Anonima" or an abbreviation thereof. The use of the words "Finance", "Trust", "Bank", "Insurance", "Royal" or "Imperial" is not allowed.*

Authorized Capital (US$5,000 is the minimum recommended): US $ 5,000.

Par Value of Shares $ 1 each (1 BEARER SHARE) HOLD AT BTCB FOC JV WAGGONER.

Activities of the Company (purpose for which the Company is to be formed):

INVESTMENT.

2.- Ownership of the Company and other Required Services

Capital of the Company will be divided among the following shareholders:

Name	Passport #	Address	(%)	Position
J. VIRGIL WAGGONER				
	13202	2516	100%	PRESIDENT
		1111 BAGBY STREET		
		SUITE 2420		
		HOUSTON TEXAS 77002		

Other Services: (Please indicate which of the following services will be required):

a) Directors (Financial statements Required) ☐ Yes ☑ No
b) Banking (Bank Mandate and Signature Card Required) ☐ Yes ☐ No
c) Investment Management Accounts ☐ Yes ☐ No
d) Trustee Services ☐ Yes ☑ No

Other Services:

BTCB Form 98 Rev. 1.98

page 1 of 2

16/06/98

3.- Non Shareholders Directors

Only in case that Directors are neither non Shareholders nor Directors Services by BTCB

Name	Passport #	Address	(%)	Position
DONAL C				
KELLEHER.	500167267			DIRECTOR
		160 TUDOR DRIVE		(TRUSTEE)
		KINGSTON KT2 5QG.		

4. - Name and Address of Beneficial Owner

Name: J.VIRGIL WAGGONER	Address: 1111 BAGBY ST
SUITE 2470 HOUSTON TEXAS	Phone: 713-651-3000 Fax: 713 651 0232

How should we communicate?: ☐ Fax ☐ Phone ☐ Mail ☐ E-Mail (Address:)

Special Instructions: COMMUNICATE WITH TRUSTEE DONAL C KELLEHER.

6. - Requirements

The following documents must be sent with this application, without which the IBC will not be incorporated:

1) Bank References of each Shareholder and Director
2) Photocopy of Passport of each Shareholder and Director

Note: When Directors Service is chosen no documentation for Directors is required.

DECLARATIONS

I/We certify that the information given is true and correct, that the persons mentioned do exist and they are persons with integrity and respectability. Furthermore I/We authorize the Bank to conduct the proper verification of the above information if necessary.

BENEFICIAL OWNER: D C KELLEHER Trustee for J.Virgil Waggoner
Signature: [signature]
Date:

BTCB OFFICER:
Signature: [signature]
Date: 6/22/98

FOR BANK USE ONLY

☒ Application Approved Number: 101-011200.9 Date: 6/22/98
☐ Application Declined Reason:
Application processed by: G. Betti Signature: [signature]

BTCB-Bank-Form-Rev.1.00 page 2 of 2

16/06/98

REGISTRAR
19 JUN 1998
INTERNATIONAL BUSINESS COMPANIES

COMMONWEALTH OF DOMINICA

IN THE MATTER OF
THE INTERNATIONAL BUSINESS COMPANIES ACT

AND

IN THE MATTER OF

INTERNATIONAL CORPORATE SERVICES LTD. COMMON SEAL DOMINICA

Certified True Copy
Secretary
Legal Department
Vice President

J.V.W INVESTMENT LTD

CERTIFICATE OF INCORPORATION

I DO HEREBY CERTIFY THAT **J.V.W Investment Ltd** is this day incorporated under the International Business Companies Act, 1996 and that the Company is limited by shares.

Given under my hand this
19 day of June, 1998.

Reginald Abrusch
REGISTRAR OF COMPANIES
COMMONWEALTH OF DOMINICA

COMMONWEALTH OF DOMINICA
INTERNATIONAL BUSINESS COMPANIES (IBC) ACT 1996
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF

J.V.W INVESTMENT LTD

1. The name of the Company shall be J.V.W Investment Ltd.

2. The Registered Office of the Company will be situated at Roseau, Commonwealth of Dominica, West Indies.

3. The Registered Agent of the Company shall be Mr. Micheal E. Bruney.

4. The object of the Company is to engage in any act or activity that is not specifically prohibited under any written law, in force in the Commonwealth of Dominica.

5. The shares in the Company shall be issued in United States Dollar currency.

6. The authorized capital of the Company is $5,000.oo divided into 5000 shares of No Par Value each and the shares shall be of one class.

7. The issues of shares shall be under the control of the Directors who may fix by resolution any designations, powers, preferences, rights, qualifications, limitations and restrictions to any shares issued.

8. All the shares shall be issued to bearer which shares be exchanged for registered shares and such registered shares may be exchanged for shares issued to bearer.

9. Any notice required by law to be given to members shall be given to the holders of shares issued to the bearer by serving the same on the Registered Agent of the Company or by advertisement in a newspaper circulated in Dominica.

10. The liability of the members of the Company is limited.

11. The Company shall not:-

    (a) carry on business in Dominica with persons domiciled or resident in Dominica except as provided by the International Business Companies (IBC) Act 1996 or

(b) own an interest in real property situated in Dominica other than an interest referred to in Subsection 5 (2) (c) of the International Business Companies (IBC) Act 1996 or

(c) accept banking deposits or accept contracts of insurance or engage in trust business

We, the person, or several persons whose names and addresses are subscribed below are desirous of being formed into an International Business Company, in pursuance of the Memorandum of Association, and respectively agree to take the number of shares in the capital of the Company set out opposite our respective names.

NAME	DESCRIPTION	SUBSCRIBERS ADDRESS	SHARES SUBSCRIBED
For and on Behalf of International Corporate Services S.A.		Elmens Building, Bayfront	one

Henry Boyer
Director

Dated this 19th day of June, 1998

Signed before, and in the presence of:-

WITNESS
George B Betts

British Trade & Commerce Bank
Emerald Bldg., Dame Eugenia Charles Blvd. Bayfront Roseau.
Commonwealth of Dominica
P.O. Box 2042 Phone: (767) 448-6410 Fax: 448-6477

Date:06/22/98

Fax Cover Sheet

To:	DONAL KELLEHER	From:	GEORGE BETTS
Company:	J.V.W INVESTMENT LTD	Department:	FINANCE
Fax:	011-44-181-287-7623 1	Pages:	9
Phone:		Ref:	

☐ Urgent ☐ Reply ASAP ☐ Comment ☐ Review

COMMENTS:

DEAR MR. KELLEHER

I AM FAXING THE FOLLOWING:

1. CERTIFICATE OF INCORPORATION FROM REGISTRAR OF COMPANIES (1 PAGE)

2. MEMORANDUM AND ARTICLES OF ASSOCIATION (7 PAGES)

I HAVE SENT THE SAME INFORMATION TO LAURIE BROWN WITH THE ACCOUNT AUTHORIZING RESOLUTION.

WE DO NOT ISSUE THE SHARES, UNLESS YOU SPECIFICALLY REQUEST THEM. YOU WILL SEE FROM THE MEMORANDUM AND ARTICLES THAT OUR MANAGEMENT COMPANY, INTERNATIONAL CORPORATE SERVICES, MERELY SUBSCRIBES TO THE SHARES. IF YOU WANT THEM ISSUED, WE CAN ISSUE THEM IN ANY NAME YOU CHOOSE. PLEASE ADVISE.

SINCERELY,

GEORGE BETTS

Copy Laurie Dupleiss

Licensed for Trust Business

J.V.W Investments Ltd
Emers Building, Dame Eugenia Charles Blvd,
Bayfront Roseau . Commonwealth of Dominica.

Mr. George E. Betts.
Vice - President Finance.
British Trade & Commerce Bank .
Emers Building. Dame Eugene Charles Blvd.
Bayfront Roseau. Commonwealth of Dominica.

23.6.1998

Dear Mr. Betts,

Thank you for your letter of 22.6.1998 enclosing the registration document and memorandum and articles of association of J.V.W Investments Ltd. I thank you for your prompt attention to this matter.

- Re : Shareholding & Directors: J.V.W Investments Ltd

I am sending you a Resolution of the Company - I trust that the wording is in order. If so please process same.

- When the bearer share certificate is issued I would request that the Secretary, International Corporate Services Ltd sends the following package of documents to the following coordinates:
  Mr. Donal C. Kelleher. Chairman - Abbeyfield Asset Management s.a. 160 Tudor Drive. Kingston KT2 5QG Surrey. UK.
  1. the bearer share certificate.
  2. 2 certified copies of the Certificate of Incorporation of the Company.
  3. 2 certified copies of the Articles of Incorporation and Memorandum.

  It would be helpful if you could also send me three sets of brochures of BCTB.
- I am sending you the resolution to add Mr. J.Virgil Waggoner as signatory to the SSBT Account for onward transmission to SSBT.
  I am sending you the account opening forms signed for J.V.W Investment's application for an account with BTCB. This account will be for profit receipt, reinvestment etc. and our long term business relations.
- We will wish to appoint auditors for the Company in due course - please provide us with a recommended firm known to your bank.
- I note that the necessary documents have been sent to Mrs. Brown at SSBT.

I expect that I shall be contacted by Dr. Brazic today to get the investment program underway. I am ready to issue the necessary documents and accordingly we are ready and available to go forward with you .

Yours sincerely,

Donal C. Kelleher.

0001 NUMBER

SHARES 5000

ORGANIZED UNDER THE LAWS OF THE
Commonwealth of Dominica

J.V.W INVESTMENT LTD

The Company is authorized to issue 5,000 Shares - With US$1.00 Par Value

THIS CERTIFIES THAT ***THE BEARER*** *is the owner of* ***FIVE THOUSAND*** *(* ***5000*** *)fully paid and non-assessable Shares of the above Company transferrable only on the books of the Company by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.*

IN WITNESS WHEREOF, the said Company has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Company.

DATED: June 25, 1998

J.V.W INVESTMENT LTD COMMON SEAL DOMINICA

kelleher

From: btcbank <btcbank@cwdom.dm>
To: <abbyam@globalnet.co.uk>
Sent: 24 June 1998 14:43

DEAR MR. KELLEHER
I RECEIVED YOUR FAX OF 23/6/98 AND YOUR E-MAIL OF SAME DATE.
I AM FAXING A COPY OF OUR STANDARD CD TERMS. THE DOCUMENTS REQUESTED IN
YOUR FAX ARE BEING PREPARED. PLEASE INSTRUCT LAURIE BROWN TO TRANSFER TO
OUR ACCOUNT AT SSBT # 212.712.0602 USD$6.500 TO COVER THE $1,500 FOR FORMING J.V.W INVESTMENTS LTD (DOMINICA) AND THE $5,000 MINIMUM ACCOUNT
OPENING AMOUNT. THIS WILL ACTIVATE J.V.W INVESTMENTS LTD. SO THAT WE CAN
ISSUE STOCK AND TURN THE OWNERSHIP OF THE COMPANY OVER TO YOU. ONCE THAT IS
DONE I WELL SEND ALL THE DOCUMENTS REQUESTED IN YOUR FAX.

REGARDS,
GEORGE BETTS

kelleher

From: Kelleher <abbyam@globalnet.co.uk>
To: tornadobx <tornadobx@aol.com>
Sent: 29 June 1998 22:45
Subject: Fw: your message of 29 june

LISA

CONFIRMATION OF J.V.W INVESTMENTS ACCOUNT FOR THE CD TRANSFER ETC.

DONAL KELLEHER
ABBYAM@GLOBALNET.CO.UK
----Original Message----
From: btcbank <btcbank@cwdom.dm>
To: abbyam@globalnet.co.uk <abbyam@globalnet.co.uk>
Date: 29 June 1998 21:31
Subject: your message of 29 june

>DEAR DONAL
>IN REPLY TO YOUR MESSAGE HERE ARE THE FOLLWING:
>1.BANK OUTLINE AND FINANCIAL STATEMENT OF BTCB BEING SENT TODAY BY FEDEX.
>2.AIRWAY BILL # FOR STOCK CERT AND MEMO & ARTICLES PLUS ABOVE IS FED EX
>400-5559-2423
>3; JVW INVESTMENT ACCT # WITH BTCB IS 101-011200-9. BTCB ACCT # WITH SSBT
>IS 212 712 0602
>4. LETTER TO SSBT IS OK
>5. I AM SENDING CD TO LAURIE BROWN VIA ONE OF OUR VICE-PRESIDENTS WHO IS
>WORKING IN THE BAHAMAS AND TO WHOM I AM SENDING DOCUMENTS TODAY. SHE SHOULD
>HAVE IT TOMORROW.
>REGARDS,
>GEORGE BETTS
>

Suisse Security Bank & Trust

SIGNATURE CARD

Account Number

|8|0|1|7|7|0|

Citibank 111 Wall St
SSBT A/C 36021989

Title of Account: **J.V.W INVESTMENTS LTD**
Authorized Account Signatory is as follows:

Name: J. VIRGIL WAGGONER Signature: J. Virgil Waggoner

Title: SIGNATORY

NOTARY: M. Susan Freeman

M. SUSAN FREEMAN
MY COMMISSION EXPIRES
March 27, 2000

SUISSE SECURITY BANK & TRUST - client cash ledger transaction report

Jul 7, 1996

Account number: 212,727.1202 Account type: Cash: type 7

Starting book balance: 0.00 Starting available balance: 0.00 Starting date: Jun 18, 1998

Ending book balance: 10,261,079.63 Ending available balance: 10,261,079.63 Ending date: Jul 7, 1998

Value date	Available date	Check no.	Amount	Description
Jun 18, 1998	Jun 19, 1998	0	10,245,460.00	REFERENCE: N/A BENEFICIARY: JVW Investments
Jun 24, 1998	Jun 24, 1998	0	-25.00	CHARGE TYPE: BI: phone/fax REFERENCE: fax a/c statement: as per client's tel. request
Jun 24, 1998	Jun 24, 1998	0	-6,500.00	BY ORDER OF: CLIENT REFERENCE: Book transfer: as per e-mail request
Jun 29, 1998	Jun 29, 1998	0	-25.00	CHARGE TYPE: BI: phone/fax REFERENCE: faxed statement as per client's request:6/26/98
Jun 30, 1998	Jun 30, 1998	0	22,190.88	BY ORDER OF: Suisse Security Bank & Trust REFERENCE: Cash interest for period: 06/01/98 to 06/30/98
Jun 30, 1998	Jun 30, 1998	0	-21.25	BY ORDER OF: Suisse Security Bank & Trust REFERENCE: Monthly account fee

SUISSE SECURITY BANK & TRUST, LTD.

2545

(10)

DK 00235

J.V.W Investments Ltd
Emens Building, Dame Eugenia Charles Blvd,
Bayfront Roseau . Commonwealth of Dominica.

Board Meeting of the Directors of JVW Investment Ltd

A meeting of the Board of Directors met on 2nd July and the following was agreed.

Suisse Security Bank & Trust.

An account was opened at SSBT upon the recommendation of Mr. George Betts of British Trade & Commerce Bank of Emens Building Dominica. Mrs. Brown is the officer. The current balance in the account is USD 10,261,079.63. This includes an interest payment of USD 22,190.88 at the agreed rate of 6% annual credited and compounded daily for the period from 18th June 1998. The signatories on the account are Mr. Kelleher and Mr. Waggoner.

Mr. Betts has negotiated with Mrs. Brown the exchange details with respect to a Certificate of Deposit against cash of 10,000,000 USD. Mr. Betts has issued the CD directly to BTCB for verification and authentication.

An instruction has been issued to Mrs. Brown on 30th June to exchange 10,000,000 USD from the above account into a BTCB account number 212.7120602 for the benefit of JVW - number 101.011200.9 at SSBT.

Mrs. Brown today refused to transfer the cash funds against the CD - stating that SSBT senior management had decided not to proceed. Since BTCB are responsible for the exchange - BTCB must rectify the position. Mr. Betts agreed to do so. Mr. Betts has agreed to locate and assign a lawyer for the work.

British Trade & Commerce Bank.

An account was opened - number 101.011200.9 at BTCB for the benefit of JVW . 6,500 USD was transferred on 24th June from SSBT. The signatories on the account are Mr. Kelleher and Mr. Waggoner.

A contract was agreed with BTCB on 26th June. This follows the commitment from BTCB to provide high yielding programs for Mr. Waggoner from 12th June. Profits arising from this contract are to be shared 80% to Mr. Virgil Waggoner and 20% to Abbeyfield Asset Management s.a. The profits are to be placed gross into Abbeyfield Trust (a trust to be established by BTCB - instructions already issued.) and then distributed to Mr. Waggoner's designated account and to Abbeyfield Finance.

The private placement scenario which was to be put into effect following the Board Resolution of 25th June is being followed up by BTCB - Dr. Brazie is in London to place funds.

Returns to JVW after SSBT paid - provided by schedule from Dr. Brazie are - from date of receipt of funds at SSBT Cycle 1: 2 banking days - : 2.1 MUSD to Abbeyfield Trust . + 112,000 USD to JVW account at BTCB.

Cycle 2: 2 banking days - : 3.6 MUSD to Abbeyfield Trust. + 176,000 USD to JVW account at BTCB

Cycle 3: 2 banking days - : 5.2 MUSD to Abbeyfield Trust. + 275,000 USD to JVW account at BTCB

Cycle 4: 2 banking days - : 8.7MUSD to Abbeyfield Trust. + ...

The above return will adequately meet the requirements of JVW and Abbeyfield's commitments for projects and obligations. This schedule is approved.

J.V.W.INVESTMENT LTD
Emens Bldg. Dame Eugenia Charles Blvd.
Bayfront Roseau Commonwealth of Dominica

Mrs. Laurie Brown
Suisse Security Bank and Trust
Orissa House. East Bay Street.
Nassau Bahamas. 2.7.1998

Transaction Code : Wag/abby/10M 5.98

Dear Mrs. Brown,

I believe there has been a small misunderstanding which can easily be cleared up regarding our transaction. First, your bank has been highly recommended to us and chosen because of its good reputation and use of Ernest and Young as accountants. The emphasis of your bank on its level of privacy, as well as the fact that you "do not engage in loans or mortgages", but concentrate on high level transactions, appealed to us.

Because your bank's literature mentioned "privacy and confidentiality," it did not seem necessary to go into any detail about the business plans of JVW Investments Ltd. However, if you require such information, I am pleased to provide the following: We are engaged in project finance relating to the specific expertise of Mr. Waggoner who took Sterling Chemicals Company public on the New York Stock exchange. Now that he is retired, he plans to fund a number of special projects relating to the chemical, petrochemical, pharmaceutical and waste producing plants. These projects may involve new technological advances which are inherently proprietary and which he wishes to maintain as confidential. Naturally, there are competitors and other who might be curious as to the nature of his projects and his interest in expansion in Third World countries.

Your bank was recommended as a place where he could start up and maintain his project finance accounts with confidentiality. I point out two very critical points which may not have been clear.

First, our intent is that, from the outset, we will be increasing the level of our deposits at your bank, rather than decreasing them. As our additional project financing funds arrive from his European partner, the JVW Investments Ltd. account will have more funds on deposit, rather than fewer. In fact, we anticipate that the average daily balance over the course of the year will steadily increase, with some deductions occasionally to fund a specific plant.

Second, it is not our plan to have "funds there for a short time" and that "all of the funds are on their way out;" rather we are starting with a base of $10 million (whether in cash or CD) which we plan to keep on deposit in your bank, and add other funds to it. Further, even the $10 million cash will also remain in your bank (either as cash or bank instrument) maintained by BTCB FBO our company, and to which further partner funds from Europe will be added as well. BTCB is in charge of arranging the European partner's participation and funding.

FACSIMILE COVER PAGE

To : DON KELLEHER
From : DR. CHARLES L. BRAZIE
Sent : 7/13/98 at 10:56:20
Pages : 1 (including Cover)
Subject

Dear Donal,

In response to your fax this morning, please be advised as follows;

I am waiting for further information on the "leverage situation" expected this a.m.;

In case that situation will requrie a few days before the banking is available to us (which I expect will be the case), we will then follow the Prudential route for a cycle or so.

Accordingly, please be advised:

1) That Global Investment Fund S.A. is a Dominican IBC that is wholly owned by International Corporate Services LTD. which is wholly owned by BTCB, and BTCB is the Trustee of the Bearer Shares of Global;

2) That Global is a "pooling" entity for HYIP's for BTCB clients;

3) That the account at Prudential/Chase is solely in Global's name and under my sole signature;

4) That such account operates solely on a "Blocked/Reserved Funds" basis and thus is on a strict non-depletion basis; and

5) That the trades are based upon approximately 55% Net Return/Cycle to the Investor-side (to be split between BTCB and J.V.W. weekly) for up to 4 cycles.

The bank coordinates for transfer to that, OR the other leveraged, program will be provided after my discussions later this morning with leveraged program.

Best regards,

Chuck

J.V.W Investments Ltd
Emens Building, Dame Eugenia Charles Blvd,
Bayfront Roseau, Commonwealth of Dominica.

(24.2)

Mr. Harajchi. Chairman
Suisse Security Bank & Trust.
Orissa House.
East Bay Street.
Nassau. Bahamas.

27.8.1998

Dear Mr. Harajchi,

Re : Account J.V.W Investments Ltd
Account Number : 212.727.1202
Transaction Code : Wag/abby/10M 5.98

RE: **SSBT's Refusal to Submit a July account statement as required by law.**

Your bank has made no response to our letter of 13th August 1998. You have made no response regarding your failure to provide us with a July account statement as required by law.

Since the August Statement of our Account is due next week, we repeat our statement from previous letters:

> "Since you have not issued the required statement, and you have let stand our earlier communications about not having the funds, we now take this as an admission by your bank. Obviously you are now admitting that you do not have the funds available in your bank to pay the $10,000,000 because you cannot produce a statement of the JVW Investment Ltd account with accumulated interest as required by law."

We received recently the audited balance sheet for your bank from public records. You had refused to issue us with a copy upon request. You advised us that the balance sheet was confidential and protected by Bahamian Laws - that was false.

Having now read the balance sheet , we understand why you chose to conceal it. Your bank is extremely small with very little cash or assets and your bank is indeed far smaller than the size of our deposit.

Your profits and liabilities are a concern and give us cause to doubt the stability and liquidity of your bank.

Provide immediately our account statement and interest credited.

Sincerely yours,

Donal C. Kelleher

Donal C. Kelleher.

cc. Office of Bank Supervision

Sidney S. Collie

British Trade & Commerce Bank.
Licensed for Full Trust Business
Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph.:(767) 448-5410 Fax:(767) 448-5477
E-Mail: btcbank@cwdom.dm SWIFT: BTCB DM DM

Donal C. Kelleher
J. V. W. Investment Ltd

September 1, 1998

Dear Donal:

In response to your facsimile message of yesterday, we have all been following the status of the transfer of your funds to your account at BTCB after you elected to open a J.V.W. account at SSBT and move such funds into that account directly. We are pleased to hear that transfer of such funds to BTCB may, finally, be pending. The costs and impacts, both direct and indirect, of that situation on BTCB have been extensive, and we can imagine that there have been comparable effects on others.

As you know, the subject CD has been sitting in the J.V.W. account at First Equity for some time, and we are anxious to receive the underlying funds into the J.V.W. account at BTCB so that we may finally have the opportunity to convert this costly series of events into the revenue envisioned opportunities.

When we receive notice that the funds have been released and are transferring to the J.V.W. Account at BTCB (per the routing instructions we provided), BTCB will advise its correspondent to expect such funds. Your contact regarding the transfer and receipt of such funds at BTCB shall continue to be myself or George Betts.

BTCB has been able to preserve access to such investment opportunities - in spite of the false starts in the movement of these funds and the dynamics of the HYIPs. Once the funds have been received at BTCB, we will, expeditiously, convert this situation to an attractive earnings opportunity for all concerned. Only then we can specify the envisioned schedule of returns. Once the investment scenario produces the envisioned earnings, we will all, finally, be able to recover costs and loss profits.

We look forward to, at long last, establishing a mutually beneficial professional relationship. I will be returning to the Bank on September 14th and, in the interim, can be reached through the coordinates listed below.

Sincerely,

Charles L. Brazie, Ph.D.
Vice President - Managed Accounts
Phone: (703) 256-8483
Fax: (703) 256-1596
Cellular: (703) 304-8236

J. V. W. INVESTMENTS LTD

EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica

Phone: (767) 448-6410 Fax: (767) 448-6477

September 15, 1998

Mr. Donal Kelleher
J. V. W. Investments Ltd.

RE: Partial Participation in HYIP's

Dear Donal,

I have received your communications of the last two days. We do not use Lotus so WordPerfect or MS Word is preferable.

I have calls into both of the Program Managers of Global Investment Fund S.A.'s on-going HYIP's regarding Increasing Principal Participation, in order to best utilize JVW's partial release of funds from SSBT.

As we discussed, these accounts, and trading agreements, are in Global's name. Global is wholly owned by ICS/BTCB and serves as a "pooling" and "masking" entity for funds from other ISC clients – under the same strict non-depletion account rules in the JVW/BTCB CV Agreement. In order for JVW to participate in these on-going Global transactions, if that becomes necessary, we would need the attached Resolution from JVW. That would be much faster than trying to establish new JVW Accounts and Trading Agreements with those Programs. Note: BTCB would still retain the fiduciary responsibility over those funds under the existing CV Agreement.

Please advise on this matter and, if you choose the more expeditious route, please execute the attached and forward to us.

FOR AND ON BEHALF OF J. V. W. INVESTMENTS LTD
BY:

Charles L Brazie, Ph.D.
BTCB Vice President

*Call to Brazie –
1) Immediate commencement upon receipt of LOI + instrs.
2) Return min 25% p/wk compounded weekly. (possible 30%) to JVW after BTCB take their share per contract.
3). Guarantee issued (copy to DCK)
4). Can take additional amounts – profits adjusted pro rata to amount in custody A/C.
5) Upon CDK being obtained – "Secure program" (blocked A/C) will be utilized. (or funds can also be aggregated).
Docs will be issued by Donal later today.

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emerie Bldg., Dame Eugenia Charles Blvd, Bayfront,
Roseau Commonwealth of Dominica,
PO Box 2042, Phone: (767) 448-6410 Fax: 448-6477
e-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

September 21, 1998

Mr. Emil J. Jutroski
Vice President
Tucker Anthony
New York, N.Y.

Sent via fax 212-225-8855

Dear Mr. Jutroski:

Last week, Paine Webber returned some securities sent by your Firm via the Bank of New York to the account of J.V.W Investment Ltd. here at our British Trade & Commerce Bank. (Our accounts are handled by Correspondent Services Corporation, a wholly owned subsidiary of Paine Webber.)

The wiring coordinates used last week by Tucker Anthony were:
Bank of New York, NY ABA Number 021 000 018
Beneficiary: Correspondent Services Corp. Acct No.: 8900 186968
For further credit British Trade & Commerce Bank Acct. No.: IE 12307-1-45
Final Credit FBO JVW Investment Ltd. Acct. No.: 101-11200-9

In order that we may be better prepared to solve any difficulties that may arise with Paine Webber, could you please fax to me: 1) the exact name of the mutual funds shares you attempted to transfer and 2) the number of shares. However, we understand that you may be liquidating the securities into cash which, of course, will solve the problem.

Thank you for your assistance. I am currently working in Miami at our subsidiary First Equity Corporation of Florida, 444 Brickell Ave., so please contact me at 305-349-1536 or respond by fax to 305-349-1510.

Sincerely,

George E. Betts
Vice President-Financial Comptroller

J.V.W Investment Ltd
Emens Building, Dame Eugenia Charles Blvd.
Bayfront Roseau, Commonwealth of Dominica

September 23, 1998

Dear Donal:

In response to your memo, I am aware of the multiple actions and possible future actions that may be appropriate regarding the additional $8 million to be received quickly in order to make certain of the contract profits I have been promised-----not what "I am expecting" rather what has been contracted. I want this project expedited and the delays/excuses ended. As my trustee, you must hurry to get my $50 million in profits to me this year.

The Bahamas must be so unregulated that it is difficult for "political pressure" to succeed. You and BTCB, using the political avenue and local lawyers, have had almost 3 months to fix things and not succeeded. Therefore, legal action may be the only thing this bank understands, particularly if the investigators gain reliable information about SSBT assets outside the Bahamas.

Also, I expect my share of any unjust profits recovered in concert with BTCB from SSBT's temporary and illegal confiscation of the account assets. I am aware of a Maraeva injunction and its potential. I read the information sent on the two lawyers. In my experience, these so-called "joint efforts" are not as successful as having one appointed counsel and any other attorney working at the lead counsel's direction (as counsel). Even this approach may increase the legal fees. They both seem qualified, but the New York firm is better qualified and is U.S. based to make communications much easier.

Lisa has conveyed to me your strong recommendation of the London firm. She explained about the time zone situation and the Federal Express situation making it more effective for you if we use London. One firm has to be the lead and I insist on the New York firm. It may be appropriate for the London firm to be involved, but the New York firm will decide to what extent, and the London firm may assist Shaw Pittman, who will set the schedule and control the actions. If utilized to provide specified help, the London firm will send their bills to and through the New York firm.

I have spoken with Ken Caruso (who is head of Shaw Pittman's New York office) personally and am satisfied that his action orientation and confidentiality will meet my expectations. This should not be a problem for you. The jurisdictional areas, as you explained, are in the Bahamas, New York, and maybe Geneva. Furthermore, since the New York firm has a London office, you will have a London office to work with if necessary. We don't have any "six inch nails for the coffin," but I told Lisa that you and she are to work in as cost-effective a manner as possible and still get the job done.

By the way, I have just become aware of the recent B.S. from SSBT about the forged instructions and the lying to the brokerage firm that SSBT is "waiting on instructions from JVW." This has to be fraudulently illegal and must be dealt with immediately. I am not taking any mutual fund shares directly, and that's final!

Sincerely,

J. Virgil Waggoner
JVW:sf
cc: Lisa Duperier
Ken Caruso

J.V.W Investment Ltd
Emens Building, Dame Eugenia Charles Blvd.
Bayfront Roseau, Commonwealth of Dominica

Dear Donal:

In response to your memo, I am aware of the multiple actions and possible future actions that may be appropriate regarding the additional $8 million to be received quickly in order to make certain of the contract profits I have been promised---not what "I am expecting" rather what has been contracted. I want this project expedited and the delays/excuses ended. As my trustee, you must hurry to get my $50 million in profits to me this year.

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Sincerely,

J. Virgil Waggoner

J. Virgil Waggoner
JVW:sf

cc: Lisa Duperier
Ken Caruso

J.V.W Investment Ltd
Emeus Building, Dame Eugenia Charles Blvd.
Bayfront Roseau, Commonwealth of Dominica

10-26-98

3 pages total

Dear Donal:

Please let me know as soon as your e-mail is working again. In the meantime, we shall continue to communicate via fax.

Your cover sheet makes the following point,

> "as I informed you earlier.... the text in this document is precisely the same document you already had in June."

This is categorically not the case. A comparison of the two shows me now why I never knew about the 5% or the 50%/50% split until the last 3 weeks. *You never, ever sent me the contract. You sent* only an excised version of Exhibit A and B unlabeled.

As I stated, it is important that we both be working off the same document—the one you initialed, and the one you believe is the contract under which you as JVW Trustee have been operating under since June 1998 with BTCB. I assume this document that I am seeing for the first time dated June 25 and June 26 is the operative document.

Accordingly, I will study the new material further and we can discuss it tomorrow when you return from the seminar. Alternatively, you might try calling me during your afternoon.

Attached is the chronology for changes. This refers to pages 5 of 6 and 6 of 6.

1. You confused Sept. 25 and Oct. 2. See changes.
2. *See general edits as written directly on the pages.*
3. See note on page 6 regarding the Addendum. Why don't the numbers just follow on in order? An addendum is listed at the end. We are not going to go back and insert it into the middle in various places—as we decided too confusing.
4. Before you leave for your seminar, Send me the revised/corrected pages 5-6 via fax. Also please fax me the exhibits for the Addendum.

J.V.W Investment Ltd
Emens Building, Dame Eugenia Charles Blvd.
Bayfront Roseau, Commonwealth of Dominica

Tucker Anthony
ATTN : MR. NICK BONADIS

By Fax : 001 212 225 7838

Re : Suisse Security Bank & Trust - Nassau Bahamas

Dear Mr. Bonadis,

The Minister of Finance of the Bahamas, Mr. William Allen notified us yesterday of the transfer of funds from Tucker Anthony and also advised us to contact your firm directly.

You advised Ms. Duperier of JVW Investment that you had already wired $7 Million for our benefit. - but that Paine Webber had returned the funds because of a discrepancy in the wiring instructions. So that we can clear up that transfer for the record at British Trade & Commerce Bank: kindly provide me with a copy of those previous wiring details.

You also advised Ms. Duperier this morning that your firm had already remitted last week $3 Million for our benefit. We did not receive those funds. Could you please provide the wiring instructions so that we can locate same.

As Trustee, here are the fully detailed wiring instructions which have been previously filed with SSBT directly:

Bank Name: Bank of New York NY
ABA Number : 021 000 018
Beneficiary : Correspondent Services Corp
Account Number : 8900 186968
for further credit: British Trade & Commerce Bank
Account Number : IE 12307 - 1- 45
Final Credit : For the benefit of JVW Investment Ltd
Account Number : 101 - 11200 - 9

Kindly confirm by return facsimile to +44 181 287 7621 your acknowledgment of these instructions and further by phone at +44 181 286 2072. Please also forward to me details of your newly issued wiring instructions this morning so that I can coordinate the transfer.

Thank you.

Sincerely yours,

D.C.Kelleher. B.E. F Inst Mgt M Inst OD
Director & Trustee
Tel: +44 181 546 5284
Fax: +44 181 287 7621
E-Mail : [illegible]

J 00002

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CORRESPONDENT SERVICES CORPORATION,

Interpleader-Plaintiff,

v.

J.V.W. INVESTMENTS LTD., FIRST EQUITIES CORPORATION OF FLORIDA, J.V. WAGGONER, AND DONAL KELLEHER,

Interpleader-Defendants.

99 Civ. 8934 (RWS)

AFFIDAVIT OF MICHAEL E. BRUNEY

MICHAEL E. BRUNEY, being duly sworn, deposes and says:

1. I am a barrister and solicitor practicing at Bruney's Law Offices, 12 Virgin Lane, Roseau, Commonwealth of Dominica. I am duly licensed to serve as a Registered Agent for companies registered under the International Business Companies Act (1996) ("IBC Act").

2. Due to my previous appointment and service as the Registrar of Companies of the Commonwealth of Dominica, ongoing arrangements had been established between my law office and British Trade & Commence Bank ("BTCB"). Pursuant to that arrangement, I accepted the task of being the Registered Agent for JVW Investment, Ltd. of Dominica ("JVW"). I was JVW's initial Registered Agent, and I remain the only Registered Agent that JVW has had. On the morning of June 18, 1998, I filed for the creation of JVW under the IBC Act with the Registrar of Dominica. We received rapid processing, and the Registrar completed the certification of the IBC's formation on June 19, 1998.

3. On Monday, June 22, 1998, I was officially notified to that effect, and the formal copies of the accepted Memorandum of Association and the Articles of Association were

provided to the Registered Office by the Registrar in document form, having been stamped on June 19, 1998. An original of said documents was placed on file in the Registered Office of JVW, Emens Building, Roseau, Dominica, and a copy was provided to me as Registered Agent. These documents, as required by law, formally included my name as the duly Registered Agent at 12 Virgin Lane, Roseau, Dominica, and the duly Registered Office in Roseau, Commonwealth of Dominica. The Memorandum authorized 5000 shares.

4. Henry Royer of ICS Ltd., Director of JVW, notified me of a Director's meeting called on June 23, 1998. In a Memorandum of Directors filed with the Registered Office on that same date, Donal Ciaran Kelleher replaced ICS Ltd. as Sole Director (Trustee), such new appointment being made by the subscriber of record in the Memorandum and Articles, ICS Ltd. for the Subscriber, Owner, and Member, Mr. J. Virgil Waggoner. The initially subscribed one share was realloted into one bearer share certificate for the full 5000 shares, which was issued in paper document form, Certificate No. 0001, and was held by BTCB for J. Virgil Waggoner, the beneficial owner of JVW Investment, Ltd. of Dominica.

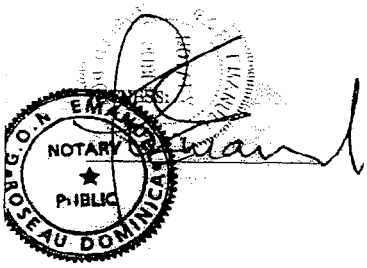
5. I am informed by ICS Ltd that pursuant to the request of the Member and Beneficial Owner (Mr. J. Virgil Waggoner), and instruction of the Director (Trustee), said Bearer Share Certificate was sent out by Federal Express on June 26, via JVW's Sole Director (Trustee), Donal C. Kelleher, to Mr. Waggoner.

6. The law of the Commonwealth of Dominica and JVW's Memorandum of Association require that the Registered Agent be notified of JVW Members meeting. I never received any notice from Donal C. Kelleher or anyone else regarding a meeting of the Members and Directors on June 25, 1998.

7. On November 11, 1998, Waggoner, the Sole Member of JVW and holder of Bearer Share Certificate No. 0001 (5000 shares), notified the Registered Agent, as required, that a Members meeting had been called to create Waggonwheel Trust and replace Donal Ciaran Kelleher with ICS Ltd. as director of JVW.

8. The Registered Office has provided me, as the Registered Agent, with copies of certain records of JVW, including copies of the Memorandum of Association, the Articles of Association, and the Share Register. Copies of those records are attached hereto as Exhibit A. Those records show that J. Virgil Waggoner was the sole shareholder of JVW at all times until November 11, 1998, when the shares were transferred to Waggonwheel Trust, and that Waggonwheel Trust has remained the sole shareholder of JVW since that time.

9. On or about September 3, 1999, an *Order As To Service of the United States District Court for the Southern District of New York* was served at the Registered Office of JVW in Dominica: Emens Building, Bayfront, Roseau, Dominica. A copy was provided to the Registered Agent.



MICHAEL E. BRUNEY

WAGONWHEEL TRUST
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
Phone: (767) 448-6410 Fax: (767) 448-6477

November 11, 1998

Mr. Donal C. Kelleher, Chairman
Abbeyfield Asset Management S.A.
Wickhams Cay 1, Road Town
Tortola, British Virgin Islands
Fax : 011-44-181-287-7621

RE : J.V.W. Investment Ltd.

Dear Mr. Kelleher:

Wagonwheel Trust, organized and operating under the laws of the Commonwealth of Dominica, is the holder of all Bearer Shares of J.V.W. Investment Ltd., an International Business Company, organized and operating under the laws of the Commonwealth of Dominica. In that capacity and acting according to it's duties and responsibilities and under the advice of the Organizer of Wagonwheel Trust, the Trustees have resolved on this eleventh day of November 1998 as follows:

1. To appoint and designate International Corporate Services, Ltd., an International Business Company, organized and operating under the laws of the Commonwealth of Dominica, as Sole Director of J.V.W. Investment Ltd. as provided under the Articles of Incorporation of such Company;

2. To remove Mr. Donal C. Kelleher, holder of U.K. Passport No. [redacted] as Director of J.V.W. Investment Ltd. and to relieve him of all further duties and/or authorities granted thereto in such capacity as Director or acting under the title of Director (Trustee);

3. To appoint Ms. Lisa D. Duperier, holder of U.S. Passport No. [redacted] as Secretary and non-voting Officer of J.V.W. Investment Ltd. and to authorize and instruct Ms. Duperier to fulfill all duties and responsibilities normally assigned to that office and to coordinate all corporate matters relating to the

Redacted Information in Subcommittee Files

implementation of that certain Cooperative Venture Agreement No.130001, and

4. To instruct International Corporate Services Ltd, as sole Director-Designee, to adopt all necessary resolutions to effect the orderly change in Directors of J.V.W. Investment Ltd.

The Trustees further resolve that these actions are to be taken immediately.

FOR AND ON BEHALF OF WAGONWHEEL TRUST BY ITS TRUSTEE, BRITISH TRADE & COMMERCE BANK, BY:

Charles L. Brazie, Ph.D.
Vice President-Managed Accounts
USA Passport #: 014989065

NOTARY

J. V. W. INVESTMENT LTD
EMENS BLDG., Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica
Phone: (767) 448-6410 Fax: (767) 448-6477

RESOLUTION OF THE MEMBERS OF THE CORPORATION

References:
A. Minutes of the meeting of the Members held on November 11, 1998.
B. Articles of incorporation of J.V.W. Investment Ltd.

In accordance with Article 7 of the Articles of Incorporation of J.V.W. Investment Ltd., on the eleventh day of November 1998, Wagonwheel Trust, Sole Member of the said Corporation, passed the following corporate resolution, which is recorded as Reference A in Minutes of the Corporation Meeting Book:

"To appoint and designate International Corporate Services, Ltd., an International Business Company, organized and operating under the laws of the Commonwealth of Dominica, as Sole Director of J.V.W. Investment Ltd. as provided under the Articles of Incorporation of such Company;

To remove Mr. Donal C. Kelleher, holder of U.K. Passport No. [redacted] as Director of J.V.W. Investment Ltd. and to relieve him of all further duties and/or authorities granted thereto in such capacity as Director or acting under the title of Director (Trustee);

To appoint Ms. Lisa D. Duperier, holder of U.S. Passport No. [redacted] as Secretary and non-voting Officer of J.V.W. Investment Ltd. and to authorize and instruct Ms. Duperier to fulfill all duties and responsibilities normally assigned to that office and to coordinate all corporate matters relating to the implementation of that certain Cooperative Venture Agreement No.130001; and

To instruct International Corporate Services Ltd, as sole Director-Designee, to adopt all necessary resolutions to effect the orderly change in Directors of J.V.W. Investment Ltd.

It is further resolved that the above actions be effected immediately."

Redacted Information in Subcommittee Files

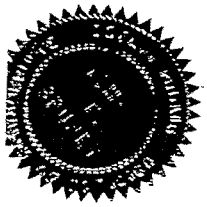
nere being no further business at the meeting, it was closed, and in witness thereof, on the date first written above.

FOR AND ON BEHALF OF J.V.W. INVESTMENT LTD.
BY WAGONWHEEL TRUST BY ITS TRUSTEE,
BRITISH TRADE & COMMERCE BANK, BY:

NAME: CHARLES L. BRAZIE, PH.D.
TITLE: VICE PRESIDENT
DATE: NOVEMBER 11, 1998

SEAL:

NOTARY:
Michael E. Bruney
Phone: (767) 448-0200
Fax : (767) 448-0202



J. Virgil Waggoner

Mr. Donal C. Kelleher
Chairman, Abbeyfield Asset Management, S.A.
Wickhams Cay 1, Tortola, British Virgin Islands

November 10, 1998

Dear Donal:

I am extremely disappointed in the course of events surrounding your attempts to invest my funds, including your refusal to implement my instructions to add myself and Kevin Quisenberry as Directors to JVW Investment Ltd. Following your suggestion from our last conversation, I called BTCB directly to assess the situation. The information I learned from BTCB, as well as from other sources, forces me to conclude that you have misrepresented many essential facts and issues, including misrepresenting BTCB's position on key issues, misrepresenting the risks to which you were subjecting my funds, and in fact, misrepresenting the essential facts that are the basis of our relationship, including the misrepresentation, among others, that Abbeyfield had already negotiated the bank contract terms, and the high yield program was simply a matter of implementation.

Be advised that I no longer consider myself bound by the Joint Participation Agreement dated April 14, 1998 and its Addendum and Exhibits as executed between J. Virgil Waggoner and Abbeyfield Asset Management, in view of your material and substantial misrepresentations and breaches of your undertakings pursuant to the Agreement, including but not limited to the following:

- Failure to achieve any earnings by the stated date of September, 1998.
- You placed my funds at risk by arranging for my $10 million plus in cash to be transferred from NatWest to SSBT on June 16, 1998 (Value date approximately June 18, 1998) to banking coordinates you signed for without having a signed contract in place with BTCB; BTCB contract with Abbeyfield dated June 26, 1998.
- Failure to "arrange for the funds to be transferred to the required transacting account....." In fact, that Cooperative Venture Agreement's contract terms show that you did not follow the procedures that BTCB specified for the account set-up, transfer of funds, and exchange of such funds for the CD.
- Misrepresenting that the invested funds were already trading and earning 25% per week.

I note that in addition you have misrepresented the source of the $25,000 sent to Shaw Pittman, telling me first that the legal fees were being paid jointly by BTCB and JVW, then that fees were to be paid by Abbeyfield and BTCB jointly. I now learn that BTCB disclaims any and all responsibility for the legal fees, and that the $25,000 came from my funds alone. Moreover, BTCB disclaims any and all responsibility for the shortfall in capital funds because of the circumstances noted above—which has delayed the transaction. It is shocking to me that you continue to allow me to operate in these sensitive matters on the basis of your misrepresentation concerning the other party's basic positions.

Finally, I find myself in a bit of a dilemma, in that I am simultaneously considering legal action against you, and at the same time pursuing legal action against SSBT in which I may need your help, (however objectionable your conduct may have been). It also appears that any judgment against SSBT might be paid more readily than a judgment against you. Accordingly, I am willing to consider a settlement and general release agreement with you, if Shaw Pittman feels this would be advantageous in pursuing the case against SSBT. Any settlement would be contingent on factors such as your participation in the lawsuit.

Sincerely,

J. Virgil Waggoner

J. Virgil Waggoner

This is a true and exact copy
of this originally signed letter.

M. Susan Freeman

M. SUSAN FREEMAN,
MY COMMISSION EXPIRES:
March 27, 2000

1111 Bagby, Suite 2420, Houston, Texas 77002
Tel:(713) 651-3003; Fax:(713) 651-0732

PRIVATE & CONFIDENTIAL MEMO TO:
J.VIRGIL WAGGONER - FROM DONAL KELLEHER

Dear Virgil, 11.11.1998

I received your memo last evening with surprise. I did not refuse to have you and Kevin appointed as directors of the JVW.I advised you both, [illegible] duty, that it was not in your best interest to be directors. ([illegible] following).I was informed by Lisa that you personally were [illegible] having medical heart tests and that you were away and would not be back at your office until Wednesday - that was why you did not get my advice.

I must say that I take the greatest exception to the unfortunate insulting remarks which you made against me personally in your inaccurate and poorly structured memo. Keep in your mind as you read through this memo that Lisa knew [illegible] every single tiny detail relating to these affairs and she had been the one reporting to you.

Moreover you spoke to Dr. Brazie [illegible] who has managed account responsibility only in a limited field and not the broad scope of the bank as your memo portrays and you based your comment on that conversation.

* Trading Program -

The Program Contract and Bank confirmation of the availability of the program was issued formally by BTCB on 12th June 1998(the contract was subsequently dated as a clean agreed document for signature on 26th June). This was after acceptance of my enquiry by BTCB bank commitment prior to 12th June when you wanted to abandon Bower Cotton - BCs program did not meet your criteria. I formally accepted to proceed with BTCB on 12th June 1998. You checked up on that with Dr.Brazie on Monday night and he sent you directly a copy of the agreement - good.

Thereafter BTCB efficiently placed the monies into a program by 25th June. BTCB immediately travelled to London and made the program ready, along with other funds, to accept JVW funds (bank lawyers, compliance alerted,profit forecasts scheduled and agreed etc). BTCB alone spent over 1,000 $ for that effort.

SSBT refused to transfer the money to BTCB in exchange for the CD - July 2nd. BTCB and the traders then cancelled our program and left London very angry.

There is therefore NO breach or misrepresentation in the foregoing - on the contrary - BTCB and I worked efficiently and professionally - the program was just a matter of implementation as you see.

* Bank Account -

I offered you an account in your name and control at Natwest Isle of Man. I got specially for you and sent you the account opening documents - you chose not to accept my suggestion. Frankly if you had we would not be all in the soup with SSBT, trading would have closed in July and everybody would be happy not trying to edge us out on the cheap.

We had then a choice offered by BTCB of two bank accounts at SSBT - - either a subaccount of BTCB at SSBT or our own account at SSBT - - after detailed discussion between you Lisa and I -- it was agreed by us jointly to accept the JVW account at SSBT. BTCB then went ahead with the procedures. The suggestion to utilise the JVW account at SSBT was specifically promulgated by G. Betts. Dr. Brazie who you spoke to did not agree with that arrangement - he preferred only the subaccount - which was unacceptable to you - G.Betts as the Financial man had the say.

BTCB actually chose and set up the account as you can see.

* Procedures -

- G. Betts - V. President Finance BTCB handled this personally and was involved in every single step of the procedure. It was not the first time that G. Betts had done such a transaction.The account was arranged by BTCB for us at SSBT. The methodology of the exchange of the cash against funds was prearranged directly between G Betts and SSBT. I followed Betts daily

PRIVATE & CONFIDENTIAL MEMO TO:
J.VIRGIL WAGOONER - FROM DONAL KELLEHER

guidelines.The transfer of the CD was made by Betts / Hines / BTCB.It had nothing to do with Dr. Brazie.
SSBT defaulted as we know in their agreement with BTCB and with our [illegible] as well. Even the President of BTCB got involved and could not get SSBT to transfer the funds to BTCB. BTCB had other funds " blocked " also by SSBT. Thereafter you know the saga neither the Prime Minister, the Attorney General or everybody else that we could think of could deal with that crook Harajchi.
There is NO breach or misrepresentation in the foregoing from my side.BTCB actually set up and monitored the exchange as you [illegible].

* Funds trading in September -
As soon as $2M was received by BTCB from SSBT - BTCB agreed to engross that amount with their other funds already trading " ongoing HYIPs " -I was informed in writing - September 15th letter from BTCB. I further confirmed in writing BTCB's conversation for commencement of trading and discussed and agreed in very great depth the trading procedure " sweep " of BTCB global account. Again documents and instructions were rushed to BTCB on 19th September for the existing program.
BTCB then changed the projection to " may " pay the following week. BTCB expected the sweep and gave chapter and verse of trading managers location - Broken ear drum, on the plane, deputy standing in etc etc - all recorded in my files.They all well expected the sweep to close.As outlined before the sweep profits would be credited the following week.
I had the misfortune to not paraphrase one conversation with you on the matter. That is miscommunication of the precise substance of the ongoing transaction which has been commenced - not misrepresentation on my part.
I trust that Dr. Brazie put your mind at ease there when you raised the subject on Monday night about the existing Fed Program.
There is NO breach or misrepresentation in the foregoing from my side.

* Failure to achieve earnings -
You have received 6% on your $10 Million plus your portion on the cash in the current BTCB contract so far of 24,000 USD (80%) which is enroute to you. Additionally there is interest due from SSBT (80% of)and a claim for loss and expense. You also received $22,000 USD interest from SSBT for the month of June even though you were also receiving interest on the CD for part of that month - you never even offered me my proportion (20%)of the $11,000 USD due to me. You received a factual report from Dr.Brazie on Monday night which corresponds entirely with the report on the Fed program which the funds are committed to - I presume from your silence that was in accordance with the reports that I had been relaying to you.
In accordance with the contract conditions, there is no breach or misrepresentation from my side.

* Existing Contract -
I do not accept your view that you should not be bound by the existing CPA ; nor do I accept any similar view, if you were to make it, for that matter with respect to the existing JVW - CV with BTCB. Anyhow I wonder what this is all about since WE have a viable program which I set up already at BTCB with transparency and equitable conduct in mind and for which BTCB holds irrevocable instructions to disburse 80% to you and 20% to Abbeyfield as the bank's fiduciary obligation - I cannot reconcile your view on this.

* Legal fee -
In my conference call with Lisa and SPPT it was stated that you had already appointed SPPT in some phone call the night previously.Lisa asked me to send 25,000 USD to SPPT and I was given the bank co-ordinates(after

PRIVATE & CONFIDENTIAL MEMO TO:
J.VIRGIL WAGGONER - FROM DONAL KELLEHER

my cash cost of $25 per 10 or so phone calls to BTCB it was received by SPPT). The $25,000 USD cash did not come from your funds (you have a CD for your funds already earning interest - you cannot have both funds and cash) - it came from trading funds;it will be extremely unwise to advocate otherwise - I have cautioned Lisa about that many a time.
It was my understanding that JVW and BTCB were sharing the legal bills, the costs coming out of the program.BTCB / Betts had vigorously in conference with Lisa, promulgated that JVW and BTCB should join against SSBT in the USA. What should have happened was that you / Lisa should have consulted with BTCB when you appointed SPPT - instead of presenting it as a fait accompli.Then you would have nailed BTCB good and proper.
Subsequently in the spreadsheet I offered to take your burden from my profits in the program - why throw that genuine gesture in my face now.
Anyhow I have not heard a single word or proposal from SPPT regarding the proposed collection and Marlaya for the 2.5M$ in the Bahamas.

* Management -
I wanted to send you the memo below on Monday (I sent it to Lisa yesterday but she was busy and could not check it - so she said).So I'm sending you that memo in any event - it contains an explanation of the advice that I got relating to concerns on tax and management - I'm sure you'll find it of use.It explains why I advised you that it was not advisable for either you or Kevin to be Directors of the IBC. I am glad to hear that you have now asked BTCB for structuring advice and note that you have issued some further instructions into BTCB for JVW which Lisa has been following up for implementation (what exactly are those instructions may I dare ask ?).

* BTCB's position -
The facts relating to BTCB and their association with SSBT speak for themselves - BTCB chose SSBT, BTCB offered us two alternate accounts, BTCB had major accounts with SSBT before JVW came along,BTCB were not able to get us our money back -even though G. Betts set up the CD exchange,BTCB were negotiating directly with Harajchi and BTCB knew the Central Bank etc. BTCB's only other solution in June - a subaccount at SSBT would have yielded the same mess. On Capital you are safe anyhow - you have your CD. There can be no misrepresentation whatsoever on my side.

* Legal Action -
If you wish to proceed with legal action against us - we are advised that we will win - and win handsomely.
I will assist you with the legal pursuit of all necessary parties.
You have made an offer of settlement and general release. Since you and Lisa have already made moves into BTCB (to whom I introduced you both) it is best that we tackle this problem itself as soon as possible. I will review any business settlement and general release you might make. I await therefore the receipt of same at your earliest convenience.

Yours sincerely,

Donal C. Kelleher

British Trade & Commerce Bank
Licensed for Full Trust Business.
Simons Bldg., Dame Eugenia Charles Blvd, Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

December 15,1998

Mr. Donal C. Kelleher, Chairman
Abbeyfield Asset Management S.A.
Wickhams Cay 1, Road Town
Tortola, British Virgin Islands

Sent via fax to 011-44-181-287-7621

Dear Mr. Kelleher:

British Trade & Commerce Bank has been advised through International Corporate Services Ltd. the sole Director of J.V.W Investment Ltd. that with effect from November 11, 1998 you have been removed as the Director (Trustee) of J.V.W Investment Ltd.

You are no longer authorized to make or receive any inquiries regarding transactions at this Bank. You have categorically and emphatically not received any notice from the Bank of two disbursements of profits during the month of December. Again, contrary to your direct statement, you have not confirmed neither this conversation nor any other with the Bank, nor received any confirmation from us.

You have also been told previously that there are no irrevocable payment instructions on file. Furthermore, the Subscriber specifically forbade any further decrease in his already eroded principal as would have been the case if another $30,000 had been deducted from the principal.

In view of this, we demand that you cease and desist from any and all further contact with British Trade & Commerce Bank, its officers, directors, employees or anyone else associated with the Bank. Any discussion with you by any of the people associated with the Bank could subject them to a violation of the secrecy laws of Dominica which is punishable by a US$15,000 fine and two years imprisonment.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

MEMO TO:
George Betts BTCB - Vice - President Finance
FROM DONAL KELLEHER

Re : JVW Investment Ltd & BTCB Account Number : 101-011200-9

Attn : George Betts

Dear George, 19.1.1999

As account signatory on the above account - I would remind you that I have not received any statement of account since 31.10.1998 despite having requested same on three occasions. Please provide me with a statement by return.

I have been informed by Mr. Waggoner's office that you have not disbursed or earned any profits yet from our contract. When are we likely to receive payment ? - your advice by return is requested.

Yours sincerely,

Donal Kelleher.

Donal C. Kelleher.

sent by e-mail for security.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CORRESPONDENT SERVICES CORPORATION,

Interpleader-Plaintiff,

v.

J.V.W. INVESTMENTS LTD., FIRST EQUITIES CORPORATION OF FLORIDA, J.V. WAGGONER, AND DONAL KELLEHER,

Interpleader-Defendants.

99 Civ. 8934 (RWS)

AFFIDAVIT OF MICHAEL E. BRUNEY

MICHAEL E. BRUNEY, being duly sworn, deposes and says:

1. I am a barrister and solicitor practicing at Bruney's Law Offices, 12 Virgin Lane, Roseau, Commonwealth of Dominica. I am duly licensed to serve as a Registered Agent for companies registered under the International Business Companies Act (1996) ("IBC Act").

2. Due to my previous appointment and service as the Registrar of Companies of the Commonwealth of Dominica, ongoing arrangements had been established between my law office and British Trade & Commence Bank ("BTCB"). Pursuant to that arrangement, I accepted the task of being the Registered Agent for JVW Investment, Ltd. of Dominica ("JVW"). I was JVW's initial Registered Agent, and I remain the only Registered Agent that JVW has had. On the morning of June 18, 1998, I filed for the creation of JVW under the IBC Act with the Registrar of Dominica. We received rapid processing, and the Registrar completed the certification of the IBC's formation on June 19, 1998.

3. On Monday, June 22, 1998, I was officially notified to that effect, and the formal copies of the accepted Memorandum of Association and the Articles of Association were

provided to the Registered Office by the Registrar in document form, having been stamped on June 19, 1998. An original of said documents was placed on file in the Registered Office of JVW, Emens Building, Roseau, Dominica, and a copy was provided to me as Registered Agent. These documents, as required by law, formally included my name as the duly Registered Agent at 12 Virgin Lane, Roseau, Dominica, and the duly Registered Office in Roseau, Commonwealth of Dominica. The Memorandum authorized 5000 shares.

4. Herry Royer of ICS Ltd., Director of JVW, notified me of a Director's meeting called on June 23, 1998. In a Memorandum of Directors filed with the Registered Office on that same date, Donal Ciaran Kelleher replaced ICS Ltd. as Sole Director (Trustee), such new appointment being made by the subscriber of record in the Memorandum and Articles, ICS Ltd. for the Subscriber, Owner, and Member, Mr. J. Virgil Waggoner. The initially subscribed one share was realloted into one bearer share certificate for the full 5000 shares, which was issued in paper document form, Certificate No. 0001, and was held by BTCB for J. Virgil Waggoner, the beneficial owner of JVW Investment, Ltd. of Dominica.

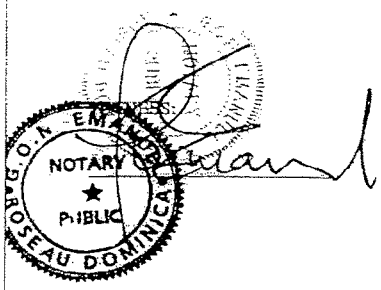
5. I am informed by ICS Ltd that pursuant to the request of the Member and Beneficial Owner (Mr. J. Virgil Waggoner), and instruction of the Director (Trustee), said Bearer Share Certificate was sent out by Federal Express on June 26, via JVW's Sole Director (Trustee), Donal C. Kelleher, to Mr. Waggoner.

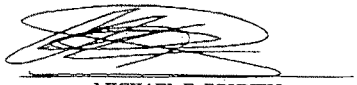
6. The law of the Commonwealth of Dominica and JVW's Memorandum of Association require that the Registered Agent be notified of JVW Members meeting. I never received any notice from Donal C. Kelleher or anyone else regarding a meeting of the Members and Directors on June 25, 1998.

7. On November 11, 1998, Waggoner, the Sole Member of JVW and holder of Bearer Share Certificate No. 0001 (5000 shares), notified the Registered Agent, as required, that a Members meeting had been called to create Waggonwheel Trust and replace Donal Ciaran Kelleher with ICS Ltd. as director of JVW.

8. The Registered Office has provided me, as the Registered Agent, with copies of certain records of JVW, including copies of the Memorandum of Association, the Articles of Association, and the Share Register. Copies of those records are attached hereto as Exhibit A. Those records show that J. Virgil Waggoner was the sole shareholder of JVW at all times until November 11, 1998, when the shares were transferred to Waggonwheel Trust, and that Waggonwheel Trust has remained the sole shareholder of JVW since that time.

9. On or about September 3, 1999, an *Order As To Service of the United States District Court for the Southern District of New York* was served at the Registered Office of JVW in Dominica: Emens Building, Bayfront, Roseau, Dominica. A copy was provided to the Registered Agent.





MICHAEL E. BRUNEY

Abbeyfield Asset Management S.A
Wickhams Cayl . Road Town
Tortola British Virgin Islands

Chairman.
British Trade & Commerce Bank
444 Brickell Avenue Suite P-6
Miami FL 33131

Repeat Demand : 14.5.99

Attn : Rudolfo Requena Perez Esq.

By Fax:

13th April 1999.

Respond to fax (US) : 630 214 5989

Re : Contract - Joint Participation Agreement - Waggoner - Abbeyfield
Contract - Vermillion - C130001

Statement of Final Account - Period Ended 5.4.1999.

Dear Mr. Requena,

I refer to my previous letters to your staff and to your bank. Your bank is, as you know, in ongoing breach of it's obligations under the above contract and moreover in ongoing breach of it's fiduciary obligations to the undersigned as account signatory with your bank.

The sum over due and payable to Abbeyfield by British Trade and Commerce Bank is we repeat :

USD - 58,660,200 (Fifty Eight Million, Six Hundred and sixty thousand, two hundred dollars).

The sum overdue and payable to JVW Investment Ltd has already been notified to you.

It is to be noted that from those sums - VAT and Corporation Tax is payable to the UK Customs and Excise and to the UK Inland Revenue.

Prompt settlement of the above amount and attention to the matters in other correspondence is demanded..

Yours sincerely,

Donal C. Kelleher B.E. F Inst Mgt M Inst OD
Chairman
Copy : J.Virgil Waggoner .

3 pages (Repeat of E mail dated 4.3.99).
copy AF.

DK 00396

STATION 2000

Associate Companies : Station 2000 Finance Ltd. Abbeyfield Finance s.a.
Tel: 070 500 86021 Fax : 001 630 214 5989 E Mail: Abbyam@globalnet.co.uk
Members of Emerging Markets Traders Association

ROBERT F. GARNER
Attorney & Counselor at Law

Telephone: +1 336-621-3890
Fax: +1-336-621-8202
E-Mail: robertgarner@usa.net

Delivery Address
Mailing Address
3415 Yanceyville Street
Greensboro, NC 27405

Post Office Box 13002
Greensboro, NC 27415-3002

June 28th, 1999

Rudy Gerlich, Esq.
Deputy General Counsel
PaineWebber, Incorporated
Wehawken, NJ 07087

RE: J.V. W Investment Ltd., a Commonwealth of Dominica, W.I. Corporation,
J. Virgil Waggoner, President
and First Equity Corporation of Florida, Account No.: IE 12349-05

Dear Mr. Gerlich:

The above matter has been referred to my offices for disposition as I serve as Corporate Counsel for First Equity Corporation of Florida of Miami, Florida (FECF).

It is not the position of FECF to determine what, if any, arrangements may have existed between Mr. Donal C. Kelleher, a British Citizen and the principal of J.V. W Investment Ltd., a Commonwealth of Dominica International Business Corporation, prior to November 24th, 1998. The only concern of my client relates to the current ownership of a certain Certificate of Deposit in the amount of $10 Million USD issued by British Trade & Commerce Bank and held in the above referenced account at your facility (copy attached) as clearing agent for FECF.

The current question is a simple matter of documentation. The answer to the matter is held in your files (copy attached). Whatever authority that Mr. Kelleher may have had over the funds of J.V. W Investment Ltd. ceased on November 24th, 1998 when Mr. J. Virgil Waggoner, President and Kevin Quisenberry, Treasurer became the sole signatories on account numbered IE-12349-05. Also note that ownership is no longer a PaineWebber issue since the Certificate of Deposit ceased

to be operative on June 25th, 1999 and reverted to a savings account held at British Trade & Commerce Bank in Roseau, Commonwealth of Dominica. As such, any claims that Mr. Kelleher may have against J.V. W International Ltd. would need to be filed with the officers of British Trade and Commerce Bank, and not with First Equity Corporation of Florida or with the Correspondent Services Corporation Division of PaineWebber, Incorporation.

I can tell you that Mr. Kelleher has been directly provided with more than ample notice of his removal from whatever position(s) he may have held with J.V. W Investment Ltd. as far back as November 24th, 1998, and as late as April 21, 1999 by legal authority in the Commonwealth of Dominica. He was again given notice to cease his communications with First Equity Corporation of Florida as late as June 11th, 1999, as he no longer has a lawful standing with this account.

If you need additional documentation of these notices to him or copies of relevant documents, I would be pleased to seek permission to share this additional information with you upon your written request.

Should you wish to discuss this matter further, you may reach me at First Equity Corporation's offices during the coming business week at 305-960-2100 or by fax at 305-960-2120.

Cordially yours,

Robert F. Garner

ROBERT F. GARNER
Attorney-at-law

Enclosures

cc: Mr. Julian L. Alfonso, First Equity Corporation, Compliance Department
Mr. J. Virgil Waggoner, President, J.V. W Investment Ltd.
Ms. Lisa D. Duperier, Secretary, J.V. W Investment Ltd.
Michael E. Bruney, Esq., Attorney, British Trade & Commerce Bank
Mr. George E. Betts, Vice President, British Trade & Commerce Bank

Legal

PaineWebber Incorporated
1200 Harbor Boulevard
Weehawken, NJ 07087-6791
201 902-6322
201 617-8485 Fax

Rudolph Gerlach, Jr.
Deputy General Counsel
Senior Vice President

PaineWebber

June 30, 1999

VIA FACSIMILE TRANSMISSION
and REGULAR MAIL

Robert F. Garner, Esq.
PO. Box 13002
3415 Yanceyville Street
Greensboro, NC 27405

Re: J.V.W Investment Ltd., a Commonwealth of Dominica, W.I. Corporation, et al.

Dear Mr. Garner:

I write in response to your letter of June 28, 1999, a copy of which is attached hereto.

Correspondent Services Corp. ("CSC") has notified your client and others that it has received conflicting claims as to who has authority over J.V.W Investment Ltd.'s ("JVW") account at First Equity Corporation ("First Equity") which currently contains a British Trade and Commerce Bank ("BTCB") Certificate of Deposit. Notwithstanding your contention to the contrary, to date, CSC does not believe that it has received documentation and information sufficient to resolve these conflicting claims. In any event, we continue to view this as a dispute between JVW and Mr. Kelleher, one in which CSC is not the appropriate arbiter, and urge the parties to resolve the matter among themselves.

You state that the CD "ceased to be operative" on June 25, and "reverted to a savings account held at" BTCB. We express no comment on whether the CD has, in fact, reverted to a savings account at BTCB. We agree with you, however, that CSC obviously has no role to play in how or whether Mr. Kelleher and JVW pursue those funds at BTCB. CSC similarly has no authority or control over how BTCB may disburse those funds.

CSC will continue to hold the physical certificate of deposit in its role as clearing broker and custodian for First Equity. However, given your representation on behalf of First Equity that the CD has "ceased to be operative", CSC will treat the CD as "expired" and reflect the CD as having a "zero" value on JVW's monthly account statement at First Equity, which is scheduled to be mailed out shortly.

If you have any questions, please do not hesitate to contact me at (201) 352-6322.

Very truly yours,

PAINEWEBBER, INCORPORATED

Rudolph Gerlich, Jr.

Enclosure

cc: Mr. Julian L. Alfonso, First Equity Corporation, Compliance Department
Mr. J. Virgil Waggoner, President, J.V.W Investment Ltd.
Ms. Lisa D. Duperier, Secretary, J.V. W Investment Ltd.
Michael E. Bruney, Esq., Attorney, British Trade & Commerce Bank
Mr. George E. Betts, Vice President, British Trade & Commerce Bank
Mr. Donal C. Kelleher

COMMONWEALTH OF DOMINICA

AFFIDAVIT OF WAGONWHEEL TRUST

For the United States District Court,
Southern District of New York
RE: 99 Civ. 8934 (RWS)

RE: Correspondent Services Corporation, Interpleader-Plaintiff

V. Donal Kelleher, JVW Investments Ltd, First Equities Corp. of Florida, J.V. Waggoner, Interpleader-Defendants

And: Suisse Security Bank & Trust, Additional Defendant on the Cross-Claims

I, Michael E. Bruney, Attorney at Law, of the City of Roseau, Commonwealth of Dominica, hereby swear and state as follows:-

1. I am the Protector of the Wagonwheel Trust of Dominica, an officer of the Court, and former government official, Registrar of Companies, of the Commonwealth of Dominica.

2. As the Protector, so recorded in the Deed of Trust for the Wagonwheel Trust, I have the ultimate, legal responsibility for the Trust under the laws of Dominica. Wagonwheel Trust currently holds the bearer shares of JVW Investment, Ltd., an International Business Company, formed and operated under the laws of the Commonwealth of Dominica.

3. Wagonwheel Trust is aware of particulars of the interpleader action in the United States District Court, Southern District of New York. The purpose of this affidavit is to state specifically that Wagonwheel Trust has ratified the actions taken in the lawsuit and has agreed to be bound by any judgment resulting from the lawsuit. As the holder of the shares of JVW Investment Ltd of Dominica, the Wagonwheel Trust has also ratified the authority of Mr. J. Virgil Waggoner and Shaw Pittman to conduct the lawsuit.

Sworn by Michael E. Bruney)
at Roseau, Dominica this 17th day of)
April, 2001

Before me:

Ronan A. David
NOTARY PUBLIC

FRED THOMPSON, TENNESSEE, CHAIRMAN

WILLIAM V. ROTH, JR., DELAWARE
TED STEVENS, ALASKA
SUSAN M. COLLINS, MAINE
GEORGE V. VOINOVICH, OHIO
PETE V. DOMENICI, NEW MEXICO
THAD COCHRAN, MISSISSIPPI
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ROBERT G. TORRICELLI, NEW JERSEY
MAX CLELAND, GEORGIA
JOHN EDWARDS, NORTH CAROLINA

HANNAH S. SISTARE, STAFF DIRECTOR AND COUNSEL
JOYCE A. RECHTSCHAFFEN, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate
COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

August 21, 2000

Mr. Christopher Lunn
Chief Executive Officer
Suisse Security Bank and Trust
Nassau, Bahamas

Sent By Fax to 242-356-4281

Dear Mr. Lunn:

Pursuant to our telephone conversation earlier today and the ongoing investigation by the U.S. Senate Governmental Affairs Permanent Subcommittee on Investigations into money laundering in the correspondent banking field, we would appreciate receiving the following information from Suisse Security Bank and Trust (SSBT):

(1) all account opening documentation related to the account opened for JVW Investment Ltd. on 6/18/98, including any documentation related to the role of British Trade and Commerce Bank (BTCB) or BTCB employees, including Charles Brazie and George Betts, in opening this account;

(2) all instructions provided to SSBT regarding the investment of more than $10 million deposited into this account in 1998, including any documentation related to any role to be played by BTCB in the investment decisions;

(3) all promotional, informational or other materials provided by BTCB with respect to high yield investment opportunities available to its clients;

(4) all documentation related to SSBT's concerns about possible money laundering involving the $10 million deposit, including any report made to government authorities;

(5) all documentation related to instructions by BTCB to transfer the monies invested on behalf of the account to another financial institution, and SSBT concerns about these transfer instructions; and

(6) a copy of the report and any attachments or documentation issued by outside auditors regarding SSBT's actions in this matter.

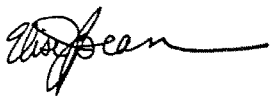
Because of ongoing civil litigation filed in U.S. federal court detailing the ownership of and transactions involving the account at SSBT, Correspondent Services Corp. v. J.V.W. Investments Ltd., First Equities Corp. Of Florida, J.V. Waggoner, and Donal Kelleher, (Case No. 99-CIV-8934)(U.S. District Court for the Southern District of New York), we understand that customer confidentiality has already been abandoned in this matter. In addition, you indicated during our

telephone conversation that it was your understanding that BTCB had never been a correspondent bank or direct client of SSBT; if additional research indicates that information is incorrect, please let me know.

We would appreciate SSBT's providing the requested information by August 31, 2000. Because these matters may be addressed in a public setting, this letter is intended to provide SSBT with the opportunity to present this and any other information to the Subcommittee that it believes would lead to a more accurate understanding of SSBT's role in these matters. Please send the requested documents and any other information to my attention at the Permanent Subcommittee on Investigations, 193 Russell Senate Office Building, Washington, D.C. 20510, or fax them to my attention at (202) 224-1972. I can also be reached at (202) 224-9505.

Thank you for your assistance.

Sincerely,



Elise J. Bean
Deputy Chief Counsel to the Minority
Permanent Subcommittee on Investigations

cc: Rena Johnson, Acting Staff Director and Chief Counsel for the Majority

SUISSE SECURITY BANK & TRUST, LTD.

Orissa House, East Bay Street
P. O. Box N-4801
Nassau, Bahamas

Phone (242) 356-3488
Fax (242) 356-4281

E-mail: info@ssbt.com
Website: www.ssbt.com

29th August, 2000

BY HAND

Ms. Elise J. Bean
Deputy Chief Counsels to the Minority U. S. Senate
Permanent Sub-Committee on Investigations – Minority Office
Committee on Governmental Affairs
195 Russell senate Office Building
Washington, D. C. 20510-6250

Dear Ms. Bean,

Re: Suisse Security Bank & Trust Ltd. Customer's Bank Account

We refer to our earlier telephone conversation and your subsequent facsimile message dated August 21st, 2000. In specific, your request for information in connection with on-going investigations by the U. S. Senate Governmental Affairs Permanent Sub-Committee on investigations into money laundering in the correspondent banking field.

We have taken under advisement your comments as it relates to a continued civil litigation filed in the United States Federal Court detailing the ownership of transactions involving Suisse Security Bank & Trust Ltd. and requesting any and/or all bank records regarding the same. Notwithstanding this, as we endeavour to cooperate with you, we have referred the matter to our Attorneys for their opinion. Our legal Counsel has opined that Suisse Security Bank & Trust Ltd. is not at liberty to disclose any and/or all information relating to any customer of the Bank and hence to do so would expose the Bank to severe sanctions as the said Bank would contravene Bahamian Banking Laws pursuant to the Bank Act Chapter 285 and the Bank & Trust Companies Regulation Act 287. Kindly note that we are extremely anxious to cooperate with your office in this most important matter, but by the very same token, Suisse Security Bank & Trust Ltd is obliged to respect the laws of the Commonwealth of Bahamas. We advise that having regard to the aforementioned restrictions imposed by law, we are further fettered from distributing the report issued by our external auditors as again this information shall at all material times be kept within the ambit of the Bank as it relates to the respective customer's bank account.

...2

Post-it® Fax Note 7671	Date 30.8	# of pages ▶ 7
To Elise J. Bean	From Christopher Lunn	
Co./Dept. Deputy Chief Counsel	Co. SSBT	
Phone #	Phone # 242 356 3488	
Fax # 202-224 1976	Fax # 242 356 4281	

Ms. Elise J. Bean
Washington, D. C. 20510-6250

29th August, 2000

We wish to further advise that in your quest to obtain the relevant bank records you should either make an application by way of the Mutual Legal Assistance Treaty through the Attorney General Office which exists between our respective Governments or retain the services of a local Attorney within The Bahamas whom will make the requisite application before a Judge in Chambers within the Supreme Court. On receiving the relevant Court Order we will subsequently be under a legal obligation to furnish you with any and/or all documents specified within the said Order.

Further more, with a view to assisting yourselves in this regard, a report was made by Suisse Security Bank & Trust Ltd. to the Central Bank of The Bahamas concerning this matter pursuant to the legal requirement laid down by the Bahamian anti-money laundering legislation, that is, The Money Laundering (Proceeds of Crime) Act, 1996, and The Money Laundering (Proceeds of Crime) Regulations, 1996. Notwithstanding this, a further report was made to The Office of the Attorney General and the Royal Bahamas Police Force who were instructed to carry out a complete investigation in this regard. The investigations revealed that Suisse Security Bank & Trust Ltd. had not committed any act of wrong doing. In fact, the findings were that the said Suisse Security Bank & Trust Ltd. at all material times acted properly and within the scope of account mandates together with complying with Bahamian Banking and Money Laundering legislations.

In closing we wish to make it clear that Suisse Security Bank & Trust Ltd. has neither since nor now involved itself with any acts of Money Laundering activities or with any persons, customers or entities with dubious characters backgrounds or circumstances. In fact to the contrary, as Suisse Security Bank & Trust Ltd. is fully committed to the fight against acts of criminality which includes money laundering and to this end have put in place a strict anti-money laundering policies coupled with a complete compliment of staff trained in the areas of money laundering detection and prevention and thus applying the "know your customer rule". We will continue to work closely with law officials both locally and internationally so as to foster our efforts in the fight against money laundering activities.

We trust that whilst we were unable at this time to provide you with documentation as requested, we stand ready and able to comply with your request once we have been furnished with the requisite Court Orders.

...3

Ms. Elise J. Bean
Washington, D. C. 20510-6250

29th August, 2000

In the meantime, we enclose herewith a copy of the relevant Sections from the Bank Act and the Bank & Trust Companies Regulations Act for your ease of reference.

Should there be any further concerns and/or questions regarding the above-mentioned, kindly contact our bank without hesitation.

Yours faithfully.,
SUISSE SECURITY BANK & TRUST LTD

CHRISTOPHER LUNN (MR.)
Chief Executive Officer

CHAPTER 287.

BANKS AND TRUST COMPANIES.

AN ACT TO REGULATE BANKING BUSINESS AND TRUST COMPANIES WITHIN THE BAHAMAS AND OTHER MATTERS RELATED THERETO.

64 of 1965.
34 of 1968.
20 of 1969.
15 of 1971.
3 of 1974.
E.L.A.O., 1974.
3 of 1980.
S.I. 86 of 1982.
5 of 1987.

[*28th October, 1965.*]

Short title.

1. This Act may be cited as the Banks and Trust Companies Regulation Act.

Interpretation.

2. In this Act, unless the context otherwise requires—

"authorised agent" means a person designated by a bank or trust company under the provisions of section 4 of this Act;

"bank" means any person carrying on banking business;

"banking business" means the business of receiving on current savings, deposit or other similar account money which is repayable by cheque or order or other instructions and which may be invested by way of advances to customers or otherwise;

"company" means a company incorporated either under the laws of The Bahamas or under the laws of any other country or place;

"licence" means a licence granted under section 4 of this Act or deemed to be so granted in accordance with that section;

"licensee" means any person holding a licence under the provisions of this Act;

"Minister" means the Minister of Finance; *20 of 1969, s. 2.*

"person" includes any body of persons corporate or unincorporate;

"prescribed" means prescribed by regulations made under this Act;

"trust business" means the business of acting as trustee, executor or administrator;

creditors or is either in The Bahamas or elsewhere contravening the provisions of this or any other Act or of any Order or regulations made under this Act, or of any term or condition subject to which the licence was issued, the Minister may from time to time as may to him seem necessary, require that licensee forthwith to take such steps as he may consider necessary to rectify the matter or may make an order revoking the licence of such licensee and requiring its business in The Bahamas to be wound up.

Preservation of secrecy. 3 of 1980. s. 2.

10.—(1) No person who has acquired information in his capacity as—

(a) director, officer, employee or agent of any licensee or former licensee;

(b) counsel and attorney, consultant or auditor of the Central Bank of The Bahamas, established under section 3 of the Central Bank of The Bahamas Act, or as an employee or agent of such counsel and attorney, consultant or auditor; Ch. 321.

(c) counsel and attorney, consultant, auditor, accountant, receiver or liquidator of any licensee or former licensee or as an employee or agent of such counsel and attorney, consultant, auditor, accountant, receiver or liquidator;

(d) auditor of any customer of any licensee or former licensee or as an employee or agent of such auditor;

(e) the Inspector under the provisions of this Act,

shall, without the express or implied consent of the customer concerned, disclose to any person any such information relating to the identity, assets, liabilities, transactions, accounts of a customer of a licensee or relating to any application by any person under the provisions of this Act, as the case may be, except—

(i) for the purpose of the performance of his duties or the exercise of his functions under this Act, if any; or

(ii) for the purpose of the performance of his duties within the scope of his employment; or

CHAPTER 285.

BANKS.

AN ACT RELATING TO BANKS AND BANKING.

4 of 1909.
10 of 1944.
43 of 1964.
65 of 1965.
E.L.A.O., 1974.
3 of 1987.

[23rd August, 1909.]

Short title.

1. This Act may be cited as the Banks Act.

Interpretation.

2. In this Act, unless the context otherwise requires—

"bank" means any person carrying on banking business;

"banking business" means the business of receiving on current, savings, deposit or other similar account money which is repayable by cheque or order and which may be invested by way of advances to customers or otherwise;

"cashier" includes the cashier of any branch or agency of a bank;

"court" means the Supreme Court;

"manager" includes the manager of any branch or agency of a bank;

"Minister" means the Minister responsible for Banks; *E.L.A.O., 1974.*

"Registrar" means the Registrar General;

"Registry" means the Registry of Records.

Application of Act.

3. The provisions of this Act shall apply to every bank in The Bahamas.

Certified copies of Acts, charters or certificates of incorporation to be recorded.

4.—(1) Every bank commencing to carry on business in The Bahamas after the coming into operation of this Act, shall, within three days after commencing to carry on such business, cause to be filed in the Registry a copy of the Act, charter or certificate of incorporation of such bank.

(2) Every such bank shall, in like manner, cause to be filed in the Registry copies of any further Act, charter

thereof which he knows to be false in any material particular shall be guilty of an indictable offence against this Act and shall be liable on conviction to a fine not exceeding eight thousand dollars or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

5 of 1987, s. 2.

Preservation of secrecy.
65 of 1965, s. 9.

19.—(1) Except for the purpose of the performance of his duties or the exercise of his functions under this Act or when lawfully required to do so by any court of competent jurisdiction in The Bahamas or under the provisions of any law, no person shall disclose any information relating to the affairs of a bank or of a customer of a bank which he has acquired in the performance of his duties or the exercise of his functions under this Act.

(2) Every person who contravenes the provisions of subsection (1) of this section shall be guilty of an offence against this Act and shall be liable on summary conviction to a fine not exceeding four thousand dollars or to a term of imprisonment not exdeeding one year or to both such fine and imprisonment.

5 of 1987, s. 2.

P. O. Box N-4868
Nassau, N.P. Bahamas
Tel: (242) 322-2193
Cable: CENTRAL BANK
Fax: (242) 322-4321
Telex: 20115/20542

Our Ref: 402.898

15th September, 2000

Via Facsimile: (202) 224-1972
(Total pages: 2)

Ms. Elise Bean
United States Senate
PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS – Minority Office
Committee on Governmental Affairs
193 Russell Senate Office Building
Washington, D.C. 20510

Dear Madam,

Re: <u>Suisse Security Bank & Trust Limited</u>

We refer to your facsimile message dated 2nd August, 2000 with attached documents concerning the Suisse Security Bank & Trust Ltd (the bank).

On receipt of a complaint from Mr. D.C. Kelleher, Director and Trustee of J. V. W. Investments Ltd. regarding delay/non-payment by the bank of their alleged one-day call deposit in the amount of $10 million and on receipt of a suspicious transaction report from the bank vis-à-vis the relatives transaction, Central Bank had the matter investigated through the External Auditing agency of Ernst & Young as well as via Police authorities through Attorney General. The basis of suspicion reportedly arose from the fact that the bulk of the money which was deposited on 18th June, 1998 was sought to be transferred to another bank in Dominica on the 30th June, 2000, i.e. soon after the opening of the account(s). The Police authorities after the investigation later ruled out the possibility of funds being the proceeds of money laundering. Messrs Ernst & Young as per their findings ruled out any possibility of irregularity on the part of the bank vis-à-vis the opening and conduct of the accounts of the company and have confirmed that the bank is not exposed to any contingent liability requiring provisions therefor.

Ms. Elise Bean
Page 2
15th September, 2000

They also stated that the company did open both a trading account along with a cash account (instead of one-day call money account as alleged by Mr. Kelleher) and that transactions on the accounts were supported by authorizations and were consistent with the mandates on record.

Yours faithfully,

Iqbal Singh
Manager
Bank Supervision Department

IS/iml

STMT96

96 1123 2451 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 8
FROM 10/01/98 THRU 10/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
10/19	WIRE 7682 FEE	35.00		3,550,353.26
10/19	WIRE 7677 [redacted]	353.26		3,550,000.00
10/19	WIRE 7682 MCKELLAR 'S SOLICITORS UNIT	3,500,000.00		50,000.00
10/20	WIRE 4498 [redacted]		415,000.00	465,000.00
10/20	WIRE 4498 FEE	10.00		464,990.00
10/20	AUTO TRANSFER TO ACCT.--0010140002	414,990.00		50,000.00
10/21	AUTO TRANSFER FROM ACCOUNT 0010140002		247,055.00	297,055.00
10/21	WIRE 4504 DENNEL FINANCE LTD		16,390.00	313,445.00
10/21	WIRE 4505 DENNEL FINANCE LTD		31,590.00	345,035.00
10/21	WIRE 4504 FEE	10.00		345,025.00
10/21	WIRE 4505 FEE	10.00		345,015.00
10/21	WIRE 7696 FEE	15.00		345,000.00
10/21	WIRE 7696 [redacted]	295,000.00		50,000.00
10/22	AUTO TRANSFER FROM ACCOUNT 0010140002		166,646.09	216,646.09
10/22	WIRE 4426 [redacted]		9,633.91	226,280.00

Redacted Information in Subcommittee Files

10/19/98 14:04 FAX 3059716071 SECURITY BANK NA 001

SECURITY BANK N.A.

OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

10 19 98 DATE TIME: : AMOUNT $ 3,500,000.00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

X INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

DOMESTIC WIRE IN DOLLARS FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: NATIONAL WESTMINISTER BANK PLC

RECEIVING BANK'S "ABA" NUMBER: #

TEST CODE, IF ANY: #

SWIFT CODE, IF APPLICABLE: # NWBKGB2LB, SORT CODE: 60-24-25

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY: 3 THE BROADWAY, WOODFORD GREEN, ESSEX IG8 OHN

CITY: LONDON STATE: COUNTRY: UNITED KINGDOM

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): McKELLAR'S SOLICITORS UNITED STATES DOLLAR ACCOUNT

ACCOUNT NUMBER RECEIVING BENEFICIARY'S ACCOUNT (NUMBER): # [redacted]

TYPE OF ID, IF PURPOSE: # NUMBER:

ADDRESS (IF APPLICABLE): 3 Rushcutters Court No. 2 Boatlifter Way CITY: London STATE: SE16 COUNTRY: I WH UNITED KINGDOM

FOR FURTHER CREDIT TO (NAME): # NUMBER:

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER:

SPECIAL INSTRUCTIONS, IF ANY: REF: FUNDS TRANSFER

Redacted Information in Subcommittee Files

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	3,500,000.00
WIRE FEES	35.00
OTHER	
TOTAL AMOUNT . $	3,500,035.00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OPERATIONS DEPARTMENT (NEW ACCOUNTS ONLY).

NOTE:

X "ABA" BANK NUMBER HAS BEEN VERIFIED

X HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER:

WIRE DEPARTMENT USE ONLY

WIRE SENT BY: AK FED

DATE WIRE SENT: 10/19/98

TIME WIRE SENT: 1:00

WIRE NUMBER (#): 7683

STMT96
96 1123 2453 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 10
FROM 10/01/98 THRU 10/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01 ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
10/23	WIRE 7710 PABLO URBANO	10,000.00		50,000.00
10/26	DEPOSIT		158,171.00	208,171.00
10/26	WIRE 4433 [redacted]		170,000.00	378,171.00
10/26	WIRE 4437 BRITISH TRADE & COMMERCE B		6,500,000.00	6,878,171.00
10/26	WIRE 4433 FEE	10.00		6,878,161.00
10/26	WIRE 4437 FEE	10.00		6,878,151.00
10/26	WIRE 7723 FEE	15.00		6,878,136.00
10/26	WIRE 7724 FEE	35.00		6,878,101.00
10/26	WIRE 7725 FEE	35.00		6,878,066.00
10/26	WIRE 7724 [redacted]	5,000.00		6,873,066.00
10/26	WIRE 7725 [redacted]	5,000.00		6,868,066.00
10/26	WIRE 7723 [redacted]	55,000.00		6,813,066.00
10/26	AUTO TRANSFER TO ACCT.--0010140002	6,763,066.00		50,000.00
10/27	DEPOSIT		1,300.00	51,300.00
10/27	WIRE 4444 [redacted]		20,000.00	71,300.00
10/27	WIRE 4445 [redacted]		110,500.00	181,800.00
10/27	WIRE 4444 FEE	10.00		181,790.00

Redacted Information in Subcommittee Files

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FROM 02 FROM FT PROD DEVS     FT INFORMIX     ***ABNORMAL MSG/ACCTG ENTRY***
(3100) Sender: 021000018 BK OF NYC            (2000) Amount:     $6,500,000.00
(3400) Receiver: 026009117 SECURITY N FIRST BK (3600) Bus Function Code: CTR
(1510) Type Code:          1000
(5000) Originator:         D IE 12307
                           BRITISH TRADING COMMERCE BANK
                           ENZIO BUILDING,BROADWAY
                           P.O. BOX 2942
(4200) OPG to BNF Info:    PLEASE APPROVE, THIS IS NOT A THIRD
                            PARTY TRANSFER
(5100) Originator's FI:    FAIRFIELDBAER CPU
                           1000 MARROR BLVD CASH CONTROL 5TH
                           WEEHAWKEN, N.J. 07007
(4200) Beneficiary:        [redacted]
                           BRITISH TRADING COMMERCE BANK
                           ENZIO BUILDING,BROADWAY
                           P.O. BOX 2942
(1120) IMMD:               19990126B1MD1510*0026
(3100) Sender Ref:         F1500102400/700
(1110) Timestamp:          1026120F13*
(1120) IMMD:               19901026FE*6110*0*0*6102*120*101
***********
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4437

Redacted Information in Subcommittee Files

THT96
96 1123 2459 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 16
FROM 10/01/98 THRU 10/31/98

NUMBER OF ITEMS ENCLOSED: 14

UPERNOW ACCOUNT-02 ACCOUNT NO. 00101400 02

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
0/22	ACCT.--0010140001 AUTO TRANSFER TO ACCT.--0010140001	166,646.09		636,665.75
0/23	AUTO TRANSFER TO ACCT.--0010140001	26,216.07		610,449.68
0/26	AUTO TRANSFER FROM ACCOUNT 0010140001		6,763,066.00	7,373,515.68
0/27	AUTO TRANSFER FROM ACCOUNT 0010140001		1,704.32	7,375,220.00
0/27	WIRE 7734 FEE	10.00		7,375,210.00
0/27	WIRE 7734 ROBERT F GARNER ATTY-AT-LAW	6,500,000.00		875,210.00
0/28	AUTO TRANSFER TO ACCT.--0010140001	331,443.00		543,767.00
0/29	AUTO TRANSFER TO ACCT.--0010140001	200,015.00		343,752.00
0/30	INTEREST CREDIT		9,352.87	353,104.87

REMEMBER
DAY OR NIGHT - RAIN OR SHINE
USE OUR NEW 24 HOUR TELEPHONE BANKING
CALL 1 (888) 874-7262

British Trade & Commerce Bank
EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O Box: 2042

FAX COVER
Date: 10/26/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING WIRE TRANSFER FROM OUR ACCOUNT 0400101400-01

FIRST UNION NATIONAL BANK, NC
ABA#: 053-000-219
BENEFICIARY: ROBERT F. GARNER ATTY-AT-LAW, TRUST ACCOUNT
ACCOUNT NO.: 202-0000-3571-000, AMOUNT: USD$6,500,000
REF: FUNDS TRANSFER - BTCB

Redacted Information in Subcommittee Files

TEST KEY FOR ABOVE WIRES BASED ON USD$6,500,000. DATED OCTOBER 26, 1998 IS [redacted]

SINCERELY,

GEORGE BETTS,
EXECUTIVE VICE PRESIDENT

TEST KEY VERIFIED BY:	
DATE: 10/26/98	

Lincenced for Full Trust Business.

FAXED 12:45 PM
16

10/27/98 13:08 FAX 305971607 SECURITY BANK NA 001

SECURITY BANK N. A.
OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

10 -- 27 -- 98 :DATE TIME: : AMOUNT $ 6 ,500 ,000 .00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW
INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)
X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: FIRST UNION NATIONAL BANK
RECEIVING BANK'S "ABA" NUMBER: # 053 000 219
TEST CODE, IF ANY: #
SWIFT CODE, IF APPLICABLE: #
BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY:
CITY:
STATE: NC
COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): ROBERT F. GARNER ATTY-AT-LAW, TRUST ACCT.
ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # 202-0000-3571-000
TYPE OF ID, IF PUPID: # NUMBER
ADDRESS (IF APPLICABLE): CITY: STATE: COUNTRY:
FOR FURTHER CREDIT TO (NAME): # NUMBER
BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER
SPECIAL INSTRUCTIONS, IF ANY: REF: FUNDS TRANSFER-BTCB

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-02

WIRE AMOUNT $	6,500,000.00
WIRE FEES	15.00
OTHER	
TOTAL AMOUNT $	6,500,015.00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.
NOTE:
X "ABA" BANK NUMBER HAS BEEN VERIFIED
X HOLD HAS BEEN PLACED ON ACCOUNT
APPROVING OFFICER: SIGNATURE OF OFFICER

(WIRE DEPARTMENT USE ONLY)

WIRE SENT BY: FRB
DATE WIRE SENT: OCT 27 1998
TIME WIRE SENT: : IBS
WIRE NUMBER (#): 72334
VERIFIED BY: SIGNATURE OF OFFICER

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FIRST UNION

001

FIRST UNION NATIONAL BANK
IRVING PARK

PAGE 001 00020200003571 00
35 003 130
0

ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT
P O BOX 13002
GREENSBORO NC 27415

STATEMENT DATE 10/30/1998

CUSTOMER INFORMATION

CHECKING & INVESTMENT ACCOUNTS
FIRST UNION NATIONAL BANK
CHARLOTTE NC 28288-0851
1-800-733-3862

CONSUMER LOAN ACCOUNTS
FIRST UNION NATIONAL BANK
VA - 0343
PO BOX 13327
ROANOKE VA 24040-0343
1-800-347-1131

LOST OR STOLEN 24 HOUR BANKING CARD
FIRST UNION CARD PRODUCTS
POST OFFICE BOX 563966
CHARLOTTE NC 28256-3966
24 HOURS A DAY, 365 DAYS A YEAR
1-800-359-3862

REVOLVING CREDIT
FIRST UNION CARD PRODUCTS
POST OFFICE BOX 563966
CHARLOTTE NC 28256-3966
24 HOURS A DAY, 365 DAYS A YEAR
1-800-359-3862

LAWYERS TRUST IOLTA

FOR: ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT

ACCOUNT NUMBER 2020000357100

TAXPAYER ID NUMBER 56-1401145

PREVIOUS STATEMENT BALANCE 09/30/1998		200.00	
2 DEPOSITS/CREDITS		6,500,010.00+	
1 CHECKS/DEBITS		961.96-	
SERVICE CHARGE		10.00-	
INTEREST PAID		961.96+	
ENDING STATEMENT BALANCE	10/30/1998	6,500,200.00	
AVERAGE BALANCE		866,866.66	

INTEREST INFORMATION

ANNUAL PERCENTAGE YIELD EARNED	1.36%
NUMBER OF DAYS IN INTEREST PERIOD	30
AVERAGE INTEREST BALANCE	866,866.66
TOTAL INTEREST EARNED	961.96
YEAR TO DATE INTEREST	963.74
MINIMUM BALANCE	200.00

DEPOSITS/CREDITS

DATE	AMOUNT	DESCRIPTION
10/27	6,500,000.00	FUNDS TRANSFER (ADVICE 981027015594) SENT TO ROBERT F GARNER A/ BNF= OBI=REF: FUNDS TRANSFER-BTCB RFB=7734 10/27/98 02:48PM
10/30	10.00	IOLTA SERVICE CHARGE TRANSFER
10/30	961.96	INTEREST FROM 10/01/1998 THROUGH 10/30/1998

DEBITS

DATE	AMOUNT	DESCRIPTION
10/30	10.00	SERVICE CHARGE
10/30	961.96	IOLTA INTEREST TRANSFER

DAILY BALANCE SUMMARY

DATE	AMOUNT	DATE	AMOUNT
10/27	6,500,200.00	10/30	6,500,200.00

INTEREST RATE SUMMARY

DATES	RATE	DATES	RATE
10/01 - 10/26	1.34	10/27 - 10/30	1.35

SERVICE CHARGE SUMMARY

TRANSACTION DATE	10/30/98	AVERAGE BALANCE	866,866.66
TRANSACTION AMOUNT	10.00	MINIMUM BALANCE	200.00

INCOMING FED WIRES	1 AT 10.000,	=	10.00
CUSTOMERSERVICE/BRANCH INQUIRY	1 AT .000,	=	.00

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FIRST UNION

Lawyers Trust Iolta

002 2020000357100 003 130 0 35 Replacement Statement 001

Other Withdrawals and Service Fees

Date	Amount	Description
11/03	6,500,000.00	INTL FUNDS TRANSFER (ADVICE 981103010186) SENT TO UBS AG - ZURICH /UBS BAHNHOFSTRASS BNF=ROBERT MCKELLAR RFB=981103000782 AMT= 6500000.00 CUR=USD RATE= REF=981103000782 11/03/98 12:37PM
11/30	14.00	SERVICE CHARGE
11/30	722.25	IOLTA INTEREST TRANSFER

Total $6,500,736.25

Service Fees

Description	Quantity	Amount	Total
OUTGOING FED WIRES	1	14.00	14.00
Total			$14.00

Average balance $629,232.25
Minimum balance $200.00

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
11/03	200.00	11/30	200.00		

FIRST UNION NATIONAL BANK NC Fulltran Run 26-APR-1999 23:01 Page 6289
FULL TRANSACTION REPORT For 26-APR-1999

<<< TRN: 990426-003043 >>>

**** MESSAGE ENVELOPE **** (Bank : 001)

SRC:FED CALLER: EXT:
RPT# AMT:6,000,000.00 , CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:N CD:A COM:N CBL:N

DBT A/026005092
DEPT:0000005
FIRST UNION BANK INTERNATIONAL
180 MAIDEN LANE
NEW YORK,NY USA 10038
SNDR REF NUM:9904260115001528
ORDERING BNK:
UBS AG (FORMERLY UNION BANK OF SWIT
45 BAHNHOFSTRASSE 8021 ZURICH SWITZ
ERLAND
ORIG:
ROBERT MCKELLAR

CDT D/2020000357100/ ADV:LTR
DEPT:0000539
ROBERT F GARNER ATTORNEY AT LAW
3415 YANCEYVILLE STREET
GREENSBORO NC 27405

REF NUM:5257116ZU0188491
BANK TO BANK INFO:
1990426011586000

**** MESSAGE TEXT ****

{1100}02P N
{1110}04260855FT01
{1120}19990426E3QPAA1C00019104260855FT01
{1510}1000
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{3320}9904260115001528*
{3400}053000219FIRST UNION CHAR*
{3600}CTR
{4200}D2020000357100*
ROBERT F. GARNER TRUSTEE ATTORNEY A*
T LAW*
{4320}5257116ZU0188491*
{5000} *
ROBERT MCKELLAR*
{5100} *
UBS AG (FORMERLY UNION BANK OF SWIT*
45 BAHNHOFSTRASSE 8021 ZURICH SWITZ*
ERLAND*
{6500}1990426011586000*

MESSAGE HISTORY SEQUENCE

CF21415:20000725004312:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 09:08:05 PM - Page 20 of

FIRST UNION

Lawyers Trust Iolta

001 2020000357100 003 130 0 35 Replacement Statement 001

ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT CS
P O BOX 13002
GREENSBORO NC 27415

Lawyers Trust Iolta 4/01/1999 thru 4/30/1999

Account number: 2020000357100
Account holder(s): ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT

Taxpayer ID Number: 561401145

Account Summary

Opening balance 4/01	$11,130.54	
Deposits and other credits	6,000,004.57	+
Interest paid	4.57	+
Other withdrawals and service fees	6,000,009.14	-
Closing balance 4/30	$11,130.54	

Deposits and Other Credits

Date	Amount	Description
4/26	6,000,000.00	FUNDS TRANSFER (ADVICE 990426003043) RCVD FROM FIRST UNION BANK /UBS AG (FORMERLY ORG=ROBERT MCKELLAR RFB=5257116ZU0188491 OBI= REF=99042601150015 28 08:55AM
4/30	4.57	INTEREST FROM 04/01/1999 THROUGH 04/30/1999
4/30	4.57	IOLTA SERVICE CHARGE TRANSFER

Total $6,000,009.14

Interest

Number of days this statement period	30
Annual percentage yield earned	0.50 %
Average interest balance	$11,130.54
Interest earned this statement period	$4.57
Interest paid this statement period	$4.57
Interest paid this year	$92.76

Interest Rate Summary

Dates	Rate %	Dates	Rate %	Dates	Rate %
4/01 - 4/30	0.50				

CF21415:20000725004312:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 09:08:05 PM - Page 19 of

FIRST UNION

Lawyers Trust Iolta

002 2020000357100 003 130 0 35 . Replacement Statement 001

Other Withdrawals and Service Fees

Date	Amount	Description
4/26	6,000,000.00	FUNDS TRANSFER (ADVICE 990426017897) RCVD FROM ROBERT F GARNER A/ ORG= RFB= OBI= REF= 01:46PM
4/30	4.57	IOLTA INTEREST TRANSFER
4/30	4.57	SERVICE CHARGE

Total $6,000,009.14

Service Fees

Description	Quantity	Amount	Total
WAIVED		19.43	19.43
ASSESSED		4.57	4.57
Total			$24.00
Average balance			$11,130.54
Minimum balance			$11,130.54

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
04/26	11,130.54	04/30	11,130.54		

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FIRST UNION NATIONAL BANK NC          Fulltran   Run 26-APR-1999 23:01 Page 38279
FULL TRANSACTION REPORT                          For 26-APR-1999

<<< TRN: 990426-017897 >>>

    **** MESSAGE ENVELOPE ****                { Bank : 001 }


SRC:PHN CALLER:GARNER, ROBERT F.                    EXT:
RPT#          AMT:6,000,000.00        CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/     FNDS:S CHG:DB:A CD:A COM:N CBL:N
-------------------------------------------------------------------------------
DBT D/2020000357100/                    CDT D/003:0009983871373/        ADV:PHN
DEPT:DPE                                BRITISH TRADE & COMMERCE BANK
ROBERT F GARNER ATTORNEY AT LAW         C/O FEC FINANCIAL HOLDINGS INC
3415 YANCEYVILLE STREET                 444 BRICKELL AVE STE P16
GREENSBORO NC 27405                     MIAMI, FL 33131
SPECIAL INSTRUCTIONS:                   SPECIAL INSTRUCTIONS:
FAX CUSTOMER                            FAX WIRE TO 305 960 2120
                                        ALT FAX NUMBER 767 448 6477


    **** MESSAGE TEXT ****


   MESSAGE HISTORY SEQUENCE
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001 is the owning bank.  Priority:   Delivery ACK:
        REF_INDEX         REF #: 990426017897  26-APR-1999 13:23:07.97
   MTRANSFTRENT_LOG       OPRID: 007700  TIME: 26-APR-1999 13:23:07.97
        *SYS_MEMO         AUTOTRIEVE VLD call returned V, no address.
        *SYS_MEMO         AUTOTRIEVE VLD call returned new bank or id D/
0009983871373; id was 003:D/998387
        *SYS_MEMO         1373
        *SYS_MEMO         AUTOTRIEVE VLD call returned V, no address.
003     *DDA_INQ_DBT      INQ_DBT  AMOUNT: 6000000.00
003     *DDA_INQ_CDT      INQ_CDT  AMOUNT: 6000000.00
        *DBT_AUT
        *MEMO             001:351 - LMCB VM ROBERT GARNER, 1:35\1102 DMP
        CALLBACKQ      PURGED
        Memo: Rsn: ACNRP
   MTRANSCALLBACK_LOG     OPRID: 001351  TIME: 26-APR-1999 13:32:53.86
        Memo: BUSY by 001351 at 26-APR-1999 13:32:53.84
        *DBT_AUT
        CALLBACKQ      PURGED
        Memo: Rsn: ACNRP
   MTRANSCALLBACK_LOG     OPRID: 001351  TIME: 26-APR-1999 13:45:55.43
        Memo: Contact: GARNER, ROBERT F., Via-Pin
        *SYS_MEMO         Message checked by STOP filter - NO MATCH.
        DDA_AUTQ       DEQ TEXT: 990426017897AMOUNT: 6000000.00
        DDA_PDM_02        SEQ #: 845 26-APR-1999 13:45:55.74 Info: PD
        *DDA              SAM_DBT  AMOUNT: 6000000.00
        DDA_POST_02       SEQ #: 845 26-APR-1999 13:45:58.76 Info: PD
        Memo: Dbt posted with tran cd:                990426017897
        DDA_PDM_02        SEQ #: 846 26-APR-1999 13:45:58.77 Info: PC
        DDA_POST_02       SEQ #: 846 26-APR-1999 13:46:01.94 Info: PC
        Memo: Cdt posted with tran cd:                990426017897
        PAYADVQ        DEQ TEXT: 990426017897AMOUNT: 6000000.00
```

20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 117 of 151.

FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

3 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/13	99104234	WIRE TRANSFER TR# 020312				14,000.00	1,908.19
4/16		DEPOSIT - CHECKING (2 ITEMS)			75,000.00		76,908.19
4/26		WIRE TRANSFER TR# 031137			167,445.00		
4/26		WIRE TRANSFER TR# 017897			6,000,000.00		
4/26	99117687	WIRE TRANSFER FEE TR# 026994				18.00	
4/26	99117688	WIRE TRANSFER FEE TR# 027080				18.00	
4/26	99117691	WIRE TRANSFER FEE TR# 023845				18.00	
4/26	99117693	WIRE TRANSFER FEE TR# 023309				18.00	
4/26	99117695	WIRE TRANSFER FEE TR# 023635				18.00	
4/26	99117697	WIRE TRANSFER FEE TR# 023053				18.00	
4/26	99117699	WIRE TRANSFER FEE TR# 023137				18.00	
4/26	99117701	WIRE TRANSFER FEE TR# 022893				18.00	
4/26	99117703	WIRE TRANSFER FEE TR# 023462				18.00	
4/26	99117705	WIRE TRANSFER FEE TR# 022564				18.00	
4/26	99117707	WIRE TRANSFER FEE TR# 022397				18.00	
4/26	99117702	WIRE TRANSFER TR# 023462				22,000.00	
4/26	99117690	WIRE TRANSFER TR# 023845				30,000.00	
4/26	99117698	WIRE TRANSFER TR# 023137				62,000.00	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

4 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Dascription	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/26	99117692	WIRE TRANSFER TR# 023309				76,000.00	
4/26	99117694	WIRE TRANSFER TR# 023635				100,000.00	
4/26	99117704	WIRE TRANSFER TR# 022564				167,445.00	
4/26	99117700	WIRE TRANSFER TR# 022893				170,000.00	
4/26	99117695	WIRE TRANSFER TR# 023053				200,000.00	
4/26	99117706	WIRE TRANSFER TR# 022397				200,000.00	
4/26	99117686	WIRE TRANSFER TR# 026994				1,000,000.00	
4/26	99117689	WIRE TRANSFER TR# 027080				1,000,000.00	3,216,710.19
4/27		WIRE TRANSFER TR# 018358			2,500.00		
4/27	99118411	WIRE TRANSFER FEE TR# 013846				18.00	
4/27	99118413	WIRE TRANSFER FEE TR# 013718				18.00	
4/27	99118414	WIRE TRANSFER FEE TR# 014066				18.00	
4/27	99118418	WIRE TRANSFER FEE TR# 013937				18.00	
4/27	99118420	WIRE TRANSFER FEE TR# 015241				18.00	
4/27	99118422	WIRE TRANSFER FEE TR# 015116				18.00	
4/27	99118423	WIRE TRANSFER FEE TR# 014898				18.00	
4/27	99118426	WIRE TRANSFER FEE TR# 027946				18.00	
4/27	99118427	WIRE TRANSFER FEE TR# 015325				18.00	

Account Activity continued on next page

z000072500429 5:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 119 of 151.

FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

5 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/27	99118430	WIRE TRANSFER FEE TR# 015444				18.00	
4/27	99118432	WIRE TRANSFER FEE TR# 014424				18.00	
4/27	99118434	WIRE TRANSFER FEE TR# 012945				18.00	
4/27	99118437	WIRE TRANSFER FEE TR# 014351				18.00	
4/27	99118415	WIRE TRANSFER TR# 014066				250.00	
4/27	99118421	WIRE TRANSFER TR# 015116				339.20	
4/27	99118428	WIRE TRANSFER TR# 015325				662.1	
4/27	99118412	WIRE TRANSFER TR# 013718				1,551.00	
4/27	99118435	WIRE TRANSFER TR# 013094				1,685.00	
4/27	99118417	WIRE TRANSFER TR# 013846				2,500.00	
4/27	99118433	WIRE TRANSFER TR# 012945				2,500.00	
4/27	99118436	WIRE TRANSFER TR# 014351				5,094.40	
4/27	99118429	WIRE TRANSFER TR# 015444				10,302.30	
4/27	99118416	WIRE TRANSFER TR# 013937				11,000.00	
4/27	99118431	WIRE TRANSFER TR# 014424				18,000.00	
4/27	99118419	WIRE TRANSFER TR# 015241				20,599.00	
4/27	99118425	WIRE TRANSFER TR# 027946				22,045.00	
4/27	99118424	WIRE TRANSFER TR# 014898				30,000.00	3,092,448.10

Account Activity continued on next page

00072500429 5:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 120 of 151.

FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

6 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/28	99119855	WIRE TRANSFER FEE TR# 025860				18.00	
4/28	99119857	WIRE TRANSFER FEE TR# 024814				18.00	
4/28	99119859	WIRE TRANSFER FEE TR# 004714				18.00	
4/28	99119861	WIRE TRANSFER FEE TR# 005655				18.00	
4/28	99119863	WIRE TRANSFER FEE TR# 005161				18.00	
4/28	99119865	WIRE TRANSFER FEE TR# 021054				18.00	
4/28	99119867	WIRE TRANSFER FEE TR# 021648				18.00	
4/28	99119869	WIRE TRANSFER FEE TR# 023459				18.00	
4/28	99119871	WIRE TRANSFER FEE TR# 023289				18.00	
4/28	99119873	WIRE TRANSFER FEE TR# 023418				18.00	
4/28	99119875	WIRE TRANSFER FEE TR# 021990				18.00	
4/28	99119876	WIRE TRANSFER FEE TR# 021466				18.00	
4/28	99119878	WIRE TRANSFER FEE TR# 022215				18.00	
4/28	99119881	WIRE TRANSFER FEE TR# 006592				18.00	
4/28	99119866	WIRE TRANSFER TR# 021648				2,000.00	
4/28	99119880	WIRE TRANSFER TR# 006592				2,970.00	
4/28	99119874	WIRE TRANSFER TR# 021990				3,500.00	
4/28	99119872	WIRE TRANSFER TR# 023418				4,000.00	

Account Activity continued on next page

20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 121 of 151.

FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

7 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/28	99119852	WIRE TRANSFER TR# 005161				5,000.00	
4/28	99119858	WIRE TRANSFER TR# 004714				7,600.00	
4/28	99119877	WIRE TRANSFER TR# 021466				10,793.26	
4/28	99119870	WIRE TRANSFER TR# 023249				13,500.00	
4/28	99119860	WIRE TRANSFER TR# 005655				25,000.00	
4/28	99119854	WIRE TRANSFER TR# 025860				35,000.00	
4/28	99119879	WIRE TRANSFER TR# 022215				50,000.00	
4/28	99119868	WIRE TRANSFER TR# 023499				75,000.00	
4/28	99119856	WIRE TRANSFER TR# 024814				167,445.00	
4/28	99119864	WIRE TRANSFER TR# 022094				220,000.00	2,470,387.84
4/29	99120607	WIRE TRANSFER TR# 012040				75,000.00	2,395,387.84
4/30		CAP ACCOUNT INTEREST/DIVIDEND			1,074.54		
4/30		DEPOSIT - CHECKING (6 ITEMS)			5,500.00		
4/30	99121837	WIRE TRANSFER FEE TR# 033882				18.00	
4/30	99121838	WIRE TRANSFER FEE TR# 033452				18.00	
4/30	99121840	WIRE TRANSFER FEE TR# 033167				18.00	
4/30	99121839	WIRE TRANSFER TR# 033452				10,000.00	
4/30	99121836	WIRE TRANSFER TR# 033882				20,000.00	

Account Activity continued on next page

20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 122 of 151

FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

8 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/30	99121841	WIRE TRANSFER TR# 033167				35,000.00	2,336,908.38
4/30		Closing Balance 4/30			$ 6,251,519.54	$ 3,930,552.35	$ 2,336,908.38

Summary of Deposits

Date	Description	Amount	Check Ref Number
4/16	DEPOSIT - CHECKING (2 ITEMS)	75,000.00	32830758
4/26	WIRE TRANSFER TR# 031137	167,445.00	
4/26	WIRE TRANSFER TR# 017897	6,000,000.00	
4/27	WIRE TRANSFER TR# 018358	2,500.00	
4/30	CAP ACCOUNT INTEREST/DIVIDEND	1,074.54	
4/30	DEPOSIT - CHECKING (6 ITEMS)	5,500.00	3031805809
	Total	$ 6,251,519.54	

Summary of Withdrawals

Date	Check Number	Description	Expense Tracking Category	Amount	Check Ref Number
4/02		MINIMUM BALANCE FEE FOR PRIOR MONTH		15.00	
4/13		WIRE TRANSFER FEE TR# 020312		18.00	99104233
4/13		WIRE TRANSFER TR# 020312		14,000.00	99104234
4/26		WIRE TRANSFER FEE TR# 026994		18.00	99117687

Account Activity continued on next page

FIRST UNION NATIONAL BANK NC Fulltran Run 18-OCT-1999 22:49 Page 7030
FULL TRANSACTION REPORT For 15-OCT-1999

<<< TRN: 991015-003381 >>>

**** MESSAGE ENVELOPE **** (Bank : 001)

SRC:FED CALLER: EXT:
RPT# AMT:999,976.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/ FNDS:S CHG:DB:N CD:A COM:N CBL:N

DBT A/[redacted]
DEPT:0000005
FIRST UNION BANK INTERNATIONAL
180 MAIDEN LANE
NEW YORK,NY USA 10038
SNDR REF NUM:99101416200001457
ORDERING BNK:
UBS AG HEAD OFFICE ZURICH, SWITZERL
AND

CDT D/2020000357100/ ADV:LTR
DEPT:0000539
ROBERT F GARNER ATTORNEY AT LAW
3415 YANCEYVILLE STREET
GREENSBORO NC 27405

ORIG:
INSTRUCTIONS

REF NUM:3410287ZU0172521
BANK TO BANK INFO:
1991014162078000

Redacted Information in Subcommittee Files

**** MESSAGE TEXT ****

{1100}02P N
{1110}10150902FT01
{1120}19991015E3QFAA1C00026810150902FT01
{1510}1000
{1520}19991015B6B7001C001457
{2000}000099997600
{3100}026005092FIRSTUNION NY*
{3320}99101416200001457*
{3400}053000219FIRST UNION CHAR*
{3600}CTR
{4200}D2020000357100*
ROBERT F. GARNER TRUSTEE ATTORNEY A*
T LAW*
{4320}3410287ZU0172521*
{5000} *
INSTRUCTIONS*
{5100} *
UBS AG HEAD OFFICE ZURICH, SWITZERL*
AND*
{6500}1991014162078000*

MESSAGE HISTORY SEQUENCE

CF22401:20000726000643:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 26, 2000 at 01:01:55 PM - Page 8 of 1

FIRST UNION

Lawyers Trust Iolta

001 2020000357100 003 130 0 35 . Replacement Statement 001

ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT CB
P O BOX 13002
GREENSBORO NC 27415

Lawyers Trust Iolta 10/01/1999 thru 10/29/1999

Account number: 2020000357100
Account holder(s): ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT

Taxpayer ID Number: 561401145

Account Summary

Opening balance 10/01	$2,630.54	
Deposits and other credits	1,000,000.00	+
Interest paid	50.26	+
Other withdrawals and service fees	1,000,074.26	-
Closing balance 10/29	$2,606.54	

Deposits and Other Credits

Date	Amount	Description
10/15	999,976.00	FUNDS TRANSFER (ADVICE 991015003381) SENT TO ROBERT F GARNER A/ BNF= OBI= RFB=9910141620001457 10/15/99 09:02AM
10/29	24.00	IOLTA SERVICE CHARGE TRANSFER
10/29	50.26	INTEREST FROM 10/01/1999 THROUGH 10/29/1999
Total	$1,000,050.26	

Interest

Number of days this statement period	29
Annual percentage yield earned	0.50
Average interest balance	$126,494.23
Interest earned this statement period	$50.26
Interest paid this statement period	$50.26
Interest paid this year	$159.43

Interest Rate Summary

Dates	Rate %	Dates	Rate %	Dates	Rate %
10/01 - 10/29	0.50				

CF22401:20000726000643:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 26, 2000 at 01:01:55 PM - Page 7 of 1

FIRST UNION

Lawyers Trust Iolta

002 2020000357100 003 130 0 35 Replacement Statement 001

Other Withdrawals and Service Fees

Date	Amount	Description
10/19	1,000,000.00	FUNDS TRANSFER (ADVICE 991019025290) SENT TO BRITISH TRADE & C/ BNF= OBI= RFB= 10/19/99 03:42PM
10/29	24.00	SERVICE CHARGE
10/29	50.26	IOLTA INTEREST TRANSFER

Total $1,000,074.26

Service Fees

Description	Quantity	Amount	Total
OUTGOING FED WIRES	1	14.00	14.00
INCOMING FED WIRES	1	10.00	10.00
Total			$24.00

Average balance	$140,549.16
Minimum balance	$2,606.54

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
10/15	1,002,606.54	10/19	2,606.54	10/29	2,606.54

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FIRST UNION NATIONAL BANK NC          Fulltran   Run 20-OCT-1999 22:52 Page 54224
FULL TRANSACTION REPORT                          For 19-OCT-1999

<<< TRN: 991019-025290 >>>

    **** MESSAGE ENVELOPE ****                ( Bank : 001 )


SRC:PHN CALLER:GARNER, ROBERT F.                    EXT:
RPT#          AMT:1,000,000.00        CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/     FNDS:S CHG:DB:A CD:A COM:N CBL:N
-----------------------------------------------------------------------------------
DBT D/2020000357100/                     CDT D/003:000998871373/        ADV:PHN
DEPT:DPE                                 BRITISH TRADE & COMMERCE BANK
ROBERT F GARNER ATTORNEY AT LAW          C/O FEC FINANCIAL HOLDINGS INC
3415 YANCEYVILLE STREET                  444 BRICKELL AVE STE P16
GREENSBORO NC 27405                      MIAMI, FL 33131
SPECIAL INSTRUCTIONS:                    SPECIAL INSTRUCTIONS:
FAX CUSTOMER                             FAX WIRE TO 305 960 2120
                                         ALT FAX 011 767 448 6477


    **** MESSAGE TEXT ****


    MESSAGE HISTORY SEQUENCE
-------------------------------
001 is the owning bank.  Priority:   Delivery ACK;
        REF_INDEX          REF #: 991019025290  19-OCT-1999 15:40:33.20
   MTRANSFTRENT_LOG        OPRID: 001332  TIME: 19-OCT-1999 15:40:33.20
        *SYS_MEMO          AUTOTRIEVE VLD call returned V, no address.
        *SYS_MEMO          AUTOTRIEVE VLD call returned V, no address.
003     *DDA_INQ_DBT       INQ_DBT  AMOUNT: 1000000.00
003     *DDA_INQ_CDT       INQ_CDT  AMOUNT: 1000000.00
        *DBT_AUT
        CALLBACKQ       PURGED
        Memo: Rsn: ACNRF
   MTRANSCALLBACK_LOG      OPRID: 001304  TIME: 19-OCT-1999 15:42:20.86
        Memo: Contact: GARNER, ROBERT F., Via Pin
        *SYS_MEMO          Message checked by STOP filter - NO MATCH.
        *SYS_MEMO          Message checked by STOP filter - 19-OCT-1999 15:42:
20.91
        DDA_AUTQ       DEQ TEXT: 991019025290AMOUNT: 1000000.00
        DDA_PDM_01         SEQ #: 2878 19-OCT-1999 15:42:21.02 Info: PD
        *DDA               SAM_DBT  AMOUNT: 1000000.00
        DDA_POST_01        SEQ #: 2878 19-OCT-1999 15:42:23.09 Info: PD
        Memo: Dbt posted with tran cd:                 991019025290
        DDA_PDM_01         SEQ #: 2879 19-OCT-1999 15:42:23.09 Info: PC
        DDA_POST_01        SEQ #: 2879 19-OCT-1999 15:42:26.20 Info: PC
        Memo: Cdt posted with tran cd:                 991019025290
        PAYADVQ        DEQ TEXT: 991019025290AMOUNT: 1000000.00
        PAYADV_LOG         OPRID: $$$PAY  TIME: 19-OCT-1999 15:42:26.31
003     PAYADV_LOG         OPRID: $$$PAY  TIME: 19-OCT-1999 15:42:26.31
        SYSPRFBAL          PRF_DDA_DBT  AMOUNT: 1000000.00
        *CROSS_CLR         SAM_CDT  AMOUNT: 1000000.00
        SYSPRFBAL          PRF_GL_CDT  AMOUNT: 1000000.00
003     *CROSS_CLR         SAM_DBT  AMOUNT: 1000000.00
003     SYSPRFBAL          PRF_GL_DBT  AMOUNT: 1000000.00
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CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 38 of 151.

FIRST UNION

CAP Account Statement 10/01/1999 thru 10/31/1999

5 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
10/12		WIRE TRANSFER TR# 038459			6,000.00		
10/12		DEPOSIT - CHECKING (17 ITEMS)			8,850.00		
10/12		DEPOSIT - CHECKING (11 ITEMS)			11,250.00		36,743.16
10/13	99287748	WIRE TRANSFER FEE TR# 026836				18.00	
10/13	99287750	WIRE TRANSFER FEE TR# 026928				18.00	
10/13	99287752	WIRE TRANSFER FEE TR# 026741				18.00	
10/13	99287749	WIRE TRANSFER TR# 026928				1,000.00	
10/13	99287751	WIRE TRANSFER TR# 026741				2,000.00	
10/13	99287747	WIRE TRANSFER TR# 026836				3,000.00	30,689.16
10/14	99288638	WIRE TRANSFER FEE TR# 009864				18.00	
10/14	99288637	WIRE TRANSFER TR# 009864				1,000.00	29,671.16
10/15	99289691	WIRE TRANSFER TR# 017632				2,010.00	27,661.16
10/19		WIRE TRANSFER TR# 025290			1,000,000.00		
10/19		DEPOSIT - CHECKING (2 ITEMS)			21,150.00		1,048,811.16
10/21	99295346	WIRE TRANSFER FEE TR# 025239				18.00	

Account Activity continued on next page

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FIRST UNION NATIONAL BANK NC          Fulltran   Run 25-NOV-1999 00:19 Page 56265
FULL TRANSACTION REPORT                          For 23-NOV-1999

<<< TRN: 991123-026005 >>>

    **** MESSAGE ENVELOPE ****                ( Bank : 001 )


SRC:FED CALLER:                                    EXT:
RPT#          AMT:589,109.00          CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/     FNDS:S CHG:DB:N CD:A COM:N CBL:N
-----------------------------------------------------------------------------------
*DBT A/[redacted]                      CDT D/2020000357100/            ADV:LTR
DRPT:0000005                           DEPT:0000539
BANK AUDI                              ROBERT F GARNER ATTORNEY AT LAW
NEW YORK, NY                           3415 YANCEYVILLE STREET
                                       GREENSBORO NC 27405
SNDR REF NUM:9911230067                BNF:/2020000357100            CHG:  BK?
ORDERING BNK:                          ROBERT F GAMER TRUST
BANK AUDI

                                       ORIG TO BNF INFO:
ORIG:                                  RE GENBRA TRADING LTD/GENBRA/AM1/SC
MIRANDA HOLDINGS INC.                  000/EMEX1102991


BANK TO BANK INFO:
BNF ADD ATTORNEY AT LAW OUR REF F 2
33213


    **** MESSAGE TEXT ****


{1100}02P N
{1110}11231500FT01
{1120}199911238SQPAA1C0014951123150OFT01
{1510}1000
{1520}19991123B1065813000057
{2000}000058910900
{3100}026006237BANK AUDI*
{3320}9911230067*
{3400}053000219FIRST UNION CHAR*
{3600}CTR
{4100} *
YR GREENSBORO NC*
*
*
*
{4200}D202 0000 3571 00*
ROBERT F GAMER TRUST*
*
*
*
{5000} *
MIRANDA HOLDINGS INC.*
*
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*
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Redacted Information in Subcommittee Files

CF22401:20000726000643:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 26, 2000 at 01:01:55 PM - Page 10 of

FIRST UNION

Lawyers Trust Iolta

001 2020000357100 003 130 0 35. Replacement Statement 001

ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT CR
P O BOX 13002
GREENSBORO NC 27415

Lawyers Trust Iolta 10/30/1999 thru 11/30/1999

Account number: 2020000357100
Account holder(s): ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT

Taxpayer ID Number: 561401145

Account Summary

Opening balance 10/30	$2,606.54
Deposits and other credits	589,119.00 +
Interest paid	59.13 +
Other withdrawals and service fees	69.13 -
Closing balance 11/30	$591,715.54

Deposits and Other Credits

Date	Amount	Description
11/23	589,109.00	FUNDS TRANSFER (ADVICE 991123026005) SENT TO ROBERT F GARNER A/ BNF=ROBERT F GAMER TRUST OBI=RE GENBRA TRADING LTD/GENBRA/AMI/50 RFB=9911230067 11/23/99 03:15PM
11/30	10.00	IOLTA SERVICE CHARGE TRANSFER
11/30	59.13	INTEREST FROM 10/30/1999 THROUGH 11/30/1999
Total	$589,178.13	

Interest

Number of days this statement period	32
Annual percentage yield earned	0.50 %
Average interest balance	$134,895.40
Interest earned this statement period	$59.13
Interest paid this statement period	$59.13
Interest paid this year	$218.56

Interest Rate Summary

Dates	Rate %	Dates	Rate %	Dates	Rate %
10/30 - 11/30	0.50				

CF22401:20000726000643:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 26, 2000 at 01:01:55 PM - Page 13 of 1

FIRST UNION

Lawyers Trust Iolta

001 2020000357100 003 130 0 35 Replacement Statement 001

ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT CB
P O BOX 13002
GREENSBORO NC 27415

Lawyers Trust Iolta 12/01/1999 thru 12/31/1999

Account number: 2020000357100
Account holder(s): ROBERT F GARNER ATTY AT LAW
TRUST ACCOUNT

Taxpayer ID Number: 561401145

Account Summary

Opening balance 12/01	$591,715.54	
Deposits and other credits	48,320.58	+
Interest paid	194.37	+
Other withdrawals and service fees	625,228.37	-
Closing balance 12/31	$15,002.12	

Deposits and Other Credits

Date	Amount	Description
12/01	35,891.10	FUNDS TRANSFER (ADVICE 991201024901) SENT TO ROBERT F GARNER A/ BNF= OBI=REF: GENBRA TRADING / GENBRA AMI 50 RFB=199912011242441PB 12/01/99 01:45PM
12/30	12,395.48	FUNDS TRANSFER (ADVICE 991230004282) SENT TO ROBERT F GARNER A/ BNF= OBI= RFB=9912301568001993 12/30/99 09:07AM
12/31	34.00	IOLTA SERVICE CHARGE TRANSFER
12/31	194.37	INTEREST FROM 12/01/1999 THROUGH 12/31/1999
Total	$48,514.95	

Interest

Number of days this statement period	31
Annual percentage yield earned	1.38 %
Average interest balance	$166,372.15
Interest earned this statement period	$194.37
Interest paid this statement period	$194.37
Interest paid this year	$412.93

Interest Rate Summary

Dates	Rate %	Dates	Rate %	Dates	Rate %
12/01 - 12/01	0.50	12/02 - 12/09	1.49	12/10 - 12/31	1.00

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FIRST UNION

Lawyers Trust Iolta

002 2020000357100 003 130 0 35 Replacement Statement 001

Other Withdrawals and Service Fees

Date	Amount	Description
12/10	625,000.00	FUNDS TRANSFER (ADVICE 991210007851) SENT TO BRITISH TRADE & C/ BNF= OBI= RFB= 12/10/99 10:25AM
12/31	34.00	SERVICE CHARGE
12/31	194.37	IOLTA INTEREST TRANSFER
Total	$625,228.37	

Service Fees

Description	Quantity	Amount	Total
OUTGOING FED WIRES	1	14.00	14.00
INCOMING FED WIRES	2	10.00	20.00
Total			$34.00

Average balance	$184,857.96
Minimum balance	$2,606.64

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
12/01	627,606.64	12/30	15,002.12		
12/10	2,606.64	12/31	15,002.12		

```
FIRST UNION NATIONAL BANK NC          Fulltran   Run 13-DEC-1999 23:13 Page 16330
FULL TRANSACTION REPORT                          For 10-DEC-1999

<<< TRN: 991210-007851 >>>

    **** MESSAGE ENVELOPE ****                ( Bank : 001 )


SRC:PHN CALLER:GARNER, ROBERT F.                    EXT:
RPT#          AMT:625,000.00          CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/     FNDS:S CHG:DB:A CD:A COM:N CBL:N
-----------------------------------------------------------------------------------
DBT D/2020000357100/                     CDT D/003:0009983871373/        ADV:PHN
DEPT:DPE                                 BRITISH TRADE & COMMERCE BANK
ROBERT F GARNER ATTORNEY AT LAW          C/O FEC FINANCIAL HOLDINGS INC
3415 YANCEYVILLE STREET                  444 BRICKELL AVE STE P16
GREENSBORO NC 27405                      MIAMI, FL 33131
SPECIAL INSTRUCTIONS:                    SPECIAL INSTRUCTIONS:
FAX CUSTOMER                             FAX CUSTOMER SHIFT RELEASE TO
                                         PROCESS
                                         ALT FAX 011 767 448 6477


    **** MESSAGE TEXT ****


    MESSAGE HISTORY SEQUENCE
--------------------------------
001 is the owning bank.  Priority:   Delivery ACK:
        REF_INDEX          REF #: 991210007851  10-DEC-1999 10:18:35.59
   MTRANSFTRNT_LOG         OPRID: 001751  TIME: 10-DEC-1999 10:18:35.59
        *SYS_MEMO          AUTOTRIEVE VLD call returned V, no address.
        *SYS_MEMO          AUTOTRIEVE VLD call returned new bank or id D/
0009983871373; id was 003:D/998387
        *SYS_MEMO          1373
        *SYS_MEMO          AUTOTRIEVE VLD call returned V, no address.
003     *DDA_INQ_DBT       INQ_DBT  AMOUNT: 625000.00
003     *DDA_INQ_CDT       INQ_CDT  AMOUNT: 625000.00
        *DBT_AUT
        CALLBACKQ       PURGED
        Memo: Rsn: ACNRP
   MTRANSCALLBACK_LOG      OPRID: 001348  TIME: 10-DEC-1999 10:25:24.10
        Memo: Contact: GARNER, ROBERT F., Via-Pin
        *SYS_MEMO          Message checked by STOP filter - NO MATCH.
        *SYS_MEMO          Message checked by STOP filter - 10-DEC-1999 10:25:
24.15
        DDA_AUTQ        DEQ TEXT: 991210007851AMOUNT: 625000.00
        DDA_PDM_02         SEQ #: 242 10-DEC-1999 10:25:24.27 Info: PD
        *DDA               SAM_DBT  AMOUNT: 625000.00
        DDA_POST_02        SEQ #: 242 10-DEC-1999 10:25:26.41 Info: PD
        Memo: Dbt posted with tran cd:                 991210007851
        DDA_PDM_02         SEQ #: 243 10-DEC-1999 10:25:26.41 Info: PC
        DDA_POST_02        SEQ #: 243 10-DEC-1999 10:25:29.53 Info: PC
        Memo: Cdt posted with tran cd:                 991210007851
        PAYADVQ         DEQ TEXT: 991210007851AMOUNT: 625000.00
        PAYADV_LOG         OPRID: $$$PAY  TIME: 10-DEC-1999 10:25:29.73
003     PAYADV_LOG         OPRID: $$$PAY  TIME: 10-DEC-1999 10:25:29.73
        SYSPRFBAL          PRF_DDA_DBT  AMOUNT: 625000.00
        *CROSS_CLR         SAM_CDT  AMOUNT: 625000.00
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CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 11 of 151.

FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

3 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY

Daily Activity

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/01		Beginning Balance					$ 74,951.22
12/01		DEPOSIT - CHECKING (34 ITEMS)			11,850.00		
12/01		DEPOSIT - CHECKING (4 ITEMS)			13,122.09		99,923.31
12/02		DEPOSIT - CHECKING (34 ITEMS)			12,350.00		112,273.31
12/07	99342922	WIRE TRANSFER FEE TR# 006928				18.00	
12/07	99342921	WIRE TRANSFER TR# 006928				65,000.00	47,255.31
12/08	99343654	DEPOSITED ITEM RETURNED FEE ADV SVC - 031 TR# 000000000798111				6.00	
12/08	99343653	WIRE TRANSFER FEE TR# 025001				18.00	
12/08	99343656	WIRE TRANSFER TR# 025001				1,000.00	
12/08	99343655	DEPOSITED ITEM RETURNED ADV # 79 - 031 TR# 000000000798111				3,622.09	41,609.22
12/10		WIRE TRANSFER TR# 007330			10,000.00		
12/10		WIRE TRANSFER TR# 007851			625,000.00		
12/10	99345548	WIRE TRANSFER FEE TR# 020759				18.00	
12/10	99345550	WIRE TRANSFER FEE TR# 032328				18.00	
12/10	99345549	WIRE TRANSFER TR# 032328				30,000.00	

Account Activity continued on next page

CF21415:20000725004312:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 09:08:05 PM - Page 32 of

FIRST UNION

Lawyers Trust Iolta

002 2020000357100 003 130 0 35 . Replacement Statement 001

Other Withdrawals and Service Fees

Date	Amount	Description
6/05	5,000.00	INTL FUNDS TRANSFER (ADVICE 000605009361) SENT TO FIRST UNION BANK /ROYAL BANK OF SCO BNF=MR. SK MOSS RFB= AMT= 5000.00 CUR=USD RATE= REF= 06/05/00 01:33PM
6/30	0.74	IOLTA INTEREST TRANSFER
6/30	0.74	SERVICE CHARGE
Total	$5,001.48	

Service Fees

Description	Quantity	Amount	Total
OUTGOING FED WIRES	1	14.00	14.00
Total			$14.00
Total fees charged			$0.74
Total fees not charged			$13.26
Average balance			$968.78
Minimum balance			$302.12

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
06/05	302.12	06/30	302.12		

Senate Permanent Subcommittee
On Investigations
EXHIBIT #_____57m-1.__

Exhibit 57m-1.

KPJ Trust/Tiong documents

10

JOINT VENTURE AGREEMENT

Transaction Code:

Redacted Information in Subcommittee Files

This Agreement, made this 15th. Day of September of 1998, by and between:

I) **TUNG MING TIONG**, holder of Malaysian Passport No. [redacted], and with principal place of business is at 92 Taman Golfview, Jalan Duta, 88300 Luyang, Kota Kinabalu, Sabah, Malaysia, at (hereinafter called "Funder") **of the first part**; and

II) **KPJ TRUST S.A.**, represented by Michael Dibble, with British Passport No. [redacted], and/or assigns, and whose principal place of business is Emens Blvd., Dame Eugenia Charles Blvd. Bayfront, Roseau, Commonwealth of Dominica, (hereinafter called "Manager"), **of the second part.**

WITNESSES THAT:

WHEREAS the parties hereto have decided to pursue Joint Venture business activities, related to placement of funds in the amount of United States Dollars **ONE MILLION (US$ 1,000,000)**, (hereinafter the "Assets"), for their mutual benefits as set forth in this Agreement;

AND WHEREAS both parties to this agreement, FUNDER and MANAGER, represent and warrant, to have full and complete legal authority to enter into this Agreement;

AND WHEREAS the FUNDER represents and warrants, and MANAGER relies upon such representations and warranties by FUNDER, that:

* The Assets are under the sole control of the FUNDER;
* The Assets are now free and clear of liens or encumbrances of any kind;
* The Assets are clean, clear and non-criminal origin;
* The FUNDER desires to place the Assets in a Private Placement Profit Sharing Program (herein "Program") for the benefit of the Parties hereto as specified herein;

After the Program agrees to accept the Assets into the Program, and after approving all elements of the proposed placement of funds in a Program, FUNDER will cause the Assets to be entered into the Program in accordance with terms satisfactory to the parties hereto, and the PROGRAM.

AND WHEREAS MANAGER represents and warrants that he has the know-how, expertise, contacts and business relationships to arrange for the Assets to be considered by the Program for placement in said Program, subject to the approval of all terms and conditions thereof by FUNDER and MANAGER, and further subject to the successful completion of necessary due diligence by the Program.

JOINT VENTURE AGREMENT
Page – 2 -

AND WHEREAS the foregoing recital are by both parties hereto acknowledged as being binding upon them in the same way as if they had been set forth as covenants in this Agreement;

NOW THEREFORE, in consideration of the promises, undertakings and mutual covenants herein, and other good and valuable consideration, the sufficiency of which by both parties is hereby acknowledged, the parties hereto **AGREE AS FOLLOWS**:

TERMS AND CONDITIONS:

1. QUALITY AND SPECIFICATIONS:

1.0 The Assets consist of:

1.1 Cash on deposit: **ONE MILLION DOLLARS USD (US$ 1,000,000.00)**

1.2 Name of Bank: HONGKONG AND SHANGHAI BANKING CO

1.3 Address of Bank: SINGAPORE OFFICE

1.4 Bank Officer: MS. FLORENCE CHIA (phone # 65-530-5000 Ext. 5417)

1.5 Account Name: TUNG MING TIONG

1.6 Account Number: [redacted] and [redacted]

JOINT VENTURE RELATIONSHIP:

1.0 MANAGER and FUNDER will cooperate in applying for the entry of Assets into an acceptable Program requiring the Assets to be transferred for a period of 40 weeks only from the date of closing for the purposes of this transaction.

2.0 FUNDER covenants and agrees to promptly provide MANAGER and the PROGRAM bank with access to all relevant documents, banks and/or individuals to attest to and affirm FUNDER'S sole control over the assets, and the clean, clear, unencumbered, indisputable ownership of the assets, and of the non criminal origin of the Assets.

3.0 Trading profits from placement in the Program have been represented to the Owner of the Funds ("Funder) to be as follows: ONE HUNDRED FIFTY PERCENT (150%) during the duration of the program (40 weeks), which will be distributed on a monthly basis, during the term of the Contract.

Any guarantees of profits shall be by the Program's Bank in accordance with the Program Contract, and special instructions for payments of profits shall be lodged with MANAGER and the Program's Bank on or prior to closing.

4.0 Nothing herein shall be interpreted as constituting a partnership agreement between the parties hereto nor a guarantee of any particular profit level.

SPECIAL PROVISIONS:

1.0 If a situation arises requiring the parties to prepare and execute a supplemental agreement and/or addendum to clarify and/or amplify any matter not adequately dealt with herein, or which has been overlooked or inadvertently missed herein, then by mutual consent of both parties such supplemental agreement and/or addendum shall be prepared and executed.

2.0 This Agreement and/or any supplemental agreements and/or addenda, executed and transmitted by facsimile, shall be considered original documents.

TERM AND CLOSING DATE:

1.0 The Term of this Agreement shall be for the term of the Program, and any renewals or extensions thereof if the parties so agree.

2.0 The closing date hereof shall be the date of the acceptance of the Assets into the Program.

OTHER CONDITIONS:

1.0 The parties hereto are individually and separately liable and responsible for:

1.1 The payment of their own taxes, duties, local and/or national, which might be be levied against either of them during the term hereof;

JOINT VENTURE AGREMENT
Page – 4 -

1.2 The payment of any fees payable respectively to third parties with whom either party might have contracted.

2.0 In the case of any disagreement arising out of this Agreement, the parties shall submit this disagreement to an acceptable International Arbitration Committee for arbitration, and the parties agree to abide by any decision reached by such Arbitration Committee.

3.0 Any Notice required to be given hereunder shall be considered to have been received if the party giving such Notice transmits it by fax to the fax number provided by each party to the other for such purpose.

4.0 This Agreement initialed on each page by FUNDER and MANAGER, shall constitute the entire agreement between the parties. No verbal representation, warranties or statements by anyone shall have any force or effect whatsoever on this Agreement unless set forth in writing herein.

5.0 Generally recognized **INTERNATIONAL FORCE MAJEURE** exceptions and **INTERNATIONAL NON-CIRCUMVENTION** and **NON-DISCLOSURE** provisions specifically ICC (Paris, France) Rules and Regulations, updated amendments thereto, non-disclosure and non-circumvention clauses in their entirety without exception, for a term of five (5) years are hereby made a part hereof by reference, and shall apply hereto.

6.0 This Agreement shall inure to the benefit of and be binding upon the parties hereto and theirs respective nominees, representatives, successors and assigns.

IN WITNESS WHEREOF FUNDER and MANAGER have executed this Agreement, on the year and date first above-written.

FUNDER **MR. TIONG TUNG MING**
Malaysia

By: _____
Tiong Tung Ming
Passport No. [redacted]

WITNESS

By: _____
Please Print Name : JOSEPHINE delos REYES ARAMAS
Passport No. [redacted]

JOINT VENTURE AGREEMENT
Page – 5 -

MANAGER:

MR. MICHAEL DIBBLE
London, England

By: MDibble
Michael Dibble
Passport No. [redacted]

WITNESS

By: BJ Glencross
Please Print Name BJ GLENCROSS
Passport No. 006772864 UK

02 #### FT PROD #### FT INCOMING ####NORMAL MSG/ACCTG ENTRY####
{3100} Sender: 021001088 MARINE NYC {2000} Amount: $999,980.00
{3400} Receiver: 067010512 SECURITY N LAUDERD {3600} Bus Function Code: CTR
{1510} Type Code: 1000
{5000} Originator: TIONG TUNG MING

{6000} ORG to BNF Info: FFC101-011140-4 KPJ TR SA FVG TUNG
MING TIONG.TRN CODE:HP TMT 1(TIONG)

Redacted Information in Subcommittee Files

{5100} Originator's FI: [redacted]
HONGKONG SHANGHAI BANKING CORP LTD
GENERAL ACCOUNT
10 COLLYER QUAY 0101 OCEAN BUILDING
SINGAPORE 0104
{4200} Beneficiary: D042010140001
~~BRITISH TRADE AND COMMERCE BANK~~

{4320} Ref for BNF: TT AC0869804MNY
{6500} FI to FI Info: PLS CONFM VIA RET ADV OF YR UNDERTA
KING TO RET THE FUNDS TO THR HOME
AC UPON CMPTN OF THE ONE YR SVGS TE
RM ATTN 444 BRICKELL AVE
{6410} BNF Adv Info: TLX
{1520} IMAD: 19980921B1Q8984C000682
{3320} Sender Ref: 264IS71855500000
{1110} Timestamp: 09210912FT01
{1120} OMAD: 19980921F60C611C000002092109 12FT01
##############

C

4255
4255

96 1135 2388 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMBNS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 10
FROM 09/01/98 THRU 09/30/98

NUMBER OF ITEMS ENCLOSED: 1

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
09/18	TRADE & COMMERCE B WIRE 7457 [redacted]	195,000.00		50,000.00
09/21	WIRE 4252 [redacted]		6,018.75	56,018.75
09/21	WIRE 4251 [redacted]		190,748.58	246,767.33
09/21	WIRE 4257 [redacted]		400,000.00	646,767.33
09/21	WIRE 4255 TIONG TUNG MING		999,980.00	1,646,747.33
09/21	WIRE 4251 FEE	10.00		1,646,737.33
09/21	WIRE 4252 FEE	10.00		1,646,727.33
09/21	WIRE 4255 FEE	10.00		1,646,717.33
09/21	WIRE 4257 FEE	10.00		1,646,707.33
09/21	WIRE 7457 FEE 9/18/98	15.00		1,646,692.33
09/21	WIRE 7458 FEE 9/18/98	15.00		1,646,677.33
09/21	WIRE 7459 FEE 9/18/98	15.00		1,646,662.33
09/21	WIRE 7460 FEE 9/18/98	15.00		1,646,647.33
09/21	WIRE 7461 FEE 9/18/98	15.00		1,646,632.33
09/21	WIRE 7465 FEE	35.00		1,646,597.33

Redacted Information in Subcommittee Files

British Trade & Commerce Bank.
Licensed for Full Trust Business
Emera Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica,
PO Box 2042, Phone: (767) 448-6410 Fax: 448-6477;
e-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

The Manager
Hong Kong Shanghai Banking Corp.
10 Collyer Quay 0101
Ocean Building
Singapore 004
Sent via Fax #011-65-532-3660
Dear Sirs,

Please accept this letter as a confirmation of the receipt funds in the amount of USD$999,970 (net charges) from Ming Tung Tion in favor of KPJ S.A. (#101-011140-4) on 21st September 1998.

Please be advised that we duly undertake to return the above USD$999,970 to your bank on 21st September, 1999

Should there be any questions, please do not hesitate to contact us.

Regards,

George Betts
Vice President / Financial Comptroller

British Trade & Commerce Bank
BTCB
EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica. P.O Box: 2042

FAX COVER
Date: 09/22/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING TRANSFER FROM OUR ACCOUNT 0400101400-01.

UNITED BANK, RUSTENBURG, SOUTH AFRICA
BENEFICIARY: W. H. KEYSER
ACCOUNT NO.: 904-7360296, AMOUNT: USD$200,000
REF: K. P. J. TRUST S.A.

TEST KEY FOR ABOVE WIRES BASED ON USD$200,000 DATED SEPTEMBER 22, 1998 IS [redacted]

Redacted Information in Subcommittee Files

SINCERELY,

TEST KEY VERIFIED BY:
DATE: 9/22/98

GEORGE BETTS,
VICE PRESIDENT

Lincenced for Full Trust Business.

SECURITY BANK N.A.

OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

9 -22 - 98 DATE TIME: : AMOUNT $ 200 ,000 .00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

X INTERNATIONAL DEPARTMENT TIME (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: UNITED BANK

RECEIVING BANK'S "ABA" NUMBER: #

TEST CODE, IF ANY: #

STRIP CODE, IF APPLICABLE: #

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY:

CITY: RUSTENBURG STATE: COUNTRY: SOUTH AFRICA

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): W.H. KETSER

ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # [redacted]

TYPE OF ID, IF CURRIN: # NUMBER

ADDRESS (IF APPLICABLE) CITY STATE COUNTRY

FOR FURTHER CREDIT TO (NAME): # NUMBER

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER

SPECIAL INSTRUCTIONS, IF ANY: REF K.P.J. TRUST S.A.

#477

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	200 , 000 . 00
WIRE FEES	35 . 00
OTHER	
TOTAL AMOUNT $	200 , 035 . 00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

OFFICER APPROVING TRANSACTION

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.

[ ] NOTE:

[X] "ABA" BANK NUMBER HAS BEEN VERIFIED

[X] HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER:

WIRE DEPARTMENT USE ONLY

WIRE SENT BY: TELE

DATE WIRE SENT: 9/22/98

TIME WIRE SENT: HR

WIRE NUMBER [ ]: 74/79

VERIFIED BY:

Redacted Information in Subcommittee Files

2632

Redacted Information in Subcommittee Files

WT96

96 1135 2390 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 12
FROM 09/01/98 THRU 09/30/98

NUMBER OF ITEMS ENCLOSED: 1

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
09/22	TRADE & COMMERCE B WIRE 7479 W.H. KEYSER	200,000.00		50,000.00
09/23	AUTO TRANSFER FROM ACCOUNT 0010140002		51,350.00	101,350.00
09/23	WIRE 4278 [redacted]		3,500.00	104,850.00
09/23	WIRE 4278 FEE	10.00		104,840.00
09/23	WIRE 7495 FEE	15.00		104,825.00
09/23	WIRE 7496 FEE	15.00		104,810.00
09/23	WIRE 7496 [redacted]	4,810.00		100,000.00
09/23	WIRE 7495 [redacted]	50,000.00		50,000.00
09/24	WIRE 4293 [redacted]		500,000.00	550,000.00
09/24	WIRE 4293 FEE	10.00		549,990.00
09/24	AUTO TRANSFER TO ACCT.--0010140002	499,990.00		50,000.00
09/28	AUTO TRANSFER FROM ACCOUNT 0010140002		218,071.10	268,071.10
09/28	WIRE 4307 [redacted]		2,207.70	270,278.80
09/28	WIRE 4310 [redacted]		9,832.80	280,111.60
09/28	WIRE 4296		10,000.00	290,111.60

001

Independent Bankers' Bank of Florida
Foreign Wire Advice

Security Bank N.A.

We have credited your DDA account : [redacted]
$200,000.00

on: 9/28/98

Wire Description: WIRE RETURNED - BANK UNABLE TO LOCATE ACCOUNT

Please retain this advice to verify against your statement.

9/29 #7479

Redacted Information in Subcommittee Files

rf96

96 1135 2393 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 15
FROM 09/01/98 THRU 09/30/98

NUMBER OF ITEMS ENCLOSED: 1

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
09/28	WIRE 7523 [redacted]	47,000.00		203,000.00
09/28	WIRE 7511 TEMPLIER CAISSE SA	153,000.00		50,000.00
09/29	WIRE 7498 9/23/98 [redacted]		8,460.00	58,460.00
09/29	WIRE 4319 [redacted]		20,000.00	78,460.00
09/29	WIRE 7479 W.H. KEYSER		200,000.00	278,460.00
09/29	WIRE 4319 FEE	10.00		278,450.00
09/29	WIRE 7534 FEE	15.00		278,435.00
09/29	WIRE 7532 FEE	35.00		278,400.00
09/29	WIRE 7532 STEWART MOSS	1,591.38		276,808.62
09/29	WIRE 7534 [redacted]	24,990.00		251,818.62
09/29	AUTO TRANSFER TO ACCT.--0010140002	201,818.62		50,000.00
09/30	AUTO TRANSFER FROM ACCOUNT 0010140002		9,288.30	59,288.30
09/30	WIRE 7551 FEE	15.00		59,273.30
09/30	WIRE 7553 FEE	15.00		59,258.30
09/30	WIRE 7553 [redacted]	2,062.80		57,195.50

2634

Redacted Information in Subcommittee Files

British Trade & Commerce Bank

ENENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O Box 2042

FAX COVER
Date:01/14/99

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:
DEAR FERNANDO:
PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCOUNT 0400101400-01.

CHASE MANHATTAN BANK, BRANCH 14, NY
ABA#: 021-000-021
BENEFICIARY: MASTERCARD INTERNATIONAL
ACCOUNT NO.: [redacted], AMOUNT: USD$175,000
REF: RISK COLLATERAL - BTCB

JAN 1 4 1999 Wired

NATIONS BANK, ANNANDALE, VA. 22003
ABA# 051-000-017
BENEFICIARY: MARY C. BRAZIE
ACCOUNT NO.: [redacted], AMOUNT: USD$9,401.30
REF: C. BRAZIE PHONE (JULY – NOV'98); SUPPLIES & EXPENSE REIMB

ROYAL BANK OF SCOTLAND, 43 CURZON STREET, LONDON.
SORT CODE: 16-00-79
BENEFICIARY: R. J. ROETERS-VAN LENNEP C/O STEWART MOSS
6 GREAT NORTHWAY, LONDON, NM14JB
ACCOUNT NO.: [redacted], AMOUNT: USD$5,000
REF: C/O R. J. ROETERS-VAN LENNEP – K.P.J. TRUST S.A.

Redacted Information in Subcommittee Files

TEST KEY FOR ABOVE WIRES BASED ON USD$189,401 DATED JANUARY 14,1999 IS [redacted]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

SIGNATURE VERIFIED BY: [illegible]
DATE: 1/14/99

Lincenced for Full Trust Business.

96 1094 2339 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 6
FROM 01/01/99 THRU 01/31/99

NUMBER OF ITEMS ENCLOSED: 11

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
	[redacted]			
01/15	WIRE 6224 APS STEWART MOSS	2,314.62		104,366.30
01/15	WIRE 6227 [redacted]	2,365.00		102,001.30
01/15	WIRE 6235 MARY BRAZIE	3,100.00		98,901.30
01/15	WIRE 6234 RALPH HINES	4,000.00		94,901.30
01/15	WIRE 6225 RJ ROETE RS VAN LENNEP	5,000.00		89,901.30
01/15	WIRE 6222 [redacted]	6,000.00		83,901.30
01/15	WIRE 6237 MAVIS BETTS/LAVERN E	7,000.00		76,901.30
01/15	WIRE 6223 [redacted]	7,500.00		69,401.30
01/15	WIRE 6226 MARY C BRAZIE	9,401.30		60,000.00
01/15	WIRE 6234 RODOLFO REQUENA	10,000.00		50,000.00
01/19	WIRE 4956 [redacted]		10,000.00	60,000.00
01/19	WIRE 4956 FEE	10.00		59,990.00
01/19	AUTO TRANSFER TO ACCT.--0010140002	9,990.00		50,000.00
01/20	AUTO TRANSFER FROM		48,723.00	98,723.00

2636

Redacted Information in Subcommittee Files

TIONG TUNG MING
[redacted]
Sabah, Malaysia

Fax No : [redacted]
Tel No : [redacted]

Mr. Michael Dibble
Director
European Office
KPJ Trust S.A.
18 Lambolle Place
London NW3 4PG
Via Facsimile: 44-181-205-3848 & Registered Post

Redacted Information in Subcommittee Files

Messrs George Betts & Charles L. Brazie
British Trade & Commerce Bank
Emens Building, dame Eugene Charles Blvd.
Bayfront, Roseau
Commonwealth of Domenica
Via Facsimile : 1-767-448-6477 & Registered Post

Branch Manager
Security Bank N.A.
444 Brickell Avenue
Miami, Florida 33131 USA
Via Facsimile : 1-305-374-4207 & Registered Post

Gentlemen: February 22, 1999

Re : Account with Security Bank N A.
No : 101-011140-4 (KPJ Trust S.A.)

Pursuant to a joint venture Agreement between me and KPJ Trust S.A. dated September 15, 1998, on September 1998 a transfer of US $ 1 million was made from my account at Hongkong & Shanghai Banking Corporation (HKSBC) in Singapore to my sub-account, with PKJ Trust S.A.held with the British Trade & Commerce Bank account, at the Security Bank N.A., Miami, Florida.

The HCSBC noted in the said transfer, that the funds were to be retained conditional upon an undertaking by the receiving bank, that is the Security Bank, to return the same a year later.

On a fax letter without an issue date from Mr. George Betts Vice President and Financial Controller of BTCB to the manager of the HCSBC, transmitted on October 7, 1998, the

September 21, 1998 was noted. However this undertaking was not issued by the Security Bank or acknowledged by them.

In accordance with the aforementioned Agreement, monthly or periodic reports were to be issued on the investment value of the account and the reported profits be distributed forthwith.

As of January 26, 1999, having received no statement on the status of the account a letter request for the immediate return of funds were issued to KPJ Trust S.A.. This request as of this date, has not been executed and as result the parties involved are not only in breach of Agreement but of their fiduciary duty as enabled by their licencing and or regulatory authorities, which by copy of this letter this matter is brought to their attention for corrective action.

Furthermore, the investment funds and the earned profits are hereby requested to be returned to the account on record, immediately and in any case not later than three international business days from to date, failing which the law enforcement authorities in the Commonwealth of Dominica, USA and UK will be dully notified.

Yours truly,

Tung Ming Tiong

cc: **Ms. L. Mignon Wade**
Senior Director- Bank Supervision
Eastern Carribean Central Bank
P.O. Box 89 Bassetterre, St. Kitts, West Indies
Via Facsimile : 1-869-465-5614 & Registered Post

Ms. Lucilla Lewis
Manager, International Business Unit
Ministry of Finance, Industry and Planning
Government Headquarters
Kennedy Avenue Roseau, Commonwealth of Dominica
Via Facsimile : 1-767-448-0054 & Registered Post

National Banks Office of the Comptroller of the Currency
245 Peach St. Centre Ave. NE
Suite 600 Marquis One Tower Atlanta, GA 30303
Via Facsimile : 1-713-336-4301 & Registered Post

Mr. Richard Farrant
Managing Director
The Financial Services Authority (FSA)
25 The North Colonnade Canary Wharf, London E14 5HS

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

February 25, 1999

Mr. Fernando Gonzalez
Security Bank N.A.
444 Brickell Ave.
Miami, Fl. 33131

Dear Mr. Gonzalez:

We are in receipt of a letter from a Mr. Tiong Tung Ming in which he made certain allegations with regard to funds transferred to our account with your Bank and indicated that he thought his account was with Security Bank.

Please be advised that we have written to Mr. Tiong Tung Ming to clarify his relationship with our Bank, copies of which have been furnished to you. This is to advise you that as far as British Trade and Commerce Bank is concerned your institution has nothing to do with this matter and as our correspondence has indicated, we are seeking a complete retraction from Mr. Tiong Tung Ming with regard to his allegations.

Please do not hesitate to contact me if you have any further questions.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

British Trade & Commerce Bank
Licensed for Full Trust Business
Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph.:(767) 448-6410 Fax:(767) 448-6477
E-Mail: btcbank@cwdom.dm SWIFT: BTCB DM DM

February 25, 1999

KPJ TRUST S.A.
EMENS BLDG.
Dame Eugenia Charles Boulevard
Roseau, Commonwealth of Dominica
Attn. Michael Dibble / Fax: 011-44-181-203-7571

Gentlemen:

In spite of our letter of February 22, 1999 responding to your request, we are in receipt of two (2) letters from a Tiong Tung Ming which have been circulated to a number of other entities.

It would appear that said individual may have a client relationship with KPJ Trust S.A., but Tiong Tung Ming is not known to British Trade & Commerce Bank and obviously has no client relationship with our Bank. We must insist that you officially inform Mr. Tiong Tung Ming:

1. That the funds you have placed on deposit with British Trade & Commerce Bank remain on deposit and are secure, as indicated by the account statements provided to you;

2. That he has no client relationship, whatsoever, with British Trade & Commerce Bank and that we are prohibited from responding to any of his concerns or inquiries; and

3. That he must issue an immediate letter stating that he has no client relationship with British Trade & Commerce Bank and retracting his implications and allegations regarding British Trade & Commerce Bank in those two letters.

We are most disturbed by the letters written by this individual and the implications that British Trade & Commerce Bank has not performed in accordance with banking standards. Your very clear and strongly written letter and his subsequent retraction letter must be circulated to all the parties to whom Tiong Tung Ming has transmitted the above referenced two (2) letters.

We trust that our position in this matter is clearly understood and we expect KPJ Trust S.A. to, immediately, resolve these issues to our satisfaction. Failing this, we will have no choice but to seek full recourse as provided under contract and law.

Sincerely,

Rodolfo Requena Perez
President

George E. Betts
Executive Vice President

TIONG TUNG MING
[redacted]
Sabah, Malaysia

Fax No. [redacted]
Tel No : [redacted]

Mr. Michael Dibble
Director
European Office
KPJ Trust S.A.
18 Lambolle Place
London NW3 4PG
Via Facsimile : 44-181-205-3848 & Registered Post

Redacted Information in Subcommittee Files

Messieurs George Betts & Charles L. Brazle
British Trade & Commerce Bank
Emens Building, dame Eugene Charles Blvd.
Bayfront, Roseau
Commonwealth of Dominica
Via Facsimile : 1-767-448-6477 & Registered Post

Branch Manager
Security Bank N.A.
444 Brickell Avenue
Miami, Florida 33131 USA
Via Facsimile : 1-305-374-4207 & Registered Post

Gentlemen:

February 27, 1999

Re: Account with Security Bank N.A.
No : 101-011140-4 (KPJ Trust S.A.)

This acknowledges receipt of a letter from G. Betts & R. R. Parez of British Trade and Commerce Bank (BTCB) to KPJ Trust S.A. dated February 25, 1999, drafted in response, to quote BTCB's said letter, "Two (2) letters from a Tiong Tung Ming" who "may have a relationship with KPJ Trust S.A." but "is not known to British Trade & Commerce".

For the record:

1. In the Agreement dated September 1998, between me and KPJ Trust S.A., giving rise to the transfer of the said funds to the KPJ Trust S.A. account with the PROGRAM Bank, the latter being the British Trade & Commerce Bank as evidenced by the attachment to the said contract stating the "Banking Coordinates for the Transfer of Funds" and confirmed by the transfer of said funds.

2. G. Betts in a letter to the Hong Kong Shanghai Banking Corp. Transmitted on October 7, 1998, acknowledges receipt of funds in the amount of US $999,970 from Mr. Tung Ming Tiong for the account of KPJ Trust S.A. (#101-011140-4), at the Security Bank N.A. and undertakes to return the same back to Mr. Tiong's account on September 21, 1999.

   For Mr. Betts to state that "this individual" that is me, Mr. Tiong, " is not known to British Trade & Commerce Bank" is untrue and a spurious attempt to deny BTCB's custodial duties, to unsuspecting parties who are not familiar with the facts, as well as mask BTCB's contractual duties in their capacity as the private placement Program Bank.

3. The request in the above letter for me "to issue an immediate letter stating that (I have) no client relationship with British Trade and Commerce Bank and retracting (my) implications and allegations regarding British Trade & Commerce Bank in those two letters" amounts to asking me to make untrue statements and release my right to my funds and my right to demand their return.

Please note that as of this writing:

a. I have not received nay advise that my funds have been returned,

b. I have not received a statement on the status and investment value on my account, and

c. I have not received any specific reference to a clause of a contract I have executed which prohibits me from demanding the value in my account, the payment of the earned investment profits or the return of my funds in their absence.

I would like to stress, that this letter, as well as, my letters of February 22, 1999 and February 23, 1999 are written for no improper purpose, and in my sole interest to recover my asset as of my letter request January 26, 1999, to which I received no reply till your response to my letter of February 22, 1999, dated the same date which did not address my demand.

It is with great dismay that I find myself with no explanation as to my above noted points (a), (b), and (c).

By copy of this and my last two letters to the parties below I simply ask them in the performance of their function to establish the answers to the above points. Such answers are in the interest of the very purpose of their function. To re-iterate, my request is for no improper purpose.

Your Truly

Tiong Tung Ming

cc. **Ms. L. Mignon Wade**
Senior Director-Bank Supervision
Eastern Caribbean Central Bank
P.O. Box 89 Basseterre, St. Kitts, West Indies
Via Facsimile : 1-869-465-5614 & Registered Post

Ms. Lucilla Lewis
Manager, International Business Unit
Ministry of Finance, Industry and Planning
Government Headquarters
Kennedy Avenue Roseau, Commonwealth of Dominica
Via Facsimile : 1-767-448-0054 & Registered Post

National Banks Office of the Comptroller of the Curren
245 Peach St. Centre Ave. NE
Suite 600 Marquis One Tower Atlanta, GA 30303
Via Facsimile : 1-713-336-4301 & Registered Post

Mr. Richard Farrant
Managing Director
The Financial Services Authority (FSA)
25 The North Colonnade Canary Wharf, London E14 5HS
Via Facsimile : 44-171-676-1099 & Registered Post

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emans Bldg., Dame Eugenia Charles Blvd. Bayfront.
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

March 15, 1999

Mr. Tiong Tung Ming
[redacted]
Sabah, Malaysia

Sent via fax: [redacted]

Redacted Information in Subcommittee Files

Dear Sir:

I am in receipt of your latest letter of February 27, 1999 and wish to provide you with more details to explain the status of your account with our Bank.

You are correct when you state that we confirmed to Hong Kong Shanghai Banking Corp. that the transfer of $999,970 would be held in the account of KPJ Trust S.A. for one year and would be returned on September 21, 1999. That is true and will happen. I wish to point out that the account of KPJ Trust S.A. is with British Trade & Commerce Bank and not with Security Bank N.A. The funds were merely wired to us through Security Bank. KPJ Trust does not have any account relationship with Security Bank nor does Security Bank have any knowledge of any confirmation to Hong Kong Shanghai Banking Corp. Therefore, please do not send copies of any further correspondence to them since they are not involved, nor should they be. I would now like to explain the details of your account and how the banking relationship functions with respect to KPJ Trust S.A.

Under the Dominican banking laws, our client is KPJ Trust and we can only take instruction from the person(s) authorized to act on behalf of KPJ Trust. I have reviewed our file and do not find any authorization to provide you with information. All information regarding the account is supplied to the authorized representatives, hence the comment from Mr. Perez and I that we do not have a client relationship with you. It is against the law for the Bank or any of its' Officers, Directors or Employees to provide any information to anyone with regard to any affairs or activities of any Bank clients. As a matter of fact, I am only writing to you because Mr. Dibble has given me express permission to do so.

We have furnished Mr. Dibble with updates on the account and continue to do so on a regular basis. If you wish to have the same updates please have Mr. Dibble authorize us to provide you with the same information we give him or anything else you may desire. We are not trying to keep information from anyone, just to comply with the laws of Dominica.

The funds of KPJ Trust are fully invested under our Managed Accounts Contract with them and under the terms of that contract any early withdrawal will forego any earnings and profits.

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

If KPJ Trust elects to withdraw its' funds then have them advise us and we will promptly terminate the Managed Account contract and return the funds.

Our Bank is not trying to keep anything from the persons who have a legal right to know and act. However, we must be careful to operate within the laws of Dominica for the protection of all concerned.

I hope this clarifies the situation for you. Please contact Mr. Dibble if you wish to change the arrangement KPJ Trust has with our Bank.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

Cc: By fax to following:

Fernando Gonzalez
Comptroller
Security Bank N.A.
444 Brickell Ave.
Miami, Fl. 33131
Fax: 305-374-4207

National Banks Office of the

of the Currency
245 Peach St.
Atlanta, Ga.
Fax: 713-336-4301

Ms. L. Mignon Wade
Senior Director-Bank Supervision
Eastern Caribbean Central Bank
St. Kitts

Fax: 869-465-5614

Mr. Richard Farrant
Managing Director
The Financial Services Authority
London E145HS
Fax: 44-171-676-1099

Ms. Lucilla Lewis
Manager, International Business Unit
Ministry of Finance, Industry and Planning
Government Headquarters
Roseau, Commonwealth of Dominica
Fax: 767-446-0054

Mr. Michael Dibble
KPJ Trust S.A.
London NW34PG
Fax: 44-181-205-3848

TIONG TUNG MING
[redacted]
Sabah, Malaysia

Fax No. : [redacted]
Tel No : [redacted]

Mr. Michael Dibble
Director
European Office
KPJ Trust S.A.
18 Lambolle Place
London NW3 4PG
Via Facsimile : 44-181-205-3848 & Registered Post

Redacted Information
in Subcommittee Files

Messieurs George Betts & Charles L. Brazie
British Trade & Commerce Bank
Pincrs Building, dame Eugene Charles Blvd.
Bayfront, Roseau
Commonwealth of Dominica
Via Facsimile : 1-767-448-6477 & Registered Post

Branch Manager
Security Bank N.A.
444 Brickell Avenue
Miami, Florida 33131 USA
Via Facsimile : 1-305-374-4207 & Registered Post

Gentlemen

March 16, 1999

Re: Account with Security Bank N.A.
No : 101-011140-4 (KPJ Trust S.A.)

I acknowledges receipt of a letter from G. Betts of British Trade and Commerce Bank (BTCB) to me dated March 15, 1999 and note:

1. When the funds were transferred to Security Bank N.A. it was so noted on the wire transfer that they were to be retained upon the receiving bank's undertaking to return them at their anniversary. Such undertaking was to be issued by the Security Bank N.A. on behalf of their client KPJ Trust and BTCB, such undertaking was issued belatedly from BTCB and not from the Security Bank N.A.

2. My agreement with KPJ Trust S.A. obligates the latter to pay and hence report the earned yields on the account, monthly. I have yet to receive any monthly yields or their reports and we are currently in the sixth month of the contract.

3. My funds were received:

by the Security Bank N.A. subject to them, on behalf of their beneficiary (BTCB) undertake to return them to the sending bank, the Hong Kong and Shanghai Banking Corp., at their anniversary;

for my account with:

KPJ Trust S.A. under my contract dated September 15,1998,

and benefit of BTCB:

under their invitation to manage the funds under contract to KPJ Trust S.A., which, I understand, is not yet drafted.

I trust this clarifies our relationship.

4. There is no restriction in my contract with KPJ Trust S.A.:

a. forbidding the recall of my capital during the course of the contract with any penalties, or the

b. forfeiting my earned profits as penalty for recalling my capital.

5. The claimed Managed Accounts Contract between KPJ Trust S.A. and BTCB is not privy to me and if such contract exacts restrictions without my consent on my funds outside the terms of my contract with KPJ Trust S.A. this constitutes unauthorized action and a flagrant abuse of entrusted assets, fraudulent misrepresentations and gross negligence and shall be deemed as basis for civil liability in addition to any criminal penalties that ought to be brought by the authorities.

Once more, I demand the return of my capital forthwith, together with interest and earned profits. In the alternative, I demand a statement of earned interest and profits and the payment of same to me forthwith and full disclosure of all undertakings and obligations which my funds are encumbered by.

Please govern yourselves accordingly.

Your Truly

Tiong Tung Ming

cc. **Ms. L. Mignon Wade**
Senior Director-Bank Supervision
Eastern Caribbean Central Bank
P.O. Box 89 Basseterre, St. Kitts, West Indies
Via Facsimile : 1-869-465-5614 & Registered Post

Ms. Lucilla Lewis
Manager, International Business Unit
Ministry of Finance, Industry and Planning
Government Headquarters
Kennedy Avenue Roseau, Commonwealth of Dominica
Via Facsimile : 1-767-448-0054 & Registered Post

National Banks Office of the Comptroller of the Currency
245 Peach St. Centre Ave. NE
Suite 600 Marquis One Tower Atlanta, GA 30303
Via Facsimile : 1-713-336-4301 & Registered Post

Mr. Richard Farrant
Managing Director
The Financial Services Authority (FSA)
25 The North Colonnade Canary Wharf, London E14 5HS
Via Facsimile : 44-171-676-1099 & Registered Post

RODD R. BUELL
ATTORNEY AT LAW
A PROFESSIONAL ASSOCIATION

MIRACLE PLAZA BUILDING
2355 SALZEDO STREET, SUITE 202
CORAL GABLES, FLORIDA 33134-5035

TELEPHONE (305) 443-1997
TELEPHONE (305) 448-1991
FACSIMILE (305) 448-0994
E-MAIL: BUELLLAW@AOL.COM

VIA FAX: [redacted]

March 17, 1999

Mr. Tiong Tung Ming
[redacted]
Sabah, Malaysia

Re: Security Bank, N.A.

Dear Mr. Ming:

Please be advised that I represent Security Bank, N.A., and have received your correspondence of February 22, 1999, and February 23, 1999 addressed to KPJ. Trust, S.A., British Trade and Commerce Bank, and Security Bank, N.A.

Please be advised that no undertaking existed, as stated in your correspondence, on behalf of Security Bank to retain or return funds to you. Security Bank had no relationship with you nor with KPJ Trust, but merely maintained a checking account for British Trade and Commerce Bank. Pursuant to wire transfer, Security Bank received from Hong Kong Shanghai Banking Corporation Ltd. funds in the amount of $999,980.00 for credit to the account of British Trade and Commerce Bank.

Please be advised that Security Bank has never maintained an account in your name, and the account information you provide in your correspondence is not a Security Bank account number.

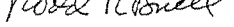
Redacted Information in Subcommittee Files

Security Bank specifically rejects any suggestion that it undertook to hold, maintain or otherwise deal with these funds other than to receive them through the above referenced wire transfer and credit such funds to the account of British Trade and Commerce Bank.

Furthermore, we have received advices from British Trade and Commerce Bank with respect to their request of February 25, 1999, to you for a complete retraction of your allegations, and we would join in the same in so far as it pertains to Security Bank, N.A.

British Trade and Commerce bank has further advised that Security Bank has "nothing to do with this matter" between you and KPJ Trust. On March 15, 1999, you were further advised by British Trade and Commerce Bank that KPJ Trust has no account relationship with Security Bank, "nor does Security Bank have any knowledge of any confirmation to Hong Kong Shanghai Banking Corporation. Therefore, please do not send copies of any further correspondence to them since they are not involved, nor should they be" (see enclosed letter of March 15, 1999).

Very truly yours,



Rodd R. Buell, P.A.

RRB/dh

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica,
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBDMDM

March 20, 1999

Mr. Tiong Tung Ming
[redacted]
Sabah, Malaysia

Sent via fax: [redacted]

Dear Sir;

I am in receipt of your letter of March 16, 1999 and can only repeat what I stated in my letter of March 15, 1999. Under the Banking Laws of Dominica I am not at liberty to discuss any affairs of our clients except with the authorized signatories on the account. Also, I must remind you that the account 101-11140-4 is with British Trade & Commerce Bank and not with Security Bank N.A. as I stated in my letter of March 15, 1999.

In order to put this matter to rest I suggest you contact Mr. Dibble and ask him to contact us to provide you with any information he thinks you are entitled to receive or he can authorize you to be a signatory on the account at which time we will make all the information available to you.

As I indicated before British Trade & Commerce Bank is under contract with KPJ Trust S.A. for the management of their funds and all our contacts and dealings are with the authorized representatives of KPJ Trust. It must remain that way because of the laws of Dominica relating to financial institutions.

Sincerely,
For and on behalf of
British Trade & Commerce Bank

George E. Betts
Executive Vice President

Redacted Information in Subcommittee Files

Cc: Attached List

Mar-22-99 10:29A BT&C Bank/Trust

British Trade & Commerce Bank.
Licensed for Full Trust Business.

Emens Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica.
PO Box 2042. Phone: (767) 448-6410 Fax: 448-6477
E-mail: btcbank@cwdom.dm - SWIFT: BTCBCMDM

Mr. Michael Dibble
Director
European Office
KPJ Trust S.A.
18 Lambolle Place
London NW3 4PG
Fax: 011-44-181-205-3848

Mr. Fernando Gonzalez
Security Bank N.A.
444 Brickell Ave.
Miami, Fl. 33131
Fax: 1-305-374-4207

Ms. Mignon Wade
Senior Director-Bank Supervision
Eastern Caribbean Central Bank
P.O. Box 89, Bassetterre, St. Kitts, W.I.
Fax: 1-869-465-5614

Ms. Lucilla Lewis
Manager, International Business Unit
Ministry of Finance, Industry and Planning
Government Headquarters, Kennedy Ave.
Roseau, Commonwealth of Dominica
Fax: 1-767-448-0054

National Banks Office of the Comptroller of the Currency
245 Peach St. Centre Ave. NE
Suite 600, Marquis One Tower
Atlanta, Ga. 30303
Fax: 1-713-336-4301

Mr. Richard Farrant
Managing Director
The Financial Services Authority
25 The North Colonnade Canary Wharf
London E14 5HS
Fax: 011-44-171-676-1099

KPJ TRUST S.A.
Emens Bldg.Dame Eugenia
Charles Blvd Bay Front Roseau
Commonwealth of Dominica.

British Trade & Commonwealth Bank
Roseau Commonwealth of Dominica
BY FAX 001767 448 6477

May 10 1999

Gentlemen,

RE: RETURN OF FUNDS PRIOR TO TERM OF DEPOSIT

The comments in the letter of April 26 ,1999 signed by Charles L Brazier Ph.D your Vice President-Managed Accounts were duly noted and considered. Therefore, time was given for the profits and payment schedule to be evidenced in order that our position and that of Mr Tiong could be reviewed.

However, two weeks after this letter and a week later for the profits and payments schedule to be advised, nothing at all has materialized, not even the courtesy of a letter to explain the delay.

There can now be no possible excuse or reason for this company or Mr Tung Ming Tiong to give any undertaking to release your Bank against all and any claims for Profits or liabilities. Eight months is a very long time in a financial transaction for nothing to happen. The creditability and capability of those alleging its viability becomes questionable.

That he is to wait for other entities to commit their Funds to Global Investment SA and also release The British Trade & Commerce Bank from any obligation before he can receive his funds is unacceptable.

This is not our problem. Our relationship is with the British Trade & Commerce Bank and not Global Investment SA. It is of great concern that the Bank cannot return Mr Tiongs funds immediately from other sources.

Subsequent demands have been ignored in the past for the return of Mr Tiongs Funds. Whatever the reasons maybe for this they will not be tolerated now. It is insisted that a degree of courtesy and respect be given for the immediate return of his Funds without any further delay. If not returned immediately he reserves the right to take any necessary steps to recover his Funds.

Yours truly,

Michael Dibble

British Trade & Commerce Bank.
Licensed for Full Trust Business
Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph.:(767) 448-6410 Fax:(767) 448-6477
E-Mail: btcbank@cwdom.dm SWIFT: BTCB DM DM

May 11, 1999

KPJ TRUST S.A.
EMENS BLDG.
Roseau, Commonwealth of Dominica
Attn. Michael Dibble
Fax: 011-44-181-205-3848

Re: Your Letter of Today regarding of funds prior to the one (1) year term of deposit with our Bank

Gentlemen:

We have reviewed today's letter, regarding your request for remittance of the referenced funds. As we discussed previously, please be advised as follows:

1. We understand that you wish to request return of those funds premature to completion of the term of the Cooperative Venture Agreement. Your funds will be made available for release, as soon as we receive additional funds from other entities and those are committed to Global Investment Fund S.A. to replace your funds.

2. If earnings have not yet been disbursed to Global Investment Fund S.A. from such investment program prior to such replacement, **those replacement funds will then assume the full participation position of the referenced funds, including all earnings participation in such investment program.**

3. If earnings have been disbursed to Global Investment Fund S.A. from such investment program prior to such replacement, **those replacement funds will then assume the participation position of the referenced funds from the time of such replacement, including the subsequent earnings participation in such investment program.**

4. Regardless of the above, these funds will not be reverted prior to the one year term, **unless and until we receive a complete release against any and all claims for any earnings or liabilities, including subsequent earnings, signed by yourself and Mr. Tiong Tung Ming, prior to our remittance of such principal funds. That we will be happy to revert those funds upon completion of these conditions, is a gross understatement.**

5. We remind all parties that the Cooperative Venture Agreement, in accordance with appropriate law, is a best efforts profit sharing agreement and does not stipulate any minimum earnings rate nor any periodic return. If other agreements were executed between parties, they do not involve or commit British Trade & Commerce Bank.

6. In accord with our standard Cooperative Venture Agreements, in addition to responding to specific client inquiries or requests for account statements, British Trade & Commerce Bank provides all Managed Account Clients written reports on earnings as they are realized.

We trust that our position in this matter is clearly understood and we will proceed as above and advise you of status.

Sincerely,

Charles L. Brazie

Charles L. Brazie, Ph.D.
Vice President - Managed Accounts

cc: Michael Bruney, Attorney-at-Law

KPJ TRUST S.A.

Emens Bldg. Dame Eugenia
Charles Blvd Bay Front Roseau
Commonwealth of Dominica

Sam Soh
RBC GROUP USA
BY FAX [redacted]

May 21 1999

Dear Sam Soh

TUNG MING TIONG $USD1MILLION

Please find attached last communications sent to and received from Dr Chuck Brazie. As expected no courtesy or proper and correct communication. As stated on the telephone we are using present and past relationships to have the activities of Global Investment SA and Chuck Brazie investigated.

This activity is informal until we are aware of all the facts. When we know what they are will take the necessary actions with your guidance and Mr Tiongs approval.

Since Rosemarie is already in the United States she will talk direct with a major Fed Officer who has just recently retired whose connections are impeccable and others who have volunteered to assist.

Will keep you informed of all developments but unfortunately we do not know the time frame this will take but it will not be unreasonable.

Yours most sincerely,

Michael Dibble

Redacted Information in Subcommittee Files

FAX COVER

To: Rosemarie Roeters Van Lennep

Fax Number : 1-303-394-1127

R B C Group USA Inc.
549 N. Goldenrod Rd.
Suite 12
Orlando, FL 32807

TEL: 407-381-0669 FAX: 407-380-9574
Email: samsoh@k2services.com

Subject : BTCB / KPJ Trust's contract with Mr. Tiong

Pages including cover page: 1 Date : 10/14/99 Time : 8:08:38 AM

Dear Ms. Rosemarie,

Thank you for calling me on Tuesday to inform us that the Transaction for Mr. Tiong has been completed as of last Friday (Oct. 8, 99) that Mr. Tiong shall receive his investment capital along with profit by Wednesday (Oct. 13, 99).

It is another disappointment promised by BTCB, here is a brief history of promised made and broken by BTCB and its associates:

10/7/98 Mr. George Betts made the statement to HSBC that BTCB acknowledge recedived Mr. Tiong's fund on Sept. 21, 1998 and that BTCB duly undertake to return Mr. Tiong's fund on Sept. 21, 1999.
3/15/99 Mr. George Betts re-iterate the statement to Mr. Tiong that his fund will be returned on Sept. 21. 1999. and stated that is true and will happen.
9/21/99 Nothing happened.
10/6/99 I called and talked to Mr. George Betts; he told me that the transaction has completed and Mr. Tiong's fund will be returned by Friday (10/8/99), Mr. Tiong will receive the confirmation of wire transfer.
10/8/99 Nothing happened.
10/11/99 I called to Mr. George Betts left message to the secretary of Mr. George Betts to return my call regarding to Mr. Tiong's fund.
10/12/99 Ms. Rosemarie called and assured me that Mr. Tiong's fund is safe and the transaction was completed as last Friday. Mr. Tiong's capital and profit will be wired back by Wednesday (10/13/99).

10/13/99 Nothing happened again.

We demand an open and detail explanation on paper from KPJ Trust / BTCB to Mr. Tiong why this happened and what is the remedy has been taken by KPJ Trust / BTCB.

Sincerely,

Samuel Soh

08-05-99 10:24 FAX 3990 16071 SECURITY BANK NA 005/014

[redacted] 08/05/99 11:21 TX/RX NO.4239 P.001

Aug-05-99 10:40A BT&C Bank/Trust (757) 448-6477 P.01

British Trade & Commerce Bank

Street: Bldg. Dame Kapenta Chukka Blvd. Bayfront Avenue, Commonwealth of Dominica
P.O. Box 2062 Phone (757) 440-6410 Fax: 448-6477

Date: 08/05/99

Fax Cover Sheet

To:	FERNANDO GONZALEZ	From:	GEORGE BETTS
Company:	SECURITY BANK N.A.	Department:	FINANCE
Fax:	1-305-374-2307	Pages:	ONE
Telephone:	1-305-375-5703	Ref:	FUND TRANSFERS

Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

DEAR FERNANDO:
PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCOUNT 000-01

Redacted Information in Subcommittee Files

WELLS FARGO BANK, 633 17th STREET, DENVER, COLORADO
ABA# 121-000-248
BENEFICIARY: R. KOEYERS VAN LENIEP
ACCOUNT NO.: 090-040-4871 USD225,000.00
REF: E.T.J. TRUST S.A.

TEST KEY TO LARGOVE WIRES BASED ON USD6255.208.60 DATED AUGUST 5, 1999 IS [redacted]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

Licensed for Full Trust Business

08-05-99 THU 11:18 P.01

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
SMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 4
FROM 08/01/99 THRU 08/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
	O W			
08/05	OT908050004	18,000.00		300,135.00
	O W			
08/05	OT908050008	25,000.00		275,135.00
	O W			
08/05	OT908050009	25,000.00		250,135.00
	O W			
08/05	OT908050003	200,000.00		50,135.00
	O W			
08/05	IN908050001	10.00		50,125.00
	W /F			
08/05	IN908050008	10.00		50,115.00
	W /F			
08/05	IN908050004	10.00		50,105.00
	W /F			
08/05	OT908050003	15.00		50,090.00
	W /F			
08/05	OT908050004	15.00		50,075.00
	W /F			
08/05	OT908050005	15.00		50,060.00
	W /F			
08/05	OT908050006	15.00		50,045.00
	W /F			
08/05	OT908050007	15.00		50,030.00
	W /F			
08/05	OT908050008	15.00		50,015.00
	W /F			

2659

British Trade & Commerce Bank
Emera Bldg., Dame Eugenia Charles Blvd, Bayfront Roseau,
Commonwealth of Dominica
P.O. Box 2042 Phone: (767) 448-8410 Fax: 448-8477

Date: 10/14/99

Fax Cover Sheet

To:	ROSEMARIE VAN LENNEP	From:	GEORGE BETTS
Company:	KPJ TRUST	Department:	
Fax:	303-394-1257	Pages:	1
Phone:		Ref:	

Confidentiality Caution: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

COMMENTS:

DEAR ROSEMARIE:

THANK YOU FOR FORWARDING ME A COPY OF MR. SOH'S FAX TO YOU REGARDING MR. TIONG'S FUNDS IN KPJ TRUST.
MR. SOH HAS QUITE ACCURATELY INDICATED DATES AND EVENTS THAT HAVE TAKEN PLACE OVER THE LAST YEAR.
WE WERE QUITE PREPARED TO SEND THE FUNDS TO MR. TIONG ON 10/6/99 WHEN I TALKED WITH MR. SOH. HOWEVER, AFTER TALKING TO HIM WE DECIDED TO TALK WITH YOU AND HAVE YOU DISCUSS THE SITUATION WITH MR. SOH TO SEE IF MR. SOH AND MR TIONG WOULD LIKE TO BEAR WITH US FOR A FEW DAYS TO TRY AND GET HIM EARNINGS ON HIS INVESTMENT. AS YOU ARE AWARE THE FUNDS ARE BLOCKED IN THE ACCOUNT FOR THE INVESTMENT AND IF WE RETURN THEM THEN WE HAVE TO REPLACE THEM WITH OTHER FUNDS AND MR. TIONG WILL NOT RECEIVE THE EARNINGS, THE REPLACEMENT FUNDS WILL. WE DIDN'T WANT TO DO THAT SINCE WE WANTED MR. TIONG TO RECEIVE HIS EARNINGS.

FORTUNATELY, MR. SOH AGREED TO LEAVE THE FUNDS FOR A FEW DAYS SO THE EARNINGS WILL BE PAID TO MR. TIONG. THE PROBLEM WE FACE AND CONTINUE TO FACE IS THAT IT IS NOT POSSIBLE TO GIVE AN EXACT DATE WHEN THE EARNINGS WILL BE AVAILABLE. THE INVESTMENT MANAGER HAS TOLD US THAT EVERYTHING IS ALL RIGHT AND THAT IT IS JUST A QUESTION OF A SHORT TIME WHEN THE RETURNS WILL BE PAID. PLEASE CONVEY TO MR. SOH THAT AS SOON AS WE HAVE A CONCRETE

October 14, 1999

DATE WE WILL NOTIFY YOU SO YOU CAN NOTIFY HIM. AS WE HAVE BEEN TOLD THE DATE IS IMMINENT AND SHOULD BE WITHIN A FEW DAYS.

WE ARE SORRY WE CANNOT BE MORE PRECISE BUT THE SITUATION IS NOT IN THE CONTROL OF THE BANK AND WE CAN ONLY PASS ON THE INFORMATION THAT IS GIVEN TO US. PLEASE REASSURE MR. SOH AND MR. TIONG THAT THEIR FUNDS ARE BLOCKED IN THE INVESTMENT ACCOUNT AND ARE FULLY COMMITTED TO THE INVESTMENT AND ARE TOTALLY SECURE AND UNDER THE CONTROL OF THE BANK. PLEASE ALSO CONVEY THAT WE ARE SURE THEY WILL BE PLEASED WITH THEIR RETURN FOR THE LAST YEAR.

SINCERELY,

GEORGE BETTS

• Page Error! Unknown switch argument.

FAX COVER

To: Rosemarie Roeters Van Lennep

Fax Number : 1-303-394-1127

R B C Group USA Inc.
549 N. Goldenrod Rd.
Suite 12
Orlando, FL 32807

TEL: 407-381-0669 FAX: 407-380-9574
Email: samsoh@k2services.com

Subject : Third request from Mr. Tiong

Pages including cover page: 1 Date : 10/24/99 Time : 11:26:30 AM

Dear Ms. Rosemarie,

This is the Third request from Mr. Tiong that KPJ Trust reply in writing regarding the status of his capital and profit.

You and Mr. George Betts of BTCB said it is imminent that BTCB shall return Mr. Tiong's capital along with his profit in just few days; now it has been two weeks lapsed! How long is "A FEW DAYS" ?

Yesterday, you've told me that Mr. Chuck Brezie, CEO of BTCB said " Mr. Tiong definite will get paid before the end of this month". You'll put all these in writing to Mr. Tiong, yet we have not received any reply from KPJ Trust. We do hope Mr. Brezie's word carry some weight, and we demand to put all these promises on paper from the Owner / Trustee of KPJ Trust immediately.

Sincerely,

Samuel Soh

Rosemarie, Roeters-van Lennep
Denver, Colorado, USA
Phone #: 303 [redacted]
Cell phone #: 303 [redacted]
Fax # : 303 [redacted]

facsimile transmittal

Redacted Information
in Subcommittee Files

To:	Mr. Tiong and Mr. Soh	Fax:	407 [redacted]
From:	R.Roeters van Lennep	Date:	10/24/99
Re:	Your Investment with KPJ Trust SA	Pages:	1

X Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Dear Mr.,

I apologize for my late response, due to the fact that I was busy with a client here in Denver. As promised, the Bankers of BTCB Bank called me late on Friday evening to inform me, that they expect the payouts on the Investment during the following week. I want to assure you, that there is no reason at all, to be suspicious of the transaction, as there is no reason for me to believe that there is any substantial problem. As I explained this morning, in order to release Mr. Tiong's funds, the CD has to be released from the transacting bank. I understand that this might be a little complicated to understand, but I am satisfied, that the procedure the bank is following is according to the investment rules and regulations. I will be in touch with you, the next 48 hours, for further update.

Sincerely Rosemarie Roeters-van Lennep

CONFIDENTIAL

FIRST UNION NATIONAL BANK FL Fulltran Run 2-NOV-1999 23:50 Page 43796
FULL TRANSACTION REPORT For 1-NOV-1999

<<< TRN: 991101-020452 >>>

**** MESSAGE ENVELOPE **** { Bank : 003 }

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:110,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:DB:A CD:N COM:N CBL:N

DBT D/0009983871373/ CDT *A/[redacted] ADV:FED
BRITISH TRADE & COMMERCE BANK DEPT:0000001660
C/O FEC FINANCIAL HOLDINGS INC WELLS FARGO BANK
444 BRICKELL AVE STE P16 SAN FRANCISCO, CA
MIAMI, FL 33131
SPECIAL INSTRUCTIONS: BNF:/[redacted] CHG: BK?N
ALT PHN 0 767 448 6410 R. ROETERS VAN LENNEP

**** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:	
Type Code:	10 (Transfer of funds)
Subtype Code:	00 (Regular transfer)
{2000} Amount:	$110,000.00
{3100} Sending Bank:	
ABA number:	063000021
Short name:	FIRST UNION JAX
ABA lookup (REL):	FIRST UNION OF FLORIDA JACKSONVILLE, FL . .
{3320} Sender Reference:	991101020452
{3400} Receiving Bank:	
ABA number:	121000248
Short name:	WELL FARGO SF
ABA lookup:	Address not on file
{3600} Business Function Code:	CTR (Customer transfer)
{4200} Beneficiary:	D/[redacted] R. ROETERS VAN LENNEP
{5000} Originator:	D/0009983871373 BRITISH TRADE & COMMERCE BANK C/O FEC FINANCIAL HOLDINGS INC 444 BRICKELL AVE STE P16 MIAMI, FL 33131

Redacted Information in Subcommittee Files

**** MESSAGE TEXT ****

CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 26 of 151.

FIRST UNION

CAP Account Statement 11/01/1999 thru 11/30/1999

3 9983871373 FL R 0 REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY

Daily Activity

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
11/01		Beginning Balance					$ 589,525.99
11/01		DEPOSIT - CHECKING (13 ITEMS)			11,450.00		
11/01	99306899	WIRE TRANSFER FEE TR# 029376				18.00	
11/01	99306900	WIRE TRANSFER FEE TR# 020176				18.00	
11/01	99306901	WIRE TRANSFER FEE TR# 020292				18.00	
11/01	99306902	WIRE TRANSFER FEE TR# 020452				18.00	
11/01	99306903	WIRE TRANSFER FEE TR# 019677				18.00	
11/01	99306908	WIRE TRANSFER TR# 019677				2,080.00	
11/01	99306907	WIRE TRANSFER TR# 020176				2,150.00	
11/01	99306904	WIRE TRANSFER TR# 029376				50,000.00	
11/01	99306905	WIRE TRANSFER TR# 020292				53,830.00	
11/01	99306906	WIRE TRANSFER TR# 020452				110,000.00	382,825.99
11/02		WIRE TRANSFER TR# 013073			1,520.00		
11/02	99307957	WIRE TRANSFER FEE TR# 019652				18.00	
11/02	99307958	WIRE TRANSFER FEE TR# 002785				18.00	
11/02	99307960	WIRE TRANSFER FEE TR# 003101				18.00	
11/02	99307961	WIRE TRANSFER FEE TR# 003049				18.00	

Account Activity continued on next page

FIRST UNION NATIONAL BANK FL Fulltran Run 29-NOV-1999 23:39 Page 24579
FULL TRANSACTION REPORT For 26-NOV-1999

<<< TRN: 991126-011690 >>>

**** MESSAGE ENVELOPE **** { Bank : 003 }

SRC:PHN CALLER:ROYER, HENRY EXT:
RPT# AMT:175,000.00 CUR:USD TRDR#
TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:DB:A CD:Y COM:N CBL:N

DBT D/0009983871373/ CDT *A/[redacted] ADV:FED
BRITISH TRADE & COMMERCE BANK DEPT:0000001660
C/O FEC FINANCIAL HOLDINGS INC WELLS FARGO BANK
444 BRICKELL AVE STE P16 SAN FRANCISCO, CA
MIAMI, FL 33131
SPECIAL INSTRUCTIONS: BNF:/[redacted] CHG: BK?N
ALT PHN 0 767 448 6410 R. ROETERS VAN LENNEP

Redacted Information in Subcommittee Files

**** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:
Type Code: 10 (Transfer of funds)
Subtype Code: 00 (Regular transfer)

{2000} Amount: $175,000.00

{3100} Sending Bank:
ABA number: 063000021
Short name: FIRST UNION JAX
ABA lookup (REL): FIRST UNION OF FLORIDA
JACKSONVILLE, FL

{3320} Sender Reference: 991126011690

{3400} Receiving Bank:
ABA number: 121000248
Short name: WELL FARGO SF
ABA lookup: Address not on file

{3600} Business Function Code: CTR (Customer transfer)

{4200} Beneficiary: D/[redacted]
R. ROETERS VAN LENNEP

{5000} Originator: D/0009983871373
BRITISH TRADE & COMMERCE BANK
C/O FEC FINANCIAL HOLDINGS INC
444 BRICKELL AVE STE P16
MIAMI, FL 33131

**** MESSAGE TEXT ****

CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 29 of 151.

FIRST UNION

CAP Account Statement 11/01/1999 thru 11/30/1999

6 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
11/19		WIRE TRANSFER TR# 005400			12,145.00		
11/19		DEPOSIT - CHECKING (1 ITEM)			100,000.00		366,394.99
11/22		WIRE TRANSFER TR# 031751			778.00		367,172.99
11/24		DEPOSIT - CHECKING (23 ITEMS)			11,925.00		379,097.99
11/26	99331523	WIRE TRANSFER FEE TR# 011690				18.00	
11/26	99331524	WIRE TRANSFER TR# 011690				175,000.00	204,079.99
11/29		DEPOSIT - CHECKING (1 ITEM)			60,000.00		
11/29	99334167	WIRE TRANSFER FEE TR# 004824				18.00	
11/29	99334168	WIRE TRANSFER TR# 004824				40,000.00	224,061.99
11/30		CAP ACCOUNT INTERREST/DIVIDEND			907.23		
11/30	99335030	WIRE TRANSFER FEE TR# 011578				18.00	
11/30	99335029	WIRE TRANSFER TR# 011578				150,000.00	74,951.22
11/30		Closing Balance 11/30			$ 290,150.23	$ 804,725.00	$ 74,951.22

Account Activity continued on next page

TIONG TUNG MING
[redacted]
[redacted] Sabah, Malaysia
Fax No: [redacted]
Tel. No: [redacted]

Redacted Information in Subcommittee Files

Mr. George Betts
Vice President & Financial Controller
British Trade & Commerce Bank
Emens building, Dame Eugene Charles blvd
Bayfront, Roseau
Commonwealth of Domenica

Via Facsimile
1-767-448-6477

December 29, 1999

Dear Mr. Betts

Re: Account with Security Bank N.A. No: 101-011140-4 (KPJ Trust S.A.)
Pursuant to Transaction Code: HP-TMT-1, as per my Contract with KPJ Trust S.A., dated September 15, 1998 and consequent Placement of US $ 1 million with British Trade and Commerce Bank on September 21, 1998, at the aforementioned account.

Furtlier to our correspondence to date, on the referred matter, and in view of the fact that:

1. The anniversary for the deposit of the investment funds, and by our right and your undertaking for the return of same, was September 21, 1999. Now well past three months that date, you are in default of your commitment to return the same, as per your letter undertaking to our banker, the HSBC,. transmitted via facsimile on October 7, 1998. Said undertaking was in place of the one to have been issued by the Security Bank N.A. as per the wire transfer instructions from my bank HSBC, Singapore, of September 21, 1998. However I accepted the same, in good faith.

2. You have not provided any evidence of the placement of the said funds with Global Investment Funds S.A., as you have so claimed in writing, and have not reported any earnings therefrom, despite repeated promises of a forthcoming Schedule of Disbursements dating back to April 28, 1999 in your letter to KPJ Trust SA and over the phone to my agent in USA.

3. You have not acknowledged in writing my instructions for the disbursement of the investment yields and the return of the principal as per my letter of direction dated October 18, 1999, and have provided no responsible undertaking as to the envisaged timing for the return of the investment funds and their earned yields;

I find myself in the untenable position of considering you actions professionally negligent, irresponsible, abusive of other people's property and fraudulent to the extent that this is no longer a torturous civil matter but a criminal one which may merit the attention of the authorities, however regrettable such resort may be.

I would therefore ask that you govern yourself accordingly and provide me with a fixed Schedule of Disbursement for the return of the capital and the profits, on or before January 7, 2000 to avert the embarrassing and costly consequences.

Yours truly

Hong Tung Ming

cc: KPJ Trust S.A.
Denver Colorado, USA
Via Facsimile ++ 1-303-394-1127

BTCB Financial
444 Brickell Ave.
Miami, Fl 33131
Via Facsimile: ++ 1-305 960 2120

Mr. Fernando Gonzalez
Branch Manager
Security Bank N.A.
444 Brickell Ave.
Miami, FL
Via Facsimile: ++ 1-305-374-4207

Ms. L. Mignon Wade
Senior Director - Bank Supervision
Eastern Carribean Central Bank
P.O. Box 89 Bassetterre, St. Kitts, West indies
Via Facsimile: ++ 1-869-465-5614

National Banks Office of the Comptroller of the Currency
245 Peach St. Centre Ave. NE
Suite 600 Marquis One Tower
Atlanta, GA 30303
Via Facsimile: ++ 1-713-336-4301

Senate Permanent Subcommittee
On Investigations
EXHIBIT #___57m-2.___

Exhibit 57m-2.

Brett/Bailett documents

INDUSTRIAL DE VENEZUELA
MIAMI AGENCY
1101 BRICKELL AVENUE, SUITE 500 • MIAMI, FLORIDA 33131 • (305) 374-5060 • FAX (305) 374-5176 • TELEX 153785 BIVMIA

NAME & ADDRESS
BRITISH TRADE AND COMMERCE BANK EMMENS BUILDING, BAYFRONT ROSEAU COMMONWEALTH OF DOMINICA

ACCOUNT NO.	STATEMENT DATE	PAGE
062020001	4/30/98	3

OPENING BALANCE
100,000.00

DATE	VALUE DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
4/17/98				3,572,774.94	3687774.94
4/17/98			990.25		3686784.69
4/17/99			10.00		3686774.69
4/17/98			20,000.00		3666774.69
4/17/98			10.00		3666764.69
4/17/98			3,566,764.69		100000.00
4/20/98				2,500,000.00	2600000.00
4/20/98				10,000.00	2610000.00
4/20/98				26,000.00	2636000.00
4/20/98				3,568,010.61	6204010.61
4/20/98		Redacted Information	10.00		6204000.61
4/20/98		in Subcommittee Files	6,104,000.61		100000.00
4/21/98				30,000.00	130000.00
4/21/98				10,000.00	140000.00
4/21/98				20,000.00	160000.00
4/21/98				10,000.00	170000.00
4/21/98				25,000.00	195000.00
4/21/98				20,000.00	215000.00
4/21/98				10,000.00	225000.00
4/21/98				6,104,690.44	6329690.44
4/21/98			10,000.00		6319690.44
4/21/98			20.00		6319670.44
4/21/98			6,219,670.44		100000.00
4/22/98		W/T RCVD.FFC AURORA INVSTMTS.		15,000.00	115000.00
4/22/98				6,220,405.29	6335405.29
4/22/98			1,815.00		6333590.29
4/22/99			10.00		6333580.29
4/22/98			20,000.00		6313580.29
4/22/98			10.00		6313570.29
					6,313,570.29

OPENING BALANCE	
TOTAL DEBITS	
TOTAL CREDITS	
ENDING BALANCE	
AVERAGE BALANCE	

UNLESS ALTERATIONS, FORGERIES, ERRORS OR OTHER DISCREPANCIES ARE REPORTED TO US WITHIN 10 DAYS OF RECEIPT, WE SHALL CONSIDER STATEMENT TO BE CORRECT.

STMT96

96 1123 2452 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 9
FROM 10/01/98 THRU 10/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01 ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
10/22	WIRE 4513 ARTHUR W. HOGAN		10,500.00	236,780.00
10/22	MISCELLANEOUS DEBIT	20,000.00		216,780.00
10/22	WIRE 4513 FEE	10.00		216,770.00
10/22	WIRE 4426 FEE	10.00		216,760.00
10/22	WIRE 7703 FEE	15.00		216,745.00
10/22	WIRE 7704 FEE	15.00		216,730.00
10/22	WIRE 7705 FEE	15.00		216,715.00
10/22	WIRE 7706 FEE	15.00		216,700.00
10/22	WIRE 7707 FEE	15.00		216,685.00
10/22	WIRE 7707 [redacted]	1,685.00		215,000.00
10/22	WIRE 7703 EUROPEAN FEDERAL CREDIT BK	10,000.00		205,000.00
10/22	WIRE 7704 EUROPEAN FEDERAL CREDIT BK	10,000.00		195,000.00
10/22	WIRE 7706 EUROPEAN FEDERAL CREDIT BK	20,000.00		175,000.00
10/22	WIRE 7705 [redacted]	125,000.00		50,000.00
10/23	AUTO TRANSFER FROM ACCOUNT 0010140002		26,216.07	76,216.07
10/23	MISCELLANEOUS DEBIT	4,658.03		71,558.04
10/23	MISCELLANEOUS DEBIT	11,523.04		60,035.00
10/23	WIRE 7710 FEE	35.00		60,000.00

Redacted Information in Subcommittee Files

[illegible]
{3100} Sender: [illegible] {2000} Amount: $110,000.00
[illegible]
{1510} Type Code: 1000
{5000} Originator: [redacted]
DENVER H HOPKINS JR OR
PALENE F HOPKINS
[redacted]
[redacted] 70007
{6000} OBI to BNF Info: FINAL CREDIT TO IPC/USAG (DENVER HOPKINS) PER CREDIT OBIT)
{4200} Beneficiary: 0010001000-01
THE BRITISH TRADING COMMERCE
GRENADA INTO UNNAMIABLE
{1320} IMAD: 1024102773MC741C000A
{3320} Sender Ref: 9410970001SG
{1110} Timestamp: 1027103ET01
{1120} UMAD: 1024102ETCCK611C000A0041027103ET01
[illegible]

4445

Redacted Information
in Subcommittee Files

STMT96

96 1123 2453 000

DIRECT INQUIRIES TO: (954) 971-9890

SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
NORTH LAUDERDALE, FLORIDA 33068

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 10
FROM 10/01/98 THRU 10/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
10/23	WIRE 7710 PABLO URBANO	10,000.00		50,000.00
10/26	DEPOSIT		158,171.00	208,171.00
10/26	WIRE 4433 [redacted]		170,000.00	378,171.00
10/26	WIRE 4437 BRITISH TRADE & COMMERCE B		6,500,000.00	6,878,171.00
10/26	WIRE 4433 FEE	10.00		6,878,161.00
10/26	WIRE 4437 FEE	10.00		6,878,151.00
10/26	WIRE 7723 FEE	15.00		6,878,136.00
10/26	WIRE 7724 FEE	35.00		6,878,101.00
10/26	WIRE 7725 FEE	35.00		6,878,066.00
10/26	WIRE 7724 [redacted]	5,000.00		6,873,066.00
10/26	WIRE 7725 [redacted]	5,000.00		6,868,066.00
10/26	WIRE 7723 BIG LAKE NAT'L BK	55,000.00		6,813,066.00
10/26	AUTO TRANSFER TO ACCT.--0010140002	6,763,066.00		50,000.00
10/27	DEPOSIT		1,300.00	51,300.00
10/27	WIRE 4444 [redacted]		20,000.00	71,300.00
10/27	WIRE 4445 DENVER H. HOPKINS JR & AR		110,500.00	181,800.00
10/27	WIRE 4444 FEE	10.00		181,790.00

2674

Redacted Information in Subcommittee Files

: ### FT PROD ### FT INCOMING ###NORMAL MSG/ACCTG ENTRY####
Sender: 325070760 WMB (2000) Amount: $250,000.00
Receiver: 067010512 SECURITY N LAUDERD (3600) Bus Function Code: CTR
Type Code: 1000
Originator: [redacted]
NEWCASTLE ENTERPRISES
SCOTT BREIL

4724
Called

OBI to BNF Info: ACT AURORA INVESTMENTS
Beneficiary: D0400101400-01
BRITISH TRADE & COMMERCE BANK
IMAD: 19981208L1LFAG3C000510
Sender Ref: 05111206
Timestamp: 1208151 3FT01
OMAD: 19981208F6QC611C000006120815 13FT01
#########

Redacted Information
in Subcommittee Files

96 1127 2519 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 5
FROM 12/01/98 THRU 12/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
12/08	WIRE 6024 FEE	35.00		83,000.00
12/08	WIRE 6024 [redacted]	3,000.00		80,000.00
12/08	WIRE 6023 APS MARKETING	10,000.00		70,000.00
12/08	WIRE 6025 FMGT-7 LIMITED PARTNERSHI	20,000.00		50,000.00
12/09	WIRE 4724 NEWCASTL E ENTERPRISES		250,000.00	300,000.00
12/09	WIRE 4724 FEE	10.00		299,990.00
12/09	WIRE 6029 FEE	15.00		299,975.00
12/09	WIRE 6030 FEE	15.00		299,960.00
12/09	WIRE 6030 REPUBLIC PRODUCTS CORP.	23,785.00		276,175.00
12/09	WIRE 6029 NTL COMMERCIAL BK	25,000.00		251,175.00
12/09	AUTO TRANSFER TO ACCT.--0010140002	201,175.00		50,000.00
12/10	AUTO TRANSFER FROM ACCOUNT 0010140002		13,283.87	63,283.87
12/10	WIRE 4731 [redacted]		14,408.68	77,692.55
12/10	MISCELLANEOUS DEBIT	7,667.55		70,025.00
12/10	WIRE 4731 FEE	10.00		70,015.00
12/10	WIRE 6034 FEE	15.00		70,000.00

2676

Redacted Information in Subcommittee Files

01/14/99 15:16 FAX 3059716071 SECURITY BANK NA 005
Jan-14-99 12:52P BT&C ?K/Trust (767) 4 ·6477 P.02

British Trade & Commerce Bank
EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica, P.O Box 2042

FAX COVER
Date:01/14/99

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING WIRE TRANSFERS FROM OUR ACCOUNT 0400101400-01:

WASHINGTON TRUST BANK, 717 W. SPRAGUE – MAIN BRANCH, SPOKANE, WA
ABA#: 125-100-089
BENEFICIARY: BAILETT INTERNATIONAL, 7910MAPLE STREET, SPOKANE, WA
ACCOUNT NO: 100-186-5864, AMOUNT: US$100,000
REF: AURORA INVESTMENTS S.A.

JAN 1 4 1999

SECURITY BANK NA, 444 BRICKELL AVE, MIAMI
ABA#: 067-010-512
BENEFICIARY: DONALD SCHWARTZ
ACCOUNT NO: 040-00048-2006, AMOUNT: US$10,000
REF: ASSET ENHANCEMENTS S.A.

ROYAL BANK OF SCOTLAND, 43 CURZON STREET, LONDON W1Y7RF
SORT CODE: 16-00-79
BENEFICIARY: STEWART MOSS, 6 GREAT NORTHWAY, LONDON, NM4IJB
ACCOUNT NO: [redacted], AMOUNT: US$2,314.62
REF: EXPENSE REIMBURSEMENT – 11/29/98 TO 1/02/99

TEST KEY FOR ABOVE BASED ON USD$112,314.62 DATED JANUARY 14, 1999 IS [redacted]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

1/14/99

Licenced for Full Trust Business

Redacted Information in Subcommittee Files

01/14/99 15:18 FAX 3059716071 SECURITY BANK NA 001

SECURITY BANK N.A.

OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

01 - 14 - 99 :DATE TIME: : AMOUNT $, 100 ,000 .00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: WASHINGTON TRUST BANK

RECEIVING BANK'S "ABA" NUMBER: # 125-100-089

TEST CODE, IF ANY: #

SWIFT CODE, IF APPLICABLE: #

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY: 717 W. SPRAGUE MAIN BRANCH

CITY: SPOKANE STATE: WA COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): BAILLETT INTERNATIONAL

ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # 100-186-5864

TYPE OF ID, IF PUPID: # NUMBER

ADDRESS (IF APPLICABLE): 7910 MAPLE STREET CITY: SPOKANE STATE: WA COUNTRY:

FOR FURTHER CREDIT TO (NAME): # NUMBER

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER

SPECIAL INSTRUCTIONS, IF ANY: REF: AURORA INVESTMENTS, S.A.

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	, 100 , 000 .00
WIRE FEES	, , 15 .00
OTHER	, , .
TOTAL AMOUNT $	, 100 , 015 .00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD JUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.

NOTE:

X "ABA" BANK NUMBER HAS BEEN VERIFIED

X HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER: FR

SIGNATURE OF OFFICER

(WIRE DEPARTMENT USE ONLY)

WIRE SENT BY: FRO

DATE WIRE SENT: - - YY

TIME WIRE SENT: : HH

WIRE NUMBER (IF 1026

VERIFIED BY:

96 1094 2337 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 4
FROM 01/01/99 THRU 01/31/99

NUMBER OF ITEMS ENCLOSED: 11

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
01/12	WIRE 4923 [redacted]		13,000.00	73,000.00
01/12	WIRE 4923 FEE	10.00		72,990.00
01/12	WIRE 4925 FEE	10.00		72,980.00
01/12	AUTO TRANSFER TO ACCT.--0010140002	22,980.00		50,000.00
01/13	DEPOSIT		175,000.00	225,000.00
01/13	WIRE 4931 [redacted]		8,930.20	233,930.20
01/13	WIRE 4931 FEE	10.00		233,920.20
01/13	WIRE 6205 FEE	15.00		233,905.20
01/13	WIRE 6206 FEE	15.00		233,890.20
01/13	WIRE 6205 [redacted]	1,461.37		232,428.83
01/13	WIRE 6206 [redacted]	3,446.61		228,982.22
01/13	AUTO TRANSFER TO ACCT.--0010140002	178,982.22		50,000.00
01/14	AUTO TRANSFER FROM ACCOUNT 0010140002		265,050.00	315,050.00
01/14	WIRE 4936 [redacted]		10,000.00	325,050.00
01/14	WIRE 4937 [redacted]		10,000.00	335,050.00
01/14	MISCELLANEOUS DEBIT	10,000.00		325,050.00
01/14	WIRE 6218 BAILETT	100,000.00		225,050.00

2679

Redacted Information
in Subcommittee Files

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FIRST UNION NATIONAL BANK FL          Fulltran   Run 28-APR-1999 23:03 Page 47142
FULL TRANSACTION REPORT                          For 28-APR-1999

<<< TRN: 990428-022094 >>>

    **** MESSAGE ENVELOPE ****                ( Bank : 003 )


SRC:PHN CALLER:ROYER, HENRY                          EXT:
RPT#          AMT:220,000.00          CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/     FNDS:S CHG:DB:A CD:N CCM:N CBL:N
-------------------------------------------------------------------------------
DBT D/0009983871373/                    CDT F/001:0509/                  ADV:CHP
BRITISH TRADE & COMMERCE BANK           DEPT:[redacted]
C/O FEC FINANCIAL HOLDINGS INC          FIRST UNION BANK INTERNATIONAL
444 BRICKELL AVE STE P16                180 MAIDEN LANE
MIAMI, FL 33131                         NEW YORK,NY          USA 10038
SPECIAL INSTRUCTIONS:                   INTER BK:/[redacted]             WIR:
ALT PHONE NUMBER 767 448 6410           CANADIAN IMPERIAL BANK OF COMMERCE
                                        ATRIUM ON BAY
                                        595 BAY STREET
                                        TORONTO,CA
                                        BNF BANK:/[redacted]             WIR:
                                        CIBC
                                        BERNARD AVE  BRANCH
                                        KELOWNA BC CANADA
                                        BNF:/[redacted]                  CHG:  BK?N
                                        BEARISTO & CO TRUST


                                        ORIG TO BNF INFO:
                                        AURORA INVESTMENTS S.A.


    **** CREDIT PAYMENT MESSAGE TEXT ****

                        CHIPS 10 - PAYMENT MESSAGE

201  Transmission Data:
       Format version:    01      Value date:     1999/04/28
       Send participant:  0285
211  Payment Disposition Data:
       Receive participant: 0509
       Beneficiary type:    N (Non-bank)
       Compression flag:    2 (Compress response)
       Disposition flag:    2 (Store and attempt release)
260  Amount:            $220000.00
270  PSN:               000661
320  SWIFT field 20:    990428022094
402  Intermediary Bank: [redacted]                    (No CHIPS lookup)
                        CANADIAN IMPERIAL BANK OF COMMERCE
                        ATRIUM ON BAY
                        595 BAY STREET
                        TORONTO,CA
412  Beneficiary's Bank:[redacted]                    (No CHIPS lookup)
                        CIBC
                        BERNARD AVE  BRANCH
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Redacted Information in Subcommittee Files

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FIRST UNION

CAP Account Statement 04/01/1999 thru 04/30/1999

7 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

Account Activity continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
4/28	99119862	WIRE TRANSFER TR# 005161				5,000.00	
4/28	99119858	WIRE TRANSFER TR# 004714				7,600.00	
4/28	99119877	WIRE TRANSFER TR# 021466				10,793.26	
4/28	99119870	WIRE TRANSFER TR# 023349				13,500.00	
4/28	99119860	WIRE TRANSFER TR# 005655				25,000.00	
4/28	99119854	WIRE TRANSFER TR# 025860				35,000.00	
4/28	99119879	WIRE TRANSFER TR# 022215				50,000.00	
4/28	99119868	WIRE TRANSFER TR# 023499				75,000.00	
4/28	99119856	WIRE TRANSFER TR# 024814				167,445.00	
4/28	99119864	WIRE TRANSFER TR# 022094				220,000.00	2,470,387.84
4/29	99120607	WIRE TRANSFER TR# 012040				75,000.00	2,395,387.84
4/30		CAP ACCOUNT INTEREST/DIVIDEND			1,074.54		
4/30		DEPOSIT - CHECKING (6 ITEMS)			5,500.00		
4/30	99121837	WIRE TRANSFER FEE TR# 033882				18.00	
4/30	99121838	WIRE TRANSFER FEE TR# 033452				18.00	
4/30	99121840	WIRE TRANSFER FEE TR# 033167				18.00	
4/30	99121839	WIRE TRANSFER TR# 033452				10,000.00	
4/30	99121836	WIRE TRANSFER TR# 033882				20,000.00	

Account Activity continued on next page

Senate Permanent Subcommittee
On Investigations
EXHIBIT #___57m-3.____

Exhibit 57m-3.

Vector Medical Technology documents

MAR 9 - 1999

State of Florida

Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on January 29, 1999, for GLOBAL MEDICAL TECHNOLOGIES, INC. which changed its name to VECTOR MEDICAL TECHNOLOGIES, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is P98000026433.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fourth day of February, 1999

Katherine Harris

Katherine Harris
Secretary of State

CR2EO22 (1-99)

FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

February 4, 1999

MYRA MAHONEY
POST OFFICE BOX 14610
FORT LAUDERDALE, FL 33302-4610

Re: Document Number P98000026433

The Amended and Restated Articles of Incorporation for GLOBAL MEDICAL TECHNOLOGIES, INC. which changed its name to VECTOR MEDICAL TECHNOLOGIES, INC., a Florida corporation, were filed on January 29, 1999.

The certification you requested is enclosed.

Should you have any questions concerning this matter, please telephone (850) 487-6050, the Amendment Filing Section.

Velma Shepard
Corporate Specialist
Division of Corporations

Letter Number: 499A00004971

CONSOLIDATED BALANCE SHEETS

	December 31, 1998	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 158,000	$ 2,843,000
Other current assets	—	9,000
Total current assets	158,000	2,852,000
Furniture, fixtures and equipment, net	—	53,000
Other assets	—	88,000
Total assets	$ 158,000	$ 2,993,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	$ 300,000	$ —
Accounts payable	—	55,000
Accrued interest	—	300,000
Other accrued expenses	—	42,000
Total current liabilities	300,000	397,000
Commitments and contingencies		
Minority interest	—	—
Stockholders' equity:		
Preferred stock, $.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $.001 par value, 50,000,000 shares authorized, 6,050,000 shares issued and outstanding at December 31, 1998; 14,192,644 shares issued and outstanding at December 31, 1999	6,000	14,000
Additional paid-in capital	(6,000)	8,756,000
Deficit accumulated during the development stage	(142,000)	(6,174,000)
Total stockholders' equity	(142,000)	2,596,000
Total liabilities and stockholders' equity	$ 158,000	$ 2,993,000

See accompanying notes.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Period from March 20, 1998 (inception) to December 31, 1998	Year ended December 31, 1999	Period from March 20, 1998 (inception) to December 31, 1999
Revenue	$ —	$ —	$ —
Cost of sales	—	—	—
Gross profit	—	—	—
Expenses:			
Research and development	—	901,000	901,000
General and administrative	142,000	2,937,000	3,079,000
Interest, net of interest income	—	465,000	465,000
Equity-based compensation	—	1,729,000	1,729,000
	142,000	6,032,000	6,174,000
Net loss	$(142,000)	$(6,032,000)	$(6,174,000)

See accompanying notes.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During The Development Stage	Total
	Shares	Amount			
Balance at inception (March 20, 1998)		$ —	$ —	$ —	$ —
Issuance of common stock to founders	6,050,000	6,000	(6,000)	—	—
Net loss		—	—	(142,000)	(142,000)
Balance at December 31, 1998	6,050,000	6,000	(6,000)	(142,000)	(142,000)
Issuance of common stock for cash	3,030,769	3,000	7,038,000	—	7,041,000
Issuance of common stock to founders	5,100,000	5,000	(5,000)	—	—
Excercise of warrants	11,875				
Equity-based compensation	—	—	1,729,000	—	1,729,000
Net loss	—	—	—	(6,032,000)	(6,032,000)
Balance at December 31, 1999	14,192,644	$ 14,000	$ 8,756,000	$ (6,174,000)	$ 2,596,000

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period from March 20, 1998 (inception) to December 31, 1998	Year ended December 31, 1999	Period from March 20, 1998 (inception) to December 31, 1999
Operating activities:			
Net loss	$(142,000)	$(6,032,000)	$(6,174,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	—	10,000	10,000
Equity-based compensation	—	1,729,000	1,729,000
Changes in operating assets and liabilities:			
Increase in other current assets	—	(9,000)	(9,000)
Increase in accounts payable	—	55,000	55,000
Increase in accrued expenses	—	342,000	342,000
Net cash used in operating activities	(142,000)	(3,905,000)	(4,047,000)
Investing activities:			
Purchase of furniture, fixtures and equipment	—	(63,000)	(63,000)
Payments for other assets	—	(88,000)	(88,000)
Net cash used in investing activities	—	(151,000)	(151,000)
Financing activities:			
Proceeds from issuance of common stock	—	7,041,000	7,041,000
Proceeds from borrowings	300,000	200,000	500,000
Repayment of borrowings	—	(500,000)	(500,000)
Net cash provided by financing activities	300,000	6,741,000	7,041,000
Net increase in cash and cash equivalents	158,000	2,685,000	$ 2,843,000
Cash and cash equivalents at beginning of period	—	158,000	—
Cash and cash equivalents at end of period	$ 158,000	$ 2,843,000	$ 2,843,000
Supplemental disclosure of cash flow information:			
Cash payments during the year for:			
Interest	$ —	$ 200,000	$ 200,000

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

>> 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Vector Medical Technologies, Inc. (the "Company") is a development stage biopharmaceutical technology company focused on the commercial development and marketing of a revolutionary non-invasive transdermal delivery system for a wide variety of high molecular weight drugs. The Company is pursuing this technology principally to enable non-invasive delivery of macromolecule drugs currently administered by injection. The Company's primary efforts are directed toward the transdermal delivery of insulin, used by diabetics, and calcitonin, used to treat osteoporosis. The Company, through its collaboration and business relationships with various physicians, researchers, medical institutions and others, plans to develop and market a variety of products for the transdermal delivery of these macromolecule drugs.

The Company was incorporated in the state of Florida on March 20, 1998 as Global Medical Technologies, Inc. and changed its name to Vector Medical Technologies, Inc. effective September 28, 1998.

The Company is subject to all the risks inherent in an early stage company in the biopharmaceutical industry as outlined below.

The biopharmaceutical industry is subject to rapid and technological change. The Company has numerous competitors, including major pharmaceutical and chemical companies, specialized biotechnology firms, universities and other research institutions. These competitors may succeed in developing technologies and products that are more effective than any that are being developed by the Company or that would render the Company's technology and products obsolete and non-competitive. Many of these competitors have substantially greater financial and technical resources and production and marketing capabilities than the Company. In addition, many of the Company's competitors have significantly greater experience than the Company in pre-clinical testing and human clinical trials of new or improved pharmaceutical products and in obtaining Food and Drug Administration ("FDA") and other regulatory approvals on products for use in health care. The Company is aware of various products under development or manufactured by competitors which may use therapeutic approaches that compete directly with certain of the Company's product candidates. The Company has limited experience in conducting and managing pre-clinical testing necessary to enter clinical trials required to obtain government approvals and has limited experience in conducting clinical trials. Accordingly, the Company's competitors may succeed in obtaining FDA approval for products more rapidly than the Company, which could adversely affect the Company's ability to further develop and market its

products. If the Company commences significant commercial sales of its products, it will also be competing with respect to manufacturing efficiency and marketing capabilities, areas in which the Company has limited or no experience.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its majority-owned joint venture with TNI Pharmaceuticals, Inc. (See Note 2). All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company's consolidated financial statements for the year ended December 31, 1999 have been prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company incurred a net loss of $6,032,000 for the year ended December 31, 1999 and as of December 31, 1999 had an accumulated deficit of $6,174,000. The Company expects to incur substantial expenditures to further the commercial development of its products. The Company's working capital at December 31, 1999 will not be sufficient to meet such objectives. In the period from January 1, 2000 through March 31, 2000, the Company sold an additional 1,642,000 shares of its common stock which resulted in additional net proceeds of approximately $7,600,000. The Company anticipates that these net proceeds, together with its working capital at December 31, 1999, will be sufficient to meet its obligations through January 1, 2001. Management recognizes that the Company must generate additional resources to successfully commercialize its products. Management plans include the sale of additional equity securities, alliances or other partnerships with entities interested in and resources to support the further development of its products as well as other business transactions to assure continuation of the Company's development and operations. However, no assurances can be given that the Company will be successful in raising additional capital or entering into business alliances. Further, there can be no assurance, assuming the Company successfully raises additional funds or enters into a business alliance, that the Company will achieve profitability or positive cash flow.

Cash and Cash Equivalents

Cash in excess of daily requirements invested in short-term investments with maturities of three months or less is considered to be cash equivalents for financial statement purposes. Deposits in banks may exceed the amount of insurance provided on such deposits. The Company performs reviews of the creditworthiness of its depository banks. The Company has not experienced any losses on its deposits of cash.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from three to seven years. Leasehold improvements are stated at cost and amortized over the shorter of the estimated useful lives of the assets or the lease term. Routine maintenance and repairs are charged to expense as incurred and major renovations or improvements are capitalized.

Intellectual Property

Intellectual property, consisting of patents and other proprietary technology, are stated at cost and amortized on a straight line basis over the estimated useful life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting for Stock-Based Compensation
Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation ("SFAS No. 123")* establishes the use of the fair value based method of accounting for stock-based compensation arrangements, under which compensation cost is determined using the fair value of stock-based compensation determined as of the grant date, and is recognized over the periods in which the related services are rendered. SFAS No. 123 also permits companies to elect to continue using the intrinsic value accounting method specified in Accounting Principles Board Opinion No. 25 to account for stock-based compensation related to option grants and stock awards to employees. The Company has elected to retain the intrinsic value based method for such grants and awards and will disclose the pro-forma effect of using the fair value based method to account for its stock-based compensation to employees. As a result of granting stock warrants to employees with an exercise price below the fair value of the shares on the date of grant, the Company has recognized compensation expense in 1999.

The Company has granted stock purchase warrants to independent consultants and contractors and values these warrants using the fair value based method prescribed by SFAS No. 123. The compensation cost so determined is recognized over the period the services are provided which usually results in compensation cost being recognized at the date of the grant.

Research and Development Expenses
Research and development expenditures, including payments to collaborative research partners and royalty payments for licensed technology, are charged to expense as incurred.

Financial Instruments
The carrying amount of financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair value as of December 31, 1998 and 1999.

>> 2. COLLABORATIVE LICENSE AND RESEARCH/DEVELOPMENT AGREEMENTS

The Company has entered into a number of contractual relationships, and also has a number of proposed arrangements, for technology licenses and research and development projects as follows:

The Company has entered into a Licensing Agreement dated April 13, 1999 with SMLX, Inc. whereby the Company has been granted an exclusive license to certain assets of SMLX, Inc. related to the transdermal delivery of high molecular weight drugs and other natural and synthetic materials for a period of ten years. The Company will pay to SMLX, Inc. a royalty based on sales (as defined) with a minimum royalty payment of $900,000 annually for a period of four years. The Company has an option to purchase the licensed assets at a defined purchase price based on the preceding year's sales volume during this four year period with all royalty payments made during this four year period credited towards the purchase price.

The Company has entered into a Research Agreement with the University of Miami, Department of Medicine covering a clinical research study for the transdermal delivery of insulin to be conducted on behalf of the Company. The amount of the study is $374,000 and covers the period beginning on January 1, 2000 and ending on December 30, 2000.

The Company has entered into a Joint Venture Agreement with TNI Pharmaceuticals, Inc ("TNI"). The joint venture is 70% owned by the Company and 30% owned by TNI; however, the Company is obligated to provide all funding. Distributions, if any, from the joint venture will be made (i) to the Company to reimburse it for all funds advanced to the joint venture plus a 12% preferred return and (ii) thereafter, allocated to the joint venture partners in proportion to their ownership interests. The joint venture was formed with the objective of developing, manufacturing and selling products and technology regarding methionine enkephalin ("MEK") as well as the use of endogenous enkephalins and endorphins to stimulate the immune system of individuals, all delivered via a transdermal delivery system. The joint venture will have the exclusive rights to distribute MEK on a worldwide basis. The joint venture will be directed by a management team appointed by the Company. Each of the joint venture parties will continue to own the assets that were brought to the joint venture; however, the Company has an option whereby it may purchase, at any time, the MEK technology at its fair market value. Additionally, should TNI develop new technologies that stimulate the immune system of individuals, the Company will have the right of first refusal to obtain the worldwide distribution rights.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

>> 3. PRODUCT LIABILITY

The Company is insured with respect to product liability risks on a claims-made basis. Management is not aware of any claims against the Company which may have a material impact on the Company's financial position or results of operations.

>> 4. FURNITURE, FIXTURES AND EQUIPMENT

Furniture, fixtures and equipment consist of the following at December 31, 1999:

Furniture and equipment	$ 63,000
Leasehold improvements	—
	63,000
Accumulated depreciation and amortization	(10,000)
	$ 53,000

>> 5. LEASES

The Company is obligated under an operating lease agreement for its administrative offices. The lease is for a three year term beginning April 1, 1999 with a three year renewal term. Annual future minimum lease obligations for this lease, including renewals, as of December 31, 1999 are as follows:

Year ending December 31,	Operating Lease
2000	$109,000
2001	115,000
2002	120,000
2003	126,000
2004	133,000
2005	34,000
	$637,000

Rent expense for the year ended December 31, 1999 was $79,000.

>> 6. STOCKHOLDERS' EQUITY

The Company has 10,000,000 shares of preferred stock authorized with a par value of $.001. The Board has the authority to issue the shares in one or more series and to fix the designations, preferences, powers and other rights as it deems appropriate. No shares of preferred stock have been issued.

The Company has 50,000,000 shares of common stock authorized with a par value of $.001. Each share of common stock has one vote per share for the election of directors and all other items submitted to a vote of stockholders. The common stock has cumulative voting rights but does not have preemptive, redemption or conversion rights.

In the period April 1, 1999 through December 31, 1999, the Company raised net proceeds of approximately $ 7,041,000 in connection with the sale of 3,030,769 shares of common stock and 79,758 stock warrants which enable the holders to purchase shares of common stock for $1 for a five year period from date of issuance. Additionally, during the period from January 1, 2000 through March 31, 2000, the Company raised additional net proceeds of approximately $7,600,000 in connection with the sale of approximately 1,642,000 shares of common stock and approximately 62,000 stock warrants which enable the holders to purchase shares of common stock for $1 for a five year period from date of issuance.

The Company has issued stock warrants to certain employees, vendors and independent contractors. The warrants are immediately exercisable for a period of ten years and enable the holders to purchase shares of the Company's common stock at exercise prices ranging from $0.25-$1.00. The fair value per warrant based on the Black-Scholes valuation method ranges from $1.73 to $2.31. The cost of these warrants was treated as compensation and, accordingly, the Company recorded an expense of $1,729,000 in 1999.

During the period from January 1, 2000 through March 31, 2000, the Company issued approximately 548,000 additional warrants to certain employees which enable the holders to purchase shares of the common stock at an exercise price of $0.25. The fair value of the warrants based on the Black-Scholes valuation method is $4.81 and the Company will recognize an expense of approximately $2,638,000 in the three months ended March 31, 2000 related to these warrants.

The fair value for these warrants was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: risk-free interest rate of 6.52%; dividend yield of 0%; a weighted average expected warrant life of four years; and a minimal volatility factor since the Company's stock is not actively traded on an established public market.

The pro forma effects of adopting SFAS No. 123's fair value based method for the year ended December 31, 1999 was not materially different from the corresponding APB Opinion No. 25 intrinsic value methodology because the warrants to employees were granted at exercise prices below fair market value and were immediately vested. Consequently, the Company recognized current compensation expense related to these warrants.

At December 31, 1999, the following summarizes the outstanding warrants:

	Shares Under Warrants	Weighted Average Exercise Price
Warrants outstanding at March 20, 1998 (date of inception)	—	—
Granted	—	—
Balance at December 31, 1998	—	
Granted in connection with stock sold	79,758	$1.00
Granted to employees and others	826,000	$0.53
Exercisable at December 31, 1999	905,758	

The weighted average grant date fair value of all warrants granted during the year was $2.06.

>> 7. INCOME TAXES

At December 31, 1999, the Company had federal income tax net operating loss carryforwards of approximately $4,500,000. The tax loss carryforwards will begin to expire in 2013, unless previously utilized. The Company also intends to file for federal research tax credits in the future.

Pursuant to Sections 382 and 383 of the Internal Revenue Code, annual use of the Company's net operating loss and credit carryforwards may be limited if cumulative changes in ownership of more than 50% occur during any three year period.

Significant components of the Company's deferred tax assets are shown below. A valuation allowance has been recognized to offset the deferred tax assets as of December 31, 1998 and 1999 as realization of such assets is uncertain.

	December 31, 1998	December 31, 1999
Deferred tax assets:		
Net operating loss carryforwards	$ 50,000	$ 1,565,000
Warrant compensation expense for books		605,000
Total deferred tax assets	50,000	2,170,000
Valuation for deferred tax assets	(50,000)	(2,170,000)
Net deferred tax assets	$ —	$ —

>> 8. BORROWINGS

In December 1998, the Company borrowed $300,000 from the British Trade and Commerce Bank ("BTCB") and received additional advances of $200,000 in February 1999. On October 4, 1999, the Company executed a modification of their loan agreement whereby

the Company agreed to repay $1,000,000 as payment in full of principal and interest as well as for the surrender and release by BTCB of all its right, title and interest in Vector, including its stock ownership. BTCB had the right to approximately 1,400,000 unissued shares of the Company's common stock, which rights terminated upon the final payment that occurred March 1, 2000. With respect to this loan, the Company recognized interest expense of $500,000 during 1999, of which $300,000 is accrued at December 31, 1999.

>> 9. RELATED PARTY TRANSACTIONS

The Company receives financial advisory and merger and acquisition consulting services from companies controlled by two of its stockholders under an agreement which terminates on March 31,2000. Under the terms of this agreement, the Company is obligated to pay consulting fees in the aggregate amount of 7% of all funds raised in connection with the offerings of common stock by the Company as well as other fees related to merger and acquisition transactions. For the year ended in December 31, 1999, the Company incurred fees related to this agreement of $535,800, of which approximately $27,000 was unpaid at December 31,1999. Additionally, in the three months ended March 31,2000, the Company incurred additional fees of approximately $575,000 for these services.

The Company also receives services with respect to assistance in obtaining financing from a company controlled by another stockholder. In connection with these services, the Company has advanced a total of $165,000 in the year ended December 31, 1999 for fees earned or to be earned and paid $130,000 of expenses associated with seeking additional financing to be obtained by the Company. The Company has recognized the total amount of $295,000 as an expense. For the three months ended March 31, 2000, the Company advanced additional amounts of approximately $56,000 for fees earned or to be earned related to the provision of these services and paid $98,000 of expenses associated with seeking additional financing. The Company is in negotiations as to the final resolution regarding the financing and potential recovery of amounts advanced.

In January, 2000, the Company advanced $250,000 to a start-up homeopathic drug corporation, FIT USA, Inc. (FIT) affiliated with one of its principal stockholders for the development of certain neutraceutical products to be used with the transdermal delivery system. The advance was made pursuant to an agreement that purports to provide FIT the ability to borrow up to $500,000 for a term not to exceed 18 months plus interest at 10%. It is not anticipated that further advances will be made.

>> 10. COMMITMENTS AND CONTINGENCIES

The Company is from time to time subject to claims and suits arising in the ordinary course of business. In the opinion of management, the ultimate resolution of pending legal proceedings will not have a material effect on the Company's consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors and Stockholders
Vector Medical Technologies, Inc.
(A Development Stage Company)
Boca Raton, Florida

We have audited the accompanying consolidated balance sheets of Vector Medical Technologies, Inc. (a development stage company) as of December 31, 1999 and 1998, and the related consolidated statements of operations, stockholders' equity and cash flows for the year ended December 31, 1999, and the periods from March 20, 1998 (inception) to December 31, 1999 and 1998. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vector Medical Technologies, Inc. as of December 31, 1999 and 1998, and the consolidated results of its operations and cash flows for the year ended December 31, 1999 and for the periods from March 20, 1998 (inception) to December 31, 1999 and 1998, in conformity with generally accepted accounting principles.

Goldstein Lewin & Co

GOLDSTEIN LEWIN & CO.

Boca Raton, Florida
April 14, 2000

FIRST UNION®

Certified Corporate Resolution for Depository Authorization

003 (Org.) 2090002946659 (Account Number)

I, the undersigned, hereby certify to First Union NATIONAL BANK OF FLORIDA (complete bank name) that I am MICHAEL SALT M.D. (Full Name)

Secretary of GLOBAL MEDICAL TECHNOLOGIES INC (Full Name of Corporation) a Corporation duly organized and existing under the laws of the State of FLORIDA (State); that the following is a true copy of Resolutions duly adopted by the Board of Directors of said Corporation at its meeting duly held on the Sept 30TH 1998 (Date),

at which a quorum was present and acted throughout; and that such Resolutions are in full force and effect, have not been amended or rescinded, and that there is no provision in the Articles of Incorporation, Charter or By-Laws of said Corporation limiting the power of the Board of Directors of said Corporation to pass the following Resolutions, which are in full conformity with the provisions of said Articles of Incorporation, Charter and By-Laws:

(1) RESOLVED, the First Union NATIONAL BANK OF FLORIDA (complete bank name) (hereinafter the "BANK") is designated as an authorized depository of this Corporation, and that one or more checking, savings, and/or other deposit accounts be opened and maintained with said Bank; that ☒ (only if checked here) any two - otherwise, each: of the present holders of the following offices and/or positions of this Corporation and his (their) successors in office or position, to wit:

MICHAEL SALT M.D. CHAIRMAN/SECRETARY/CEO
(Here, Insert Title(s), of the Office(s) or Position(s) with Corporation)
JEROME MATUSOAT CO-CHAIRMAN

is/are authorized on behalf of this Corporation, and in its name: To sign checks, drafts, instruments, bills of exchange, acceptances and/or other orders for the payment of money from said Corporation account(s); to endorse checks, instruments, evidences of indebtedness, and orders payable, owned or held by this Corporation; to accept drafts, acceptances, instruments and/or other evidences of indebtedness payable at or through said Bank; to waive presentment, demand, protest and notice of protest or dishonor of any check(s), instrument(s), draft(s), acceptance(s), or other evidences of indebtedness made, drawn or endorsed by this Corporation and otherwise to deal with said Bank in connection with the foregoing activities.

RESOLVED FURTHER, that in the opening and maintaining of the above corporate accounts and all transactions in connection therewith shall be governed by the provisions of the agreements pertaining to such account(s), as amended from time to time by the Bank, and by such rules and regulations as the Bank shall, from time to time, promulgate and establish. This Corporation is also authorized to purchase CDs, bonds, notes and other such savings instruments from the Bank. Further, this Corporation is authorized to obtain other related services from the Bank, such as the rental of safe deposit boxes from the Bank, obtaining of the night depository services, and the like. The rendering of such services by the Bank shall be governed by night depository agreement(s), safe deposit box lease agreement, and any other such agreement(s) contained on the application or signature cards pertaining to any such service offered to this Corporation by the Bank, as amended from time to time. Each of the above identified or described officers or representatives of the Corporation is herewith authorized to sign and execute such signature cards, applications and forms as the Bank shall deem appropriate, from time to time, in connection with the opening and maintaining of such account(s) and/or paying of such additional related services. Each is also authorized on behalf of this Corporation, and in its name to execute applications for the issuance of any such savings instrument in the name of this Corporation.

FURTHER, the foregoing authority shall not be limited to the above-identified or described officers or other representatives of the Corporation but shall extend to such additional or different individual(s) as are named as being so authorized in any letter, form or other written or oral notice by any officer or other representative of this Corporation identified or described above; and

(RESOLUTIONS CONTINUED ON REVERSE SIDE HEREOF)

I, finally, certify that the above described persons are the persons who now hold offices and/or positions referred to in the first of the above Resolutions and that their bona fide signatures are set forth below.

(Name)	(Title)	(Signature)
MICHAEL SALT M.D.	CHAIRMAN/SEC/CEO	Michael Salt
JEROME MATUSOAT	CO-CHAIRMAN	Jerome Matusoat

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this Corporation.

Sept 30th 1998 (Date) Michael Salt (Secretary) AFFIX CORPORATE SEAL HE

FIRST UNION®

Certified Corporate Resolution for Depository Authorization

2 0960029466 59 (Org.) 002 (Account Number) 998324 ~~002, 20~~

I, the undersigned, hereby certify to First Union National Bank of FL (complete bank name), that I am Jerome Matusow (Full Name).

Secretary of Vector Medical Technologies (Full Name of Corporation) a Corporation duly organized and existing under the laws of the State of Florida (State); that the following is a true copy of Resolutions duly adopted by the Board of Directors of said Corporation at its meeting duly held on the Feb 4, 99 (Date),

at which a quorum was present and acted throughout; and that such Resolutions are in full force and effect, have not been amended or rescinded, and that there is no provision in the Articles of Incorporation, Charter or By-Laws of said Corporation limiting the power of the Board of Directors of said Corporation to pass the following Resolutions, which are in full conformity with the provisions of said Articles of Incorporation, Charter and By-Laws:

(1) RESOLVED, the First Union National Bank of Florida (complete bank name) (hereinafter the "BANK") is designated as an authorized depository of this Corporation, and that one or more checking, savings, and/or other deposit accounts be opened and maintained with said Bank; that ☐, (only if checked here) **any two** - otherwise, **each**: of the present holders of the following offices and/or positions of this Corporation and his (their) successors in office or position, to wit:

(Here, insert Title(s), of the Office(s) or Position(s) with Corporation)
Chairman / CEO, Secretary

is/are authorized on behalf of this Corporation, and in its name however, more than one individual is solely for your convenience and internal control purposes: to sign checks, drafts, instruments, bills of exchange, acceptances and/or other orders for the payment of money from said Corporation account(s); to endorse checks, instruments, evidences of indebtedness, and orders payable, owned or held by this Corporation; to accept drafts, acceptances, instruments and/or other evidences of indebtedness payable at or through said Bank; to waive presentment, demand, protest and notice of protest or dishonor of any check(s), instrument(s), draft(s), acceptance(s), or other evidences of indebtedness made, drawn or endorsed by this Corporation; and otherwise to deal with said Bank in connection with the foregoing activities.

RESOLVED FURTHER, that in the opening and maintaining of the above corporate accounts and all transactions in connection therewith shall be governed by the provisions of the agreements pertaining to such account(s), as amended from time to time by the Bank, and by such rules and regulations as the Bank shall, from time to time, promulgate and establish. This Corporation is also authorized to purchase CDs, bonds, notes and other such savings instruments from the Bank. Further, this Corporation is authorized to obtain other related services from the Bank, such as the rental of safe deposit boxes from the Bank, obtaining of the night depository services, and the like. The rendering of such services by the Bank shall be governed by night depository agreement(s), safe deposit box lease agreement, and any other such agreement(s) contained on the application or signature cards pertaining to any such services offered to this Corporation by the Bank, as amended from time to time. Each of the above identified or described officers or representatives of the Corporation is herewith authorized to sign and execute such signature cards, applications and forms as the Bank shall deem appropriate, from time to time, in connection with the opening and maintaining of such account(s) and/or paying of such additional related services. Each is also authorized on behalf of this Corporation, and in its name to execute applications for the issuance of any such savings instrument in the name of this Corporation.

FURTHER, the foregoing authority shall not be limited to the above-identified or described officers or other representatives of this Corporation but shall extend to such additional or different individual(s) as are named as being so authorized in any letter, form or other written or oral notice by any officer or other representative of this Corporation identified or described above; and

(RESOLUTIONS CONTINUED ON REVERSE SIDE HEREOF)

I, finally, certify that the above described persons are the persons who now hold offices and/or positions referred to in the first of the above Resolutions and that their bona fide signatures are set forth below.

(Name)	(Title)	(Signature)
MICHAEL SALIT M.D.	CHAIRMAN / CEO	Michael Salit
JEROME MATUSOW	SECTY	Jerome Matusow

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this Corporation.

2/4/99 (Date) Jerome Matusow (Secretary) AFFIX CORPORATE SEAL HERE

From: SQN Fax Back System 07/25/00 05:34pm Page: 001

Account Number : 2090002946659
Org. Code : 003
Serv. Code : DDA
Account Title : VECTOR MEDICAL TECHNOLOGIES INC
:
:
:
:
Date Acct Open : 09/30/1998
Date Act Updated:
Account Messages:
Host Act TS Msg : TWO SIGNATURES REQUIRED
:
Start/End Dates : 10/01/1998 TO 01/01/2082
Host Act PA Msg :
:
Start/End Dates :
Host Act RE Msg :
:
Start/End Dates :
Host Act CI Msg :
:
Start/End Dates :

Signer ID : 2090002946659
Signer Name : ,
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 08/-1/1999
Signer :

The signatures submitted below are duly authorized and genuine sign

Specimen Signature

Signer ID : 2090002946659
Signer Name : ,
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 08/-1/1999
Signer :

Specimen Signature

Jerome Matricon

FROM: FIRST UNION FAX NO.: 704 374 6743 07-26-00 13:04 P.03

FIRST UNION

First Union National Bank of Florida

NEW COMMERCIAL CAP ACCOUNT APPLICATION

Customer Information

Company/Trade Name and Address	Org.	Branch	Date	Vest Number
GLOBAL MEDICAL TECHNOLOGIES INC 7761 LA MIRAGA DR BOCA RATON FL 33434	003	00508	01/05/1999	039010538052

Sold By: A077998

Referred By: A044221

Attn Michael Sabt MD.

Primary Contact Data

Additional Contact Data

Company Taxpayer ID Number: [redacted]

Home Phone: [redacted]

Work Phone: 5613956555

Home Phone

Work Phone

Employee Name and Funded: Brooke Wood 561 473-100

Referral Name: Jamie Puccio

Account Information

CAP

FUBS

Investment

Redacted Information
in Subcommittee Files

```
APCAPI   A916355  DTN09899 Account Profile Cap Acct Inq       BAAPP003 08/01/00
                                                                          19:40
Org: 003 Serv: CAP Acct: 9983246063                  C/W:    State: FL Bank:   1

Short Name: GLOBAL MEDICA            Avail Bal  :        47,711.30
Prod Desc : CAP ACCOUNT-COMMERCI     Total Avail:        47,711.30
Branch/SVC: 00966 034 Stmt Opt: F    Avail Mrgn :             0.00
Fee Freq  : ANNUALLY   Dir Dep: N/A  Securities :             0.00
Status    : ACTIVE                   Close Bal  : CALL CAP DEPT 374-4199
Spec Group:            CONFID-NONE                   NSF's  Times OD
Serv Chrg : CHARGE                   This Month :       0      0
Open Date : 01/06/1999 CAP    :      Open to Dt :       2      2 MMDA Part: N
DL Active : 07/31/2000 SIP    : NO   Officer    : 000005405 Pers OFR:
DL Maint  : 03/28/2000 Pub Fd:       NSF/OD Chrg: CHRG    CHRG    Pers Trust: N
Dormant   : NO         Ck Csh: YES   OD Limit   :
Merger    :            NCust : NO    Reg CC Qual:           0
Restraint : NONE    Ck Vendor: H     EFA Incid  :   0  Excess EFA:
Stops     : YES   PVBK Client: NO    Ck Dsp/Sort: S/K      DATE
Holds     : NO      Custodial: NO   Stmt:      Stmt Cycle : MONTHLY-01-31
Inv Opt   : EVERGREEN MONEY MARKET             Stmt Date  : 06/30/2000
Close Ovrd: YES   Int Rate/APY:  N/A    N/A    Stmt Amount:        47,711.30

Command:
F1=Help  F3=Exit
```

FIRST UNION

Certified Corporate Resolution for Depository Authorization

(Org.) 9983246063 (Account Number)

I, the undersigned, hereby certify to First Union _____ (complete bank name), that I am Stuart Reben (Full Name),

Secretary of Vector Medical Technologies, Inc. (Full Name of Corporation) a Corporation duly organized and existing under the laws

of the State of Florida (State); that the following is a true copy of Resolutions duly adopted by the

Board of Directors of said Corporation at its meeting duly held on the 24th of November, 1999 (Date),

at which a quorum was present and acted throughout; and that such Resolutions are in full force and effect, have not been amended or rescinded, and that there is no provision in the Articles of Incorporation, Charter or By-Laws of said Corporation limiting the power of the Board of Directors of said Corporation to pass the following Resolutions, which are in full conformity with the provisions of said Articles of Incorporation, Charter and By-Laws:

(1) RESOLVED, the First Union _____ (complete bank name) (hereinafter the "BANK") is designated as an authorized depository of this Corporation, and that one or more checking, savings, and/or other deposit accounts be opened and maintained with said Bank; that ☒, (only if checked here) any two - otherwise, each: of the present holders of the following offices and/or positions of this Corporation and his (their) successors in office or position, to wit:

Michael H. Salit, MD - Chairman of the Board
(Here, insert Title(s), of the Office(s) or Position(s) with Corporation)
James P. Parnell, Senior Vice President & General Manager
~~Stuart Reben, Vice President & Secretary~~

is/are authorized on behalf of this Corporation, and in its name however, more than one individual is solely for your convenience and internal control purposes: to sign checks, drafts, instruments, bills of exchange, acceptances and/or other orders for the payment of money from said Corporation account(s); to endorse checks, instruments, evidences of indebtedness, and orders payable, owned or held by this Corporation; to accept drafts, acceptances, instruments and/or other evidences of indebtedness payable at or through said Bank; to waive presentment, demand, protest and notice of protest or dishonor of any check(s), instrument(s), draft(s), acceptance(s), or other evidences of indebtedness made, drawn or endorsed by this Corporation; and otherwise to deal with said Bank in connection with the foregoing activities.

RESOLVED FURTHER, that in the opening and maintaining of the above corporate accounts and all transactions in connection therewith shall be governed by the provisions of the agreements pertaining to such account(s), as amended from time to time by the Bank, and by such rules and regulations as the Bank shall, from time to time, promulgate and establish. This Corporation is also authorized to purchase CDs, bonds, notes and other such savings intstruments from the Bank. Further, this Corporation is authorized to obtain other related services from the Bank, such as the rental of safe deposit boxes from the Bank, obtaining of the night depository services, and the like. The rendering of such services by the Bank shall be governed by night depository agreement(s), safe deposit box lease agreement, and any other such agreement(s) contained on the application or signature cards pertaining to any such services offered to this Corporation by the Bank, as amended from time to time. Each of the above identified or described officers or representatives of the Corporation is herewith authorized to sign and execute such signature cards, applications and forms as the Bank shall deem appropriate, from time to time, in connection with the opening and maintaining of such account(s) and/or paying of such additional related services. Each is also authorized on behalf of this Corporation, and in its name to execute applications for the issuance of any such savings instrument in the name of this Corporation.

FURTHER, the foregoing authority shall not be limited to the above-identified or described officers or other representatives of this Corporation but shall extend to such additional or different individual(s) as are named as being so authorized in any letter, form or other written or oral notice by any officer or other representative of this Corporation identified or described above; and

(RESOLUTIONS CONTINUED ON REVERSE SIDE HEREOF)

I, finally, certify that the above described persons are the persons who now hold offices and/or positions referred to in the first of the above Resolutions and that their bona fide signatures are set forth below.

(Name)	(Title)	(Signature)
JAMES P PARNELL	Sr VP	[signature]
MICHAEL H SALIT M.D.	(CHAIRMAN) / CEO	[signature]
STUART E. REBEN	VP / SEC'Y	[signature]
(Name)	(Title)	(Signature)

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this Corporation.

Nov. 24, 1999 (Date) [signature] (Secretary) AFFIX CORPORATE SEAL HERE

0000 037947 (Rev 01)

```
APDEPI   A916355  DTN6419E Account Profile Deposit Acct Inq   BAAPD003 07/25/00
                                                                          18:11
Org: 003 Serv: DDA Acct: 2000002760469                                    C/W:
Short Name: VECTOR MEDICAL
Br: Primary:   966 Owner:   966 Alt:   966 St: FL Bank:   1 Svc:  36 City: 314
Prod Desc: COMM JUMBO MM INVEST     Prod Type: JMMI        Off No  : 000005405
Avail Bal :              .00        Open Date: 08/30/1999  Status  : NEW
                                    New  Cust: NO          Dormant : NO
EFA Incid :                     Last Activity:             Last Mnt: 06/23/2000

                     Month                12 Months                    YTD
Average Bal:              .00                     .00                     .00
NSF/UNC    :
Items Ret  :
UAV Items  :
Days OD    :
Chargebacks:
--------------------------------------------------------------------------------
NSF/UNC Chrg: CHARGE      Int Code/Exp : 000
OD Chrg     : CHARGE
UAV Chrg    : CHARGE

Command: APDEPI2
F1=Help  F3=Exit  F11=ASCI
```

FIRST UNION

Deposit Account Application

PAYROLL

SUBSTITUTE FORM W8 CERTIFICATION - Under penalties of perjury, I certify that:
(1) The number shown on this form is my correct Taxpayer Identification Number (or that I am waiting for a number to be issued to me) and
(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or divide
(c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS - You must cross out item (2) above if you were notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

SIGNATURE CARD - The words I, me and my which also mean we, us and our, if more than one personal, mean the person(s) signing this agreement. It is agreed that First Union will recognize the signatures below in the payment of funds or in the transac other business for the account(s). I/We agree to the terms and conditions of the First Union Deposit Agreement for this account(s) and authorize First Union to establish my/our account(s). I/We hereby acknowledge receipt of a Deposit Agre schedule of fees and Rate Disclosure, if applicable.

☐ If checked, I/we request a First Union Banking Card for access to the indicated accounts. I/We agree to the terms and conditions of the First Union Card Agreement.

Refer to Right of Survivorship provisions for NC, TN, and VA accounts. The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

☐ NEW ☒ SUPERSEDES ALL SIGNATURE CARDS ON FILE

The signatures subscribed below are the only authorized and genuine signatures which you will recognize and honor in payment of funds or the transaction of other business relating to our account.

Signature	Printed Name	Title	Date
James Farnell	JAMES FARNELL	SR. VICE PRESIDENT	5/9/00
Michael Salit	MICHAEL SALIT, M.D.	CHAIRMAN/CEO	5/9/00
David H. Fater	DAVID H. FATER	CHIEF FINANCIAL OFFICER	5/9

COMPLETE THE APPROPRIATE W-8 FOREIGN CERTIFICATION FORM IF YOU ARE CLAIMING FOREIGN EXEMPTION STATUS.

Org.	Loc.	Branch	Visit No.	Sold By	Referred By

	Product Type	Account Number
1		2000002760375
2		
3		
4		

PAYABLE ON DEATH (POD) ACCOUNT
(SIGNATURE REQUIRED FOR NC ACCOUNTS ONLY)
I understand that by establishing a trust account under the provisions of North Carolina General Statute 53-146.2 that:
1. During my lifetime I may withdraw the money in the account; and
2. By written direction to First Union I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary and the money will not be inherited by my heirs or be controlled by my will.

I designate

(Print name of beneficiary) as beneficiary to receive the balance of my account at my death.

(SEAL)

(Signature of Account Owner)

Name/Address: VECTOR MEDICAL TECHNOLOGIES I
PAYROLL ACCT
3785 N. Federal HWY
BOCA RATON FL. 33431

Tax ID No. of First Name [redacted]

Date of Birth

POWER OF ATTORNEY (POA) ACCOUNT
(SIGNATURE REQUIRED FOR NC ACCOUNTS ONLY)
I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 53-146.3 that the agent named in the account may:
1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

I _____ (write in "do" or "do not") elect to have my agent continue to act in my behalf in regard to my account after my incapacity or mental incompetency in the future.

(Signature of Agent)

(Print Agent's Name)

(SEAL)

(Signature of Account Owner)

RIGHT OF SURVIVORSHIP (NC or TN ACCOUNTS ONLY)
We understand that by establishing a joint account under the provisions of:
☐ North Carolina General Statute 53-146.1 that: ☐ Tennessee law that:
1. First Union may pay the money in the account to, or on the order of, any person named in the account unless we have with the bank that withdrawals require more than one signature; and
2. Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We DO elect to create the Right of Survivorship in this account.

Signature _____

Signature _____

RIGHT OF SURVIVORSHIP (VA ACCOUNTS ONLY):
If you wish to establish a joint account under Virginia Law, please check one of the following and sign:
☐ Joint Account with Survivorship ☐ Joint Account - No Survivor

Signature _____

Signature _____

0000 540320 (50/pkg Rev 03)

Account Number : 2000002760375
Org. Code : 003
Serv. Code : DDA
Account Title : VECTOR MEDICAL TECHNOLOGIES INC
: PAYROLL ACCOUNT
:
:
:
Date Acct Open : 09/08/1999
Date Act Updated:
Account Messages:
Host Act TS Msg :
:
Start/End Dates :
Host Act PA Msg :
:
Start/End Dates :
Host Act RE Msg :
:
Start/End Dates :
Host Act CI Msg :
:
Start/End Dates :

Signer ID : 2000002760375
Signer Name : ,
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 05/12/2000
Signer :

Signer ID : 2000002760375
Signer Name : ,
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 05/12/2000
Signer :

FIRST UNION

Deposit Account Application

SUBSTITUTE FORM W9 CERTIFICATION - Under penalties of perjury, I certify that:
(1) The number shown on this form is my correct Taxpayer Identification Number (or that I am waiting for a number to be issued to me) and
(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or
(c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS - You must cross out item (2) above if you were notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

SIGNATURE CARD - The words I, me and my which also mean we, us and our. If more than one customer, treat the person(s) signing this agreement. It is agreed that First Union will recognize the signatures below in the payment of funds or in the transaction other business for this account(s). We agree to the terms and conditions of the First Union Deposit Agreement for this account(s) and authorize First Union to establish my/our account(s). We hereby acknowledge receipt of a Deposit Agreement schedule of fees and Rate Disclosure, if applicable.

☐ If checked, I/we request a First Union Banking Card for access to the indicated accounts. I/We agree to the terms and conditions of the First Union Card Agreement.

Refer to Right of Survivorship provisions for NC, TN, and VA accounts. The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

☒ NEW ☐ SUPERSEDES ALL SIGNATURE CARDS ON FILE

The signatures subscribed below are the duly authorized and genuine signatures which you will recognize and honor in payment of funds or the transaction of other business relating to our account.

Signature	Printed Name	Title	Date
X	JAMES FARNELL	X SR. VICE PRESIDENT	X 5/9/00
	MICHAEL SALIT, M.D.	CHAIRMAN/CEO	5/9/00
	DAVIA H. FATER	CHIEF FINANCIAL OFFICER	5/9/00

SUBSTITUTE FORM W8 CERTIFICATE OF FOREIGN STATUS - All owners of funds must sign a W-8 (Not applicable for U.S. citizens or residents.) Under Penalties of perjury, I (we) certify that for interest payments I (we) qualify as a nonresident alien or foreign person under Section 871 of the U.S. Internal Revenue Code, (or if/we) am (are) filing for a foreign corporation, partnership, estate or trust).

Signature Date

Permanent Street Address of primary tax residence (for Income Tax Purposes-Will P.O. Box Not Allowed)

Org.	Loc.	Branch	Visit No.	Sold By	Referred By

	Product Type	Account Number
1		200000 7481837
2		
3		
4		

PAYABLE ON DEATH (POD) ACCOUNT
(SIGNATURE REQUIRED FOR NC ACCOUNTS ONLY)
I understand that by establishing a trust account under the provisions of North Carolina General Statute 53-146.2 that:
1. During my lifetime I may withdraw the money in the account; and
2. By written direction to First Union I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary and the money will not be inherited by my heirs or be controlled by my will.

I designate

(Print name of beneficiary) as beneficiary to receive the balance of my account at my death.

(SEAL)

(Signature of Account Owner)

Name/Address: VECTOR medical Technologies Inc.
3785 N. Federal Highway
Suite 300
Boca Raton, FL. 33431

Tax ID No. of First Name

Date of Birth

POWER OF ATTORNEY (POA) ACCOUNT
(SIGNATURE REQUIRED FOR NC ACCOUNTS ONLY)
I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 53-146.3 that the agent named in the account may:
1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

I _____ (write in "do" or "do not") elect to have my agent continue to act in my behalf in regard to my account after my incapacity or mental incompetence in the future.

(Signature of Agent)

(Print Agents Name)

(SEAL)

(Signature of Account Owner)

RIGHT OF SURVIVORSHIP (NC or TN ACCOUNTS ONLY)
We understand that by establishing a joint account under the provisions of:
☐ North Carolina General Statute 53-146.1 that ☐ Tennessee law that
1. First Union may pay the money in the account to, or on the order of, any person named in the account unless we have let with the bank that withdrawals require more than one signature; and
2. Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We DO elect to create the Right of Survivorship in this account.

Signature _____

Signature _____

RIGHT OF SURVIVORSHIP (VA ACCOUNTS ONLY):
If you wish to establish a joint account under Virginia Law, please check one of the following and sign:
☐ Joint Account with Survivorship ☐ Joint Account - No Survivorship

Signature _____

Signature _____

0000 540220 (50/pkg Rev 01)

To: From: SQN Fax Back System 07/25/00 06:15pm Page: 001

Account Number : 2000007481837
Org. Code : 003
Serv. Code : DDA
Account Title : VECTOR MEDICAL TECHNOLOGIES INC
:
:
:
:
Date Acct Open : 05/10/2000
Date Act Updated:
Account Messages:
Host Act TS Msg :
:
Start/End Dates :
Host Act PA Msg :
:
Start/End Dates :
Host Act RE Msg :
:
Start/End Dates :
Host Act CI Msg :
:
Start/End Dates :

Signer ID : 2000007481837
Signer Name : .
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 05/12/2000
Signer :

Signer ID : 2000007481837
Signer Name : .
Signer ID Type: A
Beneficiary Cd:
Date Issued : / /
Date Scanned : 05/12/2000
Signer :

SEP-27-00 09:22 FROM:FUNB COMPLIANCE ID:7043890126 PAGE 7/8

FIRST UNION

First Union Securities, Inc.
8739 Research Drive
Charlotte, NC 28262-0679
1-800-326-5897

SIPC
Member NYSE, NASD

PERIOD COVERED: 04/01/00 THRU 04/30/00
TAX I.D. NUMBER: [redacted]
ACCOUNT NUMBER: 24021271
PAGE: 1 OF 2

VECTOR MEDICAL TECHNOLOGIES INC
3785 N FEDERAL HIGHWAY
STE 300
BOCA RATON FL 33431

ACCOUNT EXECUTIVE
AMY BELL
BS-24

INCOME SOURCE	CURRENT MONTH	YEAR-TO-DATE
EQUITY DIVIDENDS	$.00	$.00
TAXABLE INTEREST	$.00	$.00
NON-TAX INCOME	$.00	$.00
TREASURY INTEREST	$.00	$.00
NON-TAX DIVIDEND	$.00	$.00
MON FUND DIVIDEND	$.00	$.00
NON-TAX MON FUND	$.00	$.00
TOTALS	$.00	$.00

SECURITY TYPE	LONG	SHORT
EQUITIES	.000	.000
TAXABLE BONDS	.000	.000
NON-TAX SEC.	.000	.000
US TREASURIES	.000	.000
OPTIONS	.000	.000
NON-PRICED SEC.	.000	.000
TOTALS	.000	.000

DATE	TRANSACTION	QUANTITY	DESCRIPTION	CUSIP NUMBER	PRICE	AMOUNT
04/03/00	YOU BOUGHT	4,500,000	[illegible]	580384A81	100	$4,500,000.00CR
04/03/00	DELIVERED	4,500,000.000	[illegible]	580384A81		
04/14/00	YOU BOUGHT	500,000	[illegible]	077831AA3	100	$500,923.25CR
04/14/00	DELIVERED	500,000.000	[illegible]	077831AA3		
04/17/00	YOU BOUGHT	500,000	[illegible]	12414WAA2	100	$501,182.92CR
04/17/00	DELIVERED	500,000.000	[illegible]	12414WAA2		
04/17/00	YOU BOUGHT	1,200,000	[illegible]	80392BAE2	100	$1,209,418.38CR

Redacted Information in Subcommittee Files

Redacted Information in Subcommittee Files

First Union Securities, Inc.
8739 Research Drive
Charlotte, NC 28288-0675
1-800-326-5897

Member NYSE, NASD

Detailed Account Activity and Positions For:	Account No.	Period Covered	Page No.
VECTOR MEDICAL TECHNOLOGIES INC	24021271	04/01/00 - 04/30/00	2 OF 2

DATE	TRANSACTION	QUANTITY	DESCRIPTION	CUSIP NUMBER	PRICE	AMOUNT
04/17/00	DELIVERED	1,200,000.000	[illegible] DWS 00	803285AE2		

DATE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
05/03/00	YOU SOLD	400,000.000	[illegible] 1.83 10	100	$400,138.83CR

ACCT 1653000997
FROM 01/01/00
TO 09/22/00

FIRST UNION NATIONAL BANK
TRANSACTIONS FOR THE ACCOUNT OF
VECTOR MEDICAL TECHNOLOGIES, INC
MONEY MANAGER ACCOUNT
FIRST UNION NATIONAL BANK
AS AGENT U/A DTD 8/14/00

DATE	TRANSACTION	PRINCIPAL CASH	INVESTMENTS	INCOME CASH	INVD INCOME
	BEGINNING BALANCE	0.00	0.00	0.00	0.00
09/05/00					
300250602	DEPOSIT EVERGREEN SELECT MONEY MARKET FUND CL I (FD #495)	367,147.23-	367,147.23		
	RECEIVED FROM FUNB DDA #2000007481837 N/O VECTOR MEDICAL	367,147.23			
09/06/00					
300250602	WITHDRAWAL EVERGREEN SELECT MONEY MARKET FUND CL I (FD #495)	149,704.27	149,704.27-		
	TRANSFER TO DDA ACCOUNT # DDA ACCOUNT # 2000007481837 FOR DDA SWEEP	149,704.27-			
09/07/00					
300250602	WITHDRAWAL EVERGREEN SELECT MONEY MARKET FUND CL I (FD #495)	15,257.86	15,257.86-		
	TRANSFER TO DDA ACCOUNT # DDA ACCOUNT # 2000007481837 FOR DDA SWEEP	15,257.86-			
09/08/00					
300250602	WITHDRAWAL EVERGREEN SELECT MONEY MARKET FUND CL I (FD #495)	231.26	231.26-		
	TRANSFER TO DDA ACCOUNT # DDA ACCOUNT # 2000007481837 FOR DDA SWEEP	231.26-			

To: Lisa Grigg
8 pgs

2711

12/14/98 14:34 FAX 3059716071 SECURITY BANK NA 008
Dec-14-98 01:07P BT&C ank/Trust (767) 3-6477 P.01

British Trade & Commerce Bank

EMENS Building, Dame Eugenia Charles Blvd., Bayfront
Roseau, Commonwealth of Dominica. P.O Box: 2042

FAX COVER
Date:12/14/98

TO:	FERNANDO GONZALEZ	FROM:	GEORGE BETTS
COMPANY	SECURITY BANK N.A.	FAX N°:	(767) 448-6477
FAX N°	305-374-4207	PHONE N°:	(767) 448-6410
PHONE N°	305-374-3722	Pages:	1

NOTES: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Comments:

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING TRANSFER FROM OUR ACCOUNT 0400101400-01.

FIRST UNION NATIONAL BANK OF FLORIDA, JACKSVILLE, FLORIDA
ABA#: 063-000-021
BENEFICIARY: GLOBAL MEDICAL TECHNOLOGIES, INC
ACCOUNT NO.: 209-000-2946-659. AMOUNT: USD$300,000 -
REF: GLOBAL MEDICAL TECH. INC – P/NOTE & INVESTMENT.

FIRST UNION NATIONAL BANK OF FLORIDA, JACKSVILLE, FLORIDA
ABA#: 063-000-021
BENEFICIARY: FEC FINANCIAL HOLDINGS INC
ACCOUNT NO.: [redacted] AMOUNT. USD$109,411.22 -
REF: FEC FINANCIAL HOLDING INC – RECEIVABLE

TEST KEY FOR ABOVE WIRES BASED ON USD$409,411.22 DATED DECEMBER 14, 1998 IS [redacted]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

TEST KEY VERIFIED BY:
DATE: 12/14/98

Licenced for Full Trust Business.

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SECURITY BANK N.A.

OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

12 -- 14 -- 98 :DATE TIME: : AMOUNT $, 300 ,000 .00 .

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: FIRST UNION NATIONAL BANK OF FLA.

RECEIVING BANK'S "ABA" NUMBER: # 063 000 021

TEST CODE, IF ANY: #

SWIFT CODE, IF APPLICABLE: #

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY

CITY: JACKSONVILLE STATE: FLORIDA COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): GLOBAL MEDICAL TECHNOLOGIES, INC.

ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # 209-000-2946-659

TYPE OF ID, IF PUPID: # NUMBER

ADDRESS (IF APPLICABLE) CITY STATE COUNTRY

FOR FURTHER CREDIT TO (NAME): # NUMBER

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER

SPECIAL INSTRUCTIONS, IF ANY

REF: GLOBAL MEDICAL TECH INC.-P/NOTE & INVESTMENT

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

WIRE AMOUNT $	, 300,000 .00
WIRE FEES	, , 15 .00
OTHER	, , .
TOTAL AMOUNT $	, 300,015 .00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.

[ ] NOTE:

[X] "ABA" BANK NUMBER HAS BEEN VERIFIED

[X] HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER:

(INTRA DEPARTMENT USE ONLY)

WIRE SENT BY: TUP

DATE WIRE SENT: 12-14-98

TIME WIRE SENT: : 1:00

WIRE NUMBER (#) 0049

VERIFIED BY:

96 1127 2521 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
SMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 7
FROM 12/01/98 THRU 12/31/98

NUMBER OF ITEMS ENCLOSED: 14

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
12/14	WIRE 6055 FEE	15.00		495,718.89
12/14	WIRE 6056 FEE	15.00		495,703.89
12/14	WIRE 6056 FEE	35.00		495,668.89
12/14	WIRE 6054 [redacted]	1,000.00		494,668.89
12/14	WIRE 6051 MARY C BRAZIE	3,300.00		491,368.89
12/14	WIRE 6055 [redacted]	3,328.67		488,040.22
12/14	WIRE 6056 REPUBLIC PRODUCTS TRAVEL	3,629.00		484,411.22
12/14	WIRE 6050 RALPH HINES	4,000.00		480,411.22
12/14	WIRE 6047 STEWART MOSS	4,000.00		476,411.22
12/14	WIRE 6052 MAVIS BETT/LAVERN ERSPAN	7,000.00		469,411.22
12/14	WIRE 6053 RODOLFO REQUENA	10,000.00		459,411.22
12/14	WIRE 6048 FEC FIN. HOLDING	109,411.22		350,000.00
12/14	WIRE 6049 GLOBAL UNION	300,000.00		50,000.00
12/15	AUTO TRANSFER FROM ACCOUNT 0010140002		25,015.00	75,015.00
12/15	WIRE 6054 FEE	15.00		75,000.00

2714

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CF22961:20000725004328:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 04:03:39 PM - Page 5 of 7

FIRST UNION

Flexible Business Checking

001 2090002946659 036 140 11 34 Replacement Statement 003

GLOBAL MEDICAL TECHNOLOGIES INC
7761 LA MIRADA DR CB
BOCA RATON FL 33434

Flexible Business Checking 12/01/1998 thru 12/31/1998

Account number: 2090002946659
Account holder(s): GLOBAL MEDICAL TECHNOLOGIES INC

Taxpayer ID Number: [redacted]

Account Summary

Opening balance 12/01	$10.00	
Deposits and other credits	304,000.00	+
Checks	138,796.44	-
Other withdrawals and service fees	0.03	-
Closing balance 12/31	$165,213.53	

Deposits and Other Credits

Date	Amount	Description
12/14	300,000.00	FUNDS TRANSFER (ADVICE 981214024103) RCVD FROM SECURITY BANK NA / ORG=BRITISH TRADE & COMMERCE BANK RFB=6049 OBI=REF: GLOBAL MEDICAL REF=6049 02:55P
12/16	4,000.00	DEPOSIT
Total	$304,000.00	

Checks

Number	Amount	Date posted	Number	Amount	Date posted	Number	Amount	Date posted
0000	25,000.00	12/15	0000	4,000.00	12/16	0000	1,000.00	12/21
0000	25,000.00	12/15	0000	50,000.00	12/16	0000	528.68	12/22
0000	25,000.00	12/15	0000	1,287.76	12/17	0000	1,000.00	12/24
0000	5,000.00	12/15	0000	1,000.00	12/21	Total	$138,796.44	

Other Withdrawals and Service Fees

Date	Amount	Description
12/17	0.03	COMMERCIAL SERVICE CHARGES FOR NOVEMBER 1998
Total	$0.03	

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CF23631:20000726000019:1001 scanned on SCANER11 by Operator JAXDSX on Jul 26, 2000 at 09:59:06 AM - Page 1 of 1.

1005

GLOBAL MEDICAL TECHNOLOGIES INC

DATE Jan 5 1999

PAY TO THE ORDER OF Global Medical Technologies Inc $ 145,000 00

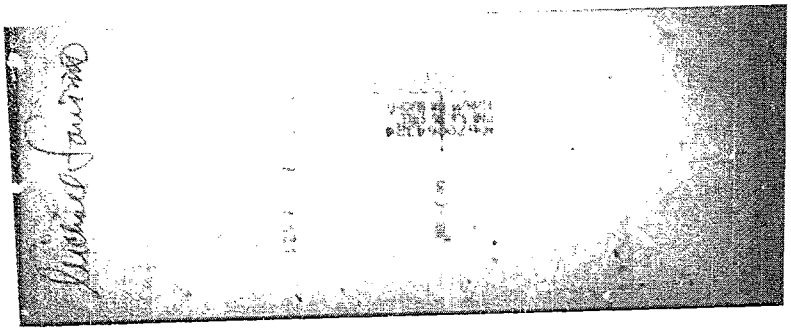
One Hundred + Forty Five Thousand DOLLARS

First Union National Bank
Boca Raton, Florida
ABA 063000432

FLEXIBLE BUSINESS BANKING

FOR

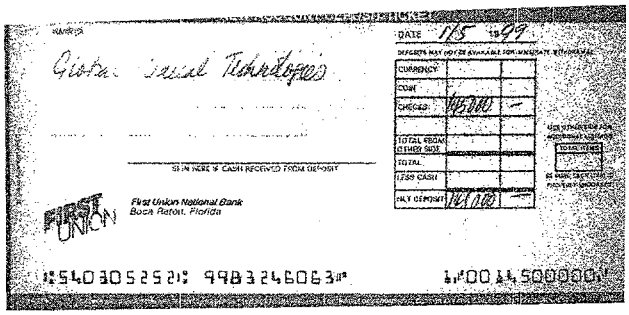
⑈001005⑈ ⑆067006432⑆ 2090802946659⑈ ⑈0014500000⑈

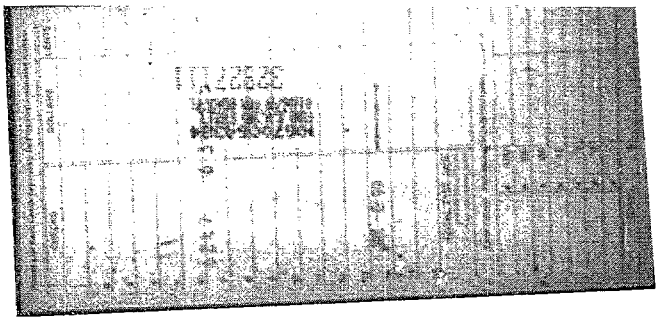


REQUEST 20000726000019 145000.00
ROLL 624599 19990106 000000032827112
JOB 02529 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF23630:20000726000018:1001 scanned on SCANER11 by Operator JAXDSX on Jul 26, 2000 at 09:58:19 AM - Page 1 of 1.





REQUEST 20000726000018 145000.00
ROLL 624599 19990106 000000032827111
JOB 02529 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF23196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 363 of 364.

FIRST UNION

CAP Account Statement 01/01/1999 thru 01/31/1999

2 9983246063 FL R T REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

Questions? Write to:
CAP Department
One First Union Center
Charlotte NC 28288-1164

CAP Account Asset Earnings

	Month to Date	Year to Date
Evergreen Money Market	395.89	395.89
Brokerage Account		
Cash		
Money Market Mutual Funds		
Stocks and Options		
Bonds		
Mutual Funds		
Other Investments		
Brokerage Account Subtotal		
Total CAP A/C Asset Earnings	$395.89	$395.89

News From First Union:

WE ARE PLEASED TO PRESENT OUR NEW CAP STATEMENT! WE WILL BE MAKING CONTINUOUS IMPROVEMENTS TO YOUR STATEMENT THROUGHOUT 1999. ENCLOSED IS A FLYER EXPLAINING YOUR NEW STATEMENT AND ADDITIONAL CHANGES COMING THIS SPRING. IF YOU HAVE ANY QUESTIONS, PLEASE CALL CAP CLIENT SERVICES AT 1-800-733-8812.

Available Funds

Evergreen Money Market	$ 120,395.89
Total	$ 120,395.89

Your Sweep Option is Evergreen Money Market

Average rate 4.15%

Account Activity

Daily Activity

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
1/01		Beginning Balance					$ 0.00
1/06		DEPOSIT - CHECKING			145,000.00		145,000.00
1/25	993	FARNELL FINANCIAL GROUP				25,000.00	120,000.00

Account Activity continued on next page

Redacted Information
in Subcommittee Files

SECURITY BANK N.A.

OUTGOING DOMESTIC WIRE TRANSFER REQUEST AND AUTHORIZATION

03 -- 15 -- 99 :DATE TIME: : : AMOUNT $, 200 , 000 . 00

X OUTGOING WIRE - CHARGE CUSTOMER LISTED BELOW

INTERNATIONAL DEPARTMENT WIRE (CHARGE INTERNATIONAL DEPARTMENT CLEARING ACCOUNT)

X DOMESTIC WIRE (US DOLLARS) FOREIGN WIRE: DESCRIBE CURRENCY

INFORMATION ABOUT THE BANK TO RECEIVE THE WIRE

RECEIVING BANK'S NAME: FIRST UNION NATIONAL BANK OF FLA.

RECEIVING BANK'S "ABA" NUMBER: # 063 000 021

TEST CODE, IF ANY: #

SWIFT CODE, IF APPLICABLE: #

BRANCH NAME OR ADDRESS OF RECEIVING BANK, IF ANY

CITY: JACKSONVILLE STATE: FLORIDA COUNTRY:

INFORMATION ABOUT THE BENEFICIARY OF THE WIRE

NAME OF BENEFICIARY (PERSON / COMPANY TO RECEIVE WIRE): GLOBAL MEDICAL TECHNOLOGIES

ACCOUNT NUMBER (RECEIVING BENEFICIARY'S ACCOUNT NUMBER): # 209-000-2946-659 TYPE OF ID, IF PUPID: # NUMBER

ADDRESS (IF APPLICABLE) CITY STATE COUNTRY

FOR FURTHER CREDIT TO (NAME) # NUMBER

BY ORDER OF (NAME): BRITISH TRADE & COMMERCE BANK # NUMBER

SPECIAL INSTRUCTIONS, IF ANY

REF: GLOBAL TECH INC.

INFORMATION AND AUTHORIZATION ABOUT CUSTOMER'S ACCOUNT TO DEBIT

NAME OF CUSTOMER'S ACCOUNT TO CHARGE OR GENERAL LEDGER ACCOUNT TO DEBIT: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER TO CHARGE (DEBIT): # 0400101400-01

#562

WIRE AMOUNT $	, 200 , 000 . 00
WIRE FEES	, , 15 . 00
OTHER	, , .
TOTAL AMOUNT $	200 , 015 . 00

CUSTOMER'S AUTHORIZATION

I authorize Security Bank to transfer my funds as set forth in the instructions noted herein, including debiting my account and agree that such transfer of funds is subject to the Bank's agreement as noted in the back of this form.

FAX ATTACHED

CUSTOMER'S SIGNATURE

(OFFICER APPROVING TRANSACTION)

HOLD MUST BE PLACED ON ACCOUNT BY BRANCH OFFICER OR BY DEPARTMENT HEAD INITIATING WIRE.

NOTE:

X "ABA" BANK NUMBER HAS BEEN VERIFIED

X HOLD HAS BEEN PLACED ON ACCOUNT

APPROVING OFFICER: SIGNATURE OF OFFICER

(WIRE DEPARTMENT USE ONLY)

WIRE SENT BY: FRB

DATE WIRE SENT: 3-15-99 IBB

TIME WIRE SENT: :

WIRE NUMBER (#) 6657

VERIFIED BY:

96 1132 2611 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 9
FROM 03/01/99 THRU 03/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
03/15	WIRE#6659 FARMERS EXCHANGE BK	20,000.00		331,803.16
03/15	WIRE 6656 NTL COMM BK	25,000.00		306,803.16
03/15	WIRE 6660 FIRST NT L BK	75,000.00		231,803.16
03/15	WIRE 6657 GLOBAL MEDICAL	200,000.00		31,803.16
03/16	RET WIRE #6514 DTD 02/25/99		1,500.00	33,303.16
03/16	WIRE 6211 BK AMER RET WIRE #6640		6,001.00	39,304.16
03/16	MISCELLANEOUS DEBIT	6,000.00		33,304.16
03/16	WIRE 6211 FEE	10.00		33,294.16
03/16	WIRE 6673 FEE	15.00		33,279.16
03/16	WIRE 6674 FEE	15.00		33,264.16
03/16	WIRE 6675 FEE	15.00		33,249.16
03/16	WIRE 6677 FEE	15.00		33,234.16
03/16	WIRE 6678 FEE	15.00		33,219.16
03/16	WIRE 6678 [redacted]	1,500.00		31,719.16
03/16	WIRE 6674 RALPH MINES	4,000.00		27,719.16
03/16	WIRE 6677 MARY BRAZIS	6,300.00		21,419.16

2720

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CF22961:20000725004328:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 04:03:39 PM - Page 12 of 2

FIRST UNION

Flexible Business Checking

001 2090002946659 036 140 20 34. Replacement Statement 003

VECTOR MEDICAL TECHNOLOGIES INC
7761 LA MIRADA DR CS
BOCA RATON FL 33434

Flexible Business Checking 2/27/1999 thru 3/31/1999

Account number: 2090002946659
Account holder(s): VECTOR MEDICAL TECHNOLOGIES INC

Taxpayer ID Number: [redacted]

Account Summary

Opening balance 2/27	$8,341.57
Deposits and other credits	201,174.00 +
Checks	146,589.89 -
Other withdrawals and service fees	37,876.07 -
Closing balance 3/31	$25,049.61

Deposits and Other Credits

Date	Amount	Description
3/08	1,000.00	CREDIT MEMO
3/15	200,000.00	FUNDS TRANSFER (ADVICE 990315008971) RCVD FROM SECURITY BANK NA / ORG=BRITISHT TRADE & COMMERCE BANK RFB=6657 OBI=REF: GLOBAL TECH IN REF=6657 11:09A
3/16	174.00	INSUFFICIENT FUNDS CHARGE REFUND
Total	$201,174.00	

Checks

Number	Amount	Date posted	Number	Amount	Date posted	Number	Amount	Date posted
1022	3,000.00	3/01	1027	10,000.00	3/16	1037	3,000.00	3/25
1023	5,000.00	3/05	1029*	61,000.00	3/16	1038	15,076.38	3/26
1024	1,000.00	3/08	1032*	10,000.00	3/19	1040*	181.13	3/31
1025	5,000.00	3/16	1033	13,000.00	3/22	1042*	1,000.00	3/31
1026	10,000.00	3/16	1036*	9,332.32	3/26	Total	$146,589.89	

*Indicates a break in check number sequence

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in Subcommittee Files

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FIRST UNION NATIONAL BANK FL          Fulltran   Run 17-MAR-1999 23:01 Page 24419
FULL TRANSACTION REPORT                          For 17-MAR-1999

<<< TRN: 990317-011515 >>>

    **** MESSAGE ENVELOPE ****                { Bank : 003 }


SRC:PHN CALLER:BETTS, GEORGE                        EXT:
RPT#          AMT:200,000.00          CUR:USD                          TRDR#
TEST: VAL://                        TYP:FTR/1000 FNDS:S CHG:DB:A CD:Y COM:N CBL:N
-------------------------------------------------------------------------------
DBT D/0009983871373/                    CDT *A[redacted]                  ADV:FED
BRITISH TRADE & COMMERCE BANK           DEPT:0000001660
C/O FEC FINANCIAL HOLDINGS INC          SECURITY BANK NA
444 BRICKELL AVE STE P16                NORTH LAUDERDALE, FL
MIAMI, FL 33131
SPECIAL INSTRUCTIONS:                   BNF:/040010140001             CHG:  BK?N
ALT PHONE NUMBER 767 448 6410           BRITISH TRADE AND COMMERCE BANK


    **** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:
        Type Code:                      10 (Transfer of funds)
        Subtype Code:                   00 (Regular transfer)

{2000} Amount:                          $200,000.00

{3100} Sending Bank:
        ABA number:                     063000021
        Short name:                     FIRST UNION JAX
        ABA lookup (REL):               FIRST UNION OF FLORIDA
                                        JACKSONVILLE, FL
                                        .
                                        .

{3320} Sender Reference:                990317011515

{3400} Receiving Bank:
        ABA number:                     067010512
        Short name:                     SECURITY N LAUDERD
        ABA lookup:                     Address not on file

{3600} Business Function Code:          CTR (Customer transfer)

{4200} Beneficiary:                     D/040010140001
                                        BRITISH TRADE AND COMMERCE BANK

{5000} Originator:                      D/0009983871373
                                        BRITISH TRADE & COMMERCE BANK
                                        C/O FEC FINANCIAL HOLDINGS INC
                                        444 BRICKELL AVE STE P16
                                        MIAMI, FL 33131


    **** MESSAGE TEXT ****
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Redacted Information in Subcommittee Files

SIMT96
96 1132 2612 000
DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 10
FROM 03/01/99 THRU 03/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
03/16	WIRE 6675 MAVIS BETTS	7,368.14		14,051.02
03/16	WIRE 6673 RODOLFO REQUENA	12,100.00		1,951.02
03/18	WIRE 6225 [redacted]		10,125.10	12,076.12
03/18	WIRE 6224 BRITISH TRADE & COMM BK		200,000.00	212,076.12
03/18	MISCELLANEOUS DEBIT	6,000.00		206,076.12
03/18	MISCELLANEOUS DEBIT	6,004.00		200,072.12
03/18	MISCELLANEOUS DEBIT	6,004.00		194,068.12
03/18	WIRE 6224 FEE	10.00		194,058.12
03/18	WIRE 6225 FEE	10.00		194,048.12
03/18	WIRE 6699 FEE	15.00		194,033.12
03/18	WIRE 6700 FEE	15.00		194,018.12
03/18	WIRE 6701 FEE	15.00		194,003.12
03/18	WIRE 6702 FEE	15.00		193,988.12
03/18	WIRE 6703 FEE	15.00		193,973.12
03/18	WIRE 6704 FEE	15.00		193,958.12
03/18	WIRE 6705 FEE	15.00		193,943.12
03/18	WIRE 6706 FEE	15.00		193,928.12
03/18	WIRE 6708 FEE	15.00		193,913.12
03/18	WIRE 6695 FEE	35.00		193,878.12
03/18	WIRE 6697 FEE	35.00		193,843.12

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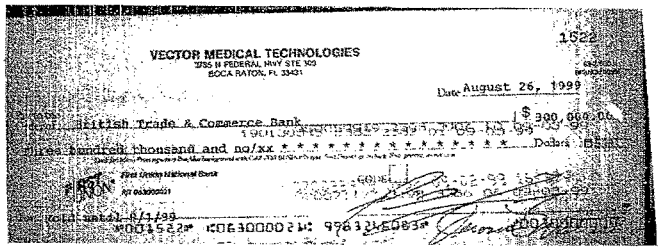


1522

VECTOR MEDICAL TECHNOLOGIES
2255 N FEDERAL HWY STE 300
BOCA RATON, FL 33431

Date August 26, 1999

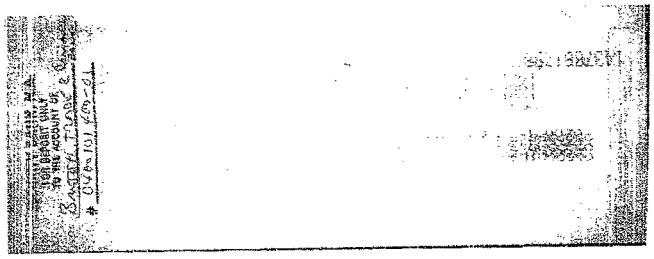
British Trade & Commerce Bank

$ 300,000.00

Three hundred thousand and no/xx * * * * * * * * * * * * * * * * Dollars

Void until 8/1/99

⑈001522⑈ ⑆063000021⑆ 9783145083⑈



REQUEST 20000731000069 300000.00
ROLL 533368 19990903 00000014861298
JOB 02966 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF25196:20000725006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 243 of 364.

FIRST UNION

CAP Account Statement 09/01/1999 thru 09/30/1999

4 9983246063 FL R G REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
9/03		DEPOSIT - CHECKING			19,000.00		
9/03		DEPOSIT - CHECKING (2 ITEMS)			25,000.00		
9/03	1547	ASSOC ENVELOPE CORP				47.70	
9/03	1554	MICHAEL H SALIT MD				87.86	
9/03	1564	[redacted]				168.00	
9/03	1568	[redacted]				435.46	
9/03	1575	[redacted]				459.92	
9/03	1570	[redacted]				823.50	
9/03	1581	STUART E RESEN				1,052.25	
9/03	1585	[redacted]				1,086.55	
9/03	1583	[redacted]				2,225.94	
9/03	1576	MICHAEL H SALIT MD				3,000.00	
9/03	1586	[redacted]				3,248.51	
9/03	1556	[redacted]				5,202.87	
9/03	1566	[redacted]				5,284.55	
9/03	1580	[redacted]				5,952.42	
9/03	1522	BRITISH TRADE & COMMERCE BANK				300,000.00	908,479.11

Account Activity continued on next page

Redacted Information
in Subcommittee Files

STMT96

96 1106 2456 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
ENEMS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 1
FROM 09/01/99 THRU 09/30/99

NUMBER OF ITEMS ENCLOSED: 9

********** ACCOUNT ACTIVITY SUMMARY **********

CKG-01 ACCOUNT NO. 00101400 01

PREVIOUS BALANCE AS OF 08/31/99		50,000.00
TOTAL OF	43 DEPOSITS AND OTHER CREDITS	2,930,402.31
TOTAL OF	155 DEBITS AND WITHDRAWALS	2,930,402.31
ENDING BALANCE AS OF 09/30/99		50,000.00

---------- ACCOUNT DISCLOSURE ----------

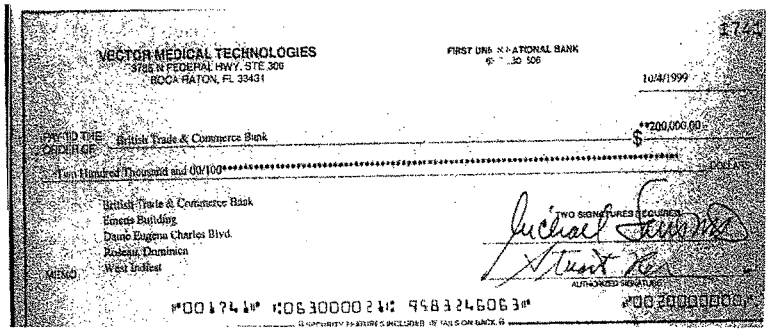
AVERAGE DAILY BALANCE	100,550.00
NUMBER OF DAYS THIS STATEMENT	30

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
09/01	AUTO TRANSFER FROM ACCOUNT 0010140002		3,510.00	53,510.00
09/01	IN909010006 I W		5,500.00	59,010.00
09/01	CASH CHECK 697	7,500.00		51,510.00
09/01	IN909010006 W /F	10.00		51,500.00
09/02	DEPOSIT		300,000.00	351,500.00
09/02	IN909020004 I W		4,914.37	356,414.37
09/02	IN909020002 I W		12,365.40	368,779.77
09/02	IN909020011 I W		24,982.00	393,761.77
09/02	IN909020005 I W		192,664.35	586,426.12
09/02	CASH CHECK 698	1,500.00		584,926.12
09/02	OT909020005	3,710.00		581,216.12

2726

CF31075:20000802000066:1001 scanned on SCANER01 by Operator JAXGEM on Aug 02, 2000 at 10:06:04 AM - Page 1 of 1.



VECTOR MEDICAL TECHNOLOGIES
3785 N FEDERAL HWY. STE 300
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK

10/4/1999

PAY TO THE ORDER OF British Trade & Commerce Bank $ **200,000.00

Two Hundred Thousand and 00/100********** DOLLARS

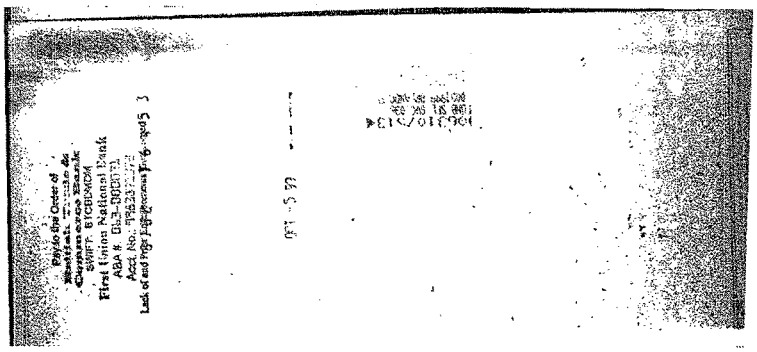
British Trade & Commerce Bank
Emerts Building
Dame Eugena Charles Blvd.
Roseau, Dominica
West Indies

MEMO

TWO SIGNATURES REQUIRED

AUTHORIZED SIGNATURE

⑈001744⑈ ⑆063000021⑆ 9983246063⑈ ⑈0020000000⑈



Pay to the Order of
British Trade & Commerce Bank
SWIFT: BTCDDMDM
First Union National Bank
ABA #: 063-000021
Acct. No.: 998324-6063
Last of and Page Processing

REQUEST 20000802000066 200000.00
ROLL 631879 19991005 000000046291383
JOB 03245 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF25196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 216 of 364.

FIRST UNION

CAP Account Statement 10/01/1999 thru 10/31/1999

5 9983246063 FL R 0 REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

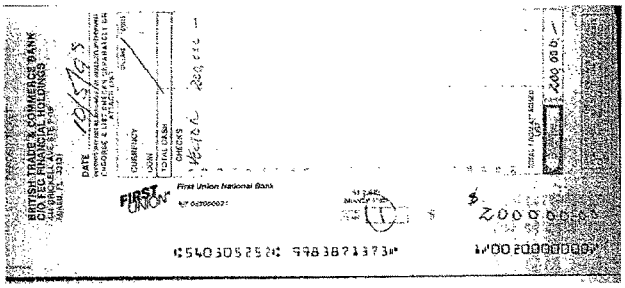
ACCOUNT ACTIVITY continued

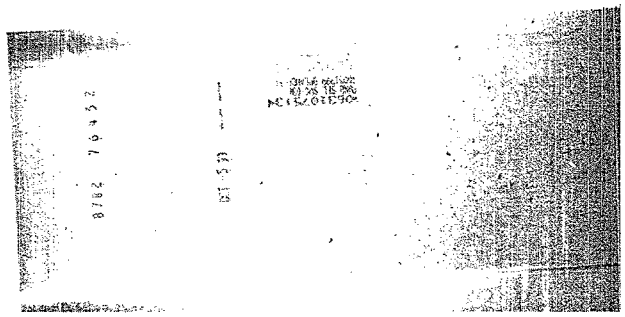
Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
10/05	1743	JEROME MATUSOW				53.10	
10/05	1751	STUART E REBEN				70.00	
10/05	1741	BRITISH TRADE & COMMERCE BANK				200,000.00	1,093,097.15
10/06		DEPOSIT - CHECKING (1 ITEM)			7,598.12		
10/06	1733	[redacted]				238.96	
10/06	1719	[redacted]				461.46	
10/06	1753	[redacted]				1,628.90	1,098,365.95
10/07		DEPOSIT - CHECKING (1 ITEM)			70,000.00		
10/07	1742	MICHAEL SALIT MD				162.54	
10/07	1755	[redacted]				1,212.25	
10/07	1744	[redacted]				1,130.60	
10/07	1670	JAMES P. FARNELL				3,766.70	
10/07	1718	JAMES P FARNELL				1,766.70	
10/07	1712	[redacted]				5,202.87	1,152,124.29
10/08		DEPOSIT - CHECKING (1 ITEM)			7,775.63		
10/08		DEPOSIT - CHECKING (3 ITEMS)			62,500.00		
10/08	1749	[redacted]				256.52	

Account Activity continued on next page

Redacted Information
in Subcommittee Files

CF27840:20000731000075:1001 scanned on SCANER05 by Operator JAXBEC on Jul 31, 2000 at 11:20:31 AM - Page 1 of 1.





REQUEST 20000731000075 200000.00
ROLL 631879 19991005 00000046291382
JOB 02966 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 36 of 151.

FIRST UNION

CAP Account Statement 10/01/1999 thru 10/31/1999

3 9983871373 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

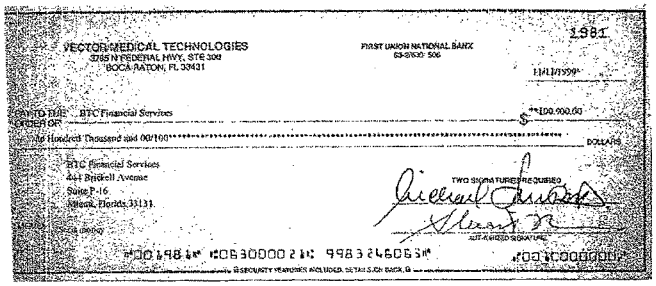
ACCOUNT ACTIVITY

Daily Activity

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
10/01		Beginning Balance					$ 32,068.09
10/01	99275194	DEPOSITED ITEM RETURNED FEE ADV SVC - 751 TR# 000000000616451				6.00	
10/01	99275197	WIRE TRANSFER FEE TR# 028604				18.00	
10/01	99275199	WIRE TRANSFER FEE TR# 021208				18.00	
10/01	99275196	WIRE TRANSFER TR# 028604				1,350.00	
10/01	99275195	DEPOSITED ITEM RETURNED ADV # 61 - 751 TR# 000000000616451				5,000.00	
10/01	99275198	WIRE TRANSFER TR# 021208				10,000.00	15,676.09
10/04		MINIMUM BALANCE FEE FOR PRIOR MO				15.00	15,661.09
10/05		DEPOSIT - CHECKING (12 ITEMS)			8,850.00		
10/05		DEPOSIT - CHECKING (1 ITEM)			200,000.00		
10/05	99279153	WIRE TRANSFER FEE TR# 024849				18.00	
10/05	99279155	WIRE TRANSFER FEE TR# 025222				18.00	
10/05	99279157	WIRE TRANSFER FEE TR# 024990				18.00	
10/05	99279156	WIRE TRANSFER TR# 024990				2,000.00	
10/05	99279154	WIRE TRANSFER TR# 025222				2,500.00	
10/05	99279152	WIRE TRANSFER TR# 024849				30,000.00	189,957.09

Account Activity continued on next page

CF27861:20000731000108:1001 scanned on SCANER14 by Operator JAXESX on Jul 31, 2000 at 11:43:18 AM - Page 1 of 1.



VECTOR MEDICAL TECHNOLOGIES
2765 N FEDERAL HWY, STE 300
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK
63-8/630 506

1981

11/11/1999

PAY TO THE ORDER OF BTC Financial Services $ **100,000.00

One Hundred Thousand and 00/100********** DOLLARS

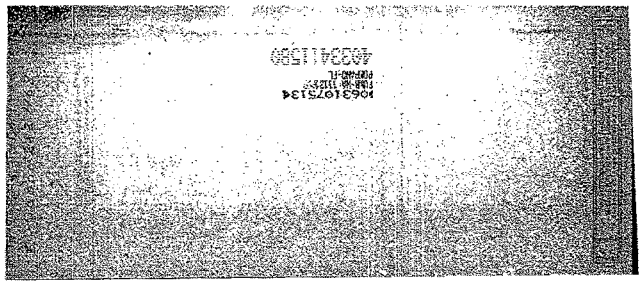
BTC Financial Services
441 Brickell Avenue
Suite P-16
Miami, Florida 33131

TWO SIGNATURES REQUIRED

AUTHORIZED SIGNATURE

⑈001981⑈ ⑆063000021⑆ 9983246065⑈ ⑈0001000000⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.



REQUEST 20000731000108 100000.00
ROLL 632875 19991112 000000040411580
JOB 02967 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

21

CF25196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 191 of 364.

FIRST UNION

CAP Account Statement 11/01/1999 thru 11/30/1999

9 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
11/12	1985	[redacted]				1,814.66	
11/12	1986	[redacted]				3,273.68	
11/12	1993	DR MICHAEL H SALIT				4,000.00	
11/12	2006	[redacted]				4,053.86	
11/12	1971	[redacted]				9,275.39	
11/12	2003	[redacted]				23,011.98	
11/12	2010	[redacted]				25,000.00	
11/12	2007	FIRST UNION NATIONAL BANK				48,696.34	
11/12	1981	BTC FINANCIAL SERVICES				100,000.00	2,256,642.78
11/15		DEPOSIT - CHECKING (1 ITEM)			25,000.00		
11/15	2019	STUART E. REEEN				21.19	
11/15	2020	[redacted]				57.85	
11/15	1940	[redacted]				84.00	
11/15	1924	[redacted]				200.00	
11/15	2000	[redacted]				448.92	
11/15	1997	[redacted]				456.93	
11/15	1995	[redacted]				460.01	
11/15	2015	[redacted]				763.32	

Account Activity continued on next page

Redacted Information in Subcommittee Files

Flexible Business Checking

01 2000002821162 036 140 21 44 Replacement Statement — 003

BTC FINANCIAL SERVICES
444 BRICKELL AVE SUITE P6 CB
MIAMI FL 33131

Flexible Business Checking 11/02/1999 thru 11/30/1999

Account number: 2000002821162
Account holder(s): BTC FINANCIAL SERVICES

Taxpayer ID Number: [redacted]

Redacted Information in Subcommittee Files

Account Summary

Opening balance 11/02	$0.00
Deposits and other credits	156,558.33 +
Checks	110,973.25 -
Other withdrawals and service fees	30,240.00 -
Closing balance 11/30	$15,345.08

Deposits and Other Credits

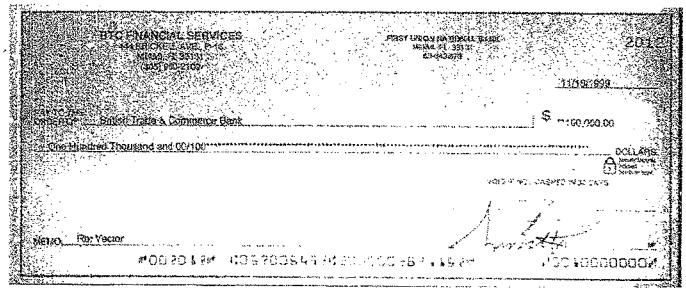
Date	Amount	Description	
11/02	100.00	DEPOSIT	00004435748213
11/10	6,458.33	DEPOSIT	00004033164189
11/12	100,000.00	DEPOSIT	00004033411579
11/19	50,000.00	DEPOSIT	00004433506685
Total	$156,558.33		

Checks

Number	Amount	Date posted	Number	Amount	Date posted	Number	Amount	Date posted			
0000	470.16	11/30	2022*	93.60	11/24	2034*	153.85	11/29	4436914133	4435016435	4436024547

2009*	49.60	11/22	2024*	958.04	11/23	2035	2,900.00	11/19	4434082135	4434418057	4433506692
2011*	89.13	11/22	2026*	144.28	11/26	2036	320.64	11/24	4433645774	4435387352	3238326950
2012	100,000.00	11/19	2027	5.30	11/24	2040*	653.92	11/24	4433506684	4434939012	4434924585
2013	457.82	11/26	2028	28.50	11/24	2043*	2,442.62	11/30	3238856097	4435312919	4633549011
2014	538.44	11/29	2029	42.80	11/26	Total	$110,973.25		4436089503	4035153421	
2018*	576.70	11/24	2031*	34.28	11/23				4434924584	3710579015	

CF27862:20000731000110:1001 scanned on SCANER14 by Operator JAXESX on Jul 31, 2000 at 11:45:23 AM - Page 2 of 2. : Best Copy

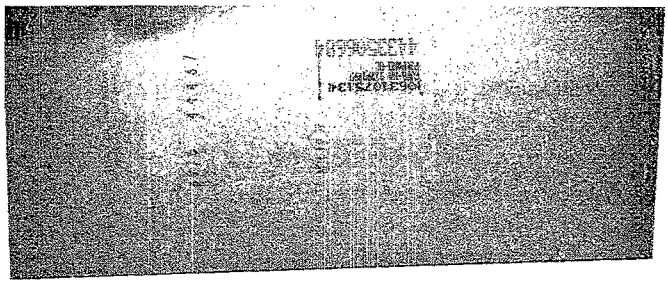

BTC FINANCIAL SERVICES

11/09/999

Pay to the Order of: Bank Trade & Commerce Bank $ 100,000.00

One Hundred Thousand and 00/100 DOLLARS

Memo: For Yector



REQUEST 20000731000110 100000.00
ROLL 633089 19991119 000000044506683
JOB 02957 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF22958:20000725004295:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 25, 2000 at 03:59:13 PM - Page 29 of 151.

FIRST UNION

CAP Account Statement 11/01/1999 thru 11/30/1999

6 9983871373 FL R U REPLACEMENT STATEMENT 003

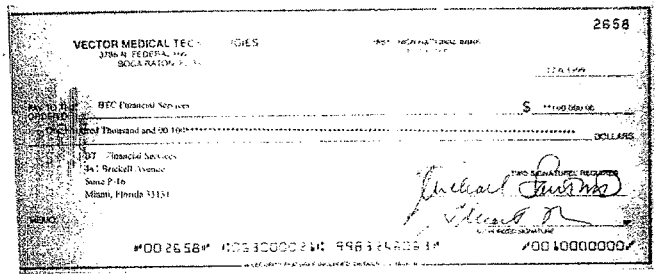
CAP Account number: 9983871373
Brokerage Account number: 17624265
Taxpayer ID: 00-000-0000

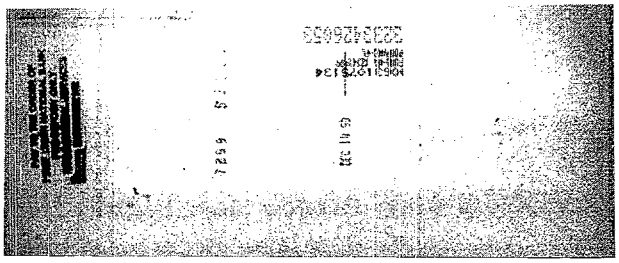
ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
11/19		WIRE TRANSFER TR# 006400			12,345.00		
11/19		DEPOSIT - CHECKING (1 ITEM)			100,000.00		366,394.99
11/22		WIRE TRANSFER TR# 031751			778.00		367,172.99
11/24		DEPOSIT - CHECKING (23 ITEMS)			11,925.00		379,097.99
11/26	99331523	WIRE TRANSFER FEE TR# 011690				18.00	
11/26	99331524	WIRE TRANSFER TR# 011690				175,000.00	204,079.99
11/29		DEPOSIT - CHECKING (1 ITEM)			60,000.00		
11/29	99334167	WIRE TRANSFER FEE TR# 004824				18.00	
11/29	99334168	WIRE TRANSFER TR# 004824				40,000.00	224,061.99
11/30		CAP ACCOUNT INTEREST/DIVIDEND			907.23		
11/30	99335030	WIRE TRANSFER FEE TR# 011578				18.00	
11/30	99335029	WIRE TRANSFER TR# 011578				150,000.00	74,951.22
11/30		Closing Balance 11/30			$ 190,150.23	$ 804,725.00	$ 74,951.22

Account Activity continued on next page

CF27867:20000731000115:1001 scanned on SCANER14 by Operator JAXESX on Jul 31, 2000 at 11:58:22 AM - Page 1 of 1. : Best Copy





REQUEST 20000731000115 100000.00
ROLL 633747 19991214 000000032426053
JOB 02967 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF25196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 158 of 364.

FIRST UNION

CAP Account Statement 12/01/1999 thru 11/31/1999

10 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
12/14	2685	[redacted]				3,034.41	
12/14	2681	[redacted]				4,458.26	
12/14	2669	[redacted]				12,957.89	
12/14	2645	[redacted]				93,500.00	
12/14	2658	BFC FINANCIAL SVCS				100,000.00	3,154,247.73
12/15		DEPOSIT - CHECKING (1 ITEM)			16,000.00		
12/15	2696	[redacted]				27.90	
12/15	2678	[redacted]				377.73	
12/15	2644	[redacted]				1,320.40	3,168,521.70
12/16		DEPOSIT - CHECKING (1 ITEM)			50,000.00		
12/16	2677	JAMES P FARNELL				3,766.70	
12/16	2666	[redacted]				35,000.00	3,179,755.00
12/17		DEPOSIT - CHECKING (1 ITEM)			12,500.00		
12/17	2745	[redacted]				436.15	
12/17	2737	[redacted]				575.45	
12/17	2731	[redacted]				627.63	
12/17	2740	[redacted]				749.50	

Account Activity continued on next page

Redacted Information
in Subcommittee Files

Flexible Business Checking

01 2000002821162 036 142 58 44 Replacement Statement 003

BTC FINANCIAL SERVICES
444 BRICKELL AVE SUITE P6 CB
MIAMI FL 33131

Flexible Business Checking 12/01/1999 thru 12/31/1999

Account number: 2000002821162
Account holder(s): BTC FINANCIAL SERVICES

Taxpayer ID Number: [redacted]

Redacted Information in Subcommittee Files

Account Summary

Opening balance 12/01	$15,345.08	
Deposits and other credits	240,535.14	+
Checks	201,259.00	-
Other withdrawals and service fees	44,500.00	-
Closing balance 12/31	$10,121.22	

Deposits and Other Credits

Date	Amount	Description	
12/01	40,000.00	FUNDS TRANSFER (ADVICE 991201017249) RCVD FROM SECURITY BANK NA / ORG=BRITISH TRADE & COMMERCE BANK RFB=OT912010005 OBI= REF=OT912010005 12:07P	00991201017249
12/07	40,000.00	FUNDS TRANSFER (ADVICE 991207021490) RCVD FROM SECURITY BANK NA / ORG=BRITISH TRADE & COMMERCE BANK RFB=BTCB TRANSFER OBI=TO SETTLE A/CS REF=OT912070008 02:26P	00991207021490
12/14	5,535.14	DEPOSIT	00003233426050
12/14	100,000.00	DEPOSIT	00003233426052
12/21	55,000.00	FUNDS TRANSFER (ADVICE 991221011012)	00991221011012

Flexible Business Checking

02 2000002821162 036 142 58 44 Replacement Statement 003

Checks continued

Number	Amount	Date posted	Number	Amount	Date posted	Number	Amount	Date posted			
2048	1,000.00	12/07	2064	40,000.00	12/06	2083*	2,459.50	12/20	3037885236	3231000908	4433808491
2049	1,000.00	12/08	2066*	21.83	12/07	2084	3,187.50	12/16	4036267303	3037995064	3233907599
2050	150.00	12/02	2067	1,000.00	12/09	2085	100,000.00	12/16	3036624566	4431242510	3233907598
2051	850.00	12/07	2068	4,800.00	12/27	2086	142.00	12/24	3037896975	3033481508	3033163623
2052	528.00	12/09	2069	320.00	12/17	2087	363.44	12/31	4431242511	3031176883	4437541604
2053	131.24	12/06	2070	315.00	12/15	2088	5.30	12/24	3037283715	3030943781	4435613289
2054	85.03	12/10	2071	116.49	12/20	2089	500.00	12/22	3714940375	3234528914	3032605434
2055	34.59	12/13	2072	36.95	12/14	2090	2,900.00	12/22	3616741192	4432613029	3032796770
2056	306.00	12/15	2074*	68.00	12/22	2091	166.05	12/27	3030782972	1138962742	3033395684
2057	2,559.01	12/15	2075	5.30	12/15	2093*	958.04	12/28	3030714260	3233536243	4436475473
2058	1,315.72	12/09	2076	690.63	12/23	2094	110.00	12/29	4634396204	4435179885	4436745961
2059	3,296.60	12/10	2077	87.70	12/16	2095	210.50	12/30	2317677619	3031011579	3034307851
2060	7,730.03	12/10	2078	933.69	12/21	2098*	78.69	12/27	4634558493	4434418558	3033387502
2061	81.00	12/15	2079	156.72	12/16	2099	9,088.04	12/27	3030808374	3234211495	3033457208
2062	296.58	12/10	2080	115.08	12/17	Total	$201,259.00		3232248421	4433373679	
2063	2,442.58	12/07	2081	18.52	12/14				4634027649	3233081581	

*Indicates a break in check number sequence

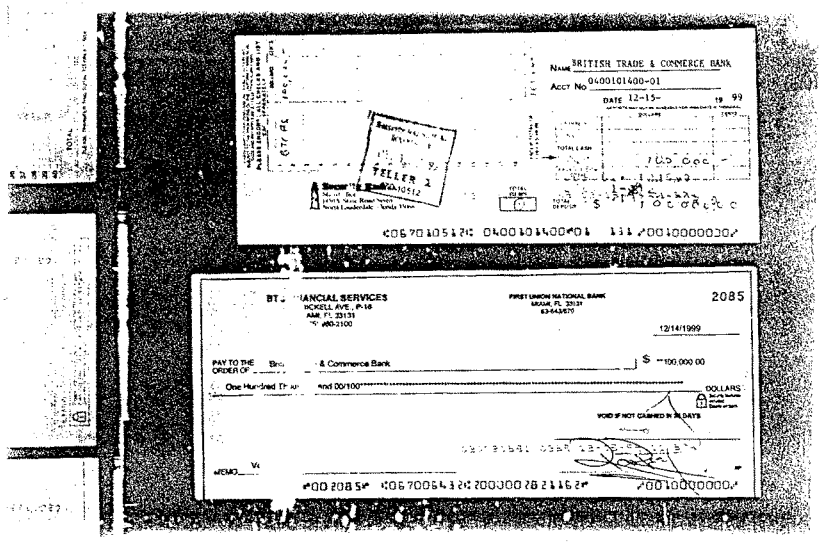
Other Withdrawals and Service Fees

Date	Amount	Description	
12/30	44,500.00	TRANSFER TO 2020000726184 CCSC C:52411	00000986101003

Total $44,500.00

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
12/01	55,172.83	12/13	24,865.23	12/23	70,543.28
12/02	54,706.00	12/14	130,344.90	12/24	70,395.98
12/03	47,062.68	12/15	127,078.59	12/27	56,263.20
12/06	6,175.50	12/16	23,646.67	12/28	55,305.16
12/07	41,861.09	12/17	23,211.59	12/29	55,195.16
12/08	40,348.80	12/20	20,635.60	12/30	10,484.66
12/09	37,505.08	12/21	74,701.91	12/31	10,121.22



NAME BRITISH TRADE & COMMERCE BANK
ACCT NO 0400101400-01
DATE 12-15- 19 99

TELLER 2

BT FINANCIAL SERVICES
ROCKELL AVE., P-16
MIAMI, FL 33131
305-2100

FIRST UNION NATIONAL BANK
MIAMI, FL 33131
63-643/670

2085

12/14/1999

PAY TO THE ORDER OF British Trade & Commerce Bank $ **100,000.00

One Hundred Thousand 00/100********** DOLLARS

VOID IF NOT CASHED IN 90 DAYS

MEMO

STMT96 96 1100 2624 000 DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 12
FROM 12/01/99 THRU 12/31/99

NUMBER OF ITEMS ENCLOSED: 10

CKG-01

ACCOUNT NO. 00101400 01

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
12/15	DEPOSIT		100,000.00	159,978.68
12/15	AUTO TRANSFER FROM ACCOUNT 0010140002		292,101.13	452,079.81
12/15	OT912150009 O W	2,025.00		450,054.81
12/15	OT912150004 O W	3,300.00		446,754.81
12/15	OT912150018 O W	3,500.00		443,254.81
12/15	OT912150010 O W	5,000.00		438,254.81
12/15	OT912150017 O W	6,000.00		432,254.81
12/15	MISCELLANEOUS DEBIT	7,000.00		425,254.81
12/15	OT912150003 O W	7,000.00		418,254.81
12/15	OT912150012 O W	7,500.00		410,754.81
12/15	OT912150015 O W	8,500.00		402,254.81
12/15	MISCELLANEOUS DEBIT	10,000.00		392,254.81
12/15	OT912150011 O W	12,000.00		380,254.81
12/15	OT912150005 O W	12,100.00		368,154.81
12/15	OT912150013 O W	25,000.00		343,154.81
12/15	OT912150014	53,201.00		289,953.81

2742

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2886

VECTOR MEDICAL TECHNOLOGIES
3785 N. FEDERAL HWY. STE. 300
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK
63-2633 505

1/10/2000

PAY TO THE ORDER OF BTC Financial Services $ **100,000.00

One Hundred Thousand and 00/100********** DOLLARS

BTC Financial Services
444 Brickell Avenue
Suite P-16
Miami, Florida 33131

CODE

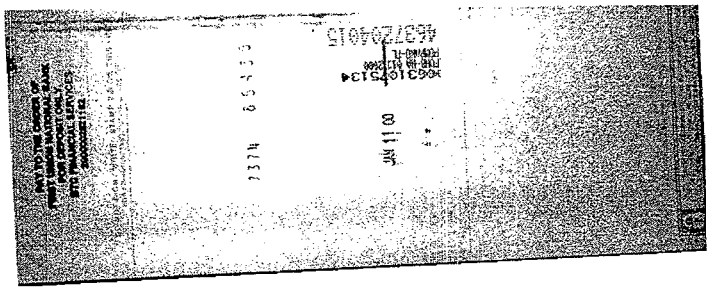
TWO SIGNATURES REQUIRED

AUTHORIZED SIGNATURE

MEMO

⑈002886⑈ ⑆063000021⑆ 9983245063⑈ ⑈0010000000⑈

⑈ SECURITY FEATURES INCLUDED. DETAILS ON BACK ⑈



REQUEST 20000731000134 100000.00
ROLL 1387 20000111 000000046204015
JOB 02967 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

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FIRST UNION

CAP Account Statement 01/01/2000 thru 01/31/2000

5 9983246063 FL R 0 REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
1/10	2874	[redacted]				541.45	
1/10	2867	[redacted]				575.45	
1/10	2860	[redacted]				627.62	
1/10	2872	[redacted]				749.50	
1/10	2857	[redacted]				1,030.25	
1/10	2879	[redacted]				1,108.24	
1/10	2887	MICHAEL SALIT MD				1,200.00	
1/10	2876	STUART L REBEN				1,369.00	
1/10	2849	[redacted]				1,625.00	
1/10	2859	[redacted]				2,380.25	
1/10	2869	DR MICHAEL H SALIT				4,000.00	
1/10	2878	[redacted]				4,058.85	
1/10	2883	[redacted]				5,202.87	990,706.50
1/11		DEPOSIT - CHECKING (1 ITEM)			50,000.00		
1/11	2895	[redacted]				4,970.44	
1/11	2886	BIC FINANCIAL SERVICES				100,000.00	
1/11	2870	[redacted]				69.26	
1/11	2884	JIM FARNELL				125.02	

Account Activity continued on next page

Redacted Information
in Subcommittee Files

Flexible Business Checking

01 2000002821162 036 140 45 44 Replacement Statement 003

BTC FINANCIAL SERVICES
444 BRICKELL AVE SUITE P6 CB
MIAMI FL 33131

Flexible Business Checking 1/01/2000 thru 1/31/2000

Account number: 2000002821162
Account holder(s): BTC FINANCIAL SERVICES

Taxpayer ID Number: [redacted]

Redacted Information in Subcommittee Files

Account Summary

Opening balance 1/01	$10,121.22
Deposits and other credits	244,000.00 +
Checks	137,179.52 -
Other withdrawals and service fees	84,967.70 -
Closing balance 1/31	$31,974.00

Deposits and Other Credits

Date	Amount	Description	
1/07	11,000.00	FUNDS TRANSFER (ADVICE 000107023739) RCVD FROM BRITISH TRADE & C/ ORG= RFB= OBI= REF= 02:43P	00000107023739
1/11	100,000.00	DEPOSIT	00004637204014
1/14	60,000.00	FUNDS TRANSFER (ADVICE 000114027087) RCVD FROM SECURITY BANK NA / ORG=BRITISH TRADE & COMMERCE BANK RFB=OT1140005 OBI=REF: BTCB TRANSFER S REF=OT1140005 02:45P	00000114027087
1/24	3,000.00	DEPOSIT	00004637850064
1/26	70,000.00	FUNDS TRANSFER (ADVICE 000126019518)	00000126019518

Flexible Business Checking

02 2000002821162 036 140 45 44 Replacement Statement 003

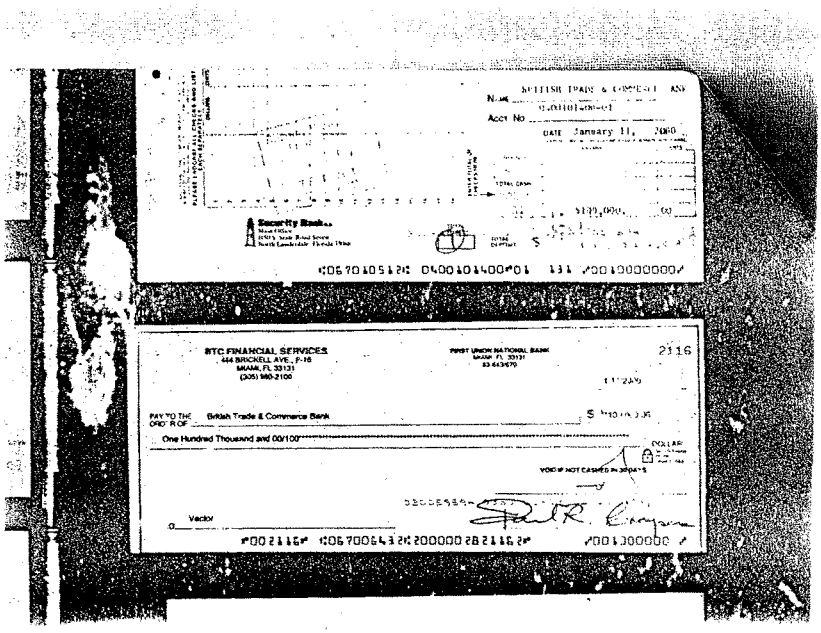
Checks continued

Number	Amount	Date posted	Number	Amount	Date posted	Number	Amount	Date posted			
2108	85.00	1/10	2121	1,597.50	1/18	2138*	353.44	1/27	4430903665	3036896307	4437030463
2109	106.55	1/12	2122	1,312.50	1/21	2140*	933.69	1/28	3230373790	4435010014	4437602344
2110	47.25	1/12	2123	50.00	1/21	2141	673.05	1/31	4432150229	1238926786	4036205446
2111	87.75	1/11	2124	100.50	1/19	2142	2,900.00	1/21	3230057562	3231682804	4637664096
2112	85.03	1/10	2125	4,135.25	1/19	2143	175.00	1/25	3310687996	4433922306	4035511628
2113	565.37	1/11	2127*	59.50	1/24	2146*	2,286.00	1/28	4431613790	4435542216	3233446080
2114	306.00	1/12	2128	600.00	1/20	2149*	84.76	1/31	4432126591	3232040897	3512867318
2115	5,000.00	1/18	2129	75.27	1/20	2154*	3,782.71	1/31	3036597641	4434786382	2318048808
2116	100,000.00	1/13	2130	78.69	1/26	2163*	1,985.00	1/31	4432535706	3233028488	4437842362
2118*	156.72	1/24	2131	152.17	1/20	Total	$137,179.52		4435504733	3037311026	
2119	70.75	1/19	2135*	434.00	1/28				3231836149	4437380931	
2120	2,491.00	1/18	2136	958.04	1/27				3613019411	4437118195	

*Indicates a break in check number sequence

Other Withdrawals and Service Fees

Date	Amount	Description	
1/12	24.00	COMMERCIAL SERVICE CHARGES FOR DECEMBER 1999	00000000000000
1/14	30.00	INSUFFICIENT FUNDS CHARGE 1 TRANSACTION(S) AT 30.00 EACH	00000000002868
1/14	13,244.39	AUTOMATED DEBIT COMPUPAY TAX TAX IMPOUN CO. ID. 4592022495 000114 CCD MISC COMPUPAY D03236	420000141502798
1/24	29,575.33	AUTOMATED DEBIT BTC FINANCIAL SE REVERSAL CO. ID. 1880435734 000124 PPD MISC 032360880435734	420000244867319
1/25	124.55	AUTOMATED DEBIT COMPUPAY AR MONEY CO. ID. 6592022495 000125 CCD MISC COMPUPAY D03236	420000245272375
1/28	28,868.96	AUTOMATED DEBIT BTC FINANCIAL SE PR DEPOSIT CO. ID. 1880435734 000128 PPD MISC 032360880435734	420000287875520



Name BRITISH TRADE & COMMERCE BNK

Acct No

DATE January 11, 2000

TOTAL CASH

$100,000.00

Security Bank

⑆067010512⑆ 0400101400⑈01 131 ⑈0010000000⑈

RTC FINANCIAL SERVICES
444 BRICKELL AVE., F-16
MIAMI, FL 33131
(305) 960-2100

FIRST UNION NATIONAL BANK
MIAMI, FL 33131
63-643/670

2116

PAY TO THE ORDER OF British Trade & Commerce Bank $ 100,000.00

One Hundred Thousand and 00/100 DOLLARS

VOID IF NOT CASHED IN 30 DAYS

Vector

⑈002116⑈ ⑆067006432⑆ 2000002821162⑈ ⑈0010000000⑈

STMT96 96 1092 2456 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 7
FROM 01/01/00 THRU 01/31/00

NUMBER OF ITEMS ENCLOSED: 17

CKG-01

ACCOUNT NO. 00101400 01

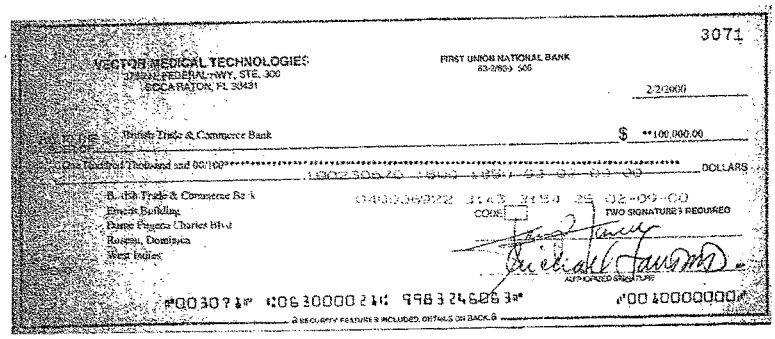
-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
01/11	AUTO TRANSFER TO ACCT.--0010140002	35,440.90		51,594.07
01/12	DEPOSIT		100,000.00	151,594.07
01/12	AUTO TRANSFER FROM ACCOUNT 0010140002		36,515.95	188,110.02
01/12	OT1120005 O W	2,000.00		186,110.02
01/12	OT1120004 O W	36,000.00		150,110.02
01/12	OT1120005 W /F	15.00		150,095.02
01/12	OT1120004 W /F	15.00		150,080.02
01/13	WIRE#5 REJECTED [redacted]		2,000.00	152,080.02
01/13	IN1130003 I W		19,514.60	171,594.62
01/13	IN1130008 I W		36,000.00	207,594.62
01/13	IN1130001 I W		36,000.00	243,594.62
01/13	IN1130005 I W		100,000.00	343,594.62
01/13	OT1130008 O W	443.86		343,150.76
01/13	OT1130007 O W	838.94		342,311.82

2748

Redacted Information
in Subcommittee Files

CF27876:20000731000145:1001 scanned on SCANER11 by Operator JAXDSX on Jul 31, 2000 at 08:44:25 AM - Page 1 of 1.



3071

VECTOR MEDICAL TECHNOLOGIES
2400 N. FEDERAL HWY, STE. 300
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK
63-2/831 506

2/2/2000

PAY TO THE ORDER OF British Trade & Commerce Bank $ **100,000.00

One Hundred Thousand and 00/100********** DOLLARS

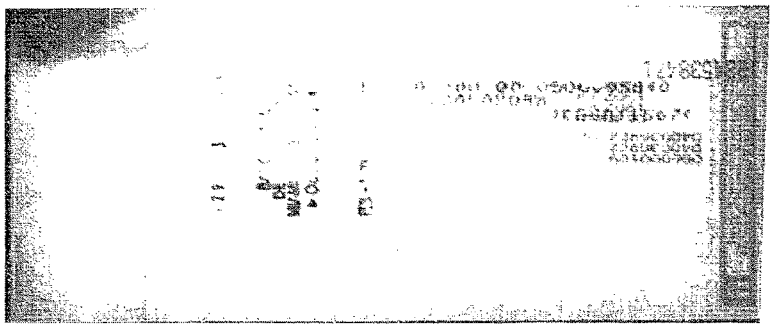
British Trade & Commerce Bank
Fincan Building
Dame Eugenia Charles Blvd
Roseau, Dominica
West Indies

CODE
TWO SIGNATURES REQUIRED

AUTHORIZED SIGNATURE

⑈003071⑈ ⑆063000214⑆ 9983246063⑈ ⑈0010000000⑈

A SECURITY FEATURE IS INCLUDED. DETAILS ON BACK.



REQUEST 20000731000145 100000.00
ROLL 1322 20000209 000000012538471
JOB 02957 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found

CF25196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 99 of 364.

FIRST UNION

CAP Account Statement 02/01/2000 thru 02/29/2000

7 9983246063 FL R C REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
2/08	3079	[redacted]				600.59	
2/08	3103	[redacted]				614.62	
2/08	3107	JAMES FARNELL				1,200.00	
2/08	3068	[redacted]				3,351.50	
2/08	3113	[redacted]				60,000.00	2,186,635.71
2/09		DEPOSIT - CHECKING (2 ITEMS)			40,000.00		
2/09	3074	[redacted]				475.63	
2/09	3067	[redacted]				4,501.94	
2/09	3089	[redacted]				11,456.01	
2/09	3112	[redacted]				60,000.00	
2/09	3071	BRITISH TRADE & COMMERCE BANK				100,000.00	2,050,202.13
2/10		DEPOSIT - CHECKING (2 ITEMS)			37,500.00		
2/10	3065	[redacted]				96.41	
2/10	3070	[redacted]				195.00	
2/10	3055	[redacted]				391.90	
2/10	3066	FEDERAL EXPRESS				906.25	
2/10	3064	[redacted]				2,818.68	2,083,293.39

Account Activity continued on next page

Redacted Information
in Subcommittee Files

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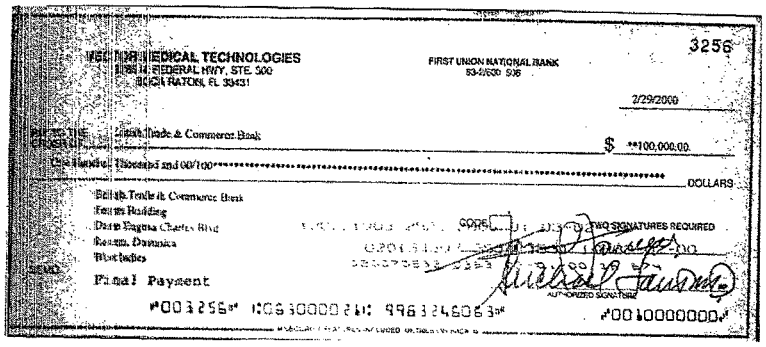


MEDICAL TECHNOLOGIES
FEDERAL HWY, STE. 500
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK
53-0/630 936

3256

2/29/2000

PAY TO THE ORDER OF: British Trade & Commerce Bank

$ **100,000.00

One Hundred Thousand and 00/100********** DOLLARS

British Trade & Commerce Bank
Fortis Building
Dame Eugenia Charles Blvd
Roseau, Dominica
West Indies

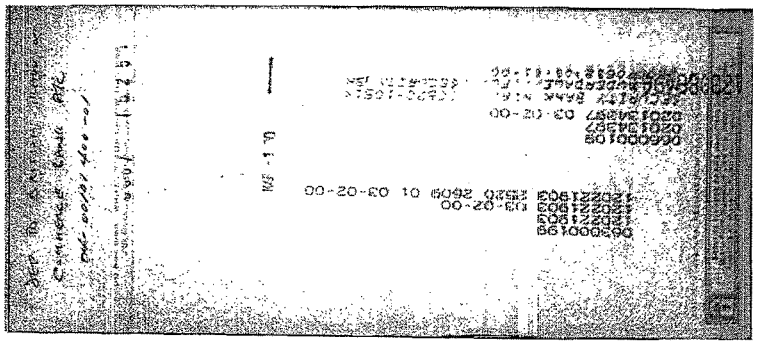
SEND

Final Payment

TWO SIGNATURES REQUIRED

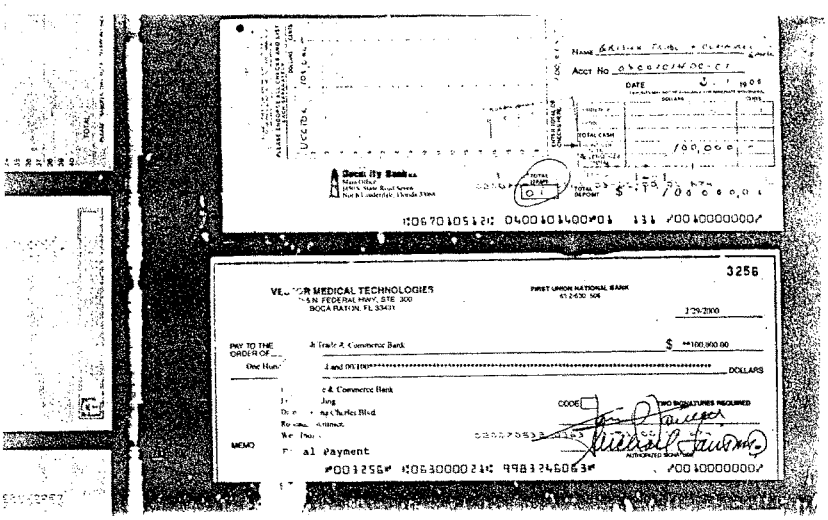
AUTHORIZED SIGNATURE

⑈003256⑈ ⑆063000021⑆ 9963246063⑈ ⑈0010000000⑈



REQUEST 20000802000144 100000.00
ROLL 191 20000302 000000012884961
JOB 03235 F ACCT
REQUESTOR DONNA LONG
. STAR: DONNA LONG NC5458

Bank Table Record Not Found



Name
Acct No
DATE
TOTAL CASH
100,000
TOTAL ITEMS
TOTAL DEPOSIT
$ 100,000.00

3256

VE... OR MEDICAL TECHNOLOGIES
...S.N. FEDERAL HWY, STE 300
BOCA RATON, FL 33431

FIRST UNION NATIONAL BANK
67-2630 506

1-29-2000

PAY TO THE ORDER OF
$ **100,000.00
DOLLARS
CODE
TWO SIGNATURES REQUIRED
AUTHORIZED SIGNATURE
MEMO
Final Payment

CF25196:20000726006497:9999 scanned on IMAGEMANAGER by Operator IMAGEMANAGER on Jul 27, 2000 at 09:34:25 AM - Page 60 of 364.

FIRST UNION

CAP Account Statement 03/01/2000 thru 03/31/2000

5 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
3/02	3211	[redacted]				336.40	
3/02	3226	[redacted]				614.63	
3/02	3270	DR MICHAEL H SALIT				1,000.00	
3/02	3236	[redacted]				8,980.30	
3/02	3256	BRITISH TRADE & COMMERCE BK				100,000.00	3,526,702.95
3/03	3251	JIM FARNELL				105.09	
3/03	3208	[redacted]				240.00	
3/03	3219	[redacted]				427.34	
3/03	3291	[redacted]				576.45	
3/03	3260	JIM FARNELL				1,200.00	
3/03	3286	STUART E REBEN				1,371.00	
3/03	3263	[redacted]				2,806.58	
3/03	3288	DR MICHAEL H SALIT				3,000.00	
3/03	3245	[redacted]				40,000.00	
3/03	3257	[redacted]				40,000.00	
3/03	3258	[redacted]				40,000.00	
3/03	3290	[redacted]				56,437.63	3,340,537.36

Account Activity continued on next page

Redacted Information
in Subcommittee Files

STMT96

96 1275 2802 000

DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMBENS BLDG. DAME EUGENIA CHARLES
BLVD. BAYFRONT
ROSEAU, DOMINICA, WI

0010140000 1
FROM 03/01/00 THRU 03/31/00

NUMBER OF ITEMS ENCLOSED: 17

********** ACCOUNT ACTIVITY SUMMARY **********

CKG-01 ACCOUNT NO. 00101400 01

PREVIOUS BALANCE AS OF 02/29/00		50,000.00
TOTAL OF 46	DEPOSITS AND OTHER CREDITS	2,121,636.44
TOTAL OF 211	DEBITS AND WITHDRAWALS	2,167,109.53
ENDING BALANCE AS OF 03/31/00		4,526.91

---------- ACCOUNT DISCLOSURE ----------

AVERAGE DAILY BALANCE	58,536.47
NUMBER OF DAYS THIS STATEMENT	31

-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
03/01	DEPOSIT		100,000.00	150,000.00
03/01	AUTO TRANSFER FROM ACCOUNT 0010140002		53,219.29	203,219.29
03/01	IN3010002 I W		9,940.00	213,159.29
03/01	OT3010010 O W	610.00		212,549.29
03/01	OT3010008 O W	4,938.45		207,610.84
03/01	OT3010005 O W	7,000.00		200,610.84
03/01	OT3010006 O W	7,500.00		193,110.84
03/01	OT3010011 O W	7,500.00		185,610.84
03/01	OT3010009 O W	15,000.00		170,610.84

2754

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FIRST UNION

Sample of Deposits to Global/Vector CAP Account

CAP Account Statement 09/01/1999 thru 09/30/1999

15 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Trans Type/ Check Number	Description	Quantity	Price/ Amount	Add	Subtract	Daily Cash Balance
9/30		EXCESSIVE WITHDRAWAL SERVICE CHA				78.00	1,265,696.59
9/30		Closing Balance 9/30			$ 1,096,820.38	$ 1,020,401.49	$ 1,265,696.59

Summary of Deposits

Date	Description	Amount	Check Ref Number
9/01	DEPOSIT - CHECKING	12,500.00	3035342887
9/02	DEPOSIT - CHECKING	25,000.00	4436564108
9/03	DEPOSIT - CHECKING	13,000.00	3036323916
9/03	DEPOSIT - CHECKING (2 ITEMS)	25,000.00	3036251431
9/07	DEPOSIT - CHECKING (4 ITEMS)	25,000.00	4034001338
9/08	DEPOSIT - CHECKING	50,000.00	4635691811
9/09	DEPOSIT - CHECKING	10,000.00	4034485042
9/10	DEPOSIT - CHECKING	25,000.00	3037969143
9/10	DEPOSIT - CHECKING (2 ITEMS)	37,500.00	4635809933
9/13	DEPOSIT - CHECKING	25,000.00	4636073910
9/15	DEPOSIT - CHECKING	50,000.00	4438413037
9/15	DEPOSIT - CHECKING (4 ITEMS)	62,500.00	4438413032
9/15	DEPOSIT - CHECKING (4 ITEMS)	36,250.00	3233713598

Account Activity continued on next page

Redacted Information in Subcommittee Files

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FIRST UNION

CAP Account Statement 09/01/1999 thru 09/30/1999

16 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Description	Amount	Check Ref Number
9/17	DEPOSIT - CHECKING	50,000.00	4636750625
9/20	DEPOSIT - CHECKING (4 ITEMS)	3,000.00	4430133770
9/20	DEPOSIT - CHECKING (4 ITEMS)	72,250.00	4430133769
9/22	DEPOSIT - CHECKING	15,000.00	4036449641
9/23	WIRE TRANSFER TR# 019530	50,000.00	
9/23	DEPOSIT - CHECKING (2 ITEMS)	30,000.00	3031797825
9/24	DEPOSIT - CHECKING (1 ITEM)	12,500.00	3032081540
9/24	DEPOSIT - CHECKING (4 ITEMS)	81,250.00	4431921277
9/27	DEPOSIT - CHECKING (2 ITEMS)	17,500.00	4432618919
9/27	DEPOSIT - CHECKING (2 ITEMS)	30,000.00	3032324741
9/28	DEPOSIT - CHECKING (6 ITEMS)	185,000.00	4037269748
9/29	DEPOSIT - CHECKING (6 ITEMS)	93,750.00	3236231554
9/30	CAP ACCOUNT INTEREST/DIVIDEND	3,820.38	
9/30	DEPOSIT - CHECKING (2 ITEMS)	50,000.00	3032829874
Total		$ 1,096,820.38	

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

19 9983246063 FL R U REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Summary of Deposits

Date	Description	Amount	Check Ref Number
12/01	DEPOSIT - CHECKING (3 ITEMS)	35,000.00	3036195880
12/01	DEPOSIT - CHECKING (1 ITEM)	150,000.00	3036380732
12/02	DEPOSIT - CHECKING (5 ITEMS)	99,392.66	3036704081
12/03	WIRE TRANSFER TR# 032698	23,140.00	
12/03	DEPOSIT - CHECKING (1 ITEM)	25,000.00	4438445415
12/03	DEPOSIT - CHECKING (5 ITEMS)	37,500.00	4438445366
12/06	DEPOSIT - CHECKING (2 ITEMS)	37,500.00	3037515935
12/07	DEPOSIT - CHECKING (2 ITEMS)	10,000.00	4035916563
12/08	DEPOSIT - CHECKING (1 ITEM)	65,000.00	4430908065
12/08	DEPOSIT - CHECKING (2 ITEMS)	75,000.00	4430908067
12/09	DEPOSIT - CHECKING (8 ITEMS)	143,750.00	3038788430
12/10	WIRE TRANSFER TR# 007504	10,000.00	
12/10	WIRE TRANSFER TR# 031978	25,000.00	
12/10	DEPOSIT - CHECKING (15 ITEMS)	228,750.00	4431728344
12/13	DEPOSIT - CHECKING (1 ITEM)	25,000.00	3038894776
12/13	DEPOSIT - CHECKING (4 ITEMS)	100,000.00	4431987979
12/14	DEPOSIT - CHECKING (1 ITEM)	12,500.00	3030416375
12/15	DEPOSIT - CHECKING (1 ITEM)	16,000.00	4635027809
12/16	DEPOSIT - CHECKING (1 ITEM)	50,000.00	4635147174

Account Activity continued on next page

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FIRST UNION

CAP Account Statement 12/01/1999 thru 12/31/1999

10 9983246063 FL R 0 REPLACEMENT STATEMENT 003

CAP Account number: 9983246063
Brokerage Account number: 37239016
Taxpayer ID: [redacted]

ACCOUNT ACTIVITY continued

Date	Description	Amount	Check Ref Number
12/17	DEPOSIT - CHECKING (1 ITEM)	12,500.00	3031312665
12/23	DEPOSIT - CHECKING (1 ITEM)	12,500.00	4038645333
12/27	CX 2703 PD 12000.00 SB 1100.00 DOTS MISC	10,800.00	
12/28	DEPOSIT - CHECKING (1 ITEM)	30.00	4030311690
12/28	DEPOSIT - CHECKING (1 ITEM)	6,225.00	4436496678
12/28	DEPOSIT - CHECKING (2 ITEMS)	37,500.00	4030311687
12/29	DEPOSIT - CHECKING (1 ITEM)	30,000.00	3034053436
12/30	DEPOSIT - CHECKING (1 ITEM)	12,500.00	3034356267
12/31	CAP ACCOUNT INTEREST/DIVIDEND	12,158.46	
12/31	INTEREST ADJUSTMENT	70.31	
Total		$ 1,302,766.43	

Summary of Withdrawals

Date	Check Number	Description	Expense Tracking Category	Amount	Check Ref Number
12/03		SIREPAY DEBIT HARLAND CHECKS CHK ORDERS		71.31	99338766
12/08		DEPOSITED ITEM RETURNED FEE ADV # 794316		6.00	99343041
12/08		DEPOSITED ITEM RETURNED ADV # 794315 SVC		50,000.00	99343042
12/09		STOP ORDER SERVICE CHARGE		30.00	

* Indicates a break in check number sequence

Account Activity continued on next page

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. THE APPLETREE COMPANIES, INC. f/k/a MODAMI SERVICES, INC., MICHAEL H. SALIT, DAVID B. LOBEL, PAUL B. KRAVITZ, AND W. SCOTT LONG III, Defendants.	)	Case No. 96-8675 COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

CIV. RYSKAMP
MAGISTRATE JUDGE
VITUNAC

FILED BY _____ D.C.
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Plaintiff, Securities and Exchange Commission ("Commission"), alleges that:

INTRODUCTION

1. The Commission brings this action as a result of various material omissions and misrepresentations in connection with AppleTree Companies, Inc.'s ("AppleTree"), offer and sale of securities in 1992, as well as in various reports with the Commission thereafter. The misstatements and omissions in AppleTree's 1992 offering materials and subsequent filings relate to: (a) an undisclosed relationship between former officers and directors of AppleTree and AppleTree's sole supplier of the raw material for its yogurt product; (b) $440,000 in machinery and equipment purportedly owned by AppleTree; (c) an undisclosed $250,000 loan which AppleTree made from the proceeds of its 1992 offering; and (d) a joint venture agreement with an unauthorized signature included in a filing with the Commission. The Commission seeks injunctive relief and an accounting against all

Defendants, and civil penalties and disgorgement against all individual Defendants.

DEFENDANTS

2. **The AppleTree Companies, Inc.** ("AppleTree"), a Delaware corporation which until in or about August 1996 had its principal offices in Boca Raton, Florida, is a diversified food and consumer products company. At all times relevant, AppleTree was subject to the reporting requirements of the Securities Exchange Act of 1934 ("Exchange Act") and AppleTree filed current and periodic reports with the Commission.

3. **Michael H. Salit** ("Salit"), 52, resides in Boca Raton, Florida. Salit was AppleTree's chairman from its inception until in or about March 1994.

4. **David B. Lobel** ("Lobel"), 56, resides in Boca Raton, Florida. Lobel was AppleTree's vice-president and chief financial officer from its inception until in or about July 1993.

5. **Paul B. Kravitz** ("Kravitz"), 64, resides in Boca Raton, Florida. Kravitz was president of AppleTree from its inception through in or about April 1994, when he became chairman and president. In or about August 1996, Kravitz resigned as chairman and president.

6. **W. Scott Long III** ("Long"), 52, resides in Shorewood, Minnesota. At the time of AppleTree's August 1992 offering, Long was president of Kennedy, Mathews, Landis, Healy & Pecora, Inc. ("Kennedy Mathews"), the underwriter of AppleTree's 1992 offering.

JURISDICTION

7. This Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(d), 77v(a), and Sections 21(d), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), and 78aa.

8. The Commission brings this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d), and 77v(a), and Sections 21(d), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), and 78aa, to restrain and enjoin the Defendants from engaging in the acts and practices complained of herein, and for other equitable relief.

9. AppleTree, Salit, Lobel, Kravitz and Long, directly or indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts and practices complained of herein.

OVERVIEW OF THE FRAUDULENT SCHEME

10. On or about January 3, 1992, AppleTree (formerly known as Modami Services, Inc. ("Modami")) filed with the Commission a registration statement on Form S-18 (the "Registration Statement"). According to its Registration Statement, AppleTree, a development stage company, intended to raise approximately $5 million to commence distribution of a frozen yogurt product.

11. Salit, Lobel, Kravitz and Long caused AppleTree's Registration Statement, as well as certain subsequent reports to the Commission, to contain numerous material omissions and affirmative misrepresentations. Additionally, Salit and Lobel intentionally and/or recklessly provided AppleTree's independent accountants with false information and caused AppleTree to fail to make and keep accurate books and records.

APPLETREE'S FRAUDULENT REGISTRATION STATEMENT

12. AppleTree's Registration Statement disclosed that it intended to use approximately $1.6 million of the proceeds of this offering to purchase dehydrated yogurt powder from an Israeli company known as Nutrix, Ltd. ("Nutrix"); AppleTree represented that $200,000 already had been advanced to Nutrix. AppleTree's Registration Statement stated that Nutrix was the sole supplier of this product, and further represented that Nutrix was an unaffiliated, privately-owned company, owned and controlled by Leon Unger ("Unger") and Avi Shalev ("Shalev"). AppleTree's Registration Statement did not disclose that Salit and Lobel had any relationship with or interest in Nutrix.

Undisclosed Corporate and Creditor Relationships With Nutrix

13. On or about September 12, 1990, Salit and Lobel, with others, co-founded Nutrix's predecessor. From that time until at least AppleTree's advance of $200,000 to Nutrix on or about June 11, 1991, Salit and Lobel remained both stockholders (each owning approximately 25%) and directors of Nutrix. Furthermore, Salit and Lobel claim that, until well after the effective date of

AppleTree's Registration Statement, Nutrix owed them approximately $600,000, which would have made them Nutrix's creditors at the time of the 1992 offering.

14. In response to questions from AppleTree's auditors in connection with the audit of its financial statements for the period ended August 31, 1991, as well as in response to questions from AppleTree's attorneys and underwriter in connection with the preparation of AppleTree's Registration Statement, Salit and Lobel failed to disclose that they had any relationship with Nutrix and, in fact, affirmatively denied that they had any such relationship.

15. As a result of Salit's and Lobel's failures to disclose their relationships with Nutrix, AppleTree's Registration Statement failed to disclose that Salit and Lobel were stockholders, directors and claimed to be creditors of Nutrix during the time that AppleTree was doing business with Nutrix.

16. When Salit and Lobel prepared AppleTree's Registration Statement or caused or allowed it to be filed with the Commission, they knew, or recklessly disregarded the fact, that it materially misrepresented, or omitted to state material facts concerning, their relationships with Nutrix.

17. These misstatements and omissions concerning Salit's and Lobel's relationship to Nutrix were material because an investor would have wanted to know that Salit and Lobel had such relationships with AppleTree's sole supplier of raw material for its yogurt product.

$440,000 in Non-existent Machinery and Equipment

18. AppleTree's Registration Statement included audited financial statements for the period ended August 31, 1991 that stated that AppleTree owned $440,000 in machinery and equipment. Notes to these financial statements represented that this machinery and equipment had been contributed to AppleTree by Salit and Lobel in exchange for stock. In fact, Salit and Lobel never contributed this $440,000 in machinery and equipment to AppleTree and AppleTree did not own such equipment.

19. Despite the fact that they had not contributed the $440,000 in machinery and equipment to AppleTree, Salit and Lobel affirmed the accuracy of AppleTree's August 31, 1991 financial statements to AppleTree's auditor. Additionally, Salit and Lobel signed and approved the filing of AppleTree's Registration Statement which included its August 31, 1991 financial statements.

20. Including this $440,000 in machinery and equipment as an asset on AppleTree's August 31, 1991 financial statements caused AppleTree's total assets and stockholders' equity to be materially overstated.

Undisclosed Loan to Regal Casinos, Inc.

21. On or about August 20, 1992, the date of the closing of AppleTree's registered offering, Salit and Lobel agreed with Long, president of Kennedy Mathews (the firm underwriting AppleTree's offering), for AppleTree to loan $250,000 to Regal Casinos, Inc. ("Regal") from the proceeds of AppleTree's

offering. Regal, also a client of Kennedy Mathews, was seeking to raise funds to build a gambling casino. To document the loan, Regal issued a promissory note to AppleTree. Kravitz learned of the loan either at or about the same time or shortly thereafter.

22. The loan to Regal was not disclosed, and no provision for such a loan had been made, in AppleTree's Registration Statement. In fact, the Regal loan was made in contradiction of the affirmative statements in the Registration Statement as to how AppleTree would utilize the proceeds of the offering. AppleTree did not file any post-effective amendment to its Registration Statement to disclose this loan, nor did AppleTree, Salit, Lobel, Kravitz, or Long (in his capacity as an underwriter) cause the loan to Regal to be otherwise disclosed to prospective investors and investors in AppleTree's 1992 offering. The failure to make a post-effective disclosure of the Regal loan caused the Registration Statement to become materially misleading.

23. AppleTree did not disclose the Regal loan in the initial Form SR (which discloses the use of proceeds), signed by Kravitz, which AppleTree filed with the Commission on or about November 16, 1992. AppleTree did not disclose the Regal loan until it filed its annual report with the Commission on Form 10-K for the period ended August 31, 1992 on or about December 15, 1992, after its year-end audit. On or about December 22, 1992, after disclosing the loan in its 1992 10-K, AppleTree filed an

Amended Form SR with the Commission which included the loan in its report itemizing the use of proceeds from the offering.

24. Regal defaulted on the note and it remains unpaid. The loan to Regal represented approximately 5% of the gross proceeds of AppleTree's 1992 offering. The fact that the Regal loan was being made would have been material to investors in AppleTree's 1992 offering.

25. Salit, Lobel, Kravitz and Long fraudulently, knowingly, willfully and/or recklessly failed to disclose AppleTree's loan to Regal to investors to whom securities were offered and sold during AppleTree's 1992 offering.

SALIT AND LOBEL'S MISREPRESENTATION AND OMISSION OF MATERIAL FACTS TO APPLETREE'S OUTSIDE AUDITORS AND CAUSING APPLETREE TO MAINTAIN FALSE BOOKS, RECORDS AND ACCOUNTS

26. In the course of AppleTree's audit for fiscal year 1992, Salit and Lobel, and in the course of AppleTree's audit for fiscal year 1993, Salit fraudulently, knowingly, willfully and/or recklessly falsely confirmed to AppleTree's outside auditors the accuracy of AppleTree's financial statements which included the $440,000 in machinery and equipment that Salit and Lobel purportedly contributed to AppleTree. As a result of Salit and Lobel's misrepresentations, AppleTree's books, records, accounts and financial statements inaccurately reflected ownership of $440,000 in machinery and equipment which AppleTree did not in fact own.

27. During the 1992 and 1993 audits, AppleTree's outside auditors asked Salit and Lobel to disclose any transactions with

a related party. During the 1992 audit, Salit and Lobel affirmatively represented to AppleTree's outside auditors that they had disclosed all related party transactions, yet Salit and Lobel failed to disclose that they claimed to be creditors of Nutrix in the amount of approximately $600,000. In the course of the 1993 audit, Salit affirmatively represented to AppleTree's outside auditors that he had disclosed all related party transactions, yet Salit failed to disclose that he and Lobel claimed to be creditors of Nutrix in the amount of approximately $600,000. As a result of Salit and Lobel's failures to disclose their relationships with Nutrix, AppleTree's books, records, accounts and financial statements failed to disclose Salit's and Lobel's interests in AppleTree's transactions with Nutrix.

MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACT IN APPLETREE'S PERIODIC FILINGS WITH THE COMMISSION

28. AppleTree, at all times relevant herein, has been subject to the reporting requirements of Exchange Act Section 13(a) and the rules thereunder, more particularly, Rules 13a-1 13a-13, and 12b-20.

Misrepresentations and Omissions Relating to $440,000 in Machinery and Equipment and Relationships with Nutrix

29. AppleTree's filings on Form 10-K for the year ended August 31, 1992, and its filings on Forms 10-Q and 10-QSB for the quarters ended November 30, 1992, February 28, 1993, and May 31, 1993, (a) falsely reported that AppleTree owned $440,000 in machinery and equipment; and (b) failed to disclose that Salit and Lobel claimed to be creditors of Nutrix while AppleTree was

doing business with Nutrix. AppleTree's Form 10-KSB filings for the year ended August 31, 1993, and its Form 10-QSB for the quarter ended November 30, 1993, failed to disclose that Salit claimed to be a creditor of Nutrix while AppleTree was doing business with Nutrix.

30. The misrepresentations and failures to disclose set forth in the preceding paragraph would have been material to investors and prospective investors in AppleTree.

31. Salit and Lobel, as agents and/or officers and directors of AppleTree, fraudulently, knowingly, willfully and/or recklessly prepared, caused and/or allowed to be filed with the Commission the reports set forth two paragraphs above.

Misrepresentations and Omissions Relating to Proposed Joint Venture between AppleTree and TSR, Inc.

32. AppleTree's annual report on Form 10-K for the period ended August 31, 1992, represented that AppleTree had entered into an agreement in principle to form a joint venture with TSR, Inc. ("TSR") to market a dehydrated milk product. Included with AppleTree's 1992 Form 10-K as an exhibit was the so-called joint venture agreement, purportedly signed by the president of TSR.

33. TSR's president had never signed any joint venture agreement with AppleTree. In fact, Kravitz signed the name of TSR's president, without his authorization, to the purported agreement between AppleTree and TSR that was included in AppleTree's 1992 Form 10-K.

34. It would have been material to AppleTree's investors that TSR's president had not signed the joint venture agreement, or authorized Kravitz to sign on his behalf.

35. In its annual report on Form 10-KSB for the next fiscal year which ended August 31, 1993, AppleTree falsely reported that AppleTree and TSR had "mutually agreed" not to pursue the joint venture project due to "marketing concerns." In fact, TSR had broken off negotiations with AppleTree when TSR's president discovered that Kravitz had signed his name to the proposed joint venture agreement. TSR's president informed Kravitz that the primary reason that TSR would not proceed with the joint venture agreement was because of Kravitz' unauthorized signing of his name.

36. It would have been material to AppleTree's investors to know that the reason TSR chose not to go forward with the proposed joint venture agreement was because of Kravitz' unauthorized signing of the agreement.

37. Kravitz, as an agent and/or officer and director of AppleTree, fraudulently, knowingly, willfully and/or recklessly prepared, caused and/or allowed to be filed with the Commission materially false and misleading annual reports by AppleTree on Forms 10-K and 10-KSB for the years ended August 31, 1992, and August 31, 1993 relating to (a) Kravitz' unauthorized signature of the TSR contract, and (b) the fact that TSR broke off negotiations with AppleTree due to its discovery of Kravitz' unauthorized signature of the joint venture agreement.

COUNT I

FRAUD BY SALIT, LOBEL, KRAVITZ AND LONG IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT, 15 U.S.C. § 77q(a)(1)

38. Paragraphs 1 through 37 are hereby realleged and are incorporated herein by reference.

39. Salit and Lobel, as more particularly described in paragraphs 1 through 25 above, Kravitz, as more particularly described in paragraphs 1 through 12 and 21 through 25 above, and Long, as more particularly described in paragraphs 1 through 12 and 21 through 25 above, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, singly or in concert, fraudulently, knowingly, willfully and/or recklessly employed devices, schemes and artifices to defraud purchasers of such securities.

40. By reason of the foregoing, Salit, Lobel, Kravitz and Long have violated, and unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT II

FRAUD BY SALIT, LOBEL, KRAVITZ AND LONG IN VIOLATION OF SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT, 15 U.S.C. §§ 77q(a)(2) AND 77q(a)(3)

41. Paragraphs 1 through 40 are hereby realleged and are incorporated herein by reference.

42. Salit and Lobel, as more particularly described in paragraphs 1 through 25 above, Kravitz, as more particularly described in paragraphs 1 through 12 and 21 through 25 above, and

Long, as more particularly described in paragraphs 1 through 12 and 21 through 25 above, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, singly or in concert:

(a) obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or

(b) engaged in transactions, practices and courses of business which operated as a fraud and deceit upon the purchasers and prospective purchasers of such securities.

43. By reason of the foregoing, Salit, Lobel, Kravitz and Long have violated, and unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

COUNT III

FRAUD BY SALIT, LOBEL, KRAVITZ AND LONG IN VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT, 15 U.S.C. § 78j(b), AND RULE 10b-5 THEREUNDER, 17 C.F.R. 240.10b-5

44. Paragraphs 1 through 43 are hereby realleged and are incorporated herein by reference.

45. Salit and Lobel, as more particularly described in paragraphs 1 through 25 above, Kravitz, as more particularly

described in paragraphs 1 through 12, 21 through 25, and 32 through 37 above, and Long, as more particularly described in paragraphs 1 through 12 and 21 through 25 above, directly or indirectly, by the use of the means or instruments of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, fraudulently, knowingly, willfully and/or recklessly: (i) employed devices, schemes and artifices to defraud; (ii) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) engaged in acts, practices and courses of business which have operated as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

46. By reason of the foregoing, Salit, Lobel, Kravitz, and Long, directly or indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

COUNT IV

FALSE OR MISLEADING STATEMENTS BY
SALIT AND LOBEL IN VIOLATION OF SECTION 13(b)(5)
OF THE EXCHANGE ACT AND RULE 13b2-1 UNDER THE EXCHANGE ACT

47. The allegations contained in paragraphs 1 through 46 are realleged and incorporated by reference.

48. As described in paragraphs 1 through 27 above, Salit and Lobel, directly or indirectly, knowingly falsified or caused to be falsified, books, records, or accounts of AppleTree required to be kept pursuant to Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A).

49. By reason of the foregoing, Salit and Lobel have violated and, unless enjoined, will continue to violate Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), and Rule 13b2-1, 17 C.F.R. § 240.13b2-1, promulgated under the Exchange Act.

COUNT V

FALSE OR MISLEADING STATEMENTS OR OMISSIONS
OF MATERIAL FACT TO AN ACCOUNTANT BY SALIT AND LOBEL
IN VIOLATION OF RULE 13b2-2 UNDER THE EXCHANGE ACT

50. The allegations contained in paragraphs 1 through 49 are realleged and incorporated by reference.

51. As described in paragraphs 1 through 27 above, Salit and Lobel, while serving as directors or officers of AppleTree, directly or indirectly: (a) made or caused to be made materially false or misleading statements, or (b) omitted to state, or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances

under which such statements were made, not misleading to an accountant in connection with (1) an audit or examination of the financial statements of AppleTree required to be made pursuant to Section 13(b)(2) of the Exchange Act, or (2) the preparation or filing of a document or report required to be filed with the Commission.

52. By reason of the foregoing, Salit and Lobel have violated and, unless enjoined, will continue to violate Rule 13b2-2, 17 C.F.R. § 240.13b2-2, promulgated under the Exchange Act.

COUNT VI

FAILURE TO MAKE AND KEEP ACCURATE BOOKS AND RECORDS BY APPLETREE IN VIOLATION OF SECTION 13(b)(2)(A) OF THE EXCHANGE ACT

53. The allegations contained in paragraphs 1 through 52 are realleged and incorporated by reference.

54. As described in paragraphs 1 through 37, above, AppleTree failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of AppleTree.

55. By reason of the foregoing, AppleTree has violated and, unless enjoined, will continue to violate Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A).

COUNT VII

FILING OF FALSE AND MISLEADING FORMS 10-K, 10-KSB, 10-Q AND 10-QSB BY APPLETREE AND FAILURE BY APPLETREE TO INCLUDE IN FORMS 10-K, 10-KSB, 10-Q AND 10-QSB SUCH FURTHER MATERIAL INFORMATION NECESSARY TO MAKE THE REQUIRED STATEMENTS NOT MISLEADING IN VIOLATION OF SECTION 13(a) OF THE EXCHANGE ACT AND RULES 12b-20, 13a-1 AND 13a-13 THEREUNDER

56. The allegations contained in paragraphs 1 through 55 are realleged and incorporated by reference.

57. As described in paragraphs 28 through 37, above, AppleTree filed with the Commission false and misleading Forms 10-K, 10-KSB, 10-Q and 10-QSB.

58. As described in paragraphs 28 through 37, above, AppleTree failed to include such further material information in its Forms 10-K, 10-KSB, 10-Q and 10-QSB to make the required statements, in light of the circumstances under which they were made, not misleading.

59. By reason of the foregoing, AppleTree has violated and, unless enjoined, will continue to violate Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13, 17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13, thereunder.

RELIEF REQUESTED

WHEREFORE, the Plaintiff Commission respectfully prays that the Court:

I.

Declare, determine and find that each of the Defendants named herein committed the violations alleged herein.

II.

Issue a Permanent Injunction restraining and enjoining Salit, Lobel, Kravitz and Long, their officers, agents, servants, employees, attorneys and all persons in active concert or participation with them, and each of them, from violating Sections 17(a)(1), (2) and (3) of the Securities Act, 15 U.S.C. § 77q(a)(1), 77q(a)(2) and 77q(a)(3).

III.

Issue a Permanent Injunction restraining and enjoining Salit, Lobel, Kravitz and Long, their officers, agents, servants, employees, attorneys and all persons in active concert or participation with him, and each of them, from violating Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

Issue a Permanent Injunction, restraining and enjoining Salit and Lobel, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Section 13(b)(5) of the Exchange Act, 15 U.S.C. §

78m(b)(5), and Rules 13b2-1 and 13b2-2, 17 C.F.R. §§ 240.13b2-1, and 240.13b2-2, promulgated under the Exchange Act.

V.

Issue a Permanent Injunction, restraining and enjoining AppleTree, its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13, 17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13, thereunder.

VI.

Issue a Permanent Injunction, restraining and enjoining AppleTree, its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A).

VII.

Issue an Order requiring AppleTree, Salit, Lobel, Kravitz and Long, to provide an accounting of their receipt and disbursement of all proceeds received, directly or indirectly, pursuant to AppleTree's August 1992 registered offering, and requiring Salit, Lobel, Kravitz and Long to disgorge all ill-gotten gains to effect the remedial purposes of the federal securities laws.

VIII.

Issue an Order directing Salit, Lobel, Kravitz and Long to pay civil fines and/or penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), for their violations of the federal securities laws as complained herein occurring after October 15, 1990.

IX.

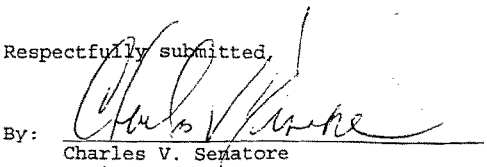
Grant such other and further relief as may be necessary and appropriate.

X.

Further, plaintiff, Commission, respectfully prays that this Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by

the Comm_ sion for additional relief within the jurisdiction of this Court.

Respectfully submitted,

By: 

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Dated: September 30, 1996

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. THE APPLETREE COMPANIES, INC. f/k/a MODAMI SERVICES, INC., MICHAEL H. SALIT, DAVID B. LOBEL, PAUL B. KRAVITZ, AND W. SCOTT LONG III, Defendants.	Case No. 96-8675 Civ-Seitz FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AS TO DEFENDANTS SALIT AND LOBEL

Defendants Michael H. Salit ("Salit") and David B. Lobel ("Lobel") by their Consents annexed hereto, without admitting or denying any of the allegations in the Commission's Complaint, and solely for the purpose of this proceeding or any other proceeding brought by or on behalf of the Commission, except that they are admitting the allegations as to the jurisdiction over them of this Court and over the subject matter of this action, have agreed to the entry of this Order of Permanent Injunction And Other Relief ("Permanent Injunction"). This Court having accepted such Consents and having jurisdiction over Defendants Salit and Lobel and the subject matter hereof, and the Court being fully advised in the premises, it is:

I

VIOLATION OF SECTION 17(a)(1)
OF THE SECURITIES ACT

ORDERED AND ADJUDGED that Salit and Lobel, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, in the offer or sale of any securities by the use of any means or instruments

of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly employing any devices, schemes or artifices to defraud purchasers of such securities in violation of Section 17(a)(1) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a)(1).

II

VIOLATION OF SECTIONS 17(a)(2) AND 17(a)(3)
OF THE SECURITIES ACT

IT IS HEREBY FURTHER ORDERED that Salit and Lobel, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, in connection with the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly

(1) obtaining money or property by means of untrue statements of material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(2) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchasers;

in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

III

VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

IT **IS HEREBY FURTHER ORDERED** that Salit and Lobe, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, in connection with the purchase or sale of any security by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, be and they hereby are, restrained and enjoined from, directly or indirectly, or as a control person under Section 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"):

1. employing any device, scheme, or artifice to defraud;

2. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

3. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

VIOLATION OF SECTION 13(b)(5)
OF THE EXCHANGE ACT AND RULE 13b2-1 THEREUNDER

IT IS HEREBY FURTHER ORDERED that Salit and Lobel, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, or as a control person under Section 20(a) of the Exchange Act, falsifying or causing to be falsified, books, records, or accounts required to be kept pursuant to Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), and Rule 13b2-1, 17 C.F.R. § 240.13b2-1, thereunder.

V.

VIOLATION OF RULE 13b2-2 UNDER THE EXCHANGE ACT

IT IS HEREBY FURTHER ORDERED that Salit and Lobel, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, or as a control person under Section 20(a) of the Exchange Act, (a) making or causing to be made materially false or misleading statements, or (b) omitting to state, or causing another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) any audit or examination of

financial statements required to be made pursuant to Section 13(b)(2) of the Exchange Act, or (2) the preparation or filing of any document or report required to be filed with the Commission in violation of Rule 13b2-2, 17 C.F.R. § 240.13b2-2, promulgated under the Exchange Act.

VI.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that *Defendants Salit* and Lobel shall pay disgorgement in the amount of $600,000, jointly and severally, plus pre-judgment interest. Based upon Defendant's sworn representations in their Statements of Financial Condition dated February 11, 1999 (and updated as of September 24, 1999 as to Lobel, and September 17, 1999 as to Salit) and submitted to the Commission, payment of all but $25,000 in disgorgement and pre-judgment interest thereon is waived as to defendant Salit. Payment of all disgorgement and pre-judgment interest is waived as to defendant Lobel. The determination to waive payment of disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of the Statements of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendants' representations to the Commission concerning their assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendants, petition this Court for an

order requiring Defendants to pay $600,000. in disgorgement, plus pre-judgment and post-judgment interest thereon. In connection with any such petition, the only issues shall be whether the financial information provided by Defendants was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendants may not, by way of defense to such petition, challenge the validity of their Consents or the Final Judgment, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement should not be ordered.

Payment by Salit shall be made by U.S. postal money order, certified check, bank cashier's check or bank money order. Such payment shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D C 20549, under cover of a letter that identifies Salit, the caption and case number of this action and the name of this Court Copies of such check and accompanying cover letter shall be simultaneously transmitted to the Regional Director, Southeast Regional Office, 1401 Brickell Ave, Suite 200, Miami, FL 33131. At such time as said funds are transmitted to the SEC's Comptroller, Salit shall relinquish all legal and equitable right,

title and interest in the funds, and no part of said funds shall be returned to him or his successors or assigns.

VII.

PENALTIES

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that based upon Defendants Salit and Lobel's sworn representations in their Statements of Financial Condition dated February 11, 1999 (and updated as of September 24, 1999 as to Lobel, and September 17, 1999 as to Salit) and submitted to the Commission, the Court is not ordering Defendants Salit and Lobel to pay a civil penalty pursuant to Section 20 (d) of the Securities Act, 15 U.S.C. §77t (d) and Section 21 (d) (3) of the Exchange Act, 15 U.S.C. §78 (d) (3). The determination not to impose a civil penalty is contingent upon the accuracy and completeness of their Statements of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendants' representations to the Commission concerning their assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendants, petition this Court for an order requiring Defendants to pay a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendants were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty

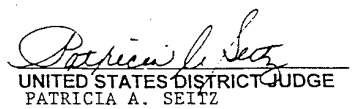
to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendants may not, by way of defense to such petition, challenge the validity of their Consents or the Final Judgment, contest the allegations in the Complaint filed by the Commission or assert that payment of a civil penalty should not be ordered.

VIII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court will retain jurisdiction over this matter and Defendants Salit and Lobel in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED at 5:45 o'clock, p m. this 2nd day of March, 2000, at Miami, Florida.



UNITED STATES DISTRICT JUDGE
PATRICIA A. SEITZ

cc: Glenn A. Harris, Counsel for SEC
Jan Atlas and William Nortman, Counsel for Salit and Lobel
Charles Clayton, Counsel for W. Scott Long