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KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES

HEARING

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

VOLUME 1 OF 2

FEBRUARY 4, 2010

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86. American University correspondence to the U.S. Department of Education, January 2010, re: Foreign tranfers *(. . . we are reporting the following foreign gifts and contracts which exceeded $250,000 for the period July 1, 1993 through December 31, 2009.)* 744

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87. 2005 Bank of America's Global Anti-Money Laundering Unit reviews of account of Sonia M. Falcone, Pierre Falcone and the business entity named Monthigne Corp. *(Although Mr. Falcone appears to have been involved in the dealing and sale of Arms, the activity for the accounts at Bank of America shows activity that is normal for this type of high profile customer.)* 746
88. Banco Nacional De Angola *Funding Agreement* between MAS Inc. (Mehenou S. Amouzou, President) and Banco Nacional de Angola, dated February 2001 750

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89. Banco Nacional de Angola correspondence to Mehenou Amouzou (MSA Inc.), dated January 2002, *(. . . your mandate as Advisor to the Government of Angola. In your capacity as Advisor you are entitled to deal with public or private entities in order to achieve the agreed and stated objectives.)* 754
90. Minutes of the Special Meeting, Board of Directors, MSA Inc., dated July 2002, *(The Board has agreed that Dr. Aguinaldo Jaime be appointed the Acting Special CFO as an overseer of the Fifty Million Dollars to be deposited in an International Prime Bank.)* 755
91. Bank of America wire transfer documents, dated June 2002, Originator: *BNA Oil Taxes y Royalties; Amount: $50,000,000 USD; Deposit To Secure Fnd'ing Fro [sic] Humanitarian Projects in Angola* 757
92. Citibank London June 2002 query to Banco Nacional de Angolo regarding $50,000,000 transaction, *(Citibank and its overseas branches are bound by US Government requirements to comply with US Government sanctions regarding payments to specific countries, individuals and entities. Our compliance department has requested that we contact you . . . to obtain further information concerning . . . MSA.)* . . . Aguinaldo Jaime responded, *(MSA stands for Mehenou Satou Amousou Inc., which is an American company specialized in management and investment, headquartered in California, San Diego. Its president is Dr. Mehenou Satou Amouzou. The 50 million deposit is a colateral* [sic] *to guarantee a humanitarian funding for development projects for the Republic of Angola.)* 759
93. Bank of America signature card for MSA Inc., dated June 2002, signed by Mehenou Amouzou and Aguinaldo Jaime (Banco Nacional de Angolo) 762
94. Bank of America internal email, dated June 2002, re: *Assistance (. . . could you please ensure that the money* [$50 million] *stays frozen . . .)* while investigating origins of funds 763
95. Banco Nacional de Angola correspondence to Bank of America, dated June 2002, re: return of $50 million 765
96. Citi correspondence to the Permanent Subcommittee on Investigations, dated August 2007, forwarding January 2003 memorandum recommending closure of Banco Nacional de Angola account 766
97. Wire transfer, dated 7/26/02, Banco Nacional de Angola account at Equator Bank Limited Nassau 768
98. MSA Inc. correspondence to Stanley Wayland, European American Investment, dated August 2002, *(The instruction has been giving* [sic] *to HSBC to purchase the $50M US Treasury Bills as soon as possible and I was assured it would be done on Monday and no later than Tuesday of this week in London.)* 769
99. MSA Inc. fax to Euro American Investment, dated August 2002, re: *Typed Copy of Swift (HSBC London advise the Angola government to protect their asset by opening an Offshore account on behalf of Banco Nacional De Angola in Bahamas. . . .)* 770
100. Euro-American Investments Information Summary, dated August 2002, *(These funds were received from the Central Bank of Angola for and on behalf of the Angolan Government to manage these funds and for Euro-American Investments to generate a profit, monitor and invest in Angola for the support the people of Angola both with regard to the infrastructure of Angola, food, health, welfare, social services, low cost housing, medical care, aids, et al.)* 771
101. *Banco Nacional de Angola Letter of Authority to Euro-American Investment LLC* and Banco Nacional de Angolo message to HSBC Equator Bank/London, dated August 2002, *(Please purchase in our name and on our behalf United States Treasury bills . . . in an aggregate amount of Fifty Million United States Dollars. . . .)* 778
102. Email from Stanley Wayland to Jan Heger, dated August 2002, re: *Treasury Bill (The Central Bank of Angola is the client and owner of the funds and therefore, do not need to answer HSBC's questions about why they must transfer the T-Bill to Wells Fargo.)* 780
103. Banco Nacional de Angola *Deed of Assignment* of $49,994,363 of U.S. Treasury Bills to Euro-American Investments LLC, dated August 2002 .. 782
104. HSBC Statement of Assets as of August 14, 2002 for Banco Nacional de Angola, Total: $49,994,363.37 783

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105. HSBC Bank wire transfer instructions from Aguinaldo Jaime, dated 9/11/02, *(This is my authority for you to transfer the described Treasury bearing cusip . . . to Jan Morton Heger, Wells Fargo Securities . . .)* 784
106. HSBC Bank internal email, dated September 2002, re: *Tbills (. . . regarding the transfer of BNA's Treasury Bills, I will be delivering the securities to the account of Jan Morton Heger at Wells Fargo Bank . . .)* 785
107. Wells Fargo Online Brokerage statement for Jan Morton Heger, dated September 13, 2002, reflecting a $49,927,229.60 Total Account Value 786
108. HSBC Bank wire transfer instructions from Aguinaldo Jaime, dated 9/20/02, Amount: $50,749,000 787
109. Banco Nacional de Angola correspondence to HSBC, dated October 2002, re: Canceling transfer 788
110. HSBC correspondence to Aguinaldo Jaime, dated November 2002, re: Safekeeping Receipt 791
111. HSBC internal email, dated November 2002, re: *HSBC Equator and Central Bank of Angola (Maybe, you could investigate about the above company (in such a way that neither BNA or them know we are doing so), and hopefully the information obtained would give us all the peace of mind that we can continue to assist BNA in the implementation of, what they firmly believe, an important accomplishment for Angola.)* ... 792
112. HSBC internal email, dated October 2000, re: *Banco Nacional de Angola (BNA) (We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions. It is for this reason that we approached HSBC Nassau, with whom EBL shares an office.)* 795
113. HSBC Equator internal fax, dated October 2000, re: *Banco Nacional de Angola (BNA) (. . . Deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K.)* 797
114. HSBC internal email, dated March 2006, re: *Banco Africano de Investimento (Please provide us with background information on all owners with 5% or more shares in the bank.)* 801
115. HSBC internal email, dated October and December 2006, re: *Banco Africano de Investimentos (I understand that we have been waiting from [sic] some crucial KYC information from this client for some while—they should understand that having accommodated them in this way they should be more responsive to our KYC Inquiries.)* 802
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117. HSBC internal email, dated December 2006, re: *Banco Africano de Investimentos outstandings (The above shareholders were created as special purpose vehicles and there are various individuals with interests in these firms.)* 807
118. HSBC internal email, dated February 2007, re: *BAI AML practices (As discussed, please pull whatever strings and obtain a copy of the AML policy and your English translation where relevant (use our AML questionnaire as a guide.)* 810
119. HSBC "Know Your Customer" questionnaire for account of Banco Africano de Investimentos, undated 812
120. HSBC internal email, dated May 2006, re: *Banco Africano de Investimentos (There is no AML monitoring taking place but we can get a report on a regular basis that would show us all the cardholders and their activity.)* 815
121. HSBC internal email, dated May 2007, re: *BAI Shareholder Information (. . . I'm satisfied with the answers on ownership.)* 817
122. HSBC internal email, dated April 2007, re: *BAI, Angola (Ordinarily partial ownership by a state owned oil company would be a point of interest and little more but the fact that this information is so deeply buried and you had to really fight to obtain details of ownership of Sforza, Dabas and Arcinella suggests a desire to veil the bank's ownership for reasons that I do not understand . . .)* 818
123. HSBC Call Report, dated April 2007, re: *Banco Africano de Investimentos (TG was reminded that additional details on the SPVs/shareholding were outstanding.)* 819
124. HSBC certification regarding correspondent accounts for foreign banks for the account of BAI, dated September 2002 821

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125. HSBC "Know Your Customer" questionnaire for account of Banco Africano de Investimentos Angola, dated 2005 826

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KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES—VOLUME 1

THURSDAY, FEBRUARY 4, 2010

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:38 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Carl Levin, Chairman of the Subcommittee, presiding.

Present: Senators Levin and Coburn.

Staff Present: Elise J. Bean, Staff Director and Chief Counsel; Mary D. Roertson, Chief Clerk; Robert L. Roach, Counsel and Chief Investigator; Laura E. Stuber, Counsel; David H. Katz, Counsel; Adam Henderson, Professional Staff Member; Jason E. Medica, Detailee (ICE); Christopher J. Barkley, Staff Director to the Minority; Justin J. Rood, Senior Investigator to the Minority; Robert Kaplan, Intern; Jeff Kruszewski, Law Clerk; Kevin Rosenbaum, Intern; Thomas Caballero, Office of the Senate Legal Counsel.

OPENING STATEMENT OF SENATOR LEVIN

Senator LEVIN. Good morning, everybody. I would now like to call our first panel of witnesses for this morning's hearing of the Permanent Subcommittee on Investigations. We will, prior to asking them questions, begin with our opening statements.

Corruption is a cancer which corrodes the rule of law, undermines economic development, and eats away at the fabric of civil society. In extreme cases, corruption can destabilize communities and lead to failed states, lawlessness, and terrorism. For the United States, which is so much riding on global stability, corruption is a direct threat to our national interests.

That is why the United States is engaged in a relentless worldwide battle to stop the flow of illegal money into and within places like Iraq and Afghanistan. Laundered money is used to train and provide support for terrorists and terrorism. If you want to credibly lead efforts to stop illegal money abroad, we have got to stop it here at home, as well.

The fact is that those engaged in large-scale corruption want to put their money in a modern financial system that can store, protect, invest, and transfer their funds efficiently. They want access,

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in other words, to U.S. banks, and it is our job to stop them, to keep foreign corruption out of the United States.

As the report that we are releasing today shows, it is not an easy job. With the help of U.S. lawyers, real estate and escrow agents, lobbyists, and others, politically powerful foreign officials, and those close to them, they have found ways to use the U.S. financial system to protect and enhance their ill-gotten gains. While U.S. financial institutions have become more vigilant and built stronger barriers to keep out suspect funds, their anti-money laundering safeguards still have holes.

Our report presents four case studies exposing how politically powerful individuals, known internationally as Politically Exposed Persons (PEPs), are taking advantage of the U.S. financial system. In each case, weaknesses in our financial regulations have allowed these PEPs to move millions of dollars into or through U.S. bank accounts, often by using shell company accounts, attorney-client accounts, escrow accounts, or other accounts, or by sending wire transfers that shoot through the system before our banks can react. In addition to exposing these tactics, our report offers a number of recommendations to stop the abuses, and I will get to those recommendations in a moment.

In conducting our investigation, the Subcommittee conducted more than 100 interviews, viewed millions of pages of documents, and traced millions of dollars. The stories we uncovered are striking in their misuse of our financial system.

Start with Teodoro Obiang, the 40-year-old son of the President of Equatorial Guinea who is currently under investigation by the Justice Department for corruption and other misconduct. Between 2004 and 2008, Mr. Obiang used U.S. lawyers, bankers, and real estate and escrow agents to move more than $100 million in suspect funds through U.S. bank accounts, and he did it even at U.S. banks that made it clear that they didn't want his business.

With the help of two lawyers, Michael Berger and George Nagler, Mr. Obiang created five U.S. shell companies with names like Beautiful Vision, Unlimited Horizon, and Sweet Pink. His lawyers then opened accounts for those shell companies at multiple U.S. banks and used them to transact business for Mr. Obiang. In addition, Mr. Obiang wired millions of dollars from Equatorial Guinea into his attorney's own law office and attorney-client accounts, which they then used to transact business on his behalf, all without alerting the host bank. His attorneys became hidden conduits for his suspect funds, which most U.S. banks would be unwilling to accept.

At the same time, two real estate agents, Neal Baddin and John Kerrigan, helped Mr. Obiang buy and sell California real estate, including a $30 million Malibu residence which he paid for by wiring cash from Equatorial Guinea to the U.S. bank account of the escrow agent, First American. Mr. Obiang also bought a $38 million U.S.-built Gulfstream jet. When one U.S. escrow agent, as an anti-money laundering precaution, refused to proceed until it had more information on the source of Mr. Obiang's funds, another escrow agent, Insured Aircraft Title Services, Inc., stepped in and completed the transaction with no questions asked. U.S. regulations currently exempt real estate agents and escrow agents from any re-

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quirement to establish anti-money laundering programs, a loophole through which Mr. Obiang poured millions of dollars in suspect money.

Now, next consider Omar Bongo, President of Gabon for 41 years until his death last year, and his eldest son, Ali Bongo, Minister of Defense until he took his father's place as President of the country. Both men are notorious for accumulating massive wealth while in office in a country known for its poverty.

From 2003 until at least 2007, President Omar Bongo hired a U.S. lobbyist, Jeffrey Birrell, to buy U.S.-made armored vehicles and to obtain U.S. Government permission to buy six C–130 military cargo aircraft from Saudi Arabia to support his regime. In connection with those projects, more than $18 million was wire transferred from Gabon into Mr. Birrell's U.S. corporate bank accounts. Part of that money came from President Bongo's personal account. Most came from an entity in Gabon called Ayira.

At President Bongo's direction, Mr. Birrell spent millions of dollars of the Gabon money on the armored car and aircraft projects, including wiring more than $1 million to various consultants around the world, and at least another $4 million to a Bongo advisor with accounts in Brussels and Paris. When the aircraft deal fell through, Mr. Birrell wired $9.2 million of the Ayira money to an account in President Bongo's name, not in Gabon, but in the country of Malta. In short, his corporate bank accounts became conduits for multi-million-dollar suspicious wire transfers directed by President Omar Bongo through the U.S. financial system.

Now, there is more. Between 2000 and 2007, President Omar Bongo provided large amounts of cash to his daughter, Yamilee Bongo-Astier, who was then living in New York and who stashed the money in accounts and safe deposit boxes in New York banks. These banks were told by Ms. Bongo-Astier that she was an unemployed student. The databases they used didn't identify her as a PEP. The banks allowed multiple large cash deposits and offshore wire transfers into her accounts.

One bank finally called it quits after a $183,000 wire transfer from Gabon. Another did so after it discovered she had a million dollars in shrink-wrapped $100 bills in her safe deposit box, money which she said her father had brought into the country under his diplomatic status in 2007 without declaring that money as required by law. The Subcommittee double-checked and confirmed that no declaration was filed by President Bongo for the million dollars in shrink-wrapped bills.

Another relative, Inge Collins Bongo, wife to the current President, Ali Bongo, established a U.S. trust in her maiden name, opened U.S. bank accounts in the name of that trust, and brought in millions of dollars in suspect funds into the United States without the banks realizing her PEP status.

Our third case history examines Jennifer Douglas, a U.S. citizen and a wife of Atiku Abubakar, former Vice President and former presidential candidate in Nigeria. From 2000 to 2008, she helped her husband bring more than $40 million in suspect money into the United States through wire transfers from offshore corporations. Ms. Douglas is alleged in a 2008 civil complaint filed by the Securi-

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ties and Exchange Commission to have received $2.8 million in bribe payments from a German conglomerate, Siemens AG.

Siemens has pleaded guilty to criminal charges and settled civil charges related to the Foreign Corrupt Practices act and told the Subcommittee that it sent payments to her account at Citibank. The Subcommittee located three wire transfers substantiating $1.7 million in payments from Siemens to Ms. Douglas in 2001 and 2002. Of the $40 million, the Subcommittee traced nearly $25 million in offshore wire transfers into U.S. accounts controlled by Ms. Douglas, provided primarily by three offshore corporations called LetsGo, Sima Holdings, and Guernsey Trust Company.

The banks holding her accounts were generally unaware of Ms. Douglas' PEP status and did not subject her accounts to enhanced monitoring, despite multiple incoming wire transfers from Switzerland and Nigeria. One bank took 7 years to find out she was a PEP. After it did, it reviewed her account activity and closed her accounts.

The last of our case histories involves Angola and targets accounts used by an Angolan arms dealer, the former head of the Angolan Central Bank, and a private bank that caters to PEPs. Pierre Falcone is a notorious arms dealer who is a close associate of Angolan President Dos Santos, having supplied him with weapons during Angola's civil war in violation of the U.N. arms embargo. He has a long history of run-ins with the law, was incarcerated for a year in 2000, was a fugitive from a 2004 global arrest warrant, and is now serving a 6-year prison term in France.

Yet between 1989 and 2007, Mr. Falcone had more than 30 U.S. accounts at a Bank of America branch in Arizona. Bank of America never designated him as a PEP, even though he was an Angolan Ambassador, and never designated his accounts as at high risk of money laundering, despite rivers of offshore money moving through those accounts.

A second Angolan, Aguinaldo Jaime, was head of Angolan's Central Bank in 2002 when he tried twice to transfer $50 million in Angolan government funds to private U.S. accounts. The transfers were initially allowed. Then they were reversed when bank or securities firm personnel got suspicious. As a result of those transfers and the corruption concerns they raised, Citibank closed his accounts for the Angolan Central Bank and all other Angolan government entities.

In contrast, however, another bank that will be testifying here today, HSBC, not only continues to provide U.S. correspondent accounts to the Angolan Central Bank, but also may be supplying the Angolan Central Bank with offshore accounts in the Bahamas. Here you have a central bank of a nation that is creating offshore secrecy bank accounts. That is a new one on me.

Finally, Banco Africano de Investimentos (BAI), is a $7 billion Angolan private bank whose largest shareholder is Angola's state-owned oil company and which caters to PEP clients. Over the last decade, BAI has gained access to the U.S. financial system through accounts at HSBC in New York. Despite the presence of PEPs in BAI's management and clientele, and despite the fact that BAI has hidden owners and has failed to provide, at least apparently until today, a copy of its anti-money laundering procedures to HSBC, de-

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spite multiple requests, HSBC continues to provide the BAI bank with ready access to the U.S. financial system.

Now, how can the United States tell other countries to stop the flow of illegal money, money which is frequently laundered and ends up in the hands of terrorists or terrorist support groups, when we don't do a better job of it within our own borders? Each of these case studies exposes loopholes and gaps in our financial regulations that have been exploited to hide, launder, and invest foreign corruption proceeds in the United States.

It does not have to be that way. There is a lot more that can be done to combat foreign corruption. Here are just a few of the highlights. We could first implement stronger PEP controls, as laid out in a recent World Bank report. That includes requiring banks to use reliable databases to screen clients for PEPs; requiring beneficial ownership forms for all accounts so that hidden PEPs are exposed; and conducting annual reviews of PEP accounts to detect suspicious activity.

A related measure which this Subcommittee has been promoting for years is to require persons setting up U.S. shell companies to identify the beneficial owners to the States that are handling incorporations. Equally important is for the Department of Treasury to revoke the exemptions that it granted back in 2002 to the USA PATRIOT Act's anti-money laundering requirements so that real estate and escrow agents will have to know their customers, evaluate the source of their funds, and turn away suspect clients. The Treasury also needs to address the misuse of attorney-client and law office accounts by requiring banks to treat them as high-risk accounts and get certifications that the accounts won't be used to circumvent bank control.

The rest of the examples, I will put in the record and conclude by saying that stopping the flow of illegal money is critical because foreign corruption damages civil society, undermines the rule of law, and threatens American security.[1]

I would like to thank my Ranking Member, Senator Coburn, and his staff for joining in this effort, for doing so much to facilitate this investigation, and I now turn to him for his opening remarks.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. Well, thank you, Mr. Chairman. I have a statement for the record, but due to the expediency of time, I will ask unanimous consent that it be placed in the record.[2]

I also would like to thank your staff. We are new to this Subcommittee over the past 2 years and I have seen the work that is carried out and I am very appreciative of the cooperative and collegial nature in which this Committee operates.

Senator LEVIN. Thank you.

Senator COBURN. We plan to continue that.

I find it curious, Mr. Chairman, that this morning, in the *Wall Street Journal,* a lawyer for Mr. Berger says his client won't comment until after the hearing. Yet it is my understanding he is not

[1] The prepared statement of Senator Levin appears in the Appendix on page 47.
[2] The prepared statement of Senator Coburn appears in the Appendix on page 51.

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going to comment during the hearing, as well, so much to be found out in the future about what has gone on in the past.

I congratulate you. I think you are well on the way with your bill that you are introducing, which we hopefully can work out, then I can cosponsor. I think we are there. I think we need maybe a little more balance in terms of not inhibiting regular trade, but I look forward to working with you on that and I would yield back my time.

Senator LEVIN. Well, we thank you. Your statement will be made part of the record.

And now we will move to our first panel of witnesses, Michael Jay Berger, George Nagler, and Jeffrey Birrell.

Pursuant to Rule 6, all witnesses who testify before the Subcommittee are required to be sworn. So at this time, I would ask each of you to please stand and raise your right hand.

Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. BERGER. I do.

Mr. NAGLER. I do.

Mr. BIRRELL. I do.

Senator LEVIN. Do any of you have any opening statement? Mr. Berger.

Mr. BERGER. No, sir.

Senator LEVIN. Mr. Nagler.

Mr. NAGLER. No, sir.

Senator LEVIN. Mr. Birrell.

Mr. BIRRELL. No, sir.

Senator LEVIN. Our first witness is Michael Jay Berger, from Beverly Hills, California, an attorney for Teodoro Obiang. Mr. Berger, did you serve as President of Beautiful Vision, Inc.?

TESTIMONY OF MICHAEL JAY BERGER, ATTORNEY FOR EQUATORIAL GUINEA CABINET MINISTER TEODORO OBIANG NGUEMA MANGUE

Mr. BERGER. On advice of counsel, I must respectfully decline to answer your question based on my Fifth Amendment rights against self-incrimination.

Senator LEVIN. Mr. Berger, do you have any corrections to the statement of facts in my opening statement or to the case history in the report released by the Subcommittee this week?

Mr. BERGER. I think there are many things wrong with it, but on advice of counsel, I must respectfully decline to answer your question based on my Fifth Amendment rights against self-incrimination. And to the extent that the question could call for me to reveal information covered by the attorney-client privilege and attorney work product doctrine, I respectfully decline to answer your question on that basis, as well.

Senator LEVIN. The Subcommittee is not going to rule on your claim of attorney-client privilege because you have exercised your Fifth Amendment rights. And given the fact that you intend to assert a Fifth Amendment right against self-incrimination to all questions asked of you by this Subcommittee, you are excused.

Before you are excused, let me just consult.

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[Pause.]

Senator LEVIN. Mr. Berger, before I excuse you, I have another question. Senator Coburn referred to an article in the *Wall Street Journal* today which says that Brian Sun, your lawyer, said that you won't comment until after the hearing. Is that true?

Mr. BERGER. Mr. Sun is my attorney and he is here with me——

Senator LEVIN. Is it true——

Mr. BERGER [continuing]. But I haven't seen the piece.

Senator LEVIN. Has he said that you will talk to the press but not to us?

Mr. BERGER. I don't know.

Senator LEVIN. You don't know, then, whether that is what your intention is?

Mr. BERGER. I don't know what he said to the press——

Senator LEVIN. Is that your intention, sir?

Mr. BERGER. At the moment, I have no current intention to talk to the press about this matter.

Senator LEVIN. You are excused.

Mr. BERGER. Thank you.

Senator LEVIN. Next, George Nagler, from Beverly Hills, California, is an attorney for Teodoro Obiang.

Mr. Nagler, did you open bank accounts used by Mr. Obiang at the California National Bank, City National Bank, and Pacific Mercantile Bank?

TESTIMONY OF GEORGE I. NAGLER, ATTORNEY FOR EQUATORIAL GUINEA CABINET MINISTER TEODORO OBIANG NGUEMA MANGUE

Mr. NAGLER. On advice of counsel, I respectfully invoke my Fifth Amendment rights and decline to answer the question.

Senator LEVIN. Do you have any corrections to the statement of facts in my opening statement or to the case history in the report released by the Subcommittee this week?

Mr. NAGLER. Same answer, sir.

Senator LEVIN. Which is you are asserting your Fifth Amendment privilege?

Mr. NAGLER. Yes.

Senator LEVIN. Mr. Nagler, you have been asked specific questions about matters of interest to this Subcommittee. In response to each question, you have asserted your Fifth Amendment privilege. Is it your intention to assert your Fifth Amendment privilege to any question that might be directed to you by the Subcommittee today?

Mr. NAGLER. Yes, sir.

Senator LEVIN. Given the fact that you intend to assert a Fifth Amendment right against self-incrimination to all questions asked of you by this Subcommittee, you are excused.

Mr. NAGLER. Thank you.

Senator LEVIN. Mr. Berger, I see that you are still here and I want to ask you the same question. Mr. Berger.

Mr. BERGER. Yes?

Senator LEVIN. I want to ask you the same question that I asked Mr. Nagler, and that is that when you were asked specific questions about matters of interest to this Subcommittee, you asserted

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your Fifth Amendment privilege, and I should have asked you the following question. Is it your intention to assert your Fifth Amendment privilege to any question that might be directed to you by the Subcommittee today?

Mr. BERGER. I don't want to prolong the questioning. I could imagine a lot of questions that I could answer. If you say, am I a lawyer or am I——

Senator LEVIN. Is it your intention, sir, to assert your Fifth Amendment privilege to any question that might be directed to you by the Subcommittee today?

Mr. BERGER. No, Mr. Chairman, only to questions to which relate to this investigation, only to questions to which I would have the Fifth Amendment privilege or the attorney-client privilege.

I could imagine a lot of questions that you could ask me that would be general and which I would be happy to respond to.

Senator LEVIN. All right. In that case, you will now be subpoenaed to a deposition, sir. Since you have not indicated that you are going to assert your Fifth Amendment privilege, we will be having a deposition where you will be asked questions. So you can then decide whether you are going to assert a Fifth Amendment privilege, and we will then have a determination that you are not allowed to pick and choose the answers that you will make to questions of this Subcommittee.

But since you have not indicated that you are going to assert a Fifth Amendment privilege to all questions of this Subcommittee, as you had previously indicated you would, we are now going to adjourn your matter. Instead of excusing you, we are going to adjourn your matter. We are going to subpoena you to a deposition, and if you then refuse to answer questions, we will then take this matter further, in court, if necessary.

Mr. BERGER. Mr. Chairman, could I have a moment to consult with my counsel?

Senator LEVIN. Yes.

Mr. BERGER. Perhaps I have given the wrong answer to the question.

Senator LEVIN. Of course.

[Pause.]

Mr. BERGER. Mr. Chairman, I want to amend my answer.

Senator LEVIN. All right. Let me ask it again.

Mr. BERGER. Yes.

Senator LEVIN. Is it your intention to assert your Fifth Amendment privilege to any question that might be directed to you by the Subcommittee today?

Mr. BERGER. It is.

Senator LEVIN. Now you are excused.

Mr. BERGER. Thank you, Mr. Chairman.

Senator LEVIN. Our last witness on this panel is Jeffrey Birrell. Mr. Birrell is from the Grace Group of McLean, Virginia, a registered agent for the Republic of Gabon.

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TESTIMONY OF JEFFREY C. BIRRELL, REGISTERED AGENT FOR THE REPUBLIC OF GABON, THE GRACE GROUP

Senator LEVIN. Mr. Birrell, did your company, the Grace Group, receive funds from both Mr. Omar Bongo, and an entity named Ayira?

Mr. BIRRELL. Mr. Chairman, Dr. Coburn, based on advice of counsel, I respectfully refuse to answer that question pursuant to the rights afforded me under the Fifth Amendment to the U.S. Constitution.

Senator LEVIN. Mr. Birrell, do you have any corrections to the statement of facts in my opening statement or the case history in the report released by the Subcommittee this week?

Mr. BIRRELL. Mr. Chairman, Dr. Coburn, based on advice of counsel, I respectfully refuse to answer that question pursuant to the rights afforded to me under the Fifth Amendment to the U.S. Constitution.

Senator LEVIN. Mr. Birrell, you have been asked specific questions about matters of interest to this Subcommittee. In response to each question, you have asserted your Fifth Amendment privilege. Is it your intention to assert your Fifth Amendment privilege to any question that might be directed to you by the Subcommittee today?

Mr. BIRRELL. Yes, Mr. Chairman.

Senator LEVIN. Given the fact that you intend to assert a Fifth Amendment right against self-incrimination to all questions asked of you by this Subcommittee, you are excused.

Mr. BIRRELL. Thank you, gentlemen.

Senator LEVIN. We will now call our second panel of witnesses, Neal Baddin of West Hollywood, California, a Realtor for Teodoro Obiang; Brenda Cobb, the Vice President of Insured Aircraft Title Service of Oklahoma City; William Fox, Senior Vice President and Global Anti-Money Laundering and Economic Sanctions Executive at Bank of America in Charlotte, North Carolina; and Wiecher Mandemaker, Director of General Compliance, Personal Financial Services, Anti-Money Laundering Compliance at HSBC Bank USA here in Washington, DC.

We thank each of you for being with us this morning, and pursuant to Rule 6, all witnesses who testify before the Subcommittee are required to be sworn. At this time, I would ask each of you to please stand and to raise your right hand.

Do you swear that the testimony that you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. BADDIN. I do.

Ms. COBB. I do.

Mr. FOX. I do.

Mr. MANDEMAKER. I do.

Senator LEVIN. Thank you.

We are going to be using a timing system today. About a minute before the red light comes on, you will see lights change from green to yellow, which will give you an opportunity to conclude your remarks. Your written testimony will be printed in the record in its entirety and we would appreciate that you limit your oral testimony to no more than 5 minutes.

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Mr. Baddin, we will have you go first, followed by Ms. Cobb, then Mr. Fox, then Mr. Mandemaker.

TESTIMONY OF NEAL BADDIN,[1] REALTOR FOR EQUATORIAL GUINEA CABINET MINISTER TEODORO OBIANG NGUEMA MANGUE

Mr. BADDIN. Good morning. Mr. Chairman and Members of the Subcommittee, I appear today to answer your questions about my role as a real estate agent for Mr. Teodoro Nguema Obiang in the 2006 purchase of a $30 million property in Malibu, California.

I have assisted the Subcommittee in its review of this matter since being contacted by its staff in 2008, and I am here today to answer any further questions you may have beyond those that I have already answered in my 2008 interview with the staff and a written submission. My statement today addresses questions raised in the Subcommittee's letter of invitation dated January 21, 2010.

I am an independent contractor associated with Coldwell Banker Residential Brokerage in the Los Angeles area. I represented Mr. Nguema in his purchase over a period of 15 months. I prepared offers and counteroffers on his behalf. I communicated these offers to the broker who represented the owner and the seller of the property. I arranged for access to the property in order for Mr. Nguema, his staff, and other professionals to view and inspect the property.

Senator LEVIN. Is Mr. Nguema Teodoro Obiang Nguema? Is that the full name?

Mr. BADDIN. Teodoro Nguema Obiang, as far as I know.

Senator LEVIN. Obiang. OK. Thank you.

Mr. BADDIN. OK. I ensured that the required inspections, reports, certifications, and compliance with various government requirements concerning the property were obtained for closing. I requested and obtained information from the seller's agent and broker as the transaction proceeded, and otherwise, acted as Mr. Nguema's real estate agent in the purchase of the property.

The final terms and conditions for the sale of the property were contained in a written purchase agreement. An escrow was opened to consummate the purchase. The sale was consummated without obtaining a mortgage. I was aware of the initial deposit of funds into the escrow, but I was never involved in handling any of that money or transferring any of the funds needed to close the transaction. I did not know the source of any of Mr. Nguema's funds, and I was not involved in identifying or verifying the source of Mr. Nguema's funds.

I know this Subcommittee is concerned with the problem of scrutinizing the activities, especially financial transactions, of Politically Exposed Persons. I was and remain largely unfamiliar with this term. I am neither knowledgeable nor trained in how to handle matters involving such persons, and I believe this is the case for most real estate agents. I do not believe that I was under any obligation in 2006, nor am I under an obligation today, to assume such a responsibility.

I understand that the Subcommittee accepts this, but they want to change the rules. I understand the importance of anti-money

[1] The prepared statement of Mr. Baddin appears in the Appendix on page 52.

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laundering programs. However, this is not an area in which I have any expertise or knowledge. I believe I would need guidance in what to look for, what to do, and how to handle this. Thank you.

Senator LEVIN. Thank you, Mr. Baddin, very much. Ms. Cobb.

TESTIMONY OF BRENDA K. COBB,[1] VICE PRESIDENT, INSURED AIRCRAFT TITLE SERVICE, INC

Ms. COBB. Many citizens, including lawyers and judges whom Insured Aircraft Title Service (IATS) counsel has encountered, are not aware that the Aircraft Registry of the Federal Aviation Administration (FAA) in Oklahoma City is the central repository for documents affecting title to aircraft owned by citizens of the United States, unlike the 50 State Departments of Motor Vehicles for automobile and boat titles. As a result, there are approximately 18 title companies and three major law firms in Oklahoma City which assist owners, lenders, and encumbrancers in filing instruments at the Registry as a service to such entities. IATS is such a title company and has been in business since 1963.

In addition to filing bills of sale, security agreements, and related documents, e.g., registration statements, for a fee, thereby obviating as physical presence of such entities at the Registry, IATS acts as an escrowee for money and documents to consummate an aircraft purchase and sale agreement or security agreement to likewise obviate the presence of parties at a closing. As a result, it is rare that any party is present in Oklahoma City at a closing, unlike a real estate closing at a local abstract company with which one might be familiar.

The purchase price is wired to the bank account of the escrowee by the buyer, and the bills of sale, security agreements, and related documents are delivered by couriers to IATS in Oklahoma City by sellers, lenders, and encumbrancers for filing at the Registry, for which the escrowee IATS charges a fee. Most communications between the parties and escrowee are by phone, fax, or email.

As a result of its longstanding service efficiency and integrity, IATS is also used in transactions which may not involve citizens of the United States or one not requiring the Aircraft Registry, or any transaction just involving the International Registry pursuant to the Capetown Treaty.

Senator LEVIN. Is that it? Thank you very much.

Ms. COBB. Thank you.

Senator LEVIN. Mr. Fox.

TESTIMONY OF WILLIAM J. FOX,[2] SENIOR VICE PRESIDENT AND GLOBAL ANTI-MONEY LAUNDERING AND ECONOMIC SANCTIONS EXECUTIVE, BANK OF AMERICA

Mr. FOX. Chairman Levin, Ranking Member Coburn, Members of the Committee, and staff of the Subcommittee, good morning and thank you for the opportunity to appear before you today.

I am here today representing Bank of America to provide information relating to the Subcommittee's important work and investigation into the financial transactions of certain Politically Ex-

[1] The prepared statement of Ms. Cobb with an attached letter appears in the Appendix on page 53.

[2] The prepared statement of Mr. Fox appears in the Appendix on page 58.

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posed Persons. I am the Global Anti-Money Laundering and Economic Sanctions Executive at Bank of America, a position that I have held since August 2006. Before joining Bank of America in 2006, I served for over 2 years as the Director of the Financial Crimes Enforcement Network, the U.S. financial intelligence unit and the Treasury agency responsible for administering the Bank Secrecy Act as well as certain provisions of Title 3 of the USA PATRIOT Act. Since 2001, my career has been focused almost solely on the prevention and detection of money laundering, terrorist financing, and other financial crime.

At Bank of America, we believe that a clean and transparent financial system is in the direct interest of all responsible financial institutions. A clean and transparent financial system levels the playing field for all. We have developed a robust program to address the problems and risks associated with money laundering, terrorist financing, and other financial crimes. We provide training on these issues to the vast majority of Bank of America's over 300,000 associates.

At its most basic level, our program rests on three main principles. First, the collection of sufficient due diligence information at the time of onboarding to ensure positive identification of prospective clients and to enable us to know better our clients as they walk in the door.

Second, we conduct ongoing diligence of the client through an intelligence-based program of the active monitoring of, and in certain cases surveillance of, our clients' activity.

And third, a dedicated program to analyze potentially suspicious activity, and when suspicious activity is found, to work proactively with law enforcement agencies to assist in any investigation they may undertake.

We are proud of our program, and I state unequivocally that our program has significantly improved over the past few years. We have dramatically increased staff and spent tens of millions of dollars on sophisticated systems which help us to detect and report suspicious activity to appropriate authorities.

Our proactive engagement with law enforcement has been very successful. We have received many letters and commendations from law enforcement agencies thanking us for our work and complimenting our efforts.

Our company's commitment to do what we can to address the important problems of money laundering, terrorist financing, and other financial crime goes well beyond the necessity to comply with regulatory requirements or the fear of a damaged reputation. I can testify here today that I have received nothing but outstanding support for our program from the top leadership of Bank of America. The support is there on both strategic initiatives and on specific matters.

Our commitment on these issues is further demonstrated by our longstanding record of full cooperation and complete transparency with this Subcommittee. Notably, our cooperation has gone beyond complying with requests for information and subpoenas. We have actively assisted your staff to better examine and analyze the financial services industry as well as our own procedures and prod-

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ucts, both in the past and it has completed the important work that led to the report issued yesterday.

Regarding our role in the case studies before the Subcommittee today, we have provided your staff with the facts. While there is no question that Bank of America associates involved in these matters were acting in good faith, when we look at the facts today with hindsight, we believe we should have done better. I am confident that the decisions we would make today would be different than the decisions we made several years ago, given the improvements in our program.

Our current program processes, systems, oversight, and methods are all much more robust today than they were in years past. I am confident that if we had today's processes, systems, and oversight in place when the activity in question was occurring, we would have caught or prevented the activity. And even when mistakes are made—and Mr. Chairman, they are made—today, it is far more likely that we would catch those mistakes and correct them sooner.

I would like to highlight some of the enhancements that are specific to the issues before the Subcommittee today. Through our intelligence and screening processes, we have improved our ability to detect attempts by customers who have had their accounts closed to reenter our bank. We have adopted policies in our company to go beyond what is legally required in the United States that will require certain non-publicly traded entity customers to provide beneficial ownership information when opening accounts. We have also decided to make no distinction between foreign and domestic Politically Exposed Persons.

We believe it is prudent to take these steps to effectively manage our money laundering and sanctions risks, and while some may say it will place our firm at a competitive disadvantage, we do not believe that is the case. It is just simply the right thing to do.

Finally, Mr. Chairman, I would respectfully submit to this Subcommittee that a practical and immediate way to move forward on the important issues you are discussing today is to encourage a more robust implementation of the public-private partnership envisioned by Title 3 of the USA PATRIOT Act. Specifically, Section 314(a) of that Act contemplates a new paradigm, an approach to address the problems of money laundering, terrorist financing, and other financial crime.

The timely non-public sharing of sensitive information in the government's possession with financial institutions could do as much to prevent access by kleptocrats and their associates and families to the U.S. financial system as almost any other action the government could take. This partnership in sharing is helping to keep us safer every day in the context of terrorism investigations, and I believe this same approach would be very useful in addressing this significant issue.

No program is perfect, Mr. Chairman. However, I can testify to you that my company remains committed to continually improving our systems and procedures as technology advances and as the environment in which we operate evolves, as financial crimes become more sophisticated.

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Thank you, Mr. Chairman, Ranking Member Coburn. We appreciate your time. We will be pleased to answer any questions you have.

Senator LEVIN. Thank you, Mr. Fox. You have pointed out that you have cooperated with this Subcommittee and it is appropriate that you point that out, because, in fact, you have. We are appreciative of that cooperation of you and other witnesses. I am glad you noted it and we are more than willing to acknowledge it.

Mr. FOX. Thank you, Mr. Chairman. We appreciate that very much. Mr. Mandemaker.

TESTIMONY OF WIECHER H. MANDEMAKER,[1] DIRECTOR, GENERAL COMPLIANCE, PERSONAL FINANCIAL SERVICES, ANTI-MONEY LAUNDERING COMPLIANCE, HSBC BANK USA, N.A.

Mr. MANDEMAKER. Good morning, Chairman Levin, Ranking Member Coburn, and Subcommittee Members. My name is Wiecher Mandemaker. I am a Director of General Compliance at HSBC Bank USA.

Thank you for the opportunity to appear before you today to discuss our efforts to combat money laundering and the misuse of international banking facilities by Politically Exposed Persons (PEPs). HSBC appreciates your longstanding interest and leadership on these issues.

HSBC adopted a policy addressing our banking relationships with PEPs in 2000. Our policy predated the USA PATRIOT Act and was implemented before any Federal statutes or regulations required banks to conduct enhanced due diligence on PEPs. Today, our broader anti-money laundering (AML) practices continue to exceed Federal requirements. HSBC applies enhanced due diligence to all accounts held by PEPs as a component of its overall risk-based approach. In high-risk jurisdictions, HSBC also conducts due diligence on non-publicly traded foreign correspondent banking clients down to the 5 percent ownership level.

The most effective anti-money laundering practices are risk-based and require pragmatic balancing acts and tradeoffs. We are, therefore, always on the lookout for improper activity or customers that may slip through our first lines of defense. Despite our best efforts, we do not always catch every instance of unusual activity as soon as we would like. We also know that even the best AML programs have room for improvement. Your investigation has helped highlight this reality and we welcome your insight on these issues.

On balance, we are very proud of our record, which evidences a consistent pattern: HSBC employees routinely seek out guidance from compliance, and when we have become aware of issues, we have refused to process those transactions and carefully scrutinized the relationships. When we discover a pattern of unexplained or questionable activity, we have promptly ended relationships and taken other appropriate actions.

You have asked me to address a number of specific topics today, and I have attempted to address them all candidly in my written statement. In the interest of time, I will not go into detail now ex-

[1] The prepared statement of Mr. Mandemaker appears in the Appendix on page 66.

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cept to briefly address the report's case study on HSBC's banking relationships in Angola.

Let me be clear, HSBC is committed to being a positive force in Angola and we work hard to ensure that our facilities are not used to further money laundering schemes. To that end, we have long applied the highest level of scrutiny to our relationships with Angolan banks. We have also, as a benchmark, recently looked at the BAI wire transfer activity we provided to the Permanent Subcommittee on Investigations (PSI) for December 2003 and December 2006. Ninety-eight percent of those funds are flowing from the United States to Angola. In other words, those funds clearly reflect investments from the United States into the Angolan economy.

We do not see patterns that are obvious indicia of funds inappropriately going from Angola into the United States. Indeed, we are pleased that today's report contains not a single allegation of fraudulent transactions connected to BAI. We also take comfort in the fact that the United States Export-Import Bank has recently selected BAI as one of four partners to help facilitate U.S. exports to Angola.

We understand that today's report suggests we should know more about BAI, including more about beneficial owners and more about BAI's AML procedures. We believe we have more than met the law's requirements, but will also look for ways to be responsive to your concerns.

As a first step, I want to let you know that this morning, one of our employees was able to obtain from BAI a current translated AML policy.

Finally, I want to emphasize that HSBC stands ready to support the efforts of this Subcommittee to strengthen the current U.S. regulatory and enforcement regime. As the "World's Local Bank," located in far more countries around the globe than most other institutions, we understand the unique opportunities and challenges we have in the fight against corrupt practices. We accept this responsibility and seek to positively influence countries that are working hard to strengthen their financial systems and banking practices.

I will be pleased to answer any questions that you have.

Senator LEVIN. Thank you very much, Mr. Mandemaker.

Let me start with Ms. Cobb. Please take a look, if you would, Ms. Cobb, at Exhibit 32 in the book in front of you there.[1] Using a shell corporation called Ebony Shine International, Mr. Obiang purchased a Gulfstream jet for $38 million. Now, the escrow agent, McAfee and Taft, who was supposed to handle the transaction, had set up its own anti-money laundering program, not because it was required by law to do so—it is not required by law—but because that is the way they wanted to do business. When McAfee and Taft learned that Mr. Obiang was involved in the transaction, they asked for information on the source of his funds. They asked repeatedly with no success, and finally on April 7, 2006, they sent this email, Exhibit 32. We have a chart with a piece of that email on it.

This is what Scott McCreary from McAfee and Taft wrote. "I just want to make sure that everyone is on the same page and aware

[1] See Exhibit No. 32 which appears in the Appendix on page 570.

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that for us to continue to hold funds, I must be provided with the PATRIOT Act due diligence by Monday morning and it must be in a form acceptable to us. If I don't have the information or if I am in any way unsure, I will wire the funds back to the account of the party sending said funds to us or we can wire the funds back to IATS if they are willing to act as escrow agent."

McAfee and Taft never got the information on the source of the funds and they sent the money back. That is when your company, Ms. Cobb, Insured Aircraft Title Service, stepped in and completed the transaction.

Now, can you give us the reasoning of your company, why you decided to complete a transaction when McAfee and Taft declined to do so?

Ms. COBB. We were unaware that McAfee and Taft had declined the transaction or their reasons thereof. We work closely with McAfee and Taft on a lot of transactions. It is a very small community, the escrow community for aircraft transactions. It is my understanding that not only had we wired funds at the instruction of Mr. Obiang to McAfee and Taft, but he had wired them funds directly, as well. In going over some of the material that was not in my escrow file, it was shown that the funds were all wired back to the originating sources.

We acted as the escrowee for the purchase. The purchase price was wired to IATS pursuant to the contract. We closed the transaction. The funds originated from the party that was listed on the purchase agreement. It was our understanding that the reason the transaction—our funds were sent to McAfee and Taft initially was because the seller had purchased the aircraft using McAfee and Taft as their escrow agent, so they were very familiar with them. As I stated, we had no way of knowing why McAfee and Taft declined to do the transaction. We just received the funds back from them.

Senator LEVIN. Were you aware that it was Mr. Obiang who was purchasing the aircraft?

Ms. COBB. Yes.

Senator LEVIN. And did you have any idea about his background?

Ms. COBB. No, sir.

Senator LEVIN. Now, McAfee and Taft lost that work, or gave up that work, because it had a voluntary anti-money laundering program. Your company did not have that same kind of a voluntary program. Would it have made a difference to you if you were aware of his background?

Ms. COBB. Absolutely.

Senator LEVIN. And if all escrow agents were required by law to know their customers, if there were, in other words, not that exemption that the Department of Treasury had granted, I assume your company would then follow the law——

Ms. COBB. Oh, absolutely.

Senator LEVIN. That is a given. Do you have a position as to whether or not that exemption should be removed and whether all escrow companies should be required to follow an anti-money laundering law? Do you have an opinion on that?

Ms. COBB. I think we should be required to look deeper into our clients. To date, we have relied on the banks to not forward the

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funds into our account if they have done their due diligence. We assume that due diligence has been performed before the funds are released to us.

Senator LEVIN. And what this transaction shows is really the power of the PATRIOT Act. We have one company that voluntarily followed a "know your customer" rule that applies to banks by the PATRIOT Act. Another company which was not required to have a "know your customer" rule and it did not adopt it, which it was its right not to do. But it shows just in this example that if we had some kind of a "know your customer" rule for escrow agents, that it could make a real difference. And we very much appreciate your forthright testimony on the subject.

I am going to turn to Senator Coburn.

Senator COBURN. Ms. Cobb, thank you for being here.

Ms. COBB. Thank you.

Senator COBURN. Welcome, as an Oklahoman to an Oklahoman.

I note in the document that is up there, and I would like for you to explain to me why McAfee and Taft would talk about that the funds originated with you, obviously, because in the last sentence of this email, their communication says, "or we can wire the funds back to IATS if they are unwilling to act as an escrow agent."

So I have two real questions for you. One, is they got the money from you, according to this email, originally? Two, is it often that you all encounter someone else who has turned down a deal that you will take? And do you ask questions as to why somebody might have turned down a deal?

Ms. COBB. As to the first question, we didn't wire the entire proceeds. We had received an initial deposit. It is not uncommon for us to receive deposits prior to receipt of a purchase agreement. When they were dealing with Blue Sapphire, Blue Sapphire desired to use McAfee and Taft. Mr. Obiang asked us to forward that deposit to McAfee and Taft. Also, I believe McAfee and Taft did not have a Union Bank of Switzerland (UBS) account that would accept Euros and convert the dollars.

Senator COBURN. All right.

Ms. COBB. So that is how those funds came to us. Now, I understand that there were funds that went through UBS later that went directly to McAfee and Taft. I have had people come to me with transactions that they did not like the company that the seller picked out and they desire to use us instead of one of our competitors.

McAfee and Taft, this is the first that I have heard that they have these procedures for exercising PATRIOT Act issues. To my knowledge, they are the only one of the three major law firms and 18 title companies that has a procedure like that, and I think it is a good procedure to follow. But as I said, we generally depend upon the banks to perform their due diligence before those funds arrive to us.

Senator COBURN. So you are hoping the backstop is the banks before it gets to you——

Ms. COBB. That is correct.

Senator COBURN. And it is not uncommon that people might change escrow accounts or who is managing the escrow accounts

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and completing transactions, title transactions. That is not an uncommon occurrence?

Ms. COBB. No, it is not uncommon.

Senator COBURN. All right. I would like to go to Mr. Baddin for a minute. I am curious as to why you did not want your name listed as a selling agent in a very large transaction, which usually is something that helps. As a matter of fact, I get cards all the time from agents that have big sales because I actually have one piece of property that I have considered selling, and they are always bragging about the big sales they have made. Why would you not want your name associated with this transaction?

Mr. BADDIN. Sir, I am not a braggart. That is not my style. But in Los Angeles, it gets to be a small community and I did not want a lot of questions asked of me, because a lot of agents get very jealous or they want to know everything about large transactions. All I was trying to do was be very low key about it. I wasn't trying to hide anything other than the fact that I was involved in the real estate transaction.

Senator COBURN. Would you mind submitting to the Subcommittee numerous other examples of properties of similar size that you have sold where you have chosen not to have your name listed as the selling agent?

Mr. BADDIN. I have not sold other properties of this magnitude.

Senator COBURN. Well, how about of even smaller magnitudes? Do you routinely exclude your name as the selling agent?

Mr. BADDIN. Not routinely, but I have done it before.

Senator COBURN. Would you mind submitting those instances to the Subcommittee?

Mr. BADDIN. I can't really think of one right now. I can't think of something that—I have had a career of 30 years, and——

Senator COBURN. Well, when was the last time, other than this time, that you chose to keep your name off as the selling agent for a property?

Mr. BADDIN. I think probably about 20 years ago.[1]

Senator COBURN. In terms of your testimony, you were unaware of the reputation of the individual you were representing as a corrupt foreign official when you began working for him.

Mr. BADDIN. Yes, sir. That is correct.

Senator COBURN. And when did you first become aware of the characteristics that the Subcommittee would tend to ascribe to what was going on?

Mr. BADDIN. Probably when I was approached by your Subcommittee in 2008.

Senator COBURN. Not before? So it wasn't suspicious to you at all? This is the first time you have handled a sale of this size, magnitudes of order above what you have handled before——

Mr. BADDIN. Yes, sir.

Senator COBURN [continuing]. And that wasn't suspicious to you at all. And are there, in fact, other agencies and independent real estate agents in your area that have routinely handled sales of this size?

[1] See post-hearing letter submitted to the Subcommittee by Mr. Baddin as Exhibit No. 126 appears in the Appendix on page 829.

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Mr. BADDIN. Well, I know other sales of large magnitude have been closed. There have been purchases for large amounts of money.

Senator COBURN. Did you ever have any inclination to ask Mr. Obiang about the source of his wealth or the reliability of his resources?

Mr. BADDIN. No, I did not, sir.

Senator COBURN. Were you curious at all to know that someone could come to you and purchase an asset like this? There was no curiosity as to the source?

Mr. BADDIN. I didn't ask because I had a little bit of background information as to possibly how wealthy he was.

Senator COBURN. And what was that background information?

Mr. BADDIN. Well, it goes back to sometime in probably early 2004. I was going around on a Sunday afternoon looking at open houses, which real estate agents do once in a while, and just by the odds of it, I walked into a very large property that I saw was listed for seven or eight million dollars, a very odd kind of property, and I knew the listing agent so we started talking. I said something like, gee, who would own a property like this, and he said, oh, it is a minister of a foreign country. Then I said, oh, wow. And he says, well, if you want to see something really interesting, let me show you the garage. All right.

So we went down to the garage and I saw several of what I thought were very expensive cars and very fancy motorcycles. I don't know anything about motorcycles, but these were very beautiful looking machinery. I realized, thinking to myself, whoever owns this property has a lot of money. And that was it and I left. I walked out.

Subsequently, several months later, Mr. Berger called me and said, I may have a client that I would like to refer you to. And we started talking and it became obvious that this was the same gentleman that owned this house on a street called Antelo Drive. Mr. Berger said to me that he would like to purchase a property, a very expensive property, and he can afford to do that. That is my background. That is how I knew.

Senator COBURN. One further question on that and then I will yield back to my Chairman. Was that your first contact with Mr. Berger?

Mr. BADDIN. No.

Senator COBURN. Have you had an acquaintance with him through the years?

Mr. BADDIN. Yes, sir.

Senator COBURN. And has he referred you multiple clients in the past?

Mr. BADDIN. A couple.

Senator COBURN. But none of this magnitude?

Mr. BADDIN. No.

Senator COBURN. All right. Do you have any second thoughts or reflections about having handled this transaction?

Mr. BADDIN. Now, I do.

Senator COBURN. And what are they?

Mr. BADDIN. I don't think I would have gotten involved.

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Senator COBURN. You see the fact of the theft of property from some of the poorest people in the world to live in luxury at the expense of their demise.

Mr. BADDIN. I don't really have all that information, but I have heard a lot of things.

Senator COBURN. All right. Thank you, Mr. Chairman.

Senator LEVIN. One of the suspicious things, I think you would agree, is that instead of a mortgage on a $30 million property, that there was $30 million wired into an escrow account. Was that something which struck you as unusual, to have no mortgage on a $30 million property? Was that fairly rare?

Mr. BADDIN. I had never handled a $30 million property.

Senator LEVIN. Generally, would there be mortgages on properties that were of large size?

Mr. BADDIN. Sir, I have never handled a $30 million property. I am assuming that—I don't even know how you would qualify to get a $30 million mortgage. I have no idea.

Senator LEVIN. Have you handled a lot of properties where there was no mortgage?

Mr. BADDIN. Every once in a while, I do.

Senator LEVIN. Where it was just all cash?

Mr. BADDIN. Yes, sir.

Senator LEVIN. I think you told our staff that it was something which surprised you, that this was all cash, did it not?

Mr. BADDIN. I don't remember that.

Senator LEVIN. All right. Were you familiar with Exhibit 30—take a look at Exhibit 30, if you would.[1]

Mr. BADDIN. Oh, thanks.

Senator LEVIN. When is the first time you saw that?

Mr. BADDIN. I don't remember the first time I ever saw it, and I am not sure when I did see it, but I believe this is from the escrow, which I don't get involved with as far as paperwork and——

Senator LEVIN. Have you seen this before?

Mr. BADDIN. I think I have seen it, but I don't know when or the first time that I actually saw it.

Senator LEVIN. This shows escrow deposits, $5 million, $5 million, $5 million, $5 million, $5 million. Do you see all those deposits?

Mr. BADDIN. Yes, I do.

Senator LEVIN. All right. This is what the Department of Justice says about Mr. Obiang, that they are investigating suspected criminal conduct of Mr. Obiang and his associates involving the illicit transfer and laundering of assets believed to be derived from extortion, bribery, and/or misappropriation, theft, or embezzlement of public funds. That is from a Department of Justice document, which is Exhibit 41.[2] Knowing about that, would that trouble you to be involved in that kind of a transaction in any way?

Mr. BADDIN. I was not aware of that document.

Senator LEVIN. No, I know, but knowing that now, would it trouble you to be involved in a transaction——

Mr. BADDIN. At this point in time, yes, sir.

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[1] See Exhibit No. 30 which appears in the Appendix on page 567.

[2] See Exhibit No. 41 which appears in the Appendix on page 601.

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Senator LEVIN. You may have answered this already. Did you attempt to determine how Mr. Obiang would obtain funds like this?

Mr. BADDIN. I did not.

Senator LEVIN. To your knowledge, did anyone involved in the transaction attempt to learn how or where Mr. Obiang would obtain funds to pay for this property?

Mr. BADDIN. Sir, the only person that would be probably concerned with it would be the escrow officer.

Senator LEVIN. But you don't know whether any effort was made to obtain the source of funds?

Mr. BADDIN. I don't.

Senator LEVIN. Mr. Fox, let me ask you about the Falcone accounts at Bank of America. Now, Mr. Falcone is a notorious arms dealer. He supplied weapons during Angola's civil war. He is a close associate of Angolan President Jose Eduardo Dos Santos. He supplied arms to Angola in violation of the arms embargo. As I indicated, he had lots of problems with the law, serving a 6-year prison sentence now for bribery, tax fraud, and other misconduct.

Now, when that was going on, he opened 30 U.S. accounts with Bank of America, used those accounts to move millions of dollars in suspect funds through the United States and abroad. There were a number of suspicious transactions, and you have been very forthright in acknowledging that these transactions should have been subjected to greater scrutiny.

The account got $6 million in wire transfers from unidentified clients in secrecy jurisdictions like Caymans, Luxembourg, Singapore, and Switzerland. They got $2 million from obscure offshore corporations like AALL Trust and Banking Corporation, Cullen Investments, Rego Holdings, and Valley Marketing. They set up a shell company in Arizona called, it looks like Monthigne Corporation, funneled millions to that account. The accounts often transferred large dollar amounts from one Falcone account to another, often on the same day.

This was what the State Department said in 2005 about Angola, that the laundering of funds derived from high-level corruption is a concern, as is the poorly controlled trade in diamonds and the potential use of diamonds as a vehicle for money laundering. Their report, again 2005, when a number of these transactions took place, that the government's record includes the following: Unlawful killings, disappearances, torture, beatings, abuse of persons, corruption with impunity, violence and discrimination against women and children.

Now, the Banking Center—and let me now refer you to Exhibit 87[1]—this is what your—Bank of America's review showed. The Banking Center believes, at the bottom of paragraph one, that the customer conducted these transactions—these are certain identified transactions—in an attempt to avoid CTR reporting. So you have right off the bat in 2004 a belief on the part of your own bank that the customer was conducting those transactions to avoid—in an attempt to avoid currency transaction reports. That is what CTR means.

[1] See Exhibit No. 87 which appears in the Appendix on page 746.

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Then in the middle of the next paragraph, it says—and this is your bank's own words—that through Falcone's deals, he, because of his involvement and knowledge of the arms for sale programs, Falcone developed a very close and tight relationship with the government of Angola, so much that he was even granted citizenship. Because of this close relationship, it was soon discovered that Falcone and his business partner, Gaydamark, were benefiting financially, from Angolan diamonds and oil. Falcone was brought before a French court on charges of corruption, for which he was indicted and sentenced to 1 year in jail. Now, that is your report by your anti-money laundering folks.

But then the conclusion on page two, which is incredible to me, is that the activity for the accounts of the Falcones is not unusual. How could anyone, having laid out all of that on page one, then conclude at the top of page two of the anti-money laundering report that his activity does not appear to be unusual?

Mr. FOX. Mr. Chairman, I agree. Listen, I think that what we believe happened in this particular case is that we had an investigator that was focused very distinctly on the structuring violation, if you will, even though she actually did a good job, I think, of finding information, she missed the relevance of that information or pulling all of that information together. I would even go farther, Mr. Chairman, in saying that I think our investigator missed looking back at the histories and the wire activity that has been involved with the Falcone accounts.

I think this was clearly a bad judgment call on behalf of the investigator, and I think our processes have been significantly enhanced since that time. I believe that not only would we have presented the entire piece of the information for investigators so that they can look at these sort of situations more holistically, but we have instituted an oversight process where a more robust review occurs before these matters are actually finalized.

I can also say that we have instituted a post-closing, if you will, review and testing process where we go back and test decisions that are made to make sure that we aren't making decisions that, candidly, are wrong. And so I think that based on these particular facts, in hindsight, we would have made a very different decision today if we would have had the right processes in place back then. I think the good news, Mr. Chairman, or what I can testify today is that we have significantly enhanced those processes. I do not believe the same errors would be made today.

Senator LEVIN. So you would agree that those accounts are actually the epitome of high-risk accounts and should have been handled that way?

Mr. FOX. I believe today, we would——

Senator LEVIN. Not even just today, but that a mistake was made back then in not handling them better?

Mr. FOX. Yes, sir. I think we should have handled these in a better way.

Senator LEVIN. Dr. Coburn.

Senator COBURN. Mr. Fox, how do you handle business clients today who do not want to disclose their ownership information?

Mr. FOX. At this point in time, Senator, we pretty much require that information.

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Senator COBURN. Are there exceptions to that?

Mr. FOX. You never want to say——

Senator COBURN. Well, if there are, what are the exceptions?

Mr. FOX. I think that in our present policy today, we require that companies generally get beneficial ownership information, particularly non-publicly-traded companies.

Senator COBURN. All right. But you said generally.

Mr. FOX. Yes.

Senator COBURN. So what are the exceptions?

Mr. FOX. There are times for entities that we deem as standard risk, and when we know that customer or we know that entity, we will not gather that information.

Senator COBURN. So I could have been a long-term customer and you could know me and then I want to set up a new account for some subversive reason that would not necessarily be appropriate by your standards, and it might be that 80 percent of what I am doing is owned by somebody else and you are not going to look at it.

Mr. FOX. Actually, we would look at it, Senator, in this sense, that while we may not go and gather that information on that particular account, we would continue to monitor very actively that account, and if there was activity in that account that caused the trip to trigger, that could cause us to go back, re-look at it. We would reinvestigate. Then we would go and get that information.

But I do want to emphasize, Senator, if I can, that for the vast majority of accounts, that for any elevated risk, we now have a stated policy where we will acquire that information for those companies.

Senator COBURN. The new burdens of having your beneficial ownership rules, have they created any burdens for smaller businesses?

Mr. FOX. I think that any additional information that is required, Senator, to open up bank accounts is, I think, business would deem a burden. I think in our case, we balance the burden with the risk and we believe that it is an acceptable burden to do. So far, the experience we have had, to my knowledge, has been quite good with businesses.

Senator COBURN. OK. Could you relate to me Bank of America's definition of beneficial ownership?

Mr. FOX. Yes, sir. Today—I just want to get it right—a beneficial owner is any individual who has a level of control over or entitlement to the funds or assets in the account that enables the individual directly or indirectly to control, direct, or manage the account.

Senator COBURN. OK. Thank you.

Mr. Mandemaker, you are one of the world's biggest banks and you move more money through more countries than probably anyone else. What would it require for you to lead the world in anti-money laundering versus what you are doing today? And I don't mean any incrimination by that, so please don't take it that way. But since you are one of the world's leaders in terms of money transfer around the world, what would it require at your firm to change this to where you become the leader in this rather than not the leader?

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Mr. MANDEMAKER. Thank you, Dr. Coburn. I believe that we have taken a leadership role in this matter. HSBC was one of the founding members of the Wolfsberg Group, which was recognized in the report as setting standards for PEPs voluntarily very early on. We continually look to take those efforts further. I believe we have taken measures that take us beyond the requirements of the law. We will take a close look at this report. If we believe that there are opportunities to improve on our activities, I am sure that we will do so.

And quite frankly, Senator, we are not perfect, but I do believe that we are one of the leading institutions, especially when it comes to identifying appropriate anti-money laundering practices, and not doing business with individuals that we shouldn't be doing business with, and I am quite proud to be part of that institution.

Senator COBURN. All right. Thank you. What do you think we could do, as the U.S. Government, that would help you in that regard? Other than create more rules and regulations for you to have to comply with.

Mr. MANDEMAKER. Yes. This is always a great challenge because we absolutely want to make sure that our financial system is safeguarded from any improper activities. And so I think certainly the identification of Politically Exposed Persons (PEPs), if there is any way that the U.S. Government can assist in the compilation of a standard list, that will certainly not mean that we will only adhere to that standard list, but I think it is recognized that there are challenges in name matching, and I think that is recognized in other matters, as well.

With respect to beneficial ownership, I think there are some good efforts underway to help that. I believe those are particularly important to law enforcement and we want to have a strong partnership with law enforcement on that. We identify beneficial owners. There are some recommendations around the recording of that in an official manner, and if we can implement that without too much undue burden, we will certainly work on that, Senator.

Senator COBURN. Are there exceptions to your beneficial ownership rules?

Mr. MANDEMAKER. I am not aware of any exceptions to our beneficial ownership rules.

Senator COBURN. So accounts opened with HSBC, you are going to know the beneficial owners of those accounts?

Mr. MANDEMAKER. We know the beneficial owners of accounts opened today. Under the PATRIOT Act, we were not required to do a look-back. But I can assure you that if a customer with an existing account prior to the implementation of the PATRIOT Act came in today, we would apply today's standard to identifying that owner.

Senator COBURN. OK. Thank you. Thank you, Mr. Chairman.

Senator LEVIN. Thank you.

Going back to you, Mr. Fox, on this beneficial ownership thing, I think you said something which is significant relative to this issue, but I don't think it was clear and I want you to clarify it. Do I understand that the Bank of America is announcing that you are going to require corporate clients to require their beneficial owners in writing on their form—on a form?

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Mr. FOX. Yes, sir. What we are going to do for, again, the majority of—or for clients—let me be clear here—for corporate clients that are of elevated risk, either medium or high risk as we determine them, they will need to identify beneficial ownership information as that term was defined, and as I mentioned, I would be happy to discuss that definition, as well.

Senator LEVIN. All right.

Mr. FOX. Our goal, Mr. Chairman, is to get to the two-legged person so that we know who is behind these entities.

Senator LEVIN. OK, and that is something which is overdue in the United States, in my judgment, and that is what our bill would cure because we are telling other countries and putting a lot of pressure on other countries to be transparent. We are going after the secrecy tax havens so that the people who owe taxes will pay those taxes. And other countries in many instances require beneficial owners to be identified, and it is important that happens because we don't have much standing to go after secret bank accounts and hidden bank accounts in offshore jurisdictions if we tolerate not knowing who the beneficial owners are of our own bank accounts here.

And what you are announcing today, I think, is a significant step, and I hope it is taken note of, that the Bank of America, at least with a significant number or certain categories of clients, is going to obtain the beneficial ownership of those accounts.

Mr. FOX. Yes, sir.

Senator LEVIN. OK. Is this similar to what is called Form A in Switzerland, do you know?

Mr. FOX. Well, I think we all have our different systems. I mean, what we will do is require as part of our initial due diligence processes for these customers or clients, they will need to be able to provide that information, and, of course, that information will then be reviewed for all the various purposes we would review them. If they don't provide the information, they are not going to get the accounts.

Senator LEVIN. And you are implementing doing this, as I understand it, a World Bank recommendation which calls for those forms?

Mr. FOX. I am a little confused about the form, Mr. Chairman. What we are going to do is require the information, make sure that we keep the information, make sure that it is available, not only for law enforcement, but for our purposes, our risk management purposes.

Senator LEVIN. All right. Well, thank you. We want to thank you for taking this step. It is an important step. We hope other banks will follow, those who don't already do it.

Mr. Mandemaker, let me ask you now about the incident involving the head of the Central Bank of Angola, Dr. Jaime. In 2002, Dr. Jaime transferred $50 million from the Angolan Central Bank account in London to HSBC in New York. HSBC opened up a securities account called a collateral account with Dr. Jaime as the sole signatory. And then there was a moment when they asked you to use the money to buy $50 million in Treasury bills, and so far that is not anything unusual for a Central Bank to do.

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But then in August 2002, Dr. Jaime asked HSBC to transfer those Treasury bills to a securities account at Wells Fargo. It was held by an attorney in California by the name of Jan Morton Heger. But the bank on the other end of the transfer, Wells Fargo, saw it as suspicious and they sent it back to you. So they saw something as suspicious. You apparently did not. Why didn't you see it suspiciously and they did?

Mr. MANDEMAKER. Senator, the Wells Fargo institution, and as I have certainly learned more from the report today, was able to look at that transaction in context with the record of Mr. Heger at that time. That made them, if I recall correctly, uncomfortable with the situation. We certainly regret that we did not catch that sooner. I just want to be clear that HSBC employees, as the report indicates, were not complicit in this scheme. Following that transaction, there were some other attempted transactions that were appropriately escalated. They were brought to the attention of our compliance officers and they stopped the transaction. In the end, the money was returned to the Central Bank of Angola.

And so could we have caught that sooner? Absolutely. Do I think we have appropriate processes in place today that will catch it sooner? I believe so and I am very proud that our record on that matter has evolved to where we are today.

Senator LEVIN. Well, let us go into some detail on that transaction because it is not quite as positive a transaction as you describe, at least in my judgment. In October 2002, Dr. Jaime told your bank that the bank could keep the $50 million in T-bills in the New York account for the Angolan Central Bank on a condition, and that condition was that the bank—and that is the HSBC Bank—provide him with a negotiable safe keeping receipt, in other words, a document that shows the $50 million value of the T-bills in custody at HSBC and which could be sold to someone else.

Now, I think you would agree that was a highly unusual request. Would you agree with that, going in?

Mr. MANDEMAKER. That would be a transaction of concern, certainly.

Senator LEVIN. OK. But HSBC in the first instance agreed to that condition, and that is Exhibit 109.[1] It is on Angolan National Bank stationery, signed by Dr. Jaime, and he is asking you to agree to this unusual deal, which puts $50 million under his personal control. He signs the letter, and then your Mr. Godino acknowledges and he agrees to it, signing it as HSBC Bank USA as collateral agent. Do you know Mr. Godino?

Mr. MANDEMAKER. I am not familiar with Mr. Godino.

Senator LEVIN. All right. And then on HSBC stationery—it is part of the same exhibit—signed by Mr. Tischler, Senior Vice President, HSBC, that you write to Governor Jaime, "that you are enclosing an original of that October 16 letter on which Frank J. Godino, from my office, has affixed his signature and corporate seal of HSBC Bank USA, indicating that the bank as collateral agent has acknowledged and agreed to the terms in the letter." So HSBC, before it reversed itself later, agreed to this, is that accurate?

Mr. MANDEMAKER. Senator, I can't speak for Mr. Godino——

[1] See Exhibit No. 109 which appears in the Appendix on page 788.

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Senator LEVIN. No. I am saying this letter shows that HSBC agreed to the terms of the letter.

Mr. MANDEMAKER. Again, it is hard for me to understand what Mr. Godino believed he agreed to, because there are other components of that letter. Dr. Jaime asked us to cancel the prior instructions, and then he asked us to issue the safe keeping receipt. It would be very reasonable to understand that as Mr. Godino was agreeing at least to the cancellation. And as our record indicates, we drafted that document, but when it got to our compliance people for final review, before it was released to Dr. Jaime, it was stopped. We did not get any push-back from the business in stopping that and it was never actually released to Dr. Jaime.

Senator LEVIN. But there was an agreement reached which was then not implemented. According to this document, it says the agreement was signed. It is on HSBC stationery. The words "agreed to the terms of the letter," the letter referred to is October 16, 2002, and it is Exhibit 109. I mean, that speaks for itself, does it not? There was an agreement signed.

Mr. MANDEMAKER. I understand that Mr. Godino has provided testimony to the Subcommittee on that and——

Senator LEVIN. I am just talking about the letter on your stationery, sir.

Mr. MANDEMAKER. I understand that, Senator.

Senator LEVIN. Am I reading this correctly? If you would look at Exhibit 109——

Mr. MANDEMAKER. Yes. What you are stating is in the letter, that is correct, yes.

Senator LEVIN. All right. And this is signed by a Senior Vice President of HSBC?

Mr. MANDEMAKER. Yes. I don't know—you said one signed by Mr. Tischler? Because I don't see that. What is the number on that exhibit?

Senator LEVIN. Exhibit 109.

Mr. MANDEMAKER. Exhibit 109, because I have three pieces of paper. OK. Yes, I see it. That is a cover letter and it is my understanding when Mr. Tischler prepared that letter to accompany the document, that was then reviewed for final release, and then it was stopped by our legal and compliance——

Senator LEVIN. I know you say it was stopped later on, but there was an agreement that he acknowledged, is that not true, in that letter itself?

Mr. MANDEMAKER. That appears to be the case.

Senator LEVIN. All right. Now, your compliance officer then later on pointed out—and this would have been, I guess, a couple of weeks later—that this is improper and the transaction should not go forward, as you have pointed out.

Now, after this incident occurred, Citibank, which had accounts for the Angolan Central Bank in London, closed its account. Citibank closed all of the accounts that it had for the Angolan government, including for its state-owned oil company. It also closed

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its office in Angola. And if you will take a look at Exhibit 96,[1] here is what Citibank did.

The memorandum was prepared, it says, in 2003, Exhibit 96. It is a letter that is addressed to someone named Jean Paul and it is advising that after deliberations inside Citibank, that the decision has been to terminate business in Angola. "In June of last year,"—and this is a Citibank document of January 2003—"the Angolan National Bank, BNA, instructed us"—I am reading about the sixth line—"to pay U.S. fifty-million dollars in a dubious account with Bank of America in San Diego." Here is that same $50 million they are referring to. "This payment was ultimately reversed a few weeks later," as we just talked about, "and we were never provided a satisfactory explanation of the underlying transaction by the BNA."

And then when you jump down to the next paragraph, "We were advised in November of last year by the outgoing BNA Governor that BNA had gone ahead with the USDA 50 million transaction with another bank using a 'fiscal paradise,'" presumably an offshore tax haven somewhere in what someone thinks is paradise.

Then in the next paragraph, it says, "Unfortunately, the players in the government of Angola are the same, with a few key players in positions of power and closely managed under the leadership of the current President, Jose Eduardo Dos Santos. At the end of the day, we are uncomfortable with the character of the senior officials in the Angola government and any amount of policing may not deter financial impropriety."

It goes on, "The above action plan"—this is January 2003—"can be franchise threatening." And then jumping a couple of lines down, it says, "In all likelihood, the reaction of the Angolan National Bank to our decision will be far-reaching and may result in our being asked to leave the country. We should expect a backlash from all the government-owned and private sector banks based on the strong control of the government in the bank and other priority sectors, like oil and gas. I believe that we must work with this contingency in mind and plan to exit the country." So they have now decided they don't want any more of these kind of dealings.

Now, that deal looked mighty suspicious to them, and I guess it also did, finally, to your compliance people at some point and you reversed it. But here is what I understand has happened, that the bank, the Angolan National Bank then opened accounts in the Bahamas, and I want to refer you to Exhibit 112.[1] This is referring now to a bank called the Equator Bank in Bahamas, which is owned by HSBC—is that correct, by the way? Would you agree Equator Bank in the Bahamas is owned by HSBC?

Mr. MANDEMAKER. I believe HSBC has a subsidiary Equator Bank, yes.

Senator LEVIN. All right.

Mr. MANDEMAKER. I am not sure if it is domiciled in the Bahamas.

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[1] See Exhibit No. 96 which appears in the Appendix on page 766.
[1] See Exhibit No. 112 which appears in the Appendix on page 795.

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Senator LEVIN. And there is also something called HSBC Bahamas. So would you look at Exhibit 112. This is an exchange now between Equator Bank, owned by HSBC, and HSBC on this issue.

Mr. MANDEMAKER. Senator, just to clarify on the Equator Bank, if I may——

Senator LEVIN. Yes.

Mr. MANDEMAKER [continuing]. That is an entity that is no longer in operation.

Senator LEVIN. But it was then?

Mr. MANDEMAKER. It was at that time, correct.

Senator LEVIN. So now look at Exhibit 112. Here is what the Equator Bank representative wrote to your bank, HSBC Bahamas. "Equator Bank Limited is a 100 percent subsidiary of Equator Holdings, sister bank of HSBC, Equator Bank London, which is HEQB." That is the name for Equator Bank London, owned by HSBC. "It has an excellent relationship with Banco Nacional de Angola"—that is the Central Bank of Angola—"for the last 20 years. During this time, EBL," Equator Bank, "has earned in excess of $80 million from short-term trade finance lines which are serviced by an assignment of oil proceeds."

Then two lines down, it says that because of a large deposit of $103 million, that is going to push them above the limit for any account. And it says, "Unfortunately, we cannot accept these funds in Nassau as they would cause us to contravene our trigger ratios."

So now here is what they do in Exhibit 112. This is HSBC. This is what you guys do. "We are currently holding the funds at HEQB"—now that is in London—"but we know that BNA, Angolan National Bank, prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions. It is for this reason that we approached HSBC Nassau," we being HSBC, "with whom EBL shares an office."

So now a Mareva injunction is a British court order that freezes a defendant's assets so they cannot be transferred beyond the court's jurisdiction. So the email exchange indicates that HSBC helps to open an account for Angola, in an offshore jurisdiction in some tax haven presumably, even though one of the stated purposes is to enable the Angolan Central Bank to avoid compliance with British court orders. Now, Britain happens to be the home of HSBC. So you have HSBC saying, we can help the Angolan Central Bank avoid our country's lawful orders if they move to this offshore bank.

Now, we interviewed an HSBC representative about this. He replied that it was legitimate for the client to choose to hold an account in a jurisdiction where its assets won't be subject to certain attachments. Those are your government's attachments. That is your government's court orders that you are helping to evade. Is it really your position—is it HSBC's position that when a client informs you that it wants to establish an account where it can lawfully avoid your own government's court orders, that you view that as a legitimate request?

Mr. MANDEMAKER. Senator, I will answer that question. If I may just briefly clarify on the matter with the signed letter. It is my understanding that the letter regarding the safeguarding receipt was signed in advance because the person signing it went on vaca-

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tion, and that is why it was ready to be signed before it was stopped by the compliance process.

With regards to the Mareva injunction, I will be honest with you: I am not an attorney. I had to look this up in Wikipedia when I saw the term in the report, and my understanding is that the definition is very close to as you describe it. It also indicated that it is considered sometimes harsh on defendants because it is granted without due process or a trial, as we would expect in this country.

Senator LEVIN. In England?

Mr. MANDEMAKER. In England, correct. It is a Commonwealth law.

Senator LEVIN. You are a British company, right?

Mr. MANDEMAKER. I am representing HSBC Bank USA, which is a U.S. company. Our parent company is located in England.

Senator LEVIN. So your parent company located in England, you have your people saying, we are going to help a client, which is a national bank putting its money offshore, which is suspicious enough, I would think—any national bank that is moving to a tax haven some of its funds ought to trigger all kinds of alarm bells to begin with. I can't even think of any other country that does it, but maybe there are some beside Angola. But that is not my question.

You, HSBC, is facilitating that customer to move its funds to a place where it will not be reachable by a court order of your own home country. Is that your policy?

Mr. MANDEMAKER. Senator, it is my understanding that certain entities, central banks, companies, even in this country choose a venue that they believe is appropriate for them and that there are different business laws, and so we allow——

Senator LEVIN. Is it HSBC's policy to facilitate, to help a client such as that client to move money offshore in order to avoid your own government's court order?

Mr. MANDEMAKER. That is not our policy. I don't believe that is what the letter reflects, and——

Senator LEVIN. That is exactly what it does reflect. That is precisely what it says.

Mr. MANDEMAKER. It states that at the request of the customer. I think that is indicative that it is not our policy to promote this.

Senator LEVIN. Well, you say you represent HSBC USA. Take a look at Exhibit 113.[1] "Dear Fred, I refer to our earlier discussion with respect to HSBC Bahamas opening a deposit account at the request of BNA. You asked that I provide you with some background on the deposit account opening request." And then you say—look on page two—"Due to capital weighting constraints, we are unable to accept any further deposits from BNA, so BNA indicated to us that they would like to deposit an additional $200 million. In this regard," and listen to these lines—you say it is not your policy—"we"—we, HSBC—"have encouraged BNA," Bank of Angola, "to open a deposit account with HSBC Bahamas for the following reasons."

Look at reason No. 2. "Deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K." You folks

[1] See Exhibit No. 113 which appears in the Appendix on page 797.

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are encouraging your client to move money offshore to avoid legal process in your home country. That is what this says. This is signed by that same guy, John Kearney. Was he going on vacation? Did he pre-sign this one, too?

Mr. MANDEMAKER. I am not aware of that, Senator. I recognize what the letter said. I can't tell you from my understanding whether that is an active policy of the bank or whether that is a statement made by that individual, who certainly at that point was in a position to represent the bank.

Senator LEVIN. And take a look at Exhibit 113, that same exhibit. Where is that cover sheet from?

Mr. MANDEMAKER. The first cover sheet, Senator?

Senator LEVIN. Take a look at the third page.

Mr. MANDEMAKER. The third page?

Senator LEVIN. Do you see where this was sent from?

Mr. MANDEMAKER. This appears to be sent from an operations center in Connecticut for HSBC Equator.

Senator LEVIN. Yes, 45 Glastonbury Boulevard, Glastonbury, Connecticut, right?

Mr. MANDEMAKER. Correct.

Senator LEVIN. Well, when you testify today about HSBC and all what you call enhanced due diligence, you use that in your opening statement, highest level of scrutiny, you claim that you are a leader in anti-money laundering rules enforcement. You go beyond the requirements of law, you said. You are one of the leading institutions when it comes to anti-money laundering. What these documents show is quite the opposite, that you facilitate people evading the law of your own country—back then.

Maybe that is not the policy now. You don't know what the policy is now. But these documents are pretty damning documents and I would think that it is in your interest that you, if you don't know what the policy is now, that you file with this Subcommittee after this hearing is over, that you go back and file with this Subcommittee what your policy is relative to this. Will you do that?

Mr. MANDEMAKER. Relative to this issue——

Senator LEVIN. Whether or not it was appropriate at the time and whether or not it is still your policy.

Mr. MANDEMAKER. We will be able to get back to you on that, Senator.

Senator LEVIN. Do you know whether or not HSBC has offshore accounts today for the Angolan Central Bank?

Mr. MANDEMAKER. I am not aware of HSBC Bank USA having offshore accounts for the Angolan Central Bank.

Senator LEVIN. Does that refer to HSBC's main office or HSBC USA?

Mr. MANDEMAKER. I am a representative of HSBC Bank USA. I don't know if there are group institutions that have accounts in the jurisdiction that you are referring to. If there are, it is my understanding that the laws in that jurisdiction would prevent us from disclosing that to you, Senator.

Senator LEVIN. Well, wait a minute. You represent HSBC USA, so you are within our jurisdiction. We are not going to let the laws of the Bahamas or anywhere else deny us information which we legitimately seek. Have you been advised that you cannot disclose to

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this Subcommittee, information of this nature because of Bahamas law when you are HSBC USA and when you clearly were involved in this transaction through these faxes and emails which emanated from Connecticut? Is that what you are saying?

Mr. MANDEMAKER. Senator, if I can be clear on this, HSBC Bank USA was never a party to these faxes. This was a subsidiary of HSBC London. I am here today to represent HSBC Bank USA.

Senator LEVIN. But it was involved because you acknowledged that the fax came from HSBC in Connecticut.

Mr. MANDEMAKER. Which is not the same entity as HSBC Bank USA. That was a subsidiary of HSBC in London, Senator.

Senator LEVIN. Do you know Carolyn Wind?

Mr. MANDEMAKER. Senator, just to confirm with you, the HSBC U.S. entity does not have any accounts for the Angolan Central Bank in the Bahamas.

Senator LEVIN. Do you know Carolyn Wind?

Mr. MANDEMAKER. Yes.

Senator LEVIN. And who does she work for?

Mr. MANDEMAKER. She used to work for HSBC. I don't know who she works for currently, Senator.

Senator LEVIN. Did she used to work for HSBC USA?

Mr. MANDEMAKER. I believe she was an employee of HSBC Bank USA.

Senator LEVIN. And she received a copy of the email which we discussed.

Mr. MANDEMAKER. OK.

Senator LEVIN. Is that right?

Mr. MANDEMAKER. I don't know.

Senator LEVIN. Well, take a look at it. Take a look at Exhibit 112.[1] Do you see at the top, Carolyn Wind, CC?

Mr. MANDEMAKER. Yes.

Senator LEVIN. She is, or was—does she still work for HSBC, do you know?

Mr. MANDEMAKER. She does not work for HSBC today, Senator.

Senator LEVIN. At the time, she was, as I understand it, a Senior Compliance Officer located in New York, is that correct?

Mr. MANDEMAKER. That is correct.

Senator LEVIN. Now, the discussions that led to this email took place, as I understand it according to this fax, in Connecticut, is that correct?

Mr. MANDEMAKER. It appears to be the case, Senator.

Senator LEVIN. All right.

Mr. MANDEMAKER. Yes. Senator, if I can just again confirm, HSBC Bank USA does not have any accounts in the Bahamas——

Senator LEVIN. No, I understand——

Mr. MANDEMAKER [continuing]. For this entity, and if there are other records that you would like us to provide to the Subcommittee, we can certainly get back to you on that.

Senator LEVIN. OK. Well, we are asking for those records. We want to know whether or not HSBC Equator, whether HSBC, the main branch, has opened up any offshore tax haven accounts for PEPs or for other national banks. Will you provide that for us?

[1] See Exhibit No. 112 which appears in the Appendix on page 795.

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Mr. MANDEMAKER. I will convey your request.

Senator LEVIN. OK. And then if you are not going to supply that, you will have to let us know why, because that, then, is going to become an issue between the Subcommittee and our authority. Since part of these transactions occurred in the United States, we will then have to take that issue up with you and your lawyers at that time. But you will get back to us on that?

Mr. MANDEMAKER. Yes, Senator.

Senator LEVIN. All right. Are you saying that you don't know whether or not there is an Angolan Central Bank account in an HSBC Bank in the Bahamas at this time? Not USA, but any HSBC account? Do you know the answer to that question?

Mr. MANDEMAKER. I don't know the answer to that question, Senator.

Senator LEVIN. OK. Mr. Fox, let me ask you just a few more questions about Teodoro Obiang. From 2004 to 2007, Mr. Obiang used your bank not by opening an account in his own name, but he had an attorney, Mr. Berger, form a U.S. shell corporation called Beautiful Vision. He opened three accounts at your bank in the name of that shell corporation and Mr. Berger was the signatory on two of them and Mr. Obiang was the sole signatory on one of those Beautiful Vision accounts.

In addition, a year later, Mr. Berger opened an attorney-client account at your bank, and over a 4-year period, Mr. Obiang deposited over $9 million into those accounts, about $1.6 million in wire transfers from Equatorial Guinea and over $4 million from the sale of a property in California. Mr. Obiang wrote checks in excess of $7 million, including a $3.3 million cashier's check that was cashed in Equatorial Guinea.

In 2005, Bank of America discovered that Mr. Obiang was making use of Beautiful Vision accounts and I understand that when you discovered that, that you then closed the accounts, is that correct?

Mr. FOX. Yes.

Senator LEVIN. OK. Now, why did you close those accounts?

Mr. FOX. Well, because we had closed the relationship with Mr. Obiang, our review of the matter at the time indicated his involvement in the Beautiful Vision accounts and we proceeded to close the accounts.

Senator LEVIN. And it was suspicious or suspect funds, was that true?

Mr. FOX. Yes.

Senator LEVIN. OK. Now, after you closed those accounts, for the next 2 years, from 2005 to 2007, Mr. Obiang then sent multiple wires from Equatorial Guinea to the Berger attorney-client account, and then Mr. Berger used the funds to pay Obiang bills or transferred money to other shell company accounts that he controlled, such as an Unlimited Horizon account at Citibank.

Now, Mr. Fox, when the Bank of America knew that Mr. Berger had opened the Beautiful Vision shell company accounts for Mr. Obiang in 2004, why didn't the bank at least monitor it more closely to see that millions of dollars in Equatorial Guinea wire transfers were going into that account?

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Mr. FOX. It is a very good question and a fair question, Mr. Chairman. I think when we look back on facts of that matter, we agree that judgment calls were made that probably were not the correct judgment calls, and I think that our systems at that time were not as robust as they are today. I think had we made those decisions today or with the same rigor and standards that we have today, we would have reached a very different conclusion.

Senator LEVIN. Is there some sense of reluctance to really take a close look at and monitor an attorney-client or a law firm account?

Mr. FOX. Not on our part, sir. We are very aware of the attorney-client relationship in the United States. It is an important aspect to our judicial system. But, candidly, we are looking for the movement of suspect funds. When we see that even if it involves an attorney, we fulfill our regulatory obligations.

Senator LEVIN. Mr. Fox, you have indicated today that you are adopting a rule about beneficial ownership disclosure, and we applaud you for that. Some of us have been working to try to obtain beneficial ownership information for U.S. corporations with the States obtaining that information when there is incorporation in States of the United States. Would that make your life easier, if beneficial ownership information was part of the States' incorporation process?

Mr. FOX. Mr. Chairman, anything that we could collectively do that would make it easier to obtain or utilize information to verify the information that we obtain on beneficial ownership would make our lives a lot easier.

Senator LEVIN. Including that?

Mr. FOX. Yes, sir.

Senator LEVIN. We thank you all. You have been a very informative panel. We appreciate your being here and you are excused.

Well, we thank our third panel for their work, the responsibilities that you all have undertaken. It is important work for our security, economic, and physical security, as a matter of fact. We have taken a little longer to get to you probably than you expected, so we appreciate your patience, as well.

Do you have any opening statements that you would like to give? Mr. Johnson, you raised your hand first, so we will call on you first.

I have to swear you in. I am reminded all of our witnesses have to be sworn in by this Subcommittee. Would you raise your right hands, please.

Do you swear that the testimony that you are about to give to this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. JOHNSON. I do.

Ms. AYALA. I do.

Mr. FREIS. I do.

Senator LEVIN. Thank you. Mr. Johnson, do you want to start off?

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TESTIMONY OF DAVID T. JOHNSON,[1] ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. JOHNSON. Thank you, Mr. Chairman. I am grateful for the opportunity to discuss the impact of foreign corruption on the United States and why combating it is a key U.S. foreign policy objective. My colleagues and I, at the Department of State, are grateful for your leadership and that of your staff and the focus that today's hearing brings to this important national security issue.

The United States has long been a leader in the fight against corruption, since it harms U.S. business, undermines democracy and stability, and can allow criminals and terrorists to operate with impunity. Building on the 1977 Foreign Corrupt Practices Act, in the 1990s, the United States pressed the anti-bribery agenda forward internationally and in 1997 secured the agreement of the Organization for Economic Cooperation and Development to criminalize bribery of foreign public officials for business purposes and to enforce those laws, creating a more level playing field for American business.

U.S. leadership in the fight against corruption has continued over the last decade. Under my own Bureau's leadership, in partnership with the Department of Justice and with the assistance of other U.S. Government agencies, the United States successfully secured a comprehensive treaty against corruption, the United Nations Convention Against Corruption (UNCAC). This convention not only brings its 143 parties into line with the OECD anti-bribery standards, it goes beyond it to require criminalization of other corrupt conduct, including money laundering. The treaty also contains groundbreaking road maps on prevention and on recovery of illicit proceeds. The UNCAC establishes important new frameworks for cooperation in mutual legal assistance and extradition, as well.

The goal of these treaties is to change the environment in which Politically Exposed Persons and other officials operate. In many cases, however, countries lack institutional or legal capacity and political will successfully to undertake reform. To address this, the United States seeks to build political will and pressure for political will through the actions and resolutions of forums such as the G–8 and G–20. We support the Extractive Industries Transparency Initiative, and we support a wide range of technical assistance programs on anti-corruption and related criminal law.

The United States is also committed to denying safe haven to corrupt officials and to those who corrupt them. To accomplish this, the Department of State draws in part upon Presidential Proclamation 7750, which provides authority to deny entry to the United States to corrupt officials and to those who bribe them, even in the absence of a conviction. In doing so, we benefit from our good cooperation with the Department of Homeland Security (DHS), with FinCEN, the Department of Justice, and other U.S. Government agencies, and we have jointly taken steps to enhance that cooperation.

Presidential Proclamation 7750 is an extremely useful policy tool. When no other provision of our visa law is available, it lets us

[1] The prepared statement of Mr. Johnson appears in the Appendix on page 80.

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reach the most culpable without disadvantaging the citizens they have already victimized.

Apart from Presidential Proclamation 7750, many thousands of corrupt officials have been the subject of visa actions under a wide variety of other provisions of the Immigration and Nationality Act. The Department also works tirelessly to keep these corrupt individuals from benefiting from the fruits of their corruption by supporting international efforts to prevent the financial system from sheltering proceeds of corruption and advancing efforts to recover those proceeds.

This Administration is committed to combating corruption, including international business bribery, kleptocracy, and abuse of the financial system. In that regard, I am pleased to tell you that I am again increasing staff resources within my Bureau that are devoted to address these important issues, including Presidential Proclamation 7750, for the second time in the last year.

Thank you for your time, Mr. Chairman, and I would be happy to address any questions at the appropriate time.

Senator LEVIN. Thank you so much, Mr. Johnson.

I should have introduced you and the other panelists and I failed to do that, so let me now, thank you. You are the Assistant Secretary for International Narcotics and Law Enforcement Affairs at the U.S. Department of State.

Our next witness will be Janice Ayala, who is the Assistant Director for the Office of Investigations at the Immigration and Customs Enforcement, and then James Freis, Jr., the Director of the Financial Crimes Enforcement Network, also known as FinCEN. So now that I have given you all a proper introduction, Ms. Ayala.

TESTIMONY OF JANICE AYALA,[1] ASSISTANT DIRECTOR, OFFICE OF INVESTIGATIONS, U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, DEPARTMENT OF HOMELAND SECURITY

Ms. AYALA. Chairman Levin, Ranking Member Coburn, and distinguished Members of the Subcommittee, on behalf of Secretary Napolitano and Assistant Secretary Morton, thank you for the opportunity to testify today on Immigration and Customs Enforcement (ICE) efforts to pursue corrupt foreign officials who plunder State coffers and attempt to place those illicit funds in the U.S. financial system.

Corruption erodes public trust and creates an unstable environment where criminal and terrorist organizations flourish. It further perpetuates a cycle of poverty, instability, and crime that denies the most vulnerable nations and people prosperity.

I commend the Subcommittee for its recently released staff report detailing many years of hard work in this area and assure you that ICE will continue to pursue those who exploit their positions of power for personal gain.

ICE has the most expansive investigative authority and largest investigators group in the Department of Homeland Security. We protect national security and uphold public safety by disrupting and dismantling trends, national criminal networks, and terrorist organizations that seek to exploit our Nation's immigration and

[1] The prepared statement of Ms. Ayala appears in the Appendix on page 87.

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customs laws. We utilize our financial expertise to target criminal enterprises that threaten our Nation's economy and security. ICE works domestically and in the foreign arena with our more than 60 offices in 44 countries to provide investigative support to our foreign law enforcement counterparts in cases involving Politically Exposed Persons (PEPs).

In 2003, ICE established a Foreign Corruption Investigations Group in Miami, Florida, to target foreign public officials engaged in criminal acts involving the laundering of proceeds emanating from foreign public corruption, bribery, or embezzlement, to prevent their ill-gotten gains from entering the U.S. financial system, seize identified assets, and repatriate those funds to victimized governments. ICE is the only U.S. law enforcement agency with an investigative group dedicated to combating kleptocracy.

Since its inception, ICE has initiated 182 investigations and made 80 criminal arrests, secured 148 indictments, and seized over $131 million. So ICE's anti-kleptocracy investigations, I would just like to highlight significant recent successes.

Pursuant to mutual legal assistance requests from Romania, ICE, in coordination with Romanian authorities, arrested the former director of Romania's national railroad, Romania's No. 1 fugitive, who was accused of stealing $110 million in government funds while in office. Throughout the course of the investigation, we were able to locate numerous properties, bank accounts, and corporations associated with the former director who is currently pending extradition to Romania on charges of theft and misappropriation of government funds.

Operation Persistence exemplifies the versatility of ICE expertise that is brought to bear at foreign corruption investigations. Operation Persistence began as a narcotics investigation that utilized an undercover vessel to transport 300 kilograms of cocaine from Colombia to Miami. As a result, over 20 Colombian nationals were indicted, extradited from Colombia, and convicted. The subsequent investigation uncovered corruption by a Colombian navy captain who provided security and intelligence to the drug smuggling organization. Currently, he is incarcerated in Colombia and also pending extradition.

As we examine solutions to combat kleptocracy, ICE recognizes the significance and integral role that the industry groups play in establishing and bolstering anti-money laundering guidance and oversight. Throughout our Operation Cornerstone Initiative, ICE partners with the private sector to combat financial and trade crimes by establishing, implementing, and promoting best practices to deny entry of illegal proceeds and facilitating sharing of suspicious financial information.

In conjunction with the Department of State, ICE provides financial investigations training to foreign governments, which has proven to be a conduit for foreign governments to communicate corruption allegations and a platform for international dialogue in facilitating asset recovery and strengthening international financial system integrity.

ICE acknowledges the Subcommittee's concern about the use of U.S. shell corporations by PEPs and the related complications in money laundering and kleptocracy investigations. The lack of cor-

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porate transparency has allowed unlawful elements gateway into the U.S. financial system. The same vulnerability exists when attorney-client, law office, or shell company accounts are used to hold funds of corrupt public officials and facilitate transactions for them. The difficulty of law enforcement in obtaining true beneficial ownership information impedes investigators' ability to follow the criminal proceeds. Obtaining information on true beneficial owners and providing the information to law enforcement upon a receipt of a summons or subpoena would assist DHS in its endeavor to protect the homeland. We anticipate that developing nations, often the most susceptible to the threat of corrupt officials, will continue to seek the expertise of ICE in the fight against corruption, and we stand willing to assist in this worthy endeavor.

We appreciate the interest of the Subcommittee Members and the awareness you bring to this issue and would like to thank you for your continued support of ICE and our law enforcement mission.

I would be pleased to answer any questions that you may have at this time.

Senator LEVIN. Thank you, Ms. Ayala. Mr. Freis.

TESTIMONY OF JAMES H. FREIS, JR.,[1] DIRECTOR, FINANCIAL CRIMES ENFORCEMENT NETWORK, U.S. DEPARTMENT OF THE TREASURY

Mr. FREIS. Thank you. Chairman Levin, Senator Coburn, and Members of the Subcommittee, I am Jim Freis, the Director of Financial Crimes Enforcement Network (FinCEN), and I am pleased to be here today to discuss the Treasury Department's work in combating the flow of proceeds of foreign corruption into the United States.

It is more important than ever for our government to be particularly vigilant in this area, and FinCEN continues to exercise its authorities provided by Congress to operate at the intersection of the law enforcement, regulatory, and international communities.

My testimony today will focus on some of the strategic initiatives under which our authorities assist in the detection and prosecution of fraudulent actors and to prevent the laundering of proceeds of foreign corruption through our financial system.

The Treasury's approach includes working with our government partners to better understand the flow of foreign corrupt assets, which in turn informs the targeted elements of our strategy to combat foreign corruption. This includes requiring financial institutions to apply enhanced due diligence to banking accounts held by senior foreign political figures, attuning U.S. financial institutions to risks, and providing guidance with respect to suspicious activity reporting requirements, and exercising our authorities under the Bank Secrecy Act to promote the transparency of transactions in U.S. legal entities that may otherwise mask foreign corrupt activities of senior foreign political figures.

There is still much more to be done, and we must also continue to increase global public awareness of the threat posed by foreign

[1] The prepared statement of Mr. Freis appears in the Appendix on page 98.

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corruption so that our efforts to combat this threat become a priority for all nations.

I am pleased to say that following the recent meeting of the G–20 leaders in September of last year, a public statement was released asking the Financial Action Task Force (FATF) to help detect and deter the proceeds of corruption by prioritizing work to strengthen standards on customer due diligence, beneficial ownership, and transparency, and the United States is working with other FATF member jurisdictions and organizations to outline what further steps the FATF could consider.

The Treasury also appreciates the work that the World Bank put into its policy paper on strengthening preventative measures for PEPs and we are reviewing this paper, along with other colleagues within the U.S. Government. We do note, however, that some of their findings and recommendations with respect to current PEP control measures are based on principles that exceed current requirements of U.S. law.

The Treasury agrees with the Subcommittee that enhancing access to the beneficial ownership information of shell corporations in order to combat the abusive legal entities is an important part of fighting corruption, as well as other illicit activity.

Our current strategy involves a three-pronged approach, which includes enhancing the availability of beneficial ownership information of U.S. legal entities, clarifying and strengthening customer due diligence requirements for U.S. financial institutions with respect to the beneficial ownership of legal entity account holders and clarifying and facilitating global implementation of international standards regarding beneficial ownership. We look forward to continuing our work with the Subcommittee to accomplish these objectives.

The Treasury also recognizes the risks of money laundering in the real estate industry, and our approach to addressing the vulnerabilities continues to evolve and be guided by the insights from our law enforcement partners and from our analysis of the risks involved.

FinCEN's largest focus of law enforcement support continues to be fighting fraud in residential mortgages. In July 2009, the Treasury, through FinCEN, announced that it is considering applying anti-money laundering programs and SAR regulations to non-bank residential mortgage lenders and originators. This action marks the next step in an incremental approach to implementation of anti-money laundering regulations for the real estate industry.

We will consider further steps in applying BSA requirements to additional participants in the real estate and finance sectors, including settlement attorneys, as information about vulnerabilities and our ability to mitigate them develops. In the interim, we continue to work collaboratively with the FATF and the American Bar Association (ABA) to develop guidance on the risk-based approach to combating money laundering and terrorist financing for legal professionals.

FinCEN will also continue its priority efforts with our law enforcement and financial intelligence unit partners around the globe to follow the money across borders, to detect, deter, prosecute, and recover proceeds of corruption.

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Thank you for the opportunity to testify before you today. I would be happy to answer any questions that you have.

Senator LEVIN. Thank you all.

First, Mr. Freis, let me ask you the first question. The September 11, 2001, attack was not the first time, but dramatically showed how terrorists were using our financial system against us. We enacted the PATRIOT Act in 2001, which beefed up our laws to combat money laundering, among other provisions. And one of the big steps that was taken by the PATRIOT Act was to require a number of entities that handle large sums of money and which were already listed in the U.S. anti-money laundering (AML) laws, to establish programs unless the Department of Treasury exempted certain areas of certain industries.

Now, the Treasury issued regulations requiring a number of businesses to set up AML programs, including banks, security firms, insurance companies, casinos, jewelry businesses, and money service businesses. They are now up and running. They have made a real difference. But the Treasury issued rules in 2002 what were designated as temporary exemptions for a few groups, primarily real estate agents and escrow agents handling real estate closings, sellers of vehicles like luxury cars, yachts, and aircraft, and also hedge funds.

So the temporary exemptions are now 8 years old and we think it is time to end them and require real estate escrow agents to know their clients, to evaluate the source of their funds, and report suspicious transactions to law enforcement. You have made reference to that in your testimony and I am just wondering whether you agree with us that it is time to end these exemptions.

Mr. FREIS. Senator Levin, as you correctly stated, the Treasury Department did issue temporary deferrals going forward with an expansion of its anti-money laundering rules on a variety of sectors, and over the interim time period, we have been gradually moving forward, resources permitting, with respect to expansion covering additional areas.

I agree with you completely that I would love to see broader application of these protections, and the fundamental premise that the Congress saw in extending it to the PATRIOT Act is that any way that money can be moved, any way that funds can be intermediated can, indeed, be abused by criminal actors.

What we have seen, however, is that the practical aspect of moving to an effective implementation in certain sectors is much more complicated than in others. We have also seen that the risks of abuse by criminal actors is potentially greater in some sectors rather than others. So our approach to a gradual expansion to various sectors has attempted to be based both on that combination of what the relative risks are in certain sectors, in particular as compared to the legitimate activity that would be affected by the regulatory framework, as well as our ability to practically go out to mitigate them.

If I may elaborate upon that, one of the issues that is very significant for us to try and overcome as we move away from the traditional notion of the financial sector, in particular the banks, regardless of charter type, where they have a very strong supervisory framework. FinCEN, as you well know, does not have any persons

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dedicated to directly going into regulated entities and undertaking compliance examinations. So we delegate that authority to the Federal financial regulators, the five banking agencies, the SEC, and the CFTC.

With respect to all other sectors for which we have issued anti-money laundering regulations, we within the Treasury Department have worked out an arrangement for the Internal Revenue Service (IRS) to dedicate some staff to go in and examine for compliance over industry sectors over which they otherwise have no regulatory framework.

As we look to some of these additional sectors that have been identified by the Congress in the PATRIOT Act where there is certainly no Federal regulator, in many cases no State regulator, we would love to work with the Congress and this Subcommittee in defining appropriate definitions of the regulated industry. But I hesitate to go out with rules without an ability to ensure some type of compliance with that framework.

Senator LEVIN. Has there been formal consideration by the Treasury to end these exemptions?

Mr. FREIS. We regularly review the various sectors, so as I just mentioned in my testimony, there are two areas in which we are actively involved in expanding the anti-money laundering regulations. First, with respect to stored value products, as you are aware, FinCEN has regulated stored value as a component of money services businesses since 1999. That regulatory framework is a little lighter. Some of the materials, or some of the requirements do not apply to that, and now we are expanding the scope of application of those as required by the CARD Act passed last year.

The other area that we started working on publicly is the area of mortgage brokers. Prior to the financial crisis, about half of all residential real estate mortgages were initiated from banking institutions and the other half by non-bank institution mortgage brokers, and we found through our law enforcement case work that has been a real regulatory loophole that allowed perhaps fraudulent actors to exploit. So that is another area, a subcomponent of loan and finance companies, one of the areas of deferred sectors where we are going to look forward to continuing our work.

But as I said, in each of these sectors, there are areas for which there is no Federal regulator. We are looking at ways how we might be able to work with States and other entities, but there are very serious practical aspects to going out and establishing a program that we really think has the intended effect, because in all cases and certainly the many pertinent examples that the Subcommittee has found in its report, there will always be a few bad apples in any industry sector that will look to get around the rules, that will certainly abuse and maybe even directly commit criminal activity.

If I put out rules, I certainly know that will have impact on the overall industry as people in good faith strive to apply. But if it is apparent that those rules are toothless and I don't have an implementation framework, I am not sure that I would be able to have any method of confidence that would actually get at the few bad actors who already are abusing the system.

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Senator LEVIN. The law covers jewelry stores.

Mr. FREIS. Correct.

Senator LEVIN. You have not exempted jewelry stores. I don't know how that one is enforced. How do you enforce it against jewelry stores?

Mr. FREIS. We do have an arrangement, once again, with the IRS, a component of the IRS that sends examiners into some members of the Precious Metals and Jewelry Institute to try to determine whether there is compliance, but——

Senator LEVIN. But you can't do that with real estate brokers or escrow agents?

Mr. FREIS. We certainly——

Senator LEVIN. The IRS could go there just as easily as a jewelry store.

Mr. FREIS. Absolutely, Senator, and that is why I very much appreciate any guidance the Subcommittee has in terms of what sectors for us to prioritize with our limited resources.

Senator LEVIN. Well, our report looks at two pretty big loopholes—or three of them, actually, because lawyers ought to be included in this. This is not just a rare case. Obviously, most lawyers, like other professions, are honest and care and aren't going to take dirty money. But there is some evidence that there are some escrow agents that don't care, who will look the other way, and if there is no law that prohibits them taking money which banks could not take, then many of them will take it, won't make any effort to know their customer, for instance.

We also had some testimony, not just today but in our investigation, that escrow agents, real estate agents, they will abide by a "know your customer" requirement if that is the requirement. We asked directly that question today. I don't know if you were all here or not when I asked that question. So you may not be able to have the same kind of enforcement with an escrow agent as you do with a bank, but it is a lot better than a jewelry store, it would seem to me, and I would hope that you would look into some of these loopholes.

The ABA has promised for a long time that they are going to have a code of conduct. I think you ought to ask them, where is that code of conduct in terms of the misuse of their accounts. Did you ever talk to the ABA about that?

Mr. FREIS. Yes, indeed, Senator. As I mentioned in my affirmative testimony, we have had some very active discussions with them and I certainly wish to continue that.

Senator LEVIN. Will you let the Subcommittee know the next time that FinCEN or the Treasury looks at the three areas that we talked about today? The next time you analyze whether or not you are going to try to end their exemption, will you let us know what the outcome of that is?

Mr. FREIS. I certainly will, Senator. As I mentioned, we are actively looking at a component of that. We started that last August with our Advanced Notice of Proposed Rulemaking seeking public comment on an incremental approach to the two categories that somewhat overlap, loan and finance companies and entities involved in real estate closings and settlements. On the basis of that

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public comment, that is helping us define our approach to this component with respect to mortgage brokers.

Senator LEVIN. Now, were escrow agents included in that notice?

Mr. FREIS. We asked about broad categories of entities that would be covered. My recollection is we referred to in excess of about 60 different classes of corporate entities based on commercial classification and put forward our preference that based on the financial crisis and the impact, obviously, that has had to Americans all over the country as well as the global financial system, that mortgage brokerage would be the area that we would put first in line as we move forward.

Senator LEVIN. Well, does that mean escrow agents are not included or they are?

Mr. FREIS. That means it is part of the class of activities, but we probably would be looking at a subset first that would not be the escrow agents.

Senator LEVIN. All right. Well, let us know the next time you look at the three categories that we focused on today, would you? So if we don't hear from you in 6 months or a year, we will assume you have not looked at it.

Mr. FREIS. Yes, indeed, Senator.

Senator LEVIN. Just back to the lawyers for a moment. FATF, the international anti-money laundering body, has identified attorneys as one of the key gatekeepers for illegal funds getting into the financial system and they issued anti-money laundering guidance for attorneys. Is that the guidance you are talking about with the ABA, that FATF guidance?

Mr. FREIS. Yes, indeed. We worked as part of the U.S. delegation with respect to the FATF guidance and we have been talking with U.S. components, the ABA, about the relevance and possible ways to implement that——

Senator LEVIN. All right, and the other Bar associations, too.

Mr. FREIS. Yes.

Senator LEVIN. Relative to the question of beneficial ownership, we saw some pretty good examples again today about how the real owners can be hidden and how shell corporations can be involved in that process. We have had previous hearings on the outcome of what the result is of that kind of opaqueness in terms of collecting tax revenues that are owed and so forth.

We have a bill which I have introduced with Senators Grassley and McCaskill, S. 569. Actually, when President Obama was a Senator, he cosponsored our bill. Treasury Secretary Geithner has endorsed at least the principle of our bill. The approach which was endorsed is to require States to obtain beneficial ownership information for the companies that are formed within their borders at the time of formation and then they keep that information at the State level and provide it to law enforcement upon receiving a summons or a subpoena.

Is there a formal position of the Treasury Department on our bill, do you know? I know Secretary Geithner has spoken on it, but is there a formal position?

Mr. FREIS. Yes, Senator. I believe that was stated by Assistant Secretary David Cohen in his testimony before the full Committee back in November of last year.

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Senator LEVIN. OK. Now, does DHS have a position on it?

Ms. AYALA. I don't think there is a formal position, but from a law enforcement perspective, certainly it would make our lives easier as far as following up on criminal proceeds that are introduced into the U.S. financial infrastructure through corporations or limited liability companies, would be to have access to true beneficial ownership on a timely basis so that we have access to information that is updated and that we are able to access that immediately through summons or subpoena. I think that would really help us in our ability to defend the Nation.

Senator LEVIN. That is very helpful. If you would, could you check back and see if we could get a formal position, as well, from DHS?

Ms. AYALA. Yes, Chairman.

Senator LEVIN. Thank you.

Then, Mr. Johnson, for you, the Bush Administration issued a proclamation in 2004 called Proclamation No. 7750, and this provided a legal basis for denying visas to foreign officials that are involved in corruption. In 2009, Congress enacted legislation requiring the State Department to maintain "a list of officials of foreign governments and their immediate family members who the Secretary has credible evidence have been involved in corruption relating to the extraction of natural resources," and making such persons ineligible for admission to the United States.

And one of our recommendations in our report, today's report, is that the State Department should strengthen its enforcement of the law and Presidential Proclamation 7750. I believe you indicated there was an increase in staffing, and I wasn't sure exactly where that increase was.

Mr. JOHNSON. That is within the office that I am responsible for, the INL's office devoted to crime issues. And I think the real challenge in administering this Presidential Proclamation is resources, but not just human resources, it is information, because we have to gather sufficient information to meet an appropriate standard so that we can recommend to the Under Secretary that a visa be denied or a visa be revoked.

Senator LEVIN. All right. Now, are some of the people, the additional people that you talked about, going to be involved in the implementation of that Presidential Proclamation 7750 program?

Mr. JOHNSON. That is exactly what I am referring to, Senator.

Senator LEVIN. OK. So that additional help will be addressing that issue of enforcement of that Presidential Proclamation.

Mr. JOHNSON. They will be devoted to preparing cases for recommendation so that visas can be canceled, revoked, or denied in appropriate circumstances.

Senator LEVIN. And that would include corruption?

Mr. JOHNSON. Absolutely.

Senator LEVIN. We know terrorism will obviously be involved on that, but corruption——

Mr. JOHNSON. No, sir. That is what these individuals work on, that and the extractive industries issue that you referred to earlier.

Senator LEVIN. Great. That is good news. Now, this is a confidential list, I gather, is that correct?

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Mr. JOHNSON. The visa law requires that visa records be confidential, and so, yes, this would be a confidential——

Senator LEVIN. That is by law.

Mr. JOHNSON. Yes, sir.

Senator LEVIN. So to make a change in that, Congress would have to make a change. Do you recommend any change in that law so we would not keep confidential names of people who are ineligible to get visas or to keep visas?

Mr. JOHNSON. Mr. Chairman, I think that any change of that magnitude which would potentially encompass the administration of the entire visa statute would have to be considered extremely carefully. I think that the confidentiality of the records has served us well. We are able in a closed setting to engage with your colleagues, with you on these individual cases and explain our reasoning about how we are going about doing our business and we would be glad to engage in that further with you if you would find that useful.

Senator LEVIN. All right. Now, is the Presidential Proclamation list, is that something that might be considered separately from the overall philosophical approach of who gets visas, granting visas, denying visas? Is that something which is—and I would add to this, I think, a possibility of a list broader than just corruption, but a terrorist list—is there not an advantage in having that list be public?

Mr. JOHNSON. Not necessarily. Many of these individuals—I mean, granting or withholding travel status to the United States is one of the options in dealing with a corrupt situation. I would say that in the case where those individuals have engaged in conduct which falls within the criminal jurisdiction of the United States, the last thing you would want to do is hold up a sign saying, don't come here, when likely the individual would be outside the jurisdiction of the court if they did not enter the United States voluntarily. So it would be, at best, a double-edged sword and would have some potentially unintended consequences with respect to the potential administration of our criminal laws.

Senator LEVIN. So, in effect, you would have to have two lists, one that would be made public and one where you don't want to make it public because it would have a negative consequence.

Mr. JOHNSON. Well, I think that if you were to make a list of any kind public, you would foreclose the possibility of discovery at some future point of criminal conduct you might want to pursue.

Senator LEVIN. Do you know whether or not Mr. Obiang is being considered for placement on this list? He has come in and out of the United States 35 times in the last 2 years. Do you know the status of that review?

Mr. JOHNSON. Mr. Chairman, I am well aware of it, and in a closed setting, I would be pleased to go over it with you in detail.

Senator LEVIN. All right. One of the recommendations that we are making in our report is that Congress and the Administration consider making significant acts of foreign corruption a legal basis for designating a PEP and any family member inadmissible to enter and removable from the United States. Is that needed, and if so, what is your reaction?

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Mr. JOHNSON. The Department hasn't developed a firm position on that question. I would like an opportunity to consult with my colleagues and come back to you with a considered response. I think, in general, we think that the opportunities we have under Presidential Proclamation 7750 are serving us well, but I would want to consult with my colleagues, particularly in the Consular Affairs Bureau that administer the visa law as a whole and come back to you with a considered response.

Senator LEVIN. Will you come back, then, to us with that?

Mr. JOHNSON. Yes, sir.

Senator LEVIN. And what about you, Ms. Ayala?

Ms. AYALA. Well, we would certainly appreciate the ability to have additional enforcement tools to further our investigations, especially in this area. Not knowing all the details, I wouldn't be able to comment on that right now.

Senator LEVIN. Could you get back to us on your agency's position on this recommendation?

Ms. AYALA. Yes, sir.

Senator LEVIN. OK. Thank you all. Again, we want to apologize for the long wait that you experienced here because I think it was very important for the Subcommittee to get the information that we got. But we want to compliment you and your agencies for your work, for your cooperation, obviously, with Congress, also for the vital work that you do. I don't think we need too many more reminders of what is at stake here. We have them almost every week. You are right on the firing line in terms of implementing important policies for our security, both physical and financial security. We are grateful for that.

The hearing will stand adjourned. Thank you.

[Whereupon, at 12:17 p.m., the Subcommittee was adjourned.]

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APPENDIX

U. S. Senate Permanent Subcommittee on Investigations
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE
Carl Levin, Chairman

February 4, 2010

Opening Statement of Sen. Carl Levin
Permanent Subcommittee on Investigations Hearing on
Keeping Foreign Corruption Out of the United States:
Four Case Histories

Corruption is a cancer that corrodes the rule of law, undermines economic development, and eats away at the fabric of civil society. In extreme cases, corruption can destabilize communities, and lead to failed states, lawlessness, and terrorism. For the United States, which has so much riding on global stability, corruption is a direct threat to our national interests.

That's why the United States is engaged in a relentless, worldwide battle to stop the flow of illegal money into and within places like Iraq and Afghanistan. Laundered money is used to train and provide support for terrorists and terrorism. If we want to credibly lead efforts to stop illegal money abroad, we've got to stop it here at home as well. The fact is that those engaged in large-scale corruption want to put their money in a modern financial system that can store, protect, invest, and transfer their funds efficiently. They want access to U.S. banks. And it is our job to stop them and keep foreign corruption out of the United States.

As the report we are releasing today shows, it's not an easy job. With the help of U.S. lawyers, real estate and escrow agents, lobbyists, and others, politically powerful foreign officials, and those close to them, have found ways to use the U.S. financial system to protect and enhance their ill-gotten gains. While U.S. financial institutions have become more vigilant and built stronger barriers to keep out suspect funds, their anti-money laundering safeguards still have holes.

Our report presents four case studies exposing how politically powerful individuals --known internationally as "politically exposed persons" or PEPs – are taking advantage of the U.S. financial system. In each case, weaknesses in our financial regulations have allowed these PEPs to move millions of dollars into or through U.S. bank accounts, often by using shell company accounts, attorney-client accounts, escrow accounts, or other accounts, or by sending wire transfers that shoot through the system before our banks react. In addition to exposing these tactics, our report offers a number of recommendations to stop the abuses, which I will get to in a minute.

In conducting our investigation, the Subcommittee conducted more than 100 interviews, viewed millions of pages of documents, and traced millions of dollars. The stories we uncovered are striking in their misuse of our financial system.

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Start with Teodoro Obiang, the 40-year old son of the President of Equatorial Guinea who is currently under investigation by the Justice Department for corruption and other misconduct. Between 2004 and 2008, Mr. Obiang used U.S. lawyers, bankers, and real estate and escrow agents to move more than $100 million in suspect funds through U.S. bank accounts. And he did it even at U.S. banks that had made it clear they didn't want his business.

With the help of two lawyers, Michael Berger and George Nagler, for example, Mr. Obiang created five U.S. shell companies with names like Beautiful Vision, Unlimited Horizon, and Sweet Pink. His lawyers then opened accounts for those shell companies at multiple U.S. banks, and used them to transact business for Mr. Obiang. In addition, Mr. Obiang wired millions of dollars from Equatorial Guinea into his attorneys' own law office and attorney-client accounts which they then used to transact business on his behalf, all without alerting the host bank. His attorneys became hidden conduits for his suspect funds which most U.S. banks would be unwilling to accept.

At the same time, two real estate agents, Neal Baddin and John Kerrigan, helped Mr. Obiang buy and sell California real estate, including a $30 million Malibu residence which he paid for by wiring cash from Equatorial Guinea to the U.S. bank account of the escrow agent, First American. Mr. Obiang also bought a $38.5 million U.S.-built Gulfstream jet. When one U.S. escrow agent, as an anti-money laundering precaution, refused to proceed until it had more information on the source of Mr. Obiang's funds, another escrow agent, Insured Aircraft Title Services Inc., stepped in and completed the transaction with no questions asked. U.S. regulations currently exempt both real estate and escrow agents from any requirement to establish anti-money laundering programs, a loophole through which Mr. Obiang poured millions of dollars in suspect money.

Consider next Omar Bongo, President of Gabon for 41 years until his death last year, and his eldest son, Ali Bongo, Minister of Defense until he took his father's place as President of the country. Both men are notorious for accumulating massive wealth while in office in a country known for poverty.

From 2003 until at least 2007, President Omar Bongo hired a U.S. lobbyist, Jeffrey Birrell, to buy U.S.-made armored vehicles and to obtain U.S. government permission to buy six C-130 military cargo aircraft from Saudi Arabia to support his regime. In connection with those projects, more than $18 million was wire transferred from Gabon into Mr. Birrell's U.S. corporate bank accounts. Part of that money came from President Bongo's personal account; most came from an entity in Gabon called "Ayira." At President Bongo's direction, Mr. Birrell spent millions of dollars of the Gabon money on the armored car and aircraft projects, including wiring more than $1 million to various "consultants" around the world and at least another $4 million to a Bongo advisor with accounts in Brussels and Paris. When the aircraft deal fell through, Mr. Birrell wired $9.2 million of the Ayira money to an account in President Bongo's name – not in Gabon – but in the country of Malta. In short, his corporate bank accounts became conduits for multi-million-dollar suspicious wire transfers directed by President Omar Bongo through the U.S. financial system.

There's more. Between 2000 and 2007, President Omar Bongo provided large amounts of cash to his daughter, Yamilee Bongo-Astier, who was then living in New York and who stashed the money in accounts and safe-deposit boxes at New York banks. These banks were told by Ms. Bongo-Astier that she was an unemployed student, and the databases they used didn't identify

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her as a PEP. The banks allowed multiple large cash deposits and offshore wire transfers into her accounts. One bank finally called it quits after a $183,000 wire transfer from Gabon. Another did so after it discovered she had $1 million in shrink-wrapped $100 bills in her safe deposit box, money which she said her father had brought into the country under his diplomatic status in 2007, without declaring it as required by law. The Subcommittee double-checked and confirmed that no declaration was filed by President Bongo for the $1 million in shrink-wrapped bills. Another relative, Inge Collins Bongo, wife to the current President Ali Bongo, established a U.S. trust in her maiden name, opened U.S. bank accounts in the name of that trust, and brought in millions of dollars in suspect funds into the United States without the banks realizing her PEP status.

Our third case history examines Jennifer Douglas, a U.S. citizen and a wife of Atiku Abubakar, former Vice President and former presidential candidate in Nigeria. From 2000 to 2008, she helped her husband bring more than $40 million in suspect money into the United States through wire transfers from offshore corporations. Ms. Douglas is alleged in a 2008 civil complaint filed by the Securities and Exchange Commission to have received $2.8 million in bribe payments from a German conglomerate, Siemens AG. Siemens has pleaded guilty to criminal charges and settled civil charges related to the Foreign Corrupt Practices Act, and told the Subcommittee that it sent payments to her account at Citibank. The Subcommittee located three wire transfers substantiating $1.7 million in payments from Siemens to Ms. Douglas in 2001 and 2002.

Of the $40 million, the Subcommittee traced nearly $25 million in offshore wire transfers into U.S. accounts controlled by Ms. Douglas, provided primarily by three offshore corporations called LetsGo, Sima Holdings, and Guernsey Trust Company. The five banks holding her accounts were generally unaware of Ms. Douglas' PEP status, and did not subject her accounts to enhanced monitoring, despite multiple, incoming wire transfers from Switzerland and Nigeria. One bank took seven years to find out she was a PEP; after it did, it reviewed her account activity and closed her accounts.

The last of our case histories involves Angola and targets accounts used by an Angolan arms dealer, the former head of the Angolan Central Bank, and a private bank that caters to PEPs. Pierre Falcone is a notorious arms dealer who is a close associate of Angolan President Jose Eduardo Dos Santos, having supplied him with weapons during Angola's civil war in violation of the U.N. arms embargo. He has a long history of run-ins with the law, was incarcerated for a year in 2000, was a fugitive from a 2004 global arrest warrant, and is now serving a 6-year prison term in France. Yet between 1989 and 2007, Mr. Falcone had more than 30 U.S. accounts at a Bank of America branch in Scottsdale, Arizona. Bank of America never designated him a PEP even though he was an Angolan Ambassador, and never designated his accounts at high-risk of money laundering, despite the rivers of offshore money moving through them.

A second Angolan, Aguinaldo Jaime, was head of Angola's Central Bank in 2002, when he tried twice to transfer $50 million in Angolan government funds to private U.S. accounts. The transfers were initially allowed, then reversed when bank or securities firm personnel got suspicious. As a result of those transfers and the corruption concerns they raised, Citibank closed its accounts for the Angolan central bank and all other Angolan government entities. In contrast, another bank testifying here today, HSBC, not only continues to provide U.S. correspondent accounts to the Angolan Central Bank, but also may be supplying the Central Bank with offshore accounts in the Bahamas. A Central Bank of a nation with offshore accounts? That's a new one on me.

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Finally, Banco Africano de Investimentos, or BAI, is a $7 billion Angolan private bank whose largest shareholder is Angola's state-owned oil company and which caters to PEP clients. Over the last decade, BAI has gained access to the U.S. financial system through accounts at HSBC in New York. Despite the presence of PEPs in BAI's management and clientele, and despite the fact that BAI has hidden owners and has failed to provide a copy of its anti-money laundering procedures to HSBC despite multiple requests, HSBC continues to provide the BAI bank with ready access to the U.S. financial system.

How can the United States tell other countries to stop the flow of illegal money, when we don't do a better job of it within our own borders? Each of these case studies exposes loopholes and gaps in our financial regulations that have been exploited to hide, launder, and invest foreign corruption proceeds in the United States.

It doesn't have to be that way. There is a lot more that can be done to combat foreign corruption. The first step is to implement stronger PEP controls as laid out in a recent World Bank report. That includes requiring banks to use reliable databases to screen clients for PEPs, requiring beneficial ownership forms for all accounts so hidden PEPs are exposed, and conducting annual reviews of PEP accounts to detect suspicious activity. A related measure, which this Subcommittee has been pushing for years, is to require persons setting up U.S. shell companies to identify the beneficial owners to the states handling the incorporations.

Equally important is for Treasury to revoke the exemptions it granted back in 2002 to the Patriot Act's anti-money laundering requirements, so that real estate and escrow agents will have to know their customers, evaluate the source of their funds, and turn away suspect clients. Treasury also needs to address the misuse of attorney-client and law office accounts by requiring banks to treat them as high risk accounts and get certifications that the accounts won't be used to circumvent bank controls. In addition, banks need to take additional measures to strengthen oversight of foreign wire transfers.

Other important steps include strengthening our visa and immigration policies to make foreign corruption a legal basis for keeping out or removing a PEP from the United States; strengthening the work under Presidential Proclamation 7750 to identify corrupt foreign officials; and working with our international partners to beef up the anti-corruption provisions in the Financial Action Task Force's anti-money laundering standards. Still another key action is to enlist the private sector in the battle against corruption, by having U.S. professional organizations issue formal anti-money laundering guidance to their members, including attorneys, real estate and escrow agents, lobbyists, university officials, and others, prohibiting them from facilitating suspicious transactions for PEPs or anyone else.

Stopping the flow of illegal money is critical, because foreign corruption damages civil society, undermines the rule of law, and threatens our security. I would like to thank my Ranking Member, Senator Coburn, and his staff for joining with us in this effort and turn to him now for his opening remarks.

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Opening Statement of Sen. Tom Coburn
PSI Hearing on "Keeping Foreign Corruption Out of the United States"
February 4, 2010

I would like to thank Sen. Levin for holding this hearing today. For years, he has diligently investigated how foreign officials use American institutions to hide corrupt money in our country. Today's hearing exposes weaknesses in our current system that allows this to happen.

Americans expect much of their government leaders, and depend on a robust legal system to root out corruption wherever it is found. While they system is not perfect, we know that if federal officials break the law they will be caught and punished.

In other countries, the citizens are not so lucky. Heads of state are not accountable to the people and corruption is the way of doing business.

The report shows what can happen when foreign leaders grab hold of their nation's wealth and use it for personal gain. Millions—if not hundreds of millions—of dollars were routed directly from the countries' treasuries into the leaders' pockets.

People like Omar Bongo used his country's money to feed a wildly lavish lifestyle, while his citizens suffered. Using the wealth of Gabon, an impoverished nation, he attempted to purchase properties, vehicles and aircraft stashed all over the world. Unfortunately, he and others were aided in this effort by American professionals and institutions.

Our most important task today is deciding how we respond. America should never be the mattress corrupt foreign officials use to hide their money. Now is the time to make sure it never happens again.

Sen. Levin has taken a good first step by introducing legislation aimed at lifting the fog that can surround corporate and bank account ownership. His bill, S. 569, would institute a new set of rules to increase corporate transparency, helping both law enforcement and financial institutions.

I agree with the spirit of the bill, and look forward to working with the chairman to make it legislation I can support.

Any legislation to address foreign corruption needs to be tough, yet not hamper law-abiding companies. I have three main concerns that I believe can be addressed to give us a bill that will gain wide support.

New rules should not be overly burdensome on small businesses. They should be crafted in a way that protects legitimate trade secrets of U.S. businesses. All new rules should also be clear so that corporations know exactly how to comply with the law

In spite of these concerns, there are many areas of agreement. I look forward to developing a legislative solution that would address these concerns in a way that protects U.S. interests, but toughens our laws.

We must never turn a blind eye to foreign corruption. The cases we will look at today highlight the problems that arise when we do not have a sufficiently robust set of rules to keep corrupt money at bay.

I look forward to hearing from our witnesses and thank those who have willingly participated today.

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Statement of Neal Baddin
Before the
Permanent Subcommittee on Investigations
Senate Committee on Homeland Security and Government Affairs

February 4, 2010

Mr. Chairman and Members of the Subcommittee, I appear today to answer your questions about my role as real estate agent for Mr. Teodoro Nguema Obiang in the 2006 purchase of a $30 million property in Malibu, California. I have assisted the Subcommittee in its review of this matter since being contacted by its staff in 2008 and I am here today to answer any further questions you may have beyond those I have already answered in my 2008 interview with the staff and in written submissions. My statement today addresses questions raised in the Subcommittee's letter of invitation dated January 21, 2010.

I am an independent contractor associated with Coldwell Banker Residential Brokerage in the Los Angeles area. I represented Mr. Nguema in this purchase over a period of 15 months. I prepared offers and counter offers on his behalf; communicated these offers to the broker who represented the owner and seller of the property; arranged for access to the property in order for Mr. Obiang and his staff and other professionals to view and inspect the property; ensured that required inspections, reports, certifications and compliance with various government requirements concerning the property were obtained for closing; requested and obtained information concerning the property from the broker who represented the seller and other sources as the transaction proceeded; and otherwise acted as Mr. Nguema's real estate agent in the purchase of the property.

The final terms and conditions for the sale of the property were contained in a written purchase agreement. An escrow was opened to consummate the purchase. The sale was consummated without obtaining a mortgage. I was aware of the initial deposit of funds into an escrow account, but I was not involved in handling or transferring any of the funds needed to close the transaction, and I did not know the source of any of Mr. Nguema's funds and was not involved in identifying or verifying the source of Mr. Nguema's funds.

I know the Subcommittee is concerned with the problem of scrutinizing the activities, especially financial transactions, of Politically Exposed Persons. I was and remain largely unfamiliar with this term. I am neither knowledgeable nor trained in how to handle matters involving such persons, and I believe this is the case for most real estate agents. I do not believe that I was under an obligation either in 2006, nor am I under an obligation today, to assume such a responsibility. I understand that the Subcommittee accepts this but wants to change the rules.

I understand the importance of anti-money laundering programs. However, this is not an area in which I have any expertise or knowledge. I believe I would need guidance on what to look for, what to do, and how to do it.

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Insured Aircraft Title Service, Inc.
P.O. Box 19527 • Oklahoma City, Oklahoma 73144 • (405) 681-6663
(800) 654-4882
FAX #405-681-9299

STATEMENT OF INSURED AIRCRAFT TITLE SERVICE, INC TO U.S. SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Many citizens, including lawyers and judges whom IATS counsel has encountered, are not aware that the Aircraft Registry of the Federal Aviation Administration in Oklahoma City, Oklahoma, is the central repository for documents affecting title to aircraft owned by citizens of the United States, unlike the 50 State Departments of Motor Vehicles for automobile and boat titles.

As a result, there are approximately 18 title companies and 3 major law firms which assist owners, lenders and encumbrancers in filing instruments at the Registry as a service to such entities. IATS is such a title company and has been in business since 1963.

In addition to filing bills of sale, security agreements and related documents (e.g. Registration Statements) for a fee (thereby obviating a physical presence of such entities at the Registry) IATS acts as an escrowee for money and documents to consummate an Aircraft Purchase and Sale Agreement or Security Agreement to likewise obviate the presence of parties at a "closing". As a result, it is rare that any party is present in Oklahoma City, at a "closing", unlike a real estate "closing" at a local abstract company with which one might be familiar. The purchase price is wired to the bank account of the escrow by the buyer and the bills of sale, security agreements and related documents are

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delivered by couriers to IATS in Oklahoma City by sellers, lenders or encumbrancers for filing at the Registry, for which the escrow (e.g. IATS) charges a fee. Most communications between the parties and escrowee are by phone, fax or email.

As a result of its longstanding service, efficiency and integrity, IATS is also used in transactions which may not involve citizens of the United States or one not requiring the Aircraft Registry (or any just involving the International Registry pursuant to the Capetown Treaty).

To specifically address the assistance to the subcommittee requested by its staff:

1. IATS acted as escrowee for the purchase of the Gulfstream N1UB by Ebony Shine International. The purchase price was wired to the account of IATS. Upon receipt of the purchase price and the bill of sale, and pursuant to the instructions of the buyer and seller, IATS sent the bill of sale to the buyer and the money to the seller. The IATS fee was $41,637.21USD.

2. IATS (as is true also of the FAA Registry) does not look beyond the face of the documents or instruments submitted for transfer or registration, taking same at face value (e.g. knowing the identity of the signatory or endorser) and has nothing in the escrow file which would bear upon the ownership (beneficial or otherwise) of the buyer or its relationship with Teodoro Obiang other than his exchanging documents in a representative capacity.

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3. IATS routinely determines that the money wired to its escrow account is related to the buyer and the aircraft that is the subject matter of an Aircraft Purchase Agreement or Security Agreement. Its duties as a fiduciary are prescribed by the Aircraft Purchase Agreement or Escrow Agreement. IATS has no understanding as to the depositors' source of funds, unless advised by the depositee bank as a result of the bank's determination.

4. IATS is not a financial institution and has no company policy or protocol requiring a background check on persons or entities placing documents or money in escrow. To its knowledge, IATS has no legal obligation to do so. Whether or not such buyers are PEPs, IATS is unaware. No bank advised IATS of any irregularity, and the banks credited the IATS bank account with the wire deposits.

Dated this 26th day of January, 2010

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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

January 21, 2010

VIA U.S. MAIL & EMAIL (jrob91950@aol.com)

Mr. Kirk Woford
President
Insured Aircraft Title Service, Inc. (IATS)
4848 S.W. 36th Street
Oklahoma City, OK 73179

Dear Mr. Woford:

On February 4, 2010, the U.S. Senate Permanent Subcommittee on Investigations will hold a hearing on how senior foreign political officials, their relatives, and close associates – referred to in international agreements as Politically Exposed Persons or PEPs – have used the services of U.S. professionals and U.S. financial institutions to bring millions of dollars in funds suspected of being the proceeds of foreign corruption into the United States, and what should be done about it. The hearing will be held at 9:30 a.m. in Room 342 of the Dirsken Senate Office Building in Washington, D.C.

The Subcommittee requests that Insured Aircraft Title Service, Inc. (IATS) provide a representative to testify at the hearing and asks that you provide the representative's name and job title by January 29, 2010. To assist the Subcommittee's understanding of the issues, please have your representative prepared to address and answer questions about the following matters at the hearing:

1) Please describe the services provided by IATS with respect to the 2006 purchase of a $38.5 million Gulfstream jet by Ebony Shine International, and the total amount of compensation IATS received for those services.

2) What was IATS' understanding regarding who was the beneficial owner of Ebony Shine International? What was IATS' understanding of the relationship between Ebony Shine International and Teodoro Obiang, son of the President of Equatorial Guinea?

3) IATS was chosen to handle the transaction after another escrow company, McAfee & Taft, declined to complete the sale of the aircraft without information on the source of the funds for the $38.5 million payment. What actions did IATS undertake to identify and verify the source of funds for the purchase?

4) Please describe your understanding of your legal and ethical obligations as an escrow agent regarding the receipt of funds from or the facilitation of business transactions involving a PEP suspected of foreign corruption.

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Please submit a written statement addressing the above matters. This statement will be included in its entirety in the printed hearing record. Subcommittee rules require that the written statement be received by 9:30 a.m. on February 2, 2010. Please deliver the written statement to the Subcommittee's Chief Clerk, Mary Robertson, through electronic mail at Mary_Robertson@hsgac.senate.gov. In addition, you should be prepared to provide an oral statement of up to five minutes in length, to be followed by questions from Subcommittee Members.

Thank you for your assistance in this matter. If you or your staff have any questions or would like additional information, please contact Laura Stuber (Senator Levin) at (202) 224-9505 or Justin Rood (Senator Coburn) at (202) 224-3721.

Sincerely,

Tom Coburn, MD
Ranking Minority Member
Permanent Subcommittee on Investigations

Carl Levin
Chairman
Permanent Subcommittee on Investigations

via: William Robinson, Esq.
General Counsel
Insured Aircraft Title Service, Inc.
1141 N. Robinson
Oklahoma City, OK 73103
jrob91950@aol.com

Prepared Statement of William J. Fox Delivered to the United States Senate Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs on February 4, 2010

Chairman Levin, Ranking Member Coburn and Members of the Subcommittee, thank you for the opportunity to appear before you today. I am here today representing Bank of America to provide information relating to this Subcommittee's investigation into the financial transactions of certain politically exposed persons. We have worked closely with the staff of the Subcommittee over the past several years to assist this investigation.

I am the Global Anti-Money Laundering and Economic Sanctions Executive at Bank of America, a position that I have held since August 2006. Before joining Bank of America in 2006, I served for over two years as Director of the Financial Crimes Enforcement Network, the United States Financial Intelligence Unit and the Treasury agency responsible for administering the Bank Secrecy Act, as well as certain provisions of Title III of the USA PATRIOT Act. Before that, I served for sixteen years in various positions in the Treasury Department's Legal Division. After September 11, 2001, until I accepted the position at Financial Crimes Enforcement Network, I served as the principal advisor to the Treasury's General Counsel on issues relating to terrorist financing and financial crime. In that position, I helped coordinate U.S. Government efforts to address terrorist financing and I assisted with the development of financial intelligence to assist in our country's counterterrorism efforts. I was also part of the Treasury team that worked closely with the Congress to develop, enact and implement Title III of the USA PATRIOT Act.

Bank of America is one of the world's largest full service financial service providers. We provide individual consumers, small and middle market businesses, corporations, financial institutions and governments with a full range of banking, investing, advisory, asset management and other financial and risk-management products and services.

My company understands the importance of complying with the legal and regulatory requirements in the jurisdictions in which we do business. We also recognize the debilitating effect money laundering, terrorism, fraud and other financial crimes have on the global financial system and the communities and markets we serve.

It is the clear policy of Bank of America to comply with both the letter and the spirit of laws relating to anti-money laundering, the financing of terrorism and

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economic sanctions in the jurisdictions in which it does business. It is also our policy to take reasonable, practical and risk-based steps to prevent persons engaged in money laundering, the financing of terrorists or terrorist operations, fraud and other financial crimes, from utilizing the products and services we offer. Any associate or contractor of Bank of America who violates either this policy, our compliance program that implements this policy, or any anti-money laundering or economic sanctions law or regulation is subject to disciplinary action up to and including termination.

At Bank of America, we believe that a clean and transparent financial system is in the direct interest of all responsible financial institutions. A clean and transparent financial system levels the playing field for all. We provide general anti-money laundering and sanctions training to the vast majority of Bank of America's over 300,000 associates and, each line of business and support group develops specialized training for its specific business. We have developed a robust program to address the problems and risks associated with money laundering, terrorist financing and other financial crime. At its most basic level, our program rests on three main principles: First, the collection of sufficient up-front due diligence information to ensure positive identification of prospective clients and to enable us to better know our clients as they walk in the door; second, ongoing due diligence of the client through an intelligence based program of the monitoring of and, in certain cases, the active surveillance of our client's activity; and, third, a dedicated program to analyze potentially suspicious activity and, when suspicious activity is found, to work proactively with law enforcement agencies to assist in any investigation they may undertake.

I state unequivocally that our program has significantly improved over the past few years. We have dramatically increased staff and spent tens of millions of dollars on sophisticated systems which help us to detect and report suspicious activity to appropriate authorities. Our proactive engagement with law enforcement has been very successful. We have received many letters and commendations from law enforcement agencies thanking us for our work and complimenting our efforts.

We are proud of our program, even though much of the good work we do is not reflected in any financial statement or regulatory filing. Our company's commitment to do what we can to address the important problems of money laundering, terrorist financing and other financial crime goes well beyond the necessity to comply with regulatory requirements, or the fear of a damaged reputation. Our company's commitment reflects one of our principal values at Bank of America: "Do the Right Thing." I have had the privilege and good fortune to have worked in both the public and private sector focusing on these issues and, I can testify here today that I have received nothing but outstanding support for our program from the top

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leadership at Bank of America. This support is there on both strategic initiatives and specific matters.

Our commitment on these issues is further demonstrated by our long-standing record of full cooperation and complete transparency with this Subcommittee. Notably, our cooperation has gone beyond complying with requests for information and subpoenas. We have actively assisted your staff to better examine and analyze the financial services industry as well as our own procedures and products, both in the past, and as it has completed the important work that led to the report issued yesterday.

Regarding our role in the case studies before the Subcommittee today, we have provided your staff with the facts. While there is no question that the Bank of America associates involved in these matters were acting in good faith, when we look at these facts with hindsight, we believe we should have done better. However, I am confident that the decisions that were made several years ago would be different than the decisions we would make today. Our current program, processes, systems, oversight and methods are all much more robust today than they were in years past. We believe the enhancements we have made significantly mitigate many of the issues identified in the Subcommittee's report.

I would like to highlight several such enhancements specific to the issues before the Subcommittee today. Through our intelligence and screening processes, we have improved our ability to detect attempts by customers who have had their accounts closed to re-enter our Bank. We have adopted policies at our company that go beyond what is legally required in the United States that will require certain non-publicly traded entity customers to provide beneficial ownership information when opening accounts. We have also decided to make no distinction between foreign and domestic politically exposed persons. We believe it is prudent to take these steps to effectively manage our money laundering and sanctions risks. And while some may say it will place our firm at a competitive disadvantage, we do not believe that is the case. It is simply the right thing to do.

Finally, Mr. Chairman, I would respectfully submit to this Subcommittee that the practical way to move forward on the important issues you are discussing today is to encourage a more robust implementation of the public-private partnership envisioned by Title III of the USA PATRIOT Act. Specifically, section 314(a) of that Act contemplates a new paradigm and approach to address the problems of money laundering, terrorist financing and other financial crime. The timely, non-public sharing of sensitive information in the government's possession with financial institutions could do as much to prevent access by kleptocratic officials and their

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associates to the U.S. financial system as almost any other action the government could take. This partnership and sharing is helping to keep us safer every day in the context of terrorism investigations, and I believe this same approach could be very useful in addressing this significant issue.

No program is perfect. However, I can unequivocally state that Bank of America remains committed to continually improving our systems and procedures as technology advances, as the environment in which we operate evolves, and as financial crimes become more sophisticated.

Thank you for allowing me this time, and I would be pleased to answer any questions.

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The Subcommittee has asked Bank of America to provide information regarding accounts maintained by former customers MSA, Inc., Teodoro N. Obiang and Pierre and Sonia Falcone and their relatives.

MSA, Inc.

In 2002, an individual opened a savings account at a banking center in San Diego in the name of MSA, Inc. The customer informed the Bank that MSA, Inc. was a company involved in managing humanitarian projects for the government of Angola. A few weeks later, $50 million was wired to the account by Banco Nacional de Angola and, shortly thereafter, the customer demanded that the Bank release the funds. Given a number of factors, including the dollar amount of the wire and the fact that it was sent to a recently opened account, a diligent bank officer reported the matter for investigation, and the Bank froze the funds.

An investigation ensued, in which, among other things, the investigator attempted to verify the source of the funds, but identified inconsistencies in the information provided. Although the customer and its counsel threatened the Bank with legal action, the Bank refused to release the proceeds of the $50 million wire, which were ultimately returned through banking channels. The account was thereafter closed.

Teodoro Nguema Obiang and Michael Berger

In March 2004, Bank of America initiated an investigation into accounts maintained by a customer with ties to the government of Equatorial Guinea, which resulted in the closure of such accounts. Teodoro N. Obiang was not the subject of that investigation. However, during that investigation, the Bank detected that Mr. Obiang maintained a checking account and had recently deposited $200,000 into that account and, at the same time, opened two certificates of deposit in amounts totaling $800,000. As a result of that inquiry, the Bank closed Mr. Obiang's accounts in June 2004, *prior* to the release of this Subcommittee's July 14, 2004 Report on Riggs Bank and the Obiangs.

In 2004, Michael Berger was a long-standing customer of Bank of America, having opened an attorney trust account with the Bank in 1996. Based on information he provided to the Bank, Mr. Berger maintained a law office near the Bank's Beverly - Wilshire banking center. In October 2004, four months after Bank of America closed Mr. Obiang's accounts, Mr. Berger and Mr. Obiang opened two checking accounts at the Beverly - Wilshire banking center in the name of a company called Beautiful Vision,

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Inc. Mr. Berger signed the account opening documents, identifying himself as an officer of Beautiful Vision, and providing his contact information. Mr. Berger was listed as the authorized signer on one of the Beautiful Vision accounts; Mr. Obiang was listed as the signer on the other account. At that time, the banking center personnel who opened the Beautiful Vision accounts did not detect that Mr. Obiang was the same person from whom the Bank disengaged earlier that year.

In August 2005, less than a year later, Mr. Berger attempted to open a new account for Beautiful Vision. In connection with the Bank's internal diligence processes, a Bank associate detected that Mr. Obiang was a signer on the Beautiful Vision account, an internal investigation followed, and all the Beautiful Vision accounts were promptly closed. Notably, this investigation was not limited to Beautiful Vision and Mr. Obiang. The investigator also identified several checks drawn on the Beautiful Vision account and made payable to an individual believed to be one of Mr. Obiang's employees, Ms. Rosalinda Romo. The Bank also closed two accounts maintained in her name.

Because Mr. Berger opened the Beautiful Vision accounts, the Bank's investigator also reviewed Mr. Berger's attorney trust account activity. At that time the investigator made a judgment call not to close Mr. Berger's account since it was believed that Mr. Berger's account activity reflected that he was acting as an attorney representing a client and did not require closure.

Thereafter, the Bank conducted additional investigations into Mr. Berger's account which, among other things, identified wire activity from companies in Equatorial Guinea that were mentioned in this Subcommittee's Riggs Bank Report and ultimately closed the account.

In 2005, the Bank's investigators, though well-intentioned, ultimately made a judgment call not to close Mr. Berger's account. In hindsight, we recognize that there was sufficient basis to close the account at that time.

Pierre and Sonia Falcone

Pierre Falcone opened his first account at Bank of America in 1989. During approximately the next fifteen years, Mr. Falcone and various members of his family opened several accounts at the Bank, including checking, savings and credit card accounts, and several safe deposit boxes. In addition to these personal accounts, Sonia Falcone was an officer and authorized signer on a corporate account in the name of Monthigne, Inc.

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In 2005, a Bank investigator reviewed certain of Ms. Falcone's accounts, prompted by an internal suspicious transaction report of four cash withdrawals from a single account on the same day. The investigator reviewed account transactions for a nineteen month period, and found very little cash activity. The investigator also identified, but did not review in detail, the activity in certain related Falcone accounts, including Monthigne, Inc.

As part of the investigation, the investigator also conducted research into the Falcones, which revealed mixed information. The research indicated that Pierre and his wife Sonia were living in Arizona, in what was at the time the most expensive house ever sold in that state. As public figures at the top of the social elite, they attended numerous charitable benefit functions and donated to both major U.S. political parties.

Regarding Mr. Falcone, press reports that pre-dated his then current status described him as a billionaire international arms dealer. He was also a consultant to the French government for the French Interior Ministry's export of military equipment. It was also reported that Mr. Falcone developed a close relationship with the government of Angola and was allegedly granted Angolan citizenship. Also, the press reported that Mr. Falcone had been indicted in France on corruption charges and sentenced to jail for one year. The investigator also saw reports that additional charges were brought against Mr. Falcone that could not be substantiated or proven. Finally, the investigator noted that Mr. Falcone had been released from jail and, at the time of the Bank's investigation, was living in Arizona as a relatively prominent citizen.

Regarding the account that was the subject of the initial report, the investigator noted there was little cash activity. With respect to wire transfers for the nineteen month review period, the investigator noted incoming wires of approximately $8.5 million. However, the investigator also noted that many of the wires originated from entities she believed were related to the Falcones, and which appeared to include the proceeds of real estate sales and the proceeds of loans obtained from other financial institutions.

Given the above information, including that the negative information preceded Mr. Falcone's current status, the investigator concluded that the account activity was not unusual for customers of such wealth and social status, and that the four relatively small cash withdrawals on one day appeared to be a one-time event. Accordingly, the investigator closed the investigation without escalating it further. Thereafter, in 2007, after receiving a subpoena from this Subcommittee, the Bank reviewed the Falcone accounts again, recognized that they should have been closed in 2005, and proceeded to close the accounts.

It must be understood that the investigator was, at all times, acting in good

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faith. However, in hindsight, her focus clearly was too narrow and she missed important high-risk factors that should have triggered further scrutiny. Specifically, the investigator relied to a large extent on the most recent public information, which was very favorable, especially regarding the Falcones' social status, wealth and apparent political connections. Thus, the investigator believed the total account activity was consistent with normal activity for the customer, and that the small cash withdrawals that prompted the investigation were an isolated event. Nevertheless, the negative news reports about Mr. Falcone, and his alleged connections with foreign governments (whether actually true or false), should have been considered red flags, and should have prompted the investigator to escalate the case for further review and appropriate action.

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WIECHER MANDEMAKER
DIRECTOR, GENERAL COMPLIANCE
HSBC BANK USA, N.A.

WRITTEN TESTIMONY FOR
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
FEBRUARY 4, 2010

Good morning Chairman Levin, Ranking Member Coburn, and subcommittee members. My name is Wiecher Mandemaker and I am the Director of General Compliance responsible for anti-money laundering compliance in the personal financial services division of HSBC Bank USA, N.A. I previously served as a Vice President in HSBC's Government and Institutional Banking Department, focused on Embassy and Foreign Government accounts. Thank you for the opportunity to appear before you today to discuss our efforts to combat money laundering and the misuse of international banking facilities by Politically Exposed Persons ("PEPs"), their relatives, close associates and connected institutions. HSBC appreciates your longstanding interest and leadership with respect to this topic, and we were pleased to appear before the Permanent Subcommittee on Investigations ("PSI") in 2001 when this topic was also addressed. We very much appreciated the PSI's favorable observations regarding our evaluation and due diligence processes at that time, when few were focused on this topic and before regulations implementing the USA PATRIOT Act were promulgated. While no institution can proactively anticipate and thwart every effort by PEPs to misuse banking facilities, HSBC has remained committed to the vigorous enforcement and continuous improvement of its anti-money laundering policies and practices. We look forward to learning from the PSI's most recent report, and can pledge to you today that we will continue to look for ways to strengthen our practices.

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As you know, anti-money laundering laws were significantly strengthened in the post-September 11th era, as it became clear that anti-money laundering laws are not only key to fighting foreign corruption and crime, but also a critical component of the battle against terrorism. Prior to 2002—which is when much of the activity that the PSI has asked HSBC to describe took place—there were no federal statutes or regulations that required enhanced due diligence on senior foreign political figures, known internationally as "politically exposed persons," or PEPs. This began to change in 2002, when the USA PATRIOT Act took effect. The Department of the Treasury also published interim final regulations providing guidance on compliance with Section 312 of the USA PATRIOT Act in 2002, and final regulations were promulgated in 2006. The regulations recognize that effective anti-money laundering policies occur within the context of an overall risk-based approach. Thus, for example, the regulations mandate specific enhanced due diligence only for high-value private banking accounts with minimum balances exceeding $1 million, and encourage other appropriate due diligence to be undertaken by banks in coordination with guidelines set forth by regulators to achieve effective risk-based review.

HSBC has never been of the view, however, that our anti-money laundering practices should begin and end with the requirements of the law, and we have worked closely with regulators, non-governmental entities, and other financial institutions to adopt prudent practices that meet or exceed legal requirements and robustly implement regulatory guidance. We have had specific policies in place addressing our banking relationships with PEPs since 2000. And, our broader practices today exceed even the more robust post-September 11th federal regulations in a number of important respects. For instance, HSBC applies enhanced due diligence to all accounts held by PEPs as a component of its overall risk-based approach, rather than just private

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banking accounts specified in regulations. In addition, HSBC conducts due diligence on our non-publicly traded foreign correspondent banking clients in high-risk jurisdictions down to the 5% ownership level, even though current banking regulations generally require us to conduct due diligence only down to the 10% level. *See* 31 C.F.R. § 103.176(b)(iii)(2) (defining an "owner" who is subject to enhanced due diligence as "any person who directly or indirectly owns, controls, or has the power to vote 10 percent or more of any class of securities of a foreign bank").

To be effective, anti-money laundering practices must be risk-based, which means that they are complex and necessarily involve trade-offs. We are therefore always on the lookout for improper activity or customers that may have slipped through our first lines of defense. While we may not always catch every instance of suspicious activity as soon as we would like, we believe the record before you today shows a consistent pattern: when HSBC has become aware of a pattern of unusual or unexplained transactions, we have refused to process those transactions and carefully scrutinized the relationship. And, when we discover a pattern of unexplained activity from a particular account, we have promptly ended the relationship and taken other appropriate actions. Pursuant to the Bank Secrecy Act I am not at liberty to divulge whether particular suspicious account activity was reported by HSBC to U.S. authorities on Suspicious Activity Reports. However, I assure you that HSBC takes its responsibility to report suspicious activity seriously, as well as our obligation to be responsive to any requests from the government for additional information.

You have asked me to address a number of specific topics through our testimony and response to questions today, including terminated banking relationships with family members of the former President of Gabon; a thwarted attempt to transfer sizeable funds from an account

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belonging to the central bank of Angola, Banco Nacional de Angola ("BNA"); and HSBC's due diligence and monitoring in connection with the bank's relationship with the Banco Africano de Investimentos ("BAI"), Angola's leading private investment bank. You have also asked me to address HSBC's current policies and procedures with regard to banking relationships with PEPs, as well as the bank's views on a number of policy proposals currently being considered to strengthen anti-money laundering laws. Because these requests for information cover events that occurred over the course of a decade and involve diverse areas of HSBC's business, no single employee has personal knowledge of all the relevant accounts and activities. While I hope that the information I provide today is helpful, I want to be clear that it is necessarily based on my review of information gathered over a period of time and not on my own experience. There are also gaps in our institutional knowledge of some matters due to changes in personnel and the lack of ready access to some older historical records. With those caveats in mind, the information provided below reflects my understanding of the key facts related to the issues that you have asked me to address. HSBC has also provided large amounts of additional information to your staff, and I would be remiss if I did not take this opportunity to also publicly thank your staff for its professionalism and courtesies throughout the PSI's inquiry.

Banking Relationships With Members of the Bongo Family

Between 2000 and 2003, HSBC held standard retail accounts for a daughter and daughter-in-law of the former President of Gabon, Omar Bongo. These accounts were opened prior to the enactment of the USA PATRIOT Act in 2001 and the development of modern Know Your Customer ("KYC") standards. At the time of account opening, neither individual indicated that she was a Gabonese citizen or national, and neither indicated a relationship with the Government of Gabon. Formal documentation—a passport and a driver's license—also reflected

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no connection to Gabon. Records from one Bongo relative indicated that she was born in Mexico and was a Canadian national. Records from the other relative indicated that she was an American from California. HSBC terminated these accounts on its own initiative in 2003 after detecting unusual account activity through routine internal monitoring programs and conducting further diligence on the accounts, which uncovered the relationship with Gabon's former President. The accounts were not high-value accounts, were not entered into because of any special solicitations, and did not receive any special treatment. Moreover, our review of contemporaneous records suggests that there was no resistance to the account closures by the business units, which took place, as I mentioned above, seven years ago.

In the interest of full disclosure, I want to also note that a second daughter of the former Gabon President attempted to open an account with HSBC in 2008 by transferring funds from an account she held at the time with Citibank in New York. HSBC designated that account for heightened review under our current policies. As a result of the review, the account was closed before it was actually funded. We believe this quick response demonstrates the effectiveness of HSBC's commitment to continuously improving its anti-money laundering efforts with respect to PEPs. Further details on the initial two accounts are outlined below.

Inge Collins Bongo. Inge Collins Bongo is a U.S. citizen and national who HSBC understands was or is married to Ali Ben Bongo, the son of Gabon's former President Omar Bongo. In 2000, Mrs. Collins Bongo opened a savings and checking account at Republic National Bank, our predecessor bank, in the name of the Collins Revocable Trust. She provided domestic identification, including a U.S. passport and California driver's license. At the time she opened the accounts, she stated that she intended to maintain a relatively modest average balance with monthly cash withdrawals for petty expenses and wire transfers for travel. Mrs. Collins

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Bongo's accounts were initially funded with checks drawn on a domestic Fidelity Investments account. While we do not have records sufficient to identify the source of every deposit transaction, extant records indicate that her checking account then continued to be funded primarily with domestic sources of funds, including the Fidelity Investment account and proceeds from California real estate investments. At that time, the account had no international wire transfer activity. Mrs. Collins Bongo's husband, Ali, was not a joint signatory on the account, although Mrs. Collins Bongo indicated that she shared an address with him in California. The employee who opened the account is no longer with HSBC, but we believe it is likely that PEP diligence was not initially conducted in connection with the account because Mrs. Collins Bongo was a U.S. national with no apparent ties to Gabon and because her husband did not provide any information to HSBC about his background, as he would have been required to if he had been a co-applicant.

Mrs. Collins Bongo's account activity began to change after she opened a second checking account in 2001. This account received a total of $656,685 in international wire transfers from European banks starting in August 2001, with most of the wire activity concentrated in mid-2002 and later. Mrs. Collins Bongo also made a $70,000 cash deposit in November 2002, which triggered a Currency Transaction Report ("CTR") and an internal review. These unusual transactions, combined with an effort by the bank to identify PEPs who may be holding accounts with the bank, led HSBC to identify the accounts as being associated with the Bongo family in Gabon. HSBC initiated an account closure process, along with reviews for appropriate regulatory reporting. The accounts were formally closed by HSBC in early 2003, with no advanced prompting from U.S. authorities.

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Yamilee Bongo Astier. Yamilee Bongo Astier opened one retail personal checking account with HSBC in September 2000, signing as Yamilee B. Astier, while she was a student at New York University. Ms. Astier provided HSBC with a Canadian passport, identifying her country of birth as Mexico. Ms. Astier opened a second checking account in September 2002, at around that time she also closed the first account. Her account activity in the first year and a half consisted of deposits of around $50,000 occurring around the start of each academic semester in August/September and January, and less than $10,000 in incoming foreign wire activity from banks located in Europe and Haiti. In 2002, Ms. Astier began making larger cash deposits of $50,000 to $107,000, and HSBC promptly filed CTRs in connection with these deposits. It does not appear, however, that the CTRs and cash transactions immediately prompted an internal review as they had in the case of Mrs. Inge Collins Bongo. An investigation was conducted, however, after Ms. Astier received a wire in May 2003 of $183,500 through Citibank in the Republic of Gabon, ostensibly for the purpose of purchasing cars. Following the investigation, HSBC moved to close Ms. Astier's account on its own initiative in July 2003.

We believe the closure of these two accounts in 2003—as well as HSBC's ability to detect and close a third Bongo-related account before it was even funded in 2008—demonstrate the robustness and continuing enhancement of our anti-money laundering program.

Relationship With Banco Nacional de Angola (BNA)

HSBC and its predecessor entities have had a banking relationship with BNA, the central bank of Angola, for nearly three decades. As the central bank, BNA is controlled by the Angolan government, and is known as a responsibly managed central bank that maintains client relationships with a number of major international financial institutions. BNA traces its roots back to the mid-19th century, and has recently drawn praise for its efforts to bring best practices

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to the Angolan financial industry, such as implementing Basel I and Basel II standards, increasing banking sector reserve requirements, and implementing IAS/IFRS accounting policies. The United States government has a current relationship with BNA through USAID, including a recently signed bilateral grant agreement. We believe this relationship reflects a genuine and progressive desire to "deepen and strengthen the relationship between the United States and Angola," as Secretary Clinton indicated during her August 2009 visit to the country, and to promote greater transparency in Angola's financial sector. BNA has faced its share of challenges, as have most financial institutions in the developing world, but HSBC has been proud to provide services to BNA over the years, and we believe our presence in Angola remains a positive force for stronger banking policies.

In response to the PSI's review, HSBC has identified one unusual incident in connection with its relationship with BNA, which was a thwarted attempt in 2002 by a now-former BNA official to transfer $50 million in U.S. Treasury bonds to an account ultimately controlled by a U.S. lawyer based in California. The transfer was authorized by BNA's then-Governor, and the transaction instructions were personally confirmed by various individuals and routed through the international SWIFT system. When two separate transfer attempts failed, BNA's then-Governor requested that HSBC provide a safekeeping receipt for the bonds, which could be used as a negotiable instrument. Due to the unusual nature of the request, compliance personnel were ultimately alerted, and based on their advice, HSBC declined the request. The BNA Governor responsible for the requests left BNA shortly thereafter, and we have identified no subsequent unusual activity in connection with the BNA account. We continue to monitor the relationship with BNA closely, particularly in light of recent reports from the Angolan government regarding an apparent attempt by some current or former BNA officials to engage in fraudulent transfers.

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We fully recognize that the attempted transfer of funds in this instance could well have gone through our bank, and it is obvious that bank personnel did not originally understand and recognize the unusual nature of the proposed transaction. But as I indicated earlier, we simply will not catch every unusual transaction, and our programs today are better than they were a decade ago. It is also worth noting in this instance that our compliance team quickly recognized the potential for fraud when the matter was escalated, and took decisive action to prevent any fraudulent transfer from occurring. We are also comfortable with our decision not to end our longstanding banking relationship with BNA over the incident, particularly given the change that took place in management. We believe our presence in the Angolan banking system is a net positive, and are committed to working with our counterparts there to continue improving mechanisms and policies for deterring improper banking practices.

Relationship With Banco Africano de Investimentos (BAI)

The Banco Africano de Investimentos (BAI) was established in 1996 as the first private investment bank in Angola. BAI has subsequently evolved into a leading full-service financial institution in Angola. BAI has participated in projects involving the World Bank and the U.S. Export-Import Bank, set up Angola's first ever private equity fund, and took the lead among other Angolan financial institutions to begin syndicating loans for infrastructure development domestically. According to BAI's published annual report, by the end of 2008 BAI held net assets of $7.6 billion, a deposit portfolio of $5 billion, and had 1,089 employees. The services that HSBC provides to BAI include a correspondent banking relationship, various foreign exchange operations, wire services, use of an HSBC-supported corporate credit card program, and, more recently, an establishment of a settlement account that BAI uses to clear payments to Visa now that it has started its own credit card program. We believe institutions like BAI are an

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important part of the equation as Africa moves to bring more and more of its residents into the modern banking system.

Our relationship with BAI demonstrates our commitment to robust KYC procedures as applied to clients in high-risk jurisdictions such as Angola, and enhanced due diligence on correspondent accounts for certain foreign banks. Because it is a privately held foreign bank, BAI's correspondent account is, by federal regulation, subject to enhanced due diligence requiring HSBC to obtain the identity of each person who directly or indirectly owns, controls, or has the power to vote 10% or more of any class of BAI's securities. HSBC has, as a matter of internal risk-based review, exceeded the level of due diligence required by federal regulation and investigated BAI's ownership structure down to the 5% ownership level. At the time of our 2007 review, BAI had nine outside investors with a 5% or higher share, and our investigation of those outside investors did not reveal any relationships of concern between those investors and the president of Angola or any other known PEPs. HSBC's decision not to conduct due diligence on even *smaller* stakeholders of BAI is consistent with the USA PATRIOT Act, its implementing regulations, and its risk-based approach to AML. To conduct due diligence on every owner—such as a 1% owner of an investment vehicle that itself controlled only 5% of BAI's shares—would require an enormous expenditure of resources without meaningful AML gains, since such an owner would present no threat of control by commanding 0.05% of BAI's shares.

We also note that our expanded due diligence and AML monitoring of BAI goes beyond just exploring its ownership structure. Because BAI is in a high-risk jurisdiction, HSBC also conducts annual KYC reviews and more stringent monitoring of BAI's wire transfer activity. In light of HSBC's due diligence efforts, the historical absence of any suspicious account activity,

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BAI's status as a leading African financial institution, and the limited control risks posed by BAI's diverse ownership structure, HSBC did not designate BAI as a Special Category of Client, or SCC, prior to 2008. In November 2008, BAI's status was changed prudentially to SCC status, in light of the PSI's inquiry. Because HSBC was already subjecting BAI to its highest level of due diligence review, this designation does not as a practical matter change the amount of scrutiny that HSBC applies to its relationship with BAI. HSBC will continue to monitor changes to BAI's ownership according to both its legal obligations and its internal risk policies.

Policies and Procedures With Regard To Politically Exposed Persons (PEPs)

Know Your Customer Policies. HSBC account managers are required to obtain information from potential customers at the time of account opening and to identify those who may be PEPs. Our accounts database is then regularly screened against commercially accessible databases of PEPs, so as to assist us in identifying any PEPs who were not identified during the account opening process or who may have become PEPs subsequent to account opening. These policies are in line with the requirements of the customer identification program, or CIP, and other customer due diligence procedures required by regulations implementing the USA PATRIOT Act.

Special Category of Client Policies. HSBC's current policy is to discourage private banking relationships with PEPs unless we have a long-standing relationship and are comfortable that the customer has a legitimate source of funds. HSBC defines PEPs broadly to include a wide range of individuals and entities, including the family, advisers, and business associates of high ranking political officials, as well as the companies over which those individuals exercise influence. Further, we stress that the definition of PEP should not be considered exhaustive, or

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applied in a bureaucratic fashion. These standards meet or exceed current federal regulations, banking agency guidance, and FATF recommendations regarding PEPs.

When HSBC has relationships with PEPs, these customers are subject to additional due diligence measures. Account managers are instructed to obtain additional information from the customer regarding source of wealth, and the relationship must be authorized by a senior manager or senior member of the compliance team and is subject to periodic review by management. The relationship is usually managed by a specific Relationship Manager or relationship team with dedicated responsibility for managing higher-risk relationships. Approved customers are maintained in a central register and subject to ongoing enhanced due diligence and monitoring. Our Compliance and Internal Control groups monitor the relationship regularly and HSBC performs a semi-annual review of the account.

Anti-Money Laundering and Fraud Detection. Fraud and anti-money laundering monitoring are closely related and often overlap. Fraud monitoring focuses on identifying suspicious activities that may pose a risk of loss to the bank and its customers, while anti-money laundering monitoring provides an additional layer of focus on suspicious activities that may be unlawful under the Bank Secrecy Act. In addition to its enhanced due diligence for PEPs, HSBC also monitors potentially fraudulent or unusual transactions indicative of money laundering activity on all its accounts. Transactional accounts are generally monitored for both fraud and anti-money laundering purposes, but the metrics and terminology used depend on the nature of the product and account, the customer, and various risk factors. Among the tools we use today is specialized software that identifies suspicious patterns of activity and account usage trends, such as large cash transactions or unusual wire activity. When unusual activity is identified, the account is subjected to further review and the activity is reported to authorities as appropriate. I should note here that this technology was not as sophisticated during the 2000-2003 time period, when we nevertheless detected and proactively ended relationships with the Bongo family.

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Strengthening the Regulatory and Enforcement Regime

While we have worked hard to implement robust anti-money laundering practices at HSBC, we believe that there is more that can be done to standardize best practices across the industry and strengthen the legal regulatory and enforcement regime both nationally and internationally. In general, HSBC supports any measure that facilitates the bank in identifying anti-money laundering activity that can be implemented without an undue regulatory burden. These may include:

- Greater standardization of the definition of a PEP within an overall risk-based approach, and greater international coordination with regard to compiling PEP lists. While we must be careful to ensure that such standards are not applied rigidly or bureaucratically, we must also be sure that there is baseline agreement on individuals who present high-risk.

- Attention to domestic PEPs. While the United States is not considered a high-risk jurisdiction for political corruption, HSBC applies heightened due diligence to certain senior domestic political figures as well, which is not required by current federal regulations. HSBC does not oppose designating domestic senior political persons as PEPs, as long as such designations do not create an undue burden in light of the generally lower risk within a well regulated domestic environment.

- Identification of beneficial owners of corporations. HSBC would support efforts to strengthen the identification of the beneficial owners of corporations when formed, provided this can be implemented without an undue burden on financial institutions.

- Application of anti-money laundering regulations to non-bank financial institutions, such as escrow agents or attorney-client trust accounts. We welcome efforts to make non-bank

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financial institutions part of the overall anti-money laundering regime, so as to cover more points of entry into the financial system. Any missing links in the chain make the entire system more vulnerable to money laundering.

Conclusion

Effective anti-money laundering controls are a key weapon in the fight against political corruption, by denying those who would steal money from their own people the ability to shelter and move that money around the world. We think the record demonstrates that HSBC has a clear commitment to fighting money laundering by foreign corrupt officials and their families and associates. As federal law itself acknowledges, however, the process of managing anti-money laundering compliance is complex, and necessarily involves compromises and tradeoffs as part of risk-based management. Not every issue will be spotted in every instance as promptly as we might like, nor will we always be able to stay a step ahead of those who design ever more complex transactions to hide their identities and plans. We are also the "World's Local Bank," located in far more countries around the globe than most other institutions, and as such, we realize that we have unique opportunities and challenges in the fight against improper banking practices. I hope we can all agree, however, that we have come a long way in the last ten years, and I want you to know that we at HSBC appreciate your personal leadership in driving this issue forward. We look forward to learning from the PSI's recent work in this area and I will be pleased to answer your questions.

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Statement of Ambassador David T. Johnson

Assistant Secretary

Bureau of International Narcotics and Law Enforcement Affairs

United States Department of State

Before the

Senate Committee on Homeland Security and Governmental Affairs

Permanent Subcommittee on Investigations

"Keeping Foreign Corruption Out of the United States: Four Case Studies"

February 4, 2010

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Mr. Chairman, Senator Coburn, and other distinguished Members of the Committee, thank you for the opportunity to discuss the impact of foreign corruption on the United States, and why combating it is a key U.S. objective. We at the Department of State are grateful for your leadership and the awareness that today's hearing brings to this important national security issue. I'd like to thank the Committee for inviting a truly interagency panel, as our nation's efforts to address foreign corruption requires a whole of government effort here at home.

CORRUPTION TRANSCENDS BORDERS

In 1968, Martin Luther King said that "We are tied together in the single garment of destiny… And whatever affects one directly affects all indirectly." Those words could not be truer of the impact of global corruption, which threatens several vital U.S. national interests, while at the same time it threatens the integrity and prosperity of developing states.

Corruption hampers U.S. international trade, affecting the ability of U.S. companies to do business abroad -- which in turn erodes U.S. jobs. In some countries, large government contracts are awarded on the basis of bribes rather than merit. U.S. companies are believed to have lost out on business opportunities worth about $27 billion in the past year alone, because they refused to violate honest business practices. Some have abandoned markets altogether, while some unscrupulous competitors take advantage of the corrupt environment to gain control of strategic markets and materials.

Corruption undermines humanitarian and development goals, as it diverts resources away from productive activities that foster sustainable development. The World Bank has identified corruption as the single greatest obstacle to economic and social development. Diversion of resources through corruption robs communities of investments in schools, hospitals, and other areas critical to their hopes and futures. The African Union and the African Development Bank estimate that corruption costs Africa more than $148 billion a year. Corruption has a similarly catastrophic impact on development in communities in other parts of the world.

Corruption undermines the trust and confidence of citizens in the fairness and impartiality of public administration, and weak governments are made weaker by widespread corruption. In a world where stable partnerships are necessary to advance U.S. interests, corruption can destabilize geopolitically important partners.

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Notable examples include Kenya and Thailand, where corruption has fueled incidents of political instability over the last decade.

Corruption can also undercut stabilization efforts in emergent states and post-conflict situations by robbing needed capital, deterring investment, eroding support for the government, and siphoning off development assistance. An October 2007 Government Accountability Office report on stabilizing and rebuilding Iraq concluded that pervasive corruption in Iraqi ministries has impeded the effectiveness of U.S. efforts there.

EFFECTS ON THE HOMELAND

Poor governance and corrupt officials wittingly or unknowingly enable criminals, insurgents, and terrorists to operate with impunity in many parts of the world. Criminal entrepreneurs use corruption to launder embezzled public funds and smuggle billions of dollars of illegal goods – drugs, arms, humans, natural resources, counterfeit medicines, and pirated software. This can overwhelm and corrupt law enforcement institutions and can fuel insecurity and endanger the welfare and safety of our families. The convergence of crime, corruption, and weak governments often can devolve into the failed states and ungoverned spaces that provide a foothold for terrorists.

U.S. EFFORTS: PUTTING KLEPTOCRATS ON NOTICE

The State Department stands strong against kleptocracy and those who profit from it, reflecting the strong U.S. commitment to combat corruption. In his July 2009 speech in Accra, President Obama said, "No country is going to create wealth if its leaders exploit the economy to enrich themselves or if police can be bought off by drug traffickers .... People everywhere should have the right to start a business or get an education without paying a bribe. We have a responsibility to support those who act responsibly and to isolate those who don't, and that is exactly what America will do."

The United States has long been a leader in the fight against corruption. We led the way in 1977 with our Foreign Corrupt Practices Act criminalizing international business bribery. In 1997, the U.S. pressed this agenda forward and secured the agreement of our Organization for Economic Co-operation and Development (OECD) partners – representing the vast majority of global exports -- to also criminalize bribery of foreign public officials, in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Anti-Bribery Convention). This followed President

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Clinton's directive in 1995 declaring organized crime and corruption a threat to U.S. national security.

U.S. leadership in the fight against corruption has been on fast forward during the past decade. The United States successfully negotiated the first comprehensive, near global treaty against corruption, the United Nations Convention against Corruption (UNCAC). This Convention not only obligates 143 States Parties, to criminalize the bribery of foreign public officials as required by the OECD Antibribery Convention, but complements and goes beyond the OECD instrument by covering a much broader range of offenses. It requires criminalization of other corrupt conduct, including money laundering, and contains groundbreaking road maps for measures to prevent corruption and to recover assets illicitly acquired by corrupt leaders. Almost as important as setting near global rules to bring the rest of the world up to U.S. standards, UNCAC establishes an international framework for countries to cooperate through mutual legal assistance and mechanisms to expand extradition to fight corruption. The U.S. Government supports and promotes implementation of the UNCAC in programs and initiatives throughout the world.

In UNCAC context, we are at the implementation stage, whereas our OECD Convention efforts are now focused on enforcement. The OECD Convention, adopted in 1997 and now with 38 "like minded" parties, has a review mechanism that is both further developed and more detailed. The United States has been a leader in the OECD monitoring process: U.S. participation in the mechanism has centered on promoting enforcement by the other parties, all of which now have laws criminalizing the bribery of foreign public officials. While the OECD's mechanism is more established, as that Convention entered into force in 1999, the States Parties to the UNCAC, which entered into force only in 2005, are catching up. Last November in Doha, the Third Conference of States Parties agreed to establish a review mechanism for the UNCAC, a rare accomplishment for a United Nations instrument. The United States continues to lead in this area: INL is now working closely with the United Nations Office of Drugs and Crime to ensure that the UNCAC review mechanism gets off to an early and ambitious start this summer. U.S. negotiators at Doha also brought together a wide coalition of countries to agree to a framework to support implementation of the Asset Recovery chapter of UNCAC. We are on the Bureau of countries that guide the Conference of States Parties process.

In many cases, however, countries lack capacity to implement anticorruption reform, including their convention commitments. There is a consequent need to

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share good practices, including establishing preventive measures within their government structures, criminalizing corrupt conduct as required by the conventions, and engaging in cooperation to prosecute offenders and return stolen assets. As a result, the INL Bureau, in partnership with other agencies such as the Departments of Justice, Treasury, and Commerce, supports a wide range of technical assistance on anticorruption and rule of law, and on closely related areas such as investigative and prosecutorial capacity, anti-money laundering, justice sector reform, oversight bodies, and integrity, accountability and appropriate transparency in the justice sector. These bilateral efforts include for example, programs in Afghanistan, Iraq, and Mexico. The Department also supports several regional efforts in the Middle East-North Africa, Asia-Pacific, Europe and Eurasia regions. Although funding is scarce for regional programs, they are an important complement to bilateral programs. These efforts are complemented by USAID programs to promote good governance; transparency and accountability mechanisms in public administration; rule of law; public financial management systems; and civic participation and civil society oversight.

Through the efforts of the Department of State and other agencies, the United States has also helped build and sustain political will to tackle the issue of corruption. The United States inaugurated the Global Forum series of anticorruption ministerial meetings, which helped launch the UNCAC. We have worked with Group of Eight (G-8) partners since the 2003 Evian Summit, and now Group of 20 partners, to adopt a wide variety of commitments and individual actions to address corruption. The Department of State leads the interagency engagement in the Extractive Industries Transparency Initiative, which the U.S. helps sponsor, to promote transparency in financial management in natural resource-rich countries.

The reality is that corrupt individuals continue to prosper and many seek to enjoy their illicit gains in other countries. For this reason, the United States and its international partners have committed to denying safe haven to corrupt officials, those who corrupt them, and their assets.

To effectuate No Safe Haven, the Department regularly revokes and denies visas to corrupt individuals. Under the Immigration and Nationality Act (INA), the Department has the authority to deny or revoke an individual's visa for dozens of reasons, such as conviction of a crime of moral turpitude or abetting trafficking in illegal substances. While the Department does not specifically track the number of corrupt officials denied under such ineligibilities, we estimate that thousands of corrupt officials have been the subject of derogatory visa actions since 2004.

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These actions occur in the field, applied by thousands of consular officers, and they have had an important impact in denying the corrupt access to the U.S.

However, prior to January 2004, that arrangement left a serious loophole, in that the U.S. had no legal authority to deny entry of known corrupt officials in the absence of a conviction or proof of other grounds for exclusion. Presidential Proclamation 7750 (PP 7750) was issued in January 2004, to provide specific legal authority for U.S officials to deny entry to corrupt officials, those who bribe them, and certain family members of either group who have demonstrably benefited from the corruption in question, when that corruption has had serious adverse effects on specified U.S. interests. We have found it an extremely useful policy tool to deny safe haven to those corrupt actors who do not fall within previous visa denial authorities. PP 7750 -- and its companion piece Section 7084 in the annual State and Foreign Operations Appropriations Act, which targets natural resource-related corruption – is a highly focused instrument that is directed at those most culpable without disadvantaging the citizens they have already victimized when no other INA provision is available. In applying PP 7750, we give due deference to U.S. law enforcement interests so as to avoid interference with ongoing investigations. Although Section 222(f) of the INA precludes public announcement of visa decisions, the affected individuals in PP 7750 cases often make this information known, resulting in highly favorable public affairs reaction abroad.

INTERNATIONAL CORRUPTION AND THE FINANCIAL SYSTEM

Those with a prominent public function, or who are closely related to such people, present a risk for potential involvement in bribery and corruption and, for financial institutions, pose a potential compliance risk. The financial industry refers to these clients as Politically Exposed Persons (PEP) and subject accounts belonging to such individuals to additional oversight and monitoring.

The Department of State supports the G-20 ongoing Financial Action Task Force (FATF) project on corruption, which examines the use of FATF standards to detect and deter the proceeds of corruption -- including examining whether the FATF Recommendations on customer due diligence, beneficial ownership, and transparency should be strengthened. The Department works closely with its interagency partners, as well as the World Bank (which is working with FATF on the project) on these and related issues, and in general supports the five Principal Recommendations the World Bank has made in this area. These recommendations include enhanced due diligence for both domestic and foreign PEPs; declarations of beneficial ownership; provision of financial disclosure forms; periodic review of

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PEP accounts; and not limiting status as a PEP to a fixed period. All are designed to ensure financial institutions are better able to prevent and detect illicit activities that may be occurring through their accounts, including corruption.

Beyond identifying corrupt actors and prohibiting their travel to the United States, the Department of State works tirelessly to ensure that corrupt officials do not benefit from their theft and corruption. As an example, our government worked closely with international partners to draft the innovative provisions of the UNCAC regarding recovery of the proceeds of corruption. We continue to develop the policy agenda on that issue, including through the UNCAC Conference of States Parties, the World Bank's Stolen Assets Recovery Initiative, and FATF. To complement INL's related technical assistance, we launched an Asset Recovery Advisor Program last year with the U.S. Department of Justice, which we hope to expand.

Through our collaboration with U.S. law enforcement and foreign authorities, we have worked to confront the significant evidentiary and legal challenges that confront the investigation of kleptocracy. Elaborate money laundering structures involving multiple trusts and shell corporations in several different jurisdictions can complicate our efforts to identify beneficial ownership, trace criminal proceeds, and uncover the sometimes underlying criminal conduct. Where foreign officials or their cronies remain in positions of influence in the country victimized by corruption, we frequently face even greater impediments to investigative success.

The issues raised by the Committee remain top priorities for the INL Bureau, the State Department and our interagency partners. The Administration is committed to engaging internationally to combat corruption – including international business bribery, kleptocracy, and abuse of the international financial system. Given the success of visa denial and revocation and its potential for even greater impact, I have the pleasure to convey to the Committee that, complementing the other efforts I have described above, I am increasing staff resources within the INL Bureau devoted to the application of the PP 7750 and related authorities for the second time in the past 12 months.

Thank you for your time and I would be happy to address any questions.

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U.S. Immigration and Customs Enforcement

STATEMENT

OF

JANICE AYALA

ASSISTANT DIRECTOR
OFFICE OF INVESTIGATIONS
U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
DEPARTMENT OF HOMELAND SECURITY

REGARDING A HEARING ON

"KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES"

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Thursday, February 4, 2010 - 9:30 a.m.
342 Dirksen Senate Office Building

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INTRODUCTION

Chairman Levin, Ranking Member Coburn, and distinguished Members of the Subcommittee:

On behalf of Secretary Napolitano and Assistant Secretary Morton, thank you for the opportunity to testify today on the efforts of U.S. Immigration and Customs Enforcement (ICE) to pursue corrupt foreign officials who plunder state coffers for personal gain, and then attempt to place those funds in the U.S. financial system. I commend the Subcommittee for its recently released staff report detailing many years of hard work in holding corrupt foreign officials accountable by denying them the enjoyment of their ill-gotten gains. I assure you that ICE shares this goal.

ICE FINANCIAL INVESTIGATIONS

Before discussing the specifics of ICE's anti-kleptocracy initiatives, I would like to discuss our unique capabilities with respect to financial investigations. ICE has the most expansive investigative authority and largest force of investigators in the Department of Homeland Security (DHS), and is the second largest investigative agency in the federal government. We protect national security and uphold public safety by targeting transnational criminal networks and terrorist organizations that seek to exploit our nation's immigration and customs laws. The financial investigative authorities and capabilities of ICE enable us to identify, dismantle, and disrupt the financial criminal enterprises that threaten our nation's economy and security.

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CORRUPTION: CRIMINALITY AND INSTABILITY

Corruption undermines the rule of law, threatens the principles of democracy, and impedes economic development. It poses a significant threat to government infrastructure and erodes the trust of the public, creating an unstable environment where criminal and terrorist organizations flourish. Foreign corruption adversely affects the United States; corrupt actions hamper U.S. national security interests, foreign assistance goals, and the security of the U.S. against transnational crime and terrorism. Kleptocracy perpetuates the cycle of poverty, instability, and crime that denies the most vulnerable nations and people prosperity.

Combating foreign corruption remains a key U.S. objective, one that ICE has pursued since its inception in 2003. In 1977, Congress established a mechanism for the investigation of foreign bribery by U.S. companies and American citizens by enacting the Foreign Corrupt Practices Act. In 2003, at the G-8 Summit in Evian, France, the U.S. was involved in the inception of the "No Safe Haven" policy for kleptocrats and their assets, aimed specifically at senior corrupt public officials and those who corrupt them. The U.S. strongly supports and participates in many global instruments that target issues such as corruption and kleptocracy, including the Anti-Bribery Convention of the Organization for Economic Co-operation and Development, as well as other regional treaties and initiatives such as the Inter-American Convention and The Council of Europe's Group of States Against Corruption.

The most comprehensive is the near global United Nations Convention against Corruption, which came into force in 2005; its comprehensive provisions cover prevention, criminalization and law enforcement, international legal cooperation, and asset recovery. Furthermore, the U.S. cooperates with foreign authorities through investigative relationships and

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mechanisms such as Mutual Legal Assistance Treaties. Through these initiatives, the U.S. continues to support the international effort to combat corruption.

ICE'S RESPONSE TO KLEPTOCRACY

ICE works closely with our domestic and foreign law enforcement partners in the fight against kleptocracy. ICE has more than 60 offices in 44 countries and provides investigative support to our foreign law enforcement counterparts in corruption investigations involving senior foreign officials, their family members, and close associates – often referred to as "politically exposed persons" or "PEPs". ICE and the State Department's Bureau of International Narcotics and Law Enforcement Affairs work cooperatively under Presidential Proclamation 7750 to deny entry to corrupt senior-level public officials and those who corrupt them. Further, ICE participates in the overall U.S. Government response to the issue of large-scale corruption by foreign public officials as a member of an ad hoc anti-kleptocracy working group, which was initiated by the National Security Council. ICE plays an integral role in the development of the government-wide anti-kleptocracy strategy, as we are uniquely positioned to address the issue through our expertise in international money laundering, customs and immigration law, and our extensive international investigative assets. Our authority allows us to exploit a wide array of investigative leads related to kleptocracy.

ICE appreciates the interest of the Subcommittee in our preeminent kleptocracy investigations unit, the Foreign Corruption Investigations Group, which was established in Miami in 2003. Miami was chosen as the group's location due to the amount of requests received by ICE's Miami Special Agent in Charge Office from Central and South American and Caribbean governments, seeking ICE assistance in developing evidence against, and locating the

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assets of, corrupt government officials and their associates. The Foreign Corruption Investigations Group was created to target corrupt foreign public officials who have utilized the United States' financial institutions and other investments to facilitate criminal acts involving the laundering of proceeds emanating from foreign public corruption, bribery, or embezzlement. We anticipate that developing nations, often the most susceptible to the threat of corrupt officials, will continue to seek the expertise of ICE in the fight against corruption. We stand willing to assist our foreign law enforcement partners in this worthy endeavor.

To further highlight the functions and accomplishments of this group, I would like to discuss some significant recent successes.

Pursuant to a mutual legal assistance request from Romania, the ICE Foreign Corruption Investigations Group, in coordination with Romanian authorities, arrested the former Director of Romania's National Railroad, also Romania's number one fugitive at the time, who was accused of stealing $110 million in government funds while in office. Throughout the course of the investigation, we were able to locate numerous properties, bank accounts, and several corporations associated with the former director, who is currently pending extradition to Romania on charges of theft and misappropriation of government funds.

"Operation Persistence," an investigation conducted by the Foreign Corruption Investigations Group, exemplifies the versatility of ICE expertise that is brought to bear in foreign corruption investigations. Operation Persistence began as a narcotics investigation that utilized an undercover vessel to transport 300 kilograms of cocaine from Colombia to Miami. As a result, over 20 Colombian nationals were indicted, extradited from Colombia, and convicted. The subsequent investigation uncovered evidence of corruption by a Colombian

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Navy Captain who provided security and intelligence for the drug smuggling organization. Currently, this individual is incarcerated in Colombia pending extradition to the United States.

In addition to the Foreign Corruption Investigations Group, ICE's foreign Attaché Offices and domestic Special Agent in Charge Offices conduct foreign corruption investigations as well. When practical, these investigations are worked jointly with representatives of the victimized foreign government. The objective is to prevent foreign-derived, ill-gotten gains from entering the U.S. financial system, to seize identified assets in the U.S., and to repatriate funds to victimized governments. ICE is the only U.S. law enforcement agency with an investigative group dedicated to combating kleptocracy. Due to the sensitivity of these investigations, we coordinate our efforts with the Department of State, the Department of Justice, and other federal law enforcement and other agencies.

As a result of our anti-money laundering efforts and investigative initiatives, ICE continues to seize funds and other assets in the United States that represent proceeds of foreign corruption. Since the inception of the Foreign Corruption Investigations Group, ICE has initiated 182 investigations, made 80 criminal arrests, secured 148 indictments, and seized over $131 million. As part of our layered approach to combating foreign corruption, we also rely on certain in-house expertise, including our Asset Identification and Removal Groups that open corresponding investigations to locate and seize proceeds of foreign corruption, and our Trade Transparency Unit that aggressively investigates corrupt foreign officials and their associates who are involved in trade-based money laundering, as well as other targets.

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APPLICATION OF KEY LEGAL AUTHORITIES

ICE's aggressive approach to kleptocracy has been facilitated by the implementation of certain anti-money laundering provisions of the USA PATRIOT Act. Section 315 of the USA PATRIOT Act amended 18 U.S.C. § 1956, and allows for the inclusion of foreign corruption offenses as predicate offenses to money laundering crimes. As a result, ICE has been empowered to assist foreign governments with analyzing financial records of PEPs who may have engaged in public corruption and laundered their illicit gains through U.S. financial institutions. Whenever possible, ICE seeks prosecution of these corrupt officials in the United States.

Effective forfeiture legislation is also critical to ICE's efforts to recover the proceeds of foreign official corruption and to protect the U.S. financial system from becoming a safe haven for such criminal proceeds. Indeed, official immunities or the influence of corruption officials and their associates can make successful prosecution of corruption offenses in the victim country can make prosecution difficult or impossible. However, where the United States is able to forfeit and repatriate the proceeds of foreign official corruption, it sends a strong signal that the United States will stand with the people of the victim state and refuse to harbor corruption proceeds. U.S. civil forfeiture legislation – as well as criminal forfeiture where prosecution is possible – is instrumental in this effort.

Another important tool in the U.S. fight against kleptocracy is the authority provided in the Immigration and Nationality Act (INA), Section 212(f). That section allows the President of the United States to issue a proclamation in order to suspend the entry of any alien or class of aliens believed to be detrimental to the interests of the United States or impose any restrictions deemed to be appropriate. Pursuant to Presidential Proclamation 7750, this far-reaching

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authority applies to both immigrant and non-immigrant visa holders and applicants as well as diplomatic and other special visa holders.

Yet another important tool used by ICE in kleptocracy investigations is the query process, as provided under Section 314(a) of the USA PATRIOT Act. The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) regulates this process. Queries under Section 314(a) allows an ICE agent in pursuit of a foreign corruption money laundering investigation to reach more than 45,000 points of contact at more than 22,000 financial institutions to locate accounts and transactions for lead information. FinCEN assures the appropriateness of 314(a) requests by mandating that the investigating agent submit certifying documentation that outlines the credible evidence of terrorist financing or money laundering, delineates the impact of the case, and cites other facts to detail the case's significance. In addition, the agent must certify that, in cases involving money laundering, all traditional means of investigation have been exhausted so as not to overwhelm the financial industry with superfluous or duplicative requests. ICE's partnership with FinCEN is a vital resource in the pursuit of money laundering investigations.

THE WAY FORWARD

ICE recognizes the significance and integral role that industry groups play in establishing and bolstering anti-money laundering guidance and oversight. The private sector represents America's first line of defense against money laundering. Through our Operation Cornerstone initiative, ICE partners with the private sector, along with state and federal agencies, to combat financial and trade crimes by: establishing, implementing, and promoting best practices to deny entry to proceeds of corruption; facilitating sharing of suspicious financial information; and

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encouraging and developing public/private partnerships. In addition, in conjunction with the Department of State, ICE provides financial investigations training to foreign governments. These initiatives have proven to be a conduit for foreign governments to communicate leads relating to foreign corruption allegations. These initiatives also serve as a platform for international dialogue aimed at facilitating asset recovery and strengthening international financial system integrity.

One of the challenges in foreign corruption investigations is obtaining sufficient evidence of the predicate criminal conduct to support a prosecution or forfeiture action in the United States. While in many other types of investigations the United States can obtain documentary or testimonial evidence in support of an investigation through bilateral cooperation or mutual legal assistance channels, where corrupt officials or their associates remain in positions of influence in the victim country it is particularly difficult or impossible to obtain timely production of evidence. As a result, even where foreign officials are widely believed to be corrupt and some degree of information is available, the United States may have difficulty forfeiting the proceeds of foreign official corruption due to inadequacy of evidence.

Recently released studies by the Financial Action Task Force (FATF) for Money Laundering and the World Bank have highlighted the global financial community's insufficient scrutiny of asset relationships with PEPs and the need for effective enforcement of corruption involving such persons. The World Bank report entitled "*Stolen Asset Recovery: a Good Practices Guide for Non-Conviction Based Forfeiture*" delineates several recommendations made by the World Bank on how to raise international standards to addresses this issue. ICE concurs with several of their findings and recommendations, but none are more important than

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their recommendations regarding the use of asset forfeiture as a tool for asset recovery absent a conviction.

Although we agree with the World Bank that non-conviction based asset forfeiture should never be a substitute for criminal prosecution, we support the recommendation that non-conviction based asset forfeiture should be a viable alternative when criminal prosecution is impractical absent support from the victimized country. We commend the World Bank's efforts to promote this important legal reform in the international financial community.

ICE continues to work with the FATF and fully concurs with recommendation six of the "40+9 Recommendations," which calls for enhanced due diligence by international financial institutions once they encounter a PEP in the course of business.

Also, ICE acknowledges the Subcommittee's concern about the use of U.S. shell corporations by corrupt PEPs and the related complications in money laundering and kleptocracy investigations. ICE has long recognized the misuse of corporations and limited liability companies (LLCs) formed under state law as a serious threat to the ongoing effort to combat international criminal activities. The lack of corporate transparency has allowed unlawful elements a gateway into the financial system and further veils their illicit activity. The same vulnerability exists when attorney-client, law office, or shell company accounts are used to hold corruption proceeds and to facilitate transactions for corrupt foreign officials. Investigations can be significantly hampered in cases where criminal targets utilize shell corporations. The difficulty of law enforcement in obtaining true beneficial ownership information impedes investigators' ability to follow criminal proceeds. Furthermore, the 2005 U.S. Money Laundering Threat Assessment, the first government-wide analysis of money laundering in the United States, specified that "legal entities such as shell companies and trusts are used globally

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for legitimate business purposes, but because of their ability to hide ownership and mask financial details they have become popular tools for money launderers."

The establishment of U.S. shell companies provides criminal organizations and corrupt officials with another possible method for moving their illegal criminal proceeds. Obtaining information on true beneficial corporation owners and LLCs formed under state law, and providing the information to civil or criminal law enforcement upon receipt of a subpoena or summons, would assist DHS in its endeavor to protect the homeland.

CONCLUSION

I would like to thank the Subcommittee for the opportunity to testify today and for your continued support of ICE and our law enforcement mission. ICE will continue to pursue those who exploit their positions of power for personal gain. With that shared goal in mind, we appreciate the interest of the Subcommittee Members and the level of awareness each of you bring to this issue. I would be pleased to answer questions you may have at this time.

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Statement of James H. Freis, Jr., Director
Financial Crimes Enforcement Network
United States Department of the Treasury

Before the United States Senate
Committee on Homeland Security and Government Affairs
Permanent Subcommittee on Investigations

February 4th, 2010

Chairman Levin, Ranking Member Coburn, and distinguished members of the Subcommittee, I am Jim Freis, Director of the Financial Crimes Enforcement Network (FinCEN), and I appreciate the opportunity to appear before you today to discuss FinCEN's work in combating the flow of proceeds of foreign corruption into the United States. It is more important than ever for our government to be particularly vigilant in this area, and FinCEN continues to diligently exercise its authorities provided by Congress, and operates at a unique intersection of the law enforcement, regulatory, and international communities. My testimony today will focus on a number of strategic initiatives under which our authorities are maximized to assist in the detection and prosecution of fraudulent actors and to prevent the proliferation of foreign corruption and illicit finances into our financial system.

Background on FinCEN

FinCEN's mission is to enhance U.S. national security, detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial

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systems. FinCEN works to achieve its mission through a broad range of interrelated strategies, including:

- Administering the Bank Secrecy Act (BSA) - the United States' primary anti-money laundering/counter-terrorist financing regulatory regime
- Supporting law enforcement, intelligence, and regulatory agencies through the sharing and analysis of financial intelligence
- Building global cooperation and technical expertise among financial intelligence units throughout the world

To accomplish these activities, FinCEN employs a team comprised of approximately 325 dedicated federal employees, including analysts, regulatory specialists, international specialists, technology experts, administrators, managers, and federal agents who fall within one of the following mission areas at FinCEN:

Regulatory Policy and Programs – FinCEN issues regulations, regulatory rulings, and interpretive guidance; coordinates and assists state and federal regulatory agencies to consistently apply BSA compliance standards in their examination of financial institutions; and takes enforcement action against financial institutions that demonstrate systemic non-compliance. These activities span the breadth of the financial services industries, including – but not limited to – banks and other depository institutions; money services businesses; securities broker-dealers; mutual funds; futures commission merchants and introducing brokers in commodities; dealers in precious metals, precious stones, or jewels; insurance companies; and casinos.

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Analysis and Liaison Services – FinCEN provides federal, State, and local law enforcement and regulatory authorities with different methods of direct access to reports that financial institutions submit pursuant to the BSA. FinCEN also combines BSA data with other sources of information to produce analytic products supporting the needs of law enforcement, intelligence, regulatory, and other financial intelligence unit customers. Products range in complexity from traditional subject-related research to more advanced analytic work including geographic assessments of money laundering threats.

International Cooperation – FinCEN is one of 116 recognized national financial intelligence units around the globe that collectively constitute the Egmont Group. FinCEN plays a lead role in fostering international efforts to combat money laundering and terrorist financing among these financial intelligence units, focusing our efforts on intensifying international cooperation and collaboration, and promoting international best practices to maximize information sharing.

Combating Foreign Corruption

Combating foreign corruption has been a key objective for the United States government for over three decades. Beginning with the enactment of the Foreign Corrupt Practices Act[1] (FCPA) in 1977, when the United States became the first country to enforce criminal penalties against its citizens and companies that bribe foreign public officials, and continuing into the 21st century, most recently through the establishment of the National Strategy to Internationalize Efforts Against Kleptocracy,[2] the United States has explicitly recognized and acted on the need for a comprehensive global approach to combat high-level, large-scale public corruption.

[1] http://www.justice.gov/criminal/fraud/fcpa.

[2] http://georgewbush-whitehouse.archives.gov/news/releases/2006/08/20060810-1.html.

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Large-scale foreign corruption by public officials is a particular threat to our democracy and the well-being of our counterparts abroad. Such illicit activity undermines financial accountability, discourages foreign investment, stifles economic performance, and diminishes trust in legal and judicial systems. Fortunately, the U.S. Congress has taken appropriate measures over the years by establishing key measures to enhance the United States' arsenal to combat foreign corruption, and our Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) measures are a critical component for preventing, detecting, and prosecuting acts of financial corruption and bribery. An inherent aspect of corruption is that criminals seek to funnel ill-gotten gains out of their homeland to hide in other places. It is in the U.S. interest to combat foreign corruption and to deprive corrupt officials' access to well-established international financial markets, including the U.S. financial system. It is also inherent that victimized countries need the help of the U.S. and other foreign governments to track down and seek to return the proceeds of corruption to their rightful owners, the people of the country.

Working with the Financial Services Industry to Fight Foreign Corruption

The approach of the Treasury Department, under the leadership of the Under Secretary for Terrorism and Financial Intelligence (TFI), to combating foreign corruption begins with an understanding that there is a financial component to every national security threat and that safeguarding the international financial system from all forms of illicit finance is at the forefront of protecting our national security. The effectiveness of this approach begins with understanding the scope of the problem. In combating foreign corruption, we work with the regulatory, law enforcement and intelligence communities in an attempt to better understand the flow of foreign corrupt assets, including: (1) vulnerabilities in the financial system that may be exploited by corrupt networks to move and store assets, and (2) critical financing networks for foreign corrupt

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regimes. These analytical efforts inform, in turn, the systemic and targeted elements of Treasury's strategy to combating foreign corruption.

I would like to explain three components of our domestic approach to combating foreign corruption, each benefitting from and helping to advance efforts to combat money laundering and other forms of illicit finance more broadly. These are:

- Requiring financial institutions to identify and apply enhanced due diligence to private banking accounts held by or for the benefit of senior foreign political officials, commonly referred to as Politically Exposed Persons[3];
- Attuning U.S. financial institutions to risks and providing guidance with respect to suspicious activity reporting requirements regarding potential corrupt activity; and,
- Promoting the transparency of U.S. legal entities that may otherwise mask foreign corrupt activities of senior foreign political figures in the financial system.

FinCEN administers the BSA, which establishes a framework for the U.S. AML/CFT regulatory regime. Pursuant to the BSA, FinCEN issues regulations that promote transparency across the U.S. financial system and facilitate the production of information useful to law enforcement and counter-terrorism authorities in combating money laundering and terrorist financing. Section 312 of the USA PATRIOT Act (USAPA), as implemented in 31 CFR 103.178[4], requires covered financial institutions to establish a due diligence program that includes appropriate, specific, risk-based, and where necessary, enhanced policies and procedures that are reasonably designed to

[3] The terms "Senior Foreign Political Figure" and "Politically Exposed Person" (or "PEP") are often used interchangeably, particularly in international fora. However, the term PEP is not used in FinCEN's regulations and should not be confused with the definition of "senior foreign political figure" as used in FinCEN's regulations.

[4] http://www.fincen.gov/statutes_regs/frn/pdf/finalrule01042006.pdf.

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enable the covered financial institution to detect and report on an ongoing basis, any known or suspected money laundering activity conducted through or involving any private banking account that is established, maintained, administered, or managed in the U.S. by a non-U.S. person.

The rule requires enhanced due diligence for private banking accounts that are established, maintained, administered, or managed in the United States for a "senior foreign political figure." If a senior foreign political figure is the nominal or beneficial owner of a private banking account, the due diligence program that is required by the rule shall include enhanced scrutiny of the individual's private banking account that is reasonably designed to detect and report transactions that may involve the proceeds of foreign corruption. A senior foreign political figure means a former or current: 1) senior official in executive, legislative, administrative, military, or judicial branches of a foreign government (whether elected or not); 2) senior official of a major foreign political party; and 3) senior executive of a foreign government owned enterprise. A senior foreign political figure also includes a corporation, business, or other entity that has been formed for the benefit of any such individual, and any immediate family member of any such individual, and any person that is widely and publicly known (or is actually known by the covered financial institution) to be a close associate of such individual.

FinCEN also helps to address the threat of foreign corruption by promoting more effective reporting of potential illicit activity by financial institutions. Consistent with the standard for reporting suspicious activity as provided for in 31 C.F.R. part 103, if a financial institution knows, suspects, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering,

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terrorist financing, or other violation of law or regulation, the financial institution should then file a Suspicious Activity Report (SAR). FinCEN has worked with law enforcement and regulatory partners to provide instructions for financial institutions on the best ways to highlight foreign corruption in SARs, thereby helping law enforcement more easily identify potential corrupt activity. These efforts include an advisory issued by FinCEN in April 2008[5] that provides additional guidance on suspicious activity reporting for foreign corruption and helps financial institutions understand how to proactively prevent senior foreign political figures from exploiting those vulnerabilities in the international financial system that allow them to disguise or otherwise facilitate illicit activities.

World Bank Report on Politically Exposed Persons (PEPs)

FinCEN appreciates the work that the World Bank put into its Stolen Asset Recovery policy paper on strengthening preventative measures for PEPs that was released in November 2009.[6] This paper is a valuable contribution to the public policy discussion, and we are reviewing this paper, along with colleagues in the Treasury Department and the broader government. We note that some of their findings with respect to current PEP control measures and their subsequent recommendations for strengthening controls at U.S. financial institutions are based on principles that exceed current requirements of U.S. law, such as the recommendation to subject domestic political figures to the same controls as foreign officials.

FinCEN also contends that the paper's characterization of all PEPs as high-risk customers fails to take into account the varying risk of corruption throughout all senior foreign political figures.

[5] http://www.fincen.gov/statutes_regs/guidance/pdf/fin-2008-g005.pdf.

[6] http://siteresources.worldbank.org/EXTSARI/Resources/5570284-1257172052492/PEPs-ful.pdf?resourceurlname=PEPs-ful.pdf ful.pdf?resourceurlname=PEPs-ful.pdf.

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Accepting that characterization and treating all PEPs equally would draw resources away from truly high-risk relationships. In the U.S., financial institutions are permitted to exercise judgment in assessing risk related to persons identified as senior foreign political figures and neither define nor treat all senior foreign political figures as posing the same level of risk. Rather, financial institutions should consider variables when assessing risk, such as the individual's position or authority, geographic locations involved, products or services used, and the size and complexity of the relationship.[7] While financial institutions in the U.S. do not have to uniformly identify all senior foreign political figures as high risk, they are nevertheless required by regulation to perform enhanced due diligence when it pertains to private banking relationships.

Furthermore, FinCEN does not concur with the assertion made by some bankers that a perceived low number of SARs (based on the data the World Bank had available in connection with the policy paper) is directly related to the low number of PEPs. We contend that this analysis does not take into account the fact that, since compliance departments of various financial institutions routinely use lists from a number of sources (e.g. OFAC's SDN list, lists provided by the EU and the UN,), many individuals and entities that appear on such lists are not conducting transactions in their own names or on their own behalf. Knowledge by reporting institutions of all possible persons and entities that may be doing business for these listed persons would be very unlikely. FinCEN's regulations define close associates as those widely and publicly known, or actually known by the financial institution.[8] As a result, it is clear that transactions involving close associates of PEPs may often be undetected, and not identified and reported as suspicious

[7] Federal Financial Institutions Examination Council Bank Secrecy Act/Anti-Money Laundering Examination Manual, "Politically Exposed Persons," http://www.ffiec.gov/bsa_aml_infobase/pages_manual/OLM_087.htm.

[8] See 31 CFR 103.175(r).

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transactions. However, in the U.S., financial institutions have reported transactions involving potential foreign corruption. FinCEN monitors SARs reporting suspected foreign corruption, and has on occasion made spontaneous disclosures to our financial intelligence unit counterparts.

Increased Information Sharing

FinCEN is also working with its interagency partners to develop additional ways to call attention to individuals and regimes of public corruption concern. One important initiative that we are currently enhancing is the information-sharing mechanism provided through Section 314(a) of the USAPA, which enables Federal law enforcement agencies, through FinCEN, to reach out to more than 45,000 points of contact at more than 25,000 financial institutions to locate accounts and transactions of persons that may be involved in terrorism or money laundering, including laundering of foreign corrupt assets.

There are two primary processes and related forms required from federal law enforcement officials when submitting a 314(a) request. First, the requester must complete a subject information form, which contains the identifying information of the suspects under investigation. Second, the requester must complete a certification form which provides background information on the investigation and allows FinCEN to review and determine whether the case meets the 314(a) process standards.

These standards mandate that the requester has already exhausted traditional avenues of investigation and analysis and that the investigation involves terrorism/terrorist financing and/or significant money laundering. The significance of a money laundering case may, for example, be determined upon the following factors:

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- Seriousness and magnitude of suspected criminal conduct;
- Dollar amount involved;
- Whether the investigation is being conducted as part of a multi-agency task force;
- Whether the investigation is time sensitive;
- Importance of the investigation to agency program goals;
- Multi regional implications;
- Criminal organization(s) involvement; and/or
- National security implications.

The 314(a) certification form inquires as to whether the investigation involves a public or political official. If the requester indicates that it does, our process provides for a review by select members of FinCEN's senior management in order to ensure that the request meets the aforementioned standards.

Although the 314(a) program is specifically intended to support terrorist financing/terrorism and/or significant money laundering investigations, there may also be instances where a request tangentially references a suspected corrupt foreign official(s) who is implicated in the suspected money laundering activity. In this manner, the use of the 314(a) program may also, ultimately, turn out to be helpful in combating foreign corruption. That is to say, provided the overall investigative request meets the necessary core criteria of significant money laundering and/or terrorism/terrorist financing, the 314(a) system may reap benefits in combating significant

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money laundering cases premised on high-level or otherwise significant instances of foreign official corruption.

Based upon its proven track record of success and pursuant to international treaty provisions, FinCEN is proposing to expand the 314(a) program to international and domestic State and local users.

International Users: In order to satisfy U.S. treaty obligations with certain foreign governments, FinCEN is proposing to extend the use of the 314(a) program to include certain foreign law enforcement agencies. On June 25, 2003, the Agreement on Mutual Legal Assistance between the United States and the European Union (U.S.-EU MLAT) was signed. Article 4 of the U.S.-EU MLAT (entitled Identification of Bank Information) obligates a requested Signatory State to search on a centralized basis for bank accounts within its territory that may be important to a criminal investigation in the requesting Signatory State. In negotiating the terms of Article 4, the United States expressly envisioned that the 314(a) program would be utilized to meet our obligations under this treaty and thus, EU member states would be able to submit case requests to the 314(a) program under these stringent guidelines. Expanding this process to include certain foreign law enforcement requesters will greatly benefit the United States by granting law enforcement agencies in the United States reciprocal rights to obtain information about matching accounts in those countries.

State and Local Users: FinCEN is also proposing to extend the 314(a) program to domestic State and local law enforcement users. Money laundering and terrorist-related financial crimes

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are not limited by jurisdiction or geography. Detection and deterrence of these crimes require information sharing across all levels of investigative authorities, to include State and local law enforcement, to ensure the broadest U.S. Government action. Access to the 314(a) program by State and local law enforcement agencies will provide a platform from which they can more effectively and efficiently fill information gaps, including those connected with multi-jurisdictional financial transactions, in the same manner as federal law enforcement agencies. This expansion of the 314(a) program, in certain limited circumstances, to include State and local law enforcement authorities, will benefit overall efforts to ensure that all law enforcement resources are made available to combat money laundering and terrorist financing.

Building on its continued advancement of robust information sharing, the Egmont Group of 116 financial Intelligence Units (FIUs) has forged a consensus among its members regarding an increased focus on the fight against corruption[9]. The FIUs will continue to work with their law enforcement partners in individual cases as well as in partnership with other international stakeholders including the United Nations, the Financial Action Task Force (FATF), and the World Bank to contribute information and expertise on various anti-corruption projects, studies, and initiatives.

Identifying the Beneficial Owners of Shell Corporations

Enhancing access to beneficial ownership information in order to combat the abuse of legal entities by those engaging in financial crime is a global challenge. Heightened risks can arise with respect to beneficial owners of accounts because nominal accountholders can enable

[9] http://www.egmontgroup.org/library/annual-reports.

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individuals and business entities to conceal the identity of the true owner of assets or property derived from or associated with criminal activity. Moreover, criminals, money launderers, tax evaders, and terrorists may exploit the privacy and confidentiality surrounding some business entities, including shell companies and other vehicles designed to conceal the nature and purpose of illicit transactions and the identities of the persons associated with them. Consequently, identifying the beneficial owner(s) of some business entities, trusts, and foundations may be challenging, as the characteristics of these entities often effectively shield the legal identity of the owner. However, such identification may be essential in detecting suspicious activity and providing useful information to law enforcement.

The Department of the Treasury has been focused for several years on the question of how best to enhance access to beneficial ownership information to combat the abuse of legal entities. As mentioned in Assistant Secretary David Cohen's testimony before the full Senate Committee on Homeland Security and Government Affairs back in November, we are currently pursuing a three-pronged approach to advance these interests. Our approach generally balances the need to enhance access to beneficial ownership information of legal entities with the need to maintain efficient processes in creating legal entities and in promoting access to financial services. Our comprehensive approach includes the following elements:

- ***Enhance the availability of beneficial ownership information of legal entities created in the United States:*** Promote legislation that requires (1) the submission of beneficial ownership information at the time of company formation; (2) the obligation to keep that information updated throughout the entity's existence; and (3) the availability of that information upon proper request by law enforcement. To ensure compliance, the

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legislation must impose significant penalties for failure to abide by these requirements. We are focusing our current efforts on working with our interagency partners and the Congress to draft legislation that effectively and efficiently accomplishes these goals.

- ***Clarify and strengthen customer due diligence requirements for U.S. financial institutions with respect to the beneficial ownership of legal entity accountholders:*** Treasury is currently working with the federal financial regulatory agencies to consider guidance for U.S. financial institutions that will clarify when and how financial institutions should identify and verify beneficial ownership as a component of conducting customer due diligence of accountholders that are legal entities. We are also working with the regulatory and law enforcement communities, and consulting with the private sector, to determine whether and, if so, how such due diligence requirements should be strengthened through rulemaking or otherwise.

- ***Clarify and facilitate global implementation of international standards regarding beneficial ownership:*** In 2003 the Financial Action Task Force (FATF) reviewed and updated its 40 Recommendations for jurisdictions to implement appropriate countermeasures against money laundering. Three of those Recommendations – Recommendations 5, 33, and 34 – specifically address obtaining beneficial ownership information. These Recommendations, however, have created implementation challenges for the overwhelming majority of jurisdictions around the world. As we move forward in addressing the issue of beneficial ownership in the United States, we are also working with our counterparts in the FATF to ensure that its standards evolve in a way in which compliance is both achievable and effective. Even if we make progress

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domestically, failure to achieve consistency internationally will merely shift the problem to another jurisdiction and fail to address the problems that flow from lack of beneficial ownership transparency.

With respect to senior foreign political figures seeking to access the U.S. financial system, as mentioned previously, FinCEN regulations require that special rules be applied towards private banking accounts opened by or established for these individuals. A review of private banking account relationships is required in part to determine if the nominal or beneficial owners are senior foreign political figures, and a covered institution's inability to identify its customers, including the beneficial owners of an account or a business, could be viewed as a violation of the requirements of 31 CFR 103.178. Covered institutions should establish policies, procedures, and controls that include reasonable steps to ascertain the status of a nominal or beneficial owner as a senior foreign political figure. This may include obtaining information on employment status and sources of income, as well as consulting news sources and checking references where appropriate. Such accounts require, in all instances, enhanced due diligence that is reasonably designed to detect and report transactions that may involve the proceeds of foreign corruption.

The Application of AML Rules to the Real Estate Industry

In terms of background, FinCEN's approach to the risks of money laundering in the real estate industry continues to evolve and be guided by the insights from our law enforcement partners and from our analysis of the risks and vulnerabilities to money laundering and related financial crime. FinCEN's largest focus of law enforcement support continues to be fighting fraud in residential mortgages, the proceeds of which – like any other fraud – are often laundered through the financial system. The magnitude of such criminal behavior has significantly exceeded what

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we have been able to discern in terms of proceeds of crime being laundered through the purchase of real estate[10].

Title III of the USAPA amended the BSA by requiring that all financial institutions establish minimum AML programs and amended the definition of "financial institution" contained in Section 5312(a)(2) of the BSA. Included in the definition of "financial institution" is the phrase "persons involved in real estate closings and settlements." On April 29, 2002, and again on November 6, 2002, FinCEN temporarily exempted several BSA-defined financial institutions, including "loan and finance companies" and "persons involved in real estate closings and settlements," from the requirement to establish an AML program.[11] The purpose of the temporary exemption was to enable Treasury and FinCEN to study the affected industries and to consider the extent to which AML requirements should be applied to them, taking into account the specific characteristics and vulnerabilities of the exempted financial institutions.

On April 10, 2003, FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) regarding AML requirements for persons involved in real estate closings and settlements.[12] The 2003 ANPRM noted that the BSA has no definition of persons involved in real estate closings and settlements, that FinCEN had not had occasion to define the term in a regulation, and that the legislative history of the term provides no insight into how Congress intended the term to be defined. The 2003 ANPRM noted that real estate transactions can involve multiple persons,

[10] http://www.fincen.gov/mortgagefraud.html.

[11] See 31 CFR 103.170, as codified by interim final rule published at 67 FR 21110 (Apr. 29, 2002, as amended at 67 FR 67547 (Nov. 6, 2002) and corrected at 67 FR 68935 (Nov. 14, 2002)).

[12] 68 FR 17569 (Apr. 10, 2003).

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including: real estate agents, banks, mortgage banks, mortgage brokers, title insurance companies, appraisers, escrow agents, settlement attorneys or agents, property inspectors and other persons directly and tangentially involved in property financing, acquisition, settlement, and occupation. As with most programmatic regulations, the definition of a specific term or name usually is the key factor that determines the scope of the regulations and, with any exemptions, the persons that must comply with the specified program requirements.

The 2003 ANPRM noted that the participants involved in real estate transactions, and the nature of their involvement, could vary with the contemplated use of the real estate, the nature of the rights to be acquired, or how these rights are to be held, *i.e.*, for residential, commercial, portfolio investment, or development purposes. The 2003 ANPRM expressed FinCEN's views as to guiding principles that should be considered in defining persons involved in real estate closings and settlements. Any definitions or terms that define the scope of the rule should consider: (1) those persons whose services rendered or products offered in connection with a real estate closing or settlement that can be abused by money launderers; (2) those persons who are positioned to identify the purpose and nature of the transaction; (3) the importance of various participants to successful completion of the transaction, which may suggest that they are well positioned to identify suspicious conduct; (4) the degree to which professionals may have very different roles, in different transactions, that may result in greater exposure to money laundering; and (5) the relative costs and benefits to financial institutions, regulators and law enforcement.

FinCEN's analysis and study of the real estate industry led us to focus attention on the insidious problem of mortgage fraud. FinCEN first focused on analyzing trends and patterns related to mortgage fraud back in 2002 in the context of efforts to identify areas of potential concern in the

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sales and management of real estate. As we continued to follow the trends in SAR reporting from 2003 into 2004, FinCEN analysts noted a dramatic increase in the number of filings indicating suspected mortgage fraud, leading us to drill down more closely into this area. For our first detailed study focusing exclusively on mortgage fraud, published in November 2006, we proceeded to go back to take a closer look at all of the mortgage fraud filings since the inception of the SAR reporting requirements, analyzing 10 years of mortgage fraud reporting data nationwide, and we explained a range of fraudulent schemes in an effort to provide the financial industry with red flag indicators that could help them protect their financial institutions and their customers from being victims of fraud. Further FinCEN analysis highlighted the continued dramatic increase in SARs reporting mortgage fraud through 2008, and also demonstrated the relationship between mortgage fraud and other financial crimes.

In July 2009, FinCEN announced that it is considering applying AML program and SAR regulations to non-bank residential mortgage lenders and originators by issuing an ANPRM. As primary providers of mortgage finance who generally deal directly with consumers, non-bank mortgage lenders and originators are in a unique position to assess and identify money laundering risks and possible mortgage fraud while directly assisting consumers with their financial needs and protecting them from the abuses of financial crime. FinCEN's mortgage loan fraud analysis showed that non-bank mortgage lenders initiated many of the mortgages that were associated with SAR filings.

This action marks the first step in an incremental approach to implementation of AML regulations for loan and finance companies that would focus first on those business entities that are engaged in residential mortgage lending or origination and are not currently subject to any

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AML program requirement under the BSA or other Federal law. FinCEN is developing a Notice of Proposed Rulemaking (NPRM) as a next step toward applying BSA requirements to the non-bank mortgage industry, with the scope and form of this proposal shaped by the comments received from the ANPRM. In keeping with an incremental approach, we will consider further steps in applying BSA requirements to additional participants in the real estate and finance sectors as information about vulnerabilities develops.

With respect to real estate settlement attorneys as an essential part of the real estate industry, a common theme among the comments received from the ANPRM on persons involved in real estate settlements and closings was the notion that imposing AML requirements on real estate settlement lawyers would seriously undermine the attorney-client privilege and the right to client confidentiality. Specifically, an AML program obligation would: (1) impose on real estate attorneys a duty to conduct due diligence on the identity of their clients, compromising the trust between the attorney and client and discourage clients from communicating fully and frankly with their attorney; and (2) impose on real estate attorneys an obligation to report suspect transactions to law enforcement authorities – thereby nullifying the rights of client confidentiality and attorney-client privilege.

The Treasury Department worked collaboratively with the Financial Action Task Force and the American Bar Association in developing Guidance on the Risk-Based Approach to Combating Money Laundering and Terrorist Financing for Legal Professionals. This Guidance was developed by the FATF in close consultation with representatives of the legal and notarial profession. This guidance supports development of a common understanding of what the risk-based approach involves, outlines high-level principles involved in applying the risk-based

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approach, and indicates good practice for governments and legal professionals in the design and implementation of an effective risk-based approach. In furtherance of this objective, we have been highlighting the issue domestically with the American Bar Association. We continue to work with them in creating a voluntary "good practices" document which continues to be discussed within the appropriate committees within the American Bar Association's structure.

While FinCEN will continue to consider appropriate regulatory actions to address vulnerabilities, including further application of anti-money laundering requirements where appropriate, we will focus as well on immediate steps to mitigate vulnerabilities, such as initiatives detailed above to improve transparency in the corporate formation process and provide further guidance to financial institutions on the need to obtain beneficial ownership information as part of existing anti-money laundering obligations, and are continuing to engage internationally to pursue global solutions.

Strengthening the Anti-Corruption Provisions in the FATF 40+9 Recommendations

Following the recent meeting of the G-20 Leaders in September 2009, a public statement was released asking the FATF to help detect and deter the proceeds of corruption by prioritizing work to strengthen standards on customer due diligence, beneficial ownership, and transparency. The United States is working with other FATF-member jurisdictions and organizations to draft a paper outlining what the FATF is doing to combat corruption and further steps the organization could consider. The paper will be presented at the upcoming FATF Plenary in February.

Conclusion

The U.S. government has identified foreign corruption as a national security threat, developed a necessary comprehensive strategy to combat it, and as a result the Treasury Department's efforts

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to combat foreign corruption have increased significantly over the last several years. The evolution of TFI at Treasury has enabled us to contribute more effectively to this strategy, including through systemic and targeted financial measures, as well as through outreach to international counterparts, and our partners in the private sector. These efforts have established a sound foundation for developing and applying financial authorities to combat foreign corruption. As we continue to focus on executing our strategy, we must increase global public awareness of the threat posed by foreign corruption so that our efforts to combat this threat become a priority for all nations. We must also continue to promote international standards for financial transparency and strong anti-money laundering regimes that protect our global financial system from abuse, including through implementation of standards requiring enhanced due diligence of PEP accounts to combat public corruption, and to continue to develop and apply targeted initiatives that effectively identify foreign corrupt regimes and networks. Thank you for the opportunity to testify before you today. I would be happy to answer any questions you may have.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Homeland Security and Governmental Affairs

Carl Levin, Chairman
Tom Coburn, Ranking Minority Member

KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES

MAJORITY AND MINORITY STAFF REPORT

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UNITED STATES SENATE

RELEASED IN CONJUNCTION WITH THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS FEBRUARY 4, 2010 HEARING

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SENATOR TOM COBURN, M.D.
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Counsel & Chief Investigator

LAURA E. STUBER
Counsel

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ICE Detailee

JASON E. MEDICA
ICE Detailee

ADAM HENDERSON
Professional Staff Member

ROBERT KAPLAN
Intern

CHRISTOPHER J. BARKLEY
Staff Director to the Minority

JUSTIN J. ROOD
Senior Investigator to the Minority

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Chief Clerk

Permanent Subcommittee on Investigations
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KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES

This Report examines how politically powerful foreign officials, their relatives, and close associates – referred to in international agreements as Politically Exposed Persons (PEPs) – have used the services of U.S. professionals and financial institutions to bring large amounts of suspect funds into the United States to advance their interests. Using four case histories, this Report shows how some PEPs have used U.S. lawyers, real estate and escrow agents, lobbyists, bankers, and even university officials, to circumvent U.S. anti-money laundering and anti-corruption safeguards. This Report also offers recommendations to stop the abuses.

I. EXECUTIVE SUMMARY

Combating corruption is a key U.S. value and goal, due to its corrosive effects on the rule of law, economic development, and democratic principles. In 2001, the Patriot Act made the acceptance of foreign corruption proceeds a U.S. money laundering offense for the first time, and required banks to apply enhanced scrutiny to private banking accounts opened for senior foreign political figures, their relatives, and close associates. In 2003, the United States supported the United Nations Convention Against Corruption, now ratified by over 140 countries. Also in 2003, U.S. Immigration and Customs Enforcement (ICE) formed an investigative group dedicated to combating foreign corruption by PEPs. In 2004, President Bush issued Presidential Proclamation 7750 denying U.S. visas to foreign officials involved with corruption, and Congress later enacted supporting legislation. A 2009 study sponsored by the World Bank analyzed PEP controls worldwide and recommended stronger measures to reduce corruption.

The Permanent Subcommittee on Investigations (Subcommittee) initiated this investigation to learn how U.S. laws apply to PEPs utilizing the domestic financial system, and examine how foreign senior political figures, their relatives, and close associates may be circumventing or undermining anti-money laundering (AML) and PEP controls to bring funds that may be the product of foreign corruption into the United States. It is the latest in a series of Subcommittee hearings examining foreign corruption and its U.S. aiders and abettors.

During the course of its investigation, the Subcommittee staff conducted over 100 interviews, including interviews of lawyers, real estate agents, escrow agents, lobbyists, bankers, university professionals, and government officials. The Subcommittee issued over 50 subpoenas and reviewed millions of pages of documents, including bank records, correspondence, contracts, emails, property records, flight records, news

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articles, and court pleadings. In addition, the Subcommittee consulted with foreign officials, international organizations, financial regulators, and experts in anti-money laundering and anti-corruption efforts.

The Subcommittee has developed four case histories that expose some of the tactics being used by PEPs and their facilitators to bring suspect funds into the United States, and identify some of the legal gaps, poor due diligence practices, and inadequate PEP controls that, at times, have made these tactics possible.

Obiang Case History. From 2004 to 2008, Teodoro Nguema Obiang Mangue, son of the President of Equatorial Guinea, has used U.S. lawyers, bankers, real estate agents, and escrow agents to move over $110 million in suspect funds into the United States. Mr. Obiang is the subject of an ongoing U.S. criminal investigation, has been identified in corruption complaints filed in France, and was a focus of a 2004 Subcommittee hearing showing how Riggs Bank facilitated officials from Equatorial Guinea in opening accounts and engaging in suspect transactions.

Two lawyers, Michael Berger and George Nagler, helped Mr. Obiang circumvent U.S. AML and PEP controls at U.S. financial institutions by allowing him to use attorney-client, law office, and shell company accounts as conduits for his funds and without alerting the bank to his use of those accounts. If a bank later uncovered Mr. Obiang's use of an account and closed it, the lawyers helped him open another. The U.S. shell companies they formed for Mr. Obiang included Beautiful Vision, Inc., Unlimited Horizon, Inc., Sweetwater Malibu, LLC, Sweetwater Management, Inc., and Sweet Pink, Inc.

Two real estate agents, Neal Baddin and John Kerrigan, helped Mr. Obiang buy and sell high-end real estate in California including his purchase of a $30 million Malibu residence with funds wire transferred from Equatorial Guinea, operating without any legal obligation to inquire into the source of his funds. Mr. Obiang also used a U.S. escrow agent to purchase a $38.5 million U.S.-built Gulfstream jet. When one escrow agent, McAfee & Taft, as a voluntary anti-money laundering precaution, refused to proceed without information about the source of the funds for the purchase, another escrow agent, International Airline Title Services Inc., stepped in and completed the transaction with no questions asked. U.S. law currently exempts both escrow and real estate agents from the Patriot Act's requirement to establish anti-money laundering programs.

Mr. Obiang also brought large amounts of suspect funds into the United States by taking advantage of banking systems that were not programmed to block wire transfers bearing his name.

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Bongo Case History. From 2003 through at least 2007, Omar Bongo, President of Gabon for 41 years until his death in June 2009, employed a U.S. lobbyist, Jeffrey Birrell, to purchase six U.S.-built armored vehicles and obtain U.S. Government permission to buy six U.S.-built C-130 military cargo aircraft from Saudi Arabia to support his regime. President Omar Bongo was a focus of a 1999 Subcommittee hearing showing how he used offshore shell companies to move over $100 million in suspect funds through accounts at Citibank Private Bank. He has been mentioned in connection with the ELF oil scandal in France, and has been identified in corruption complaints filed in France.

As part of the armored car and C-130 transactions, over $18 million was wire transferred from Gabon into U.S. bank accounts held in the name of The Grace Group LLC, a U.S. corporation formed by Mr. Birrell. Mr. Birrell received the funds primarily from President Omar Bongo and an entity called Ayira. He later transferred $9.2 million of the funds provided by Ayira to a foreign account held in the name of President Omar Bongo in Malta. He also wire transferred over $4.2 million to foreign bank accounts opened in the name of a senior Bongo adviser, and over $1 million in payments to foreign bank accounts held in the name of various "consultants." Mr. Birrell's corporate accounts served as a conduit for those Bongo funds.

In addition, President Omar Bongo provided large amounts of cash to his daughter, Yamilee Bongo-Astier, who deposited the cash into bank accounts and safe deposit boxes at U.S. financial institutions in New York from 2000 to 2007. Ms. Bongo-Astier made multiple large dollar deposits into her accounts at banks that were unaware of her PEP status, but knew she was an unemployed student. One bank closed her account after receiving an $183,500 wire transfer from the Republic of Gabon; another did so after discovering she had $1 million in $100 shrink-wrapped bills in her safe deposit box, which she said her father had brought into the United States using his diplomatic status and without declaring the cash to U.S. authorities.

Another member of the Bongo family is Inge Lynn Collins Bongo, the wife of Ali Bongo, the current President of Gabon and its former Minister of Defense. In 2000, she formed a U.S. trust, the Collins Revocable Trust, and opened accounts in the name of that Trust at banks in California. For three years, from 2000 to 2003, Ms. Inge Bongo accepted multiple large offshore wire transfers into the Trust accounts and used the funds to support a lavish lifestyle and move money among a network of bank and securities accounts benefiting her and her husband.

Due to inadequate PEP lists prepared by third party vendors, the financial institutions hosting the Bongo accounts were, more often than

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not, unaware of their clients' PEP status and did not subject their accounts to enhanced monitoring.

Abubakar Case History. From 2000 to 2008, Jennifer Douglas, a U.S. citizen and the fourth wife of Atiku Abubakar, former Vice President and former candidate for President of Nigeria, helped her husband bring over $40 million in suspect funds into the United States through wire transfers sent by offshore corporations to U.S. bank accounts. In a 2008 civil complaint, the U.S. Securities and Exchange Commission alleged that Ms. Douglas received over $2 million in bribe payments in 2001 and 2002, from Siemens AG, a major German corporation. While Ms. Douglas denies wrongdoing, Siemens has already pled guilty to U.S. criminal charges and settled civil charges related to bribery and told the Subcommittee that it sent the payments to one of her U.S. accounts. In 2007, Mr. Abubakar was the subject of corruption allegations in Nigeria related to the Petroleum Technology Development Fund.

Of the $40 million in suspect funds, $25 million was wire transferred by offshore corporations into more than 30 U.S. bank accounts opened by Ms. Douglas, primarily by Guernsey Trust Company Nigeria Ltd., LetsGo Ltd. Inc., and Sima Holding Ltd. The U.S. banks maintaining those accounts were, at times, unaware of her PEP status, and they allowed multiple, large offshore wire transfers into her accounts. As each bank began to question the offshore wire transfers, Ms. Douglas indicated that all of the funds came from her husband and professed little familiarity with the offshore corporations actually sending her money. When one bank closed her account due to the offshore wire transfers, her lawyer helped convince other banks to provide a new account.

In addition, two of the offshore corporations wire transferred about $14 million over five years to American University in Washington, D.C., to pay for consulting services related to the development of a Nigerian university founded by Mr. Abubakar. American University accepted the wire transfers without asking about the identity of the offshore corporations or the source of their funds, because under current law, the University had no legal obligation to inquire.

Angola Case History. The final case history examines three Angolan PEP accounts, involving an Angolan arms dealer, an Angolan government official, and a small Angolan private bank that caters to PEP clients, to show how the accountholders gained access to the U.S. financial system and attempted to exploit weak U.S. AML and PEP safeguards.

Pierre Falcone is a notorious arms dealer who supplied weapons during the Angolan civil war, a close associate of Angolan President Jose Eduardo Dos Santos, and the target of lengthy criminal

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investigations resulting in his recent imprisonment in France. He used personal, family, and U.S. shell company accounts at a U.S. bank in Arizona to bring millions of dollars in suspect funds into the United States and move those funds among a worldwide network of accounts. Mr. Falcone was imprisoned in France for one year beginning in 2000, was a fugitive from a 2004 French global arrest warrant, and was convicted in France in 2007 and 2009, on charges related to illegal arms dealing, tax fraud, and money laundering. He is now serving a six-year prison sentence. Bank of America maintained nearly 30 accounts for the Falcone family from 1989 to 2007, did not treat Mr. Falcone as a PEP, and did not consider his accounts to be high risk, even after learning in 2005 that he was an arms dealer and had been imprisoned in the past. In 2007, after receiving a Subcommittee inquiry about the Falcone accounts, the bank conducted a new due diligence review, closed the accounts, and expressed regret at providing Mr. Falcone with banking services for years.

Dr. Aguinaldo Jaime, a senior Angolan government official, was head of Banco Nacional de Angola (BNA), the Angolan Central Bank, when he attempted, on two occasions in 2002, to transfer $50 million in government funds to a private account in the United States, only to have the transfers reversed by the U.S. financial institutions involved. Dr. Jaime invoked his authority as BNA Governor to wire transfer the funds to a private bank account in California during the first attempt and, during the second attempt, to purchase $50 million in U.S. Treasury bills for transfer to a private securities account in California. Both transfers were initially allowed, then reversed by bank or securities firm personnel who became suspicious of the transactions. Partly as a result of those transfers and the corruption concerns they raised, in 2003, Citibank closed not only the accounts it had maintained for BNA, but all other Citibank accounts for Angolan government entities, and closed its office in Angola. In contrast, HSBC continues to provide banking services to BNA in the United States and elsewhere, and may be providing the Central Bank with offshore accounts in the Bahamas.

Banco Africano de Investimentos (BAI) is a $7 billion private Angolan bank whose largest shareholder is Sonangol, the Angolan state-owned oil company. It offers banking services to Sonangol, Angolans in the oil and diamond industries, and Angolan government officials. Over the last ten years, BAI gained entry to the U.S. financial system through accounts at HSBC in New York, using HSBC wire transfer services, foreign currency exchange, and U.S. dollar credit cards for BAI clients, despite providing troubling answers about its ownership and failing to provide a copy of its AML procedures to HSBC after repeated requests. Despite the presence of PEPs in BAI's management and clientele, HSBC decided against designating BAI as a "Special Category of Client"

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requiring additional oversight until November 2008, years after the account was first opened.

Together, these four case histories demonstrate the need for the United States to strengthen its PEP controls to prevent corrupt foreign officials, their relatives, and close associates from using U.S. professionals and financial institutions to conceal, protect, and utilize their ill gotten gains.

A. FINDINGS

This Report makes the following findings of fact.

(1) **Lawyers.** Two U.S. lawyers helped Teodoro Obiang, son of the President of Equatorial Guinea, circumvent anti-money laundering and PEP controls at U.S. banks by allowing him to secretly use a series of attorney-client, law office, and shell company accounts as conduits for his funds.

(2) **Real Estate Agents.** Two real estate agents helped Mr. Obiang buy and sell multi-million-dollar residences in California, and a real estate escrow agent facilitated his purchase of a $30 million property by handling millions of dollars wire transferred from Equatorial Guinea, without verifying the source of the funds, since they had no legal obligation to do so.

(3) **Escrow Agents.** After one U.S. escrow agent, as an AML precaution, refused to complete the purchase of a Gulfstream jet without obtaining information on the source of $38.5 million to be paid for the aircraft, another U.S. escrow agent stepped in and completed the transaction with no questions asked. The escrow agents had no legal obligation under current law to inquire about the source of the funds.

(4) **Lobbyist.** A U.S. lobbyist helped President Omar Bongo of Gabon obtain six U.S.-built armored cars and U.S. Government permission to buy six U.S.-built military cargo aircraft from Saudi Arabia to support his regime, while allowing his U.S. bank accounts to be used as a conduit for $18 million in suspect funds in connection with those transactions, with no questions asked.

(5) **Offshore Corporations.** Jennifer Douglas, a PEP through her marriage to Atiku Abubakar, former Vice President of Nigeria, used a series of U.S. bank accounts to bring over $25 million in suspect funds into the United States via wire transfers from offshore corporations.

(6) **University.** A U.S. university accepted over $14 million in wire transfers from unfamiliar offshore shell corporations to

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pay for consulting services related to development of a university in Nigeria founded by Mr. Abubakar.

(7) **Personal Accounts.** Pierre Falcone, a PEP through his close association with the President of Angola and appointment as an Angolan Ambassador, was able to use personal, family, and U.S. shell company accounts at a U.S. bank in Arizona to bring millions of dollars in suspect funds into the United States and move those funds among a worldwide network of Falcone accounts, despite his status as an arms dealer and a long history of involvement in criminal proceedings in France.

(8) **Government Accounts.** Dr. Aguinaldo Jaime, using his authority as head of the Angolan Central Bank, attempted without success, on two occasions in 2002, to transfer $50 million in government funds to a private account in the United States.

(9) **Correspondent Accounts.** Banco Africano de Investimentos, a $7 billion private Angolan bank that caters to PEPs, is not treated as a PEP client subject to enhanced monitoring by its U.S. correspondent bank.

(10) **Vendor PEP Lists.** Some vendors relied on by U.S. financial institutions to screen clients for PEPs used incomplete and unreliable PEP lists.

B. RECOMMENDATIONS

This Report makes the following recommendations.

(1) **World Bank PEP Recommendations.** Congress should enact a law and the U.S. Treasury Department should promulgate rules implementing the key recommendations of a recent World Bank study to strengthen bank controls related to Politically Exposed Persons (PEPs), including by requiring banks to use reliable PEP databases to screen clients, use account beneficial ownership forms that ask for PEP information, obtain financial declaration forms filed by PEP clients with their governments, and conduct annual reviews of PEP account activity to detect and stop suspicious transactions.

(2) **Real Estate and Escrow Agent Exemptions.** Treasury should repeal all of the exemptions it has granted from the Patriot Act requirement for anti-money laundering (AML) programs, including the 2002 exemption given to real estate and escrow agents handling real estate closings, and sellers of vehicles, including escrow agents handling aircraft sales, and use its existing statutory authority to require them to

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implement AML safeguards and refrain from facilitating transactions involving suspect funds.

(3) **Attorney-Client and Law Office Accounts.** Treasury should issue an AML rule requiring U.S. financial institutions to obtain a certification for each attorney-client and law office account that it will not be used to circumvent AML or PEP controls, accept suspect funds involving PEPs, conceal PEP activity, or provide banking services for PEPs previously excluded from the bank; and requiring enhanced monitoring of such accounts to detect and report suspicious transactions.

(4) **U.S. Shell Corporations.** Congress should enact legislation requiring persons forming U.S. corporations to disclose the names of the beneficial owners of those U.S. corporations.

(5) **Immigration Restriction.** Congress and the Administration should consider making significant acts of foreign corruption a legal basis for designating a PEP and any family member inadmissible to enter, and removable from, the United States.

(6) **Visa Restriction.** The State Department should strengthen its enforcement of the law and Presidential Proclamation 7750 denying U.S. visas to foreign PEPs involved with corruption, and law enforcement agencies should increase the assistance they provide to State Department investigations of PEPs under review.

(7) **Professional Guidelines.** Professional organizations, including the American Bar Association, National Association of Realtors, American League of Lobbyists, and American Council for Education, should issue guidance to their members prohibiting use of any financial account to accept suspect funds involving PEPs, conceal PEP activity, facilitate suspect transactions involving PEPs, or circumvent AML or PEP controls at U.S. financial institutions.

(8) **FATF Recommendations.** The United States should work with the international Financial Action Task Force on Money Laundering to amend its existing 40+9 Recommendations to strengthen anti-corruption and PEP controls.

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II. FOREIGN CORRUPTION AND MONEY LAUNDERING

Corruption has been increasingly condemned by the United States and the international community for impeding the development of honest government, democratic principles, and the rule of law. It is also blamed for distorting markets, deterring investment, deepening poverty, undermining international aid efforts, and fostering crime.[1] Some have drawn connections between corruption, failed states, and terrorism. Corruption also continues to be a massive problem. The World Bank has estimated that $1 trillion in bribes alone exchange hands worldwide each year.[2]

Combating corruption has long been an aim of the United States. In 1977, for example, the United States became the first country in the world to prohibit the payment of bribes to foreign public officials.[3] In 1999, the Clinton Administration launched a major anti-corruption initiative, sponsoring an international conference under the leadership of Vice President Gore to increase the visibility of the issue. In 2001, Congress enacted anti-corruption provisions in the Patriot Act, as explained below. In 2004, the Bush Administration issued Presidential Proclamation 7750, providing a legal basis for denying visas to foreign officials involved in corruption.[4] In 2006, President Bush issued a national strategy to convince other nations to do the same.[5] In 2009, Congress enacted legislation requiring the State Department to maintain "a list of officials of foreign governments and their immediate family members who the Secretary has credible evidence have been involved in corruption relating to the extraction of natural resources" and making such persons "ineligible for admission to the United States."[6]

Subcommittee Work. The Permanent Subcommittee on Investigations has contributed to the anti-corruption battle by conducting several investigations over the past ten years into how politically

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[1] See, e.g., statement by the World Bank that corruption is "the single greatest obstacle to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends." David Chaikin and J.C. Sharman, "Corruption and Money Laundering: A Symbiotic Relationship," Palgrave, 2009, at 11.

[2] The World Bank, "The Costs of Corruption," April 4, 2004, http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20190187~menuPK:34457~pagePK:34370~piPK:34424~theSitePK:4607,00.html.

[3] See Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1 et seq.

[4] Presidential Proclamation 7750 (January 2004), www.whitehouse.gov/news/releases/2004/01/20040112-3.html. Prior to this proclamation, corrupt foreign officials could and still can be denied visas on other grounds, including involvement with organized crime, drug trafficking, money laundering, trafficking in human persons, crimes of moral turpitude, and conduct detrimental to the interests of the United States. See, e.g., Section 212(f) of the Immigration and Naturalization Act, 8 U.S.C. 1182 et seq.

[5] See "U.S. National Strategy to Internationalize Efforts Against Kleptocracy" (August 2006), available at www.state.gov/p/inl/rls/fs/70365.

[6] See Section 7084 of the 2010 Omnibus Appropriations Act.

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powerful foreign officials, their relatives, and close associates utilize U.S. financial institutions to conceal, transfer, and spend funds suspected to be the proceeds of corruption.

In 1999, for example, the Subcommittee released a report and held a hearing on four case histories of heads of states or their relatives who used Citibank Private Bank to deposit at least $100 million each in suspect funds.[7] In 2001, the Subcommittee Chairman, Senator Carl Levin, working with the Chairman of the Senate Banking, Housing, and Urban Affairs Committee, Senator Paul Sarbanes, won enactment of provisions in the Patriot Act which, for the first time, made the knowing acceptance of foreign corruption proceeds a money laundering offense.[8] They also successfully included Patriot Act provisions which required U.S. financial institutions to exercise enhanced due diligence before opening a private banking account for a senior foreign political figure, immediate relative, or close associate; conduct enhanced monitoring of such accounts; and report suspicious transactions to law enforcement.[9]

In addition, the Patriot Act required a long list of U.S. financial institutions to implement anti-money laundering (AML) programs, with written policies, procedures and controls, an AML compliance officer, employee training, and internal audits, unless explicitly exempted by the Treasury Secretary.[10] It also required them to obtain customer identification information for each account opened.[11] Regulations issued by Treasury over the next few years implemented those Patriot Act provisions, requiring U.S. banks, securities firms, insurance companies, futures commission merchants, jewelry businesses, and money service businesses, among others, to develop the specified AML programs. At the same time, however, Treasury exempted several groups from having to establish AML programs, including hedge funds, the real estate industry, and escrow agents.[12]

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[7] "Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities," U.S. Senate Permanent Subcommittee on Investigations, S. Hrg. 106-428, (Nov. 9 and 10, 1999)(case histories involved Raul Salinas, brother to the President of Mexico; Omar Bongo, President of Gabon; Ali Zadari, husband to the Prime Minister of Pakistan; and two sons of Sani Abacha, then President of Nigeria).

[8] See Section 315 of the Patriot Act, P.L. 107-56 (Oct. 26, 2001), codified at 18 U.S.C. §1956(c)(7)(B)(iv)(adds as a predicate offense for a money laundering prosecution "bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official").

[9] See Section 312 of the Patriot Act, P.L. 107-56 (Oct. 26, 2001), codified at 31 U.S.C. § 5318(i).

[10] See Section 352 of the Patriot Act, P.L. 107-56 (Oct. 26, 2001), codified at 31 U.S.C. § 5318(h).

[11] See Section 326 of the Patriot Act, P.L. 107-56 (Oct. 26, 2001), codified at 18 U.S.C. § 5318(l).

[12] See, e.g., See 31 CFR § 103.170, as codified by interim final rule published at 67 FR 21110 (April 29, 2002, as amended at 67 FR 67547 (November 6, 2002) and corrected at 67 FR 68935 (November 14, 2002)); Advance Notice of Proposed Rulemaking on Anti-Money Laundering Program Requirements for "Persons Involved in Real Estate Closings and Settlements," 68 FR 17569 (April 10, 2003).

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In 2004, the Subcommittee released a report and held a hearing examining the extent to which U.S. financial institutions were complying with the new Patriot Act provisions, using Riggs Bank in Washington, D.C. as an example.[13] At that time, Riggs Bank provided banking services for most of the foreign embassies in the nation's capital as well as for many heads of states, foreign government officials, and their relatives. The Subcommittee presented evidence of the Bank's poor compliance with the Patriot Act provisions, using two case histories.

The first case history found that Riggs Bank had opened over 60 accounts for the government of Equatorial Guinea (EG), the EG President Teodoro Nguema Obiang Mbagasa, senior EG officials, and their relatives; created offshore corporations and opened accounts in the names of those offshore corporations for the President and his sons; accepted millions of dollars in cash deposits from the President, his wife, and other EG officials; and facilitated numerous suspect transactions involving millions of dollars without alerting law enforcement. The second case history showed that Riggs Bank had secretly opened accounts for the former President of Chile, Augusto Pinochet, created offshore corporations for him, accepted about $8 million in suspect deposits, and secretly couriered millions of dollars in cashiers checks to him in Chile. In 2005, a supplemental report by the Subcommittee showed that Mr. Pinochet and his family members had opened a secret network of over 125 accounts under a variety of names at financial institutions operating in the United States.[14]

The investigation also determined that U.S. bank regulators, including the Office of the Comptroller of the Currency and the Federal Reserve, had identified serious deficiencies in Riggs' AML procedures, instructed Riggs to improve, but then took no supervisory action when Riggs failed to do so. The investigation showed that the supervisory failures at Riggs were part of a larger pattern of lax AML oversight. In response, beginning in 2005, U.S. bank regulators strengthened their AML oversight efforts and initiated a number of enforcement actions to compel stronger AML programs at U.S. financial institutions.

In 2005, Riggs Bank paid a $16 million criminal fine and a $25 million civil fine for failing to report suspicious activities to law enforcement and to correct deficiencies in its AML program.[15] The owners of the bank also paid a $5 million fine to a Spanish court for failing to observe a court-ordered freeze on assets related to Augusto

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[13] "Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the Patriot Act," U.S. Senate Permanent Subcommittee on Investigations, S. Hrg. 108-633 (July15, 2004).
[14] "Supplemental Staff Report on U.S. Accounts Used by Augusto Pinochet," U.S. Senate Permanent Subcommittee on Investigations, S. Prt. 109-25, (March 16, 2005).
[15] U.S. v. Riggs Bank, CR 05-35 (RMU), 2005; *In Re Riggs Bank*, Case 2005-1, May 13, 2004.

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Pinochet. Later that same year, PNC purchased the bank, and the Riggs name disappeared from U.S. banking.[16]

The Subcommittee's past work and the findings in this Report should be seen in the context, not only of U.S. efforts to combat corruption, but also of the international community's increasing efforts to prevent, detect, and stop corruption. Some highlights of those efforts include the following.

FATF Anti-Corruption Recommendations. One key source of international efforts to combat corruption dates back to the 1989 formation of the Financial Action Task Force on Money Laundering (FATF), which is the leading international body opposing money laundering. Since its establishment, FATF has focused on exposing money laundering and terrorist financing threats, setting international standards to meet those threats, and conducting peer reviews to encourage compliance with its standards. About 170 jurisdictions have pledged to comply with FATF standards. In 2003, FATF strengthened its longstanding 40 Recommendations to combat money laundering, and issued 9 Special Recommendations to combat terrorist financing.[17] The FATF 40+9 Recommendations include provisions to combat the laundering of corruption proceeds, including Recommendation No. 6 which directs FATF member countries to require their financial institutions to screen clients to identify Politically Exposed Persons (PEPs) – defined as individuals entrusted with prominent public functions, their relatives, and close associates – "take reasonable measures to establish the source of wealth and the source of funds" in PEP transactions, and "conduct enhanced ongoing monitoring of the business relationship."

1997 OECD Anti-Bribery Convention. Another major development was the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which obligates its signatories to criminalize the bribery of foreign officials.[18] Prior to this convention, payments made to foreign officials to obtain contracts or other goods or services were not always viewed as crimes; some countries even viewed such payments as tax deductible business expenses.[19] The OECD Convention rejected that approach and instead followed the lead of the U.S. Foreign Corrupt Payments Act in outlawing such payments as bribes. To comply with the Anti-Bribery Convention's requirements, signatories must enact domestic laws making the payment of bribes to foreign officials a criminal offense.

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[16] See, e.g., Associated Press, "Final Chapter Nears in Riggs Bank Drama," March 29, 2005.
[17] http://www.fatf-gafi.org/document/28/0,3343,en_32250379_32236930_33658140_1_1_1_1,00.html.
[18] See OECD website, http://www.oecd.org/document/20/0,3343,en_2649_34859_2017813_1_1_1_1,00.html.
[19] See, e.g., http://www.oecdobserver.org/news/fullstory.php/aid/245/Writing_off_tax_deductibility_.html.

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The OECD concentrated at first on encouraging its member countries to enact those domestic laws. In recent years, the focus of the Anti-Bribery Convention has shifted to encouraging countries to enforce the laws now on the books.[20]

2001 Basel Directive. In 2001, the Basel Committee on Banking Supervision, an international body of banking supervisors that formulates banking policy and guidance, brought the corruption issue to the attention of banks worldwide when it issued a statement on "customer due diligence." That statement included strong language on the need for banks to identify PEPs and avoid the acceptance of corrupt proceeds:

> "Accepting and managing funds from corrupt PEPs will severely damage the bank's own reputation and can undermine public confidence in the ethical standards of an entire financial centre, since such cases usually receive extensive media attention and strong political reaction. … [I]t is clearly undesirable, unethical and incompatible with the fit and proper conduct of banking operations to accept or maintain a business relationship if the bank knows or must assume that the funds derive from corruption or misuse of public assets. There is a compelling need for a bank considering a relationship with a person whom it suspects of being a PEP to identify that person fully, as well as people and companies that are clearly related to him/her."[21]

2003 UN Convention Against Corruption. Still another key development was the 2003 United Nations Convention Against Corruption (UNCAC). Currently, over 140 countries have signed the UNCAC, which entered into force in 2005.[22] It requires signatories to criminalize a wide range of corrupt acts, including not only bribery and embezzlement, but also influence peddling and money laundering. Among other provisions, the UNCAC directs signatories to require their banks "to verify the identity of customers, to take reasonable steps to determine the identity of beneficial ownership of funds deposited into high-value accounts and to conduct enhanced scrutiny of accounts sought or maintained by or on behalf of individuals who are, or have been, entrusted with prominent public functions and their family members and associates." In addition, UNCAC strengthened international anti-corruption efforts by requiring signatories to provide mutual legal assistance to extradite and prosecute offenders, including by gathering and providing evidence to the prosecuting country.

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[20] In June 2009, Transparency International found that only Germany, Norway, Switzerland, and the United States were adequately enforcing anti-bribery laws. See http://www.transparency.org/news_room/latest_news/press_releases/2009/2009_06_23_2009_oecd_progress_report. In one highly visible case, in 2006, the U.K. Serious Fraud Office scuttled an investigation into alleged bribe payments made by a large company, BAE, to Saudi Arabian officials to secure a large arms contract. http://www.oecd.org/dataoecd/43/13/38962457.pdf.

[21] Basel Committee on Banking Supervision, "Customer Due Diligence for Banks," (Bank for International Settlements, October 2001), paragraphs 42-43.

[22] http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf.

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UNCAC also required signatories to support the tracing, freezing, and seizure of illicit funds, placing a special focus on recovery of assets stolen by corrupt officials. UNCAC was further strengthened at a recent conference in Doha, when the signatories agreed to undergo a peer review process to evaluate their compliance with its provisions.

StAR Initiative and 2009 PEP Study. Still another major anti-corruption advance occurred in 2007, when the World Bank and the United Nations Office on Drugs and Crime (UNODC) launched the Stolen Asset Recovery Initiative (StAR). StAR's key mission is to help developing countries recover funds lost due to corruption. On its website, it states: "StAR's objective is to reduce barriers to asset recovery and thereby encourage and facilitate more systematic and timely return of stolen assets."[23] To accomplish this objective, StAR works with countries around the world to build national capacity to detect and respond to corruption, finances training, develops "how to" guides and information systems, and assists with the preparation of reports, legal research, financial analyses, and mutual legal assistance requests.

In November 2009, the StAR Initiative trained a spotlight on PEP issues by releasing a study examining how banks handle PEP accounts and transactions.[24] The report concluded: "The picture today is of an overall failure of effective implementation of international PEP standards" and "surprisingly low compliance" with FATF requirements on PEPs.[25] The report identified a number of problems, including a lack of political will to address PEP issues, the absence of enforceable legal and regulatory frameworks to address PEP issues, limited due diligence requirements, inadequate PEP databases, and use of associates, intermediaries, and legal entities to hide PEP involvement. To "prevent corrupt PEPs from abusing domestic and international financial systems to launder the proceeds of corruption," the report recommends that banks strengthen PEP identification systems and use regulator-approved PEP databases; eliminate artificial limits on how long an individual can be considered a PEP; obtain written beneficial ownership information for each account to detect PEPs using third parties to hide their activities; request public officials to provide any asset and income disclosure forms filed with their government authorities; and conduct at least annual reviews of PEP accounts to get a complete view of the relationship and identify any suspicious transactions.

G-8 and G-20 Anti-Corruption Efforts. In addition to the FATF, Basel, OECD, UN, and World Bank efforts, the G-8 and G-20 groups of

[23] www.worldbank.org/star.
[24] The World Bank StAR Initiative, "Politically Exposed Persons: A Policy Paper on Strengthening Preventative Measures" (November 2009), www.worldbank.org/star.
[25] Id., at XV.

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countries have also undertaken anti-corruption efforts. In 2003, for example, at the Evian Summit, the G-8 group of countries released an action plan entitled, "Fighting Corruption and Improving Transparency."[26] This statement laid out concrete steps aimed at fighting corruption, such as conditioning budgetary support and trade agreements on tackling corruption, encouraging participation in fiscal transparency programs, and passing domestic laws aimed at requiring financial institutions to conduct adequate due diligence to halt suspect transactions. It also stated that the G-8 countries supported requiring financial institutions to establish "procedures and controls to conduct enhanced due diligence on accounts of 'politically exposed persons,' and thereby to detect and report transactions that may involve proceeds of foreign official corruption."[27]

More recently, in March 2009, the G-20 group of nations called for stronger enforcement of anti-corruption measures involving PEPs, in a Working Group on Reinforcing International Cooperation and Promoting Integrity in Financial Markets.[28] In September 2009 at the Pittsburgh summit, the G20 Heads of State issued an official statement asking FATF "to help detect and deter the proceeds of corruption by prioritizing work to strengthen standards on customer due diligence, beneficial ownership, and transparency."[29] The Heads of State also confirmed their commitment to enforcement of transnational anti-bribery laws, ratification of the UN Convention Against Corruption, and adoption of a mechanism to measure compliance with that Convention.

2008 Wolfsberg PEP Guidelines. The financial industry has also contributed to anti-corruption efforts. About ten years ago, eleven of the world's largest financial institutions formed the Wolfsberg Group as a voluntary private association dedicated to combating money laundering.[30] In May 2008, as part of that effort, the Wolfsberg Group updated its 2003 guidelines on handling PEPs and applied them to all PEP accounts rather than just private banking accounts.[31] The guidelines discuss identification of PEPs, and use of relatives, third parties, and legal entities to disguise PEP activities. It recommends that banks ask potential clients whether they are PEPs, screen clients against

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[26] See http://www.g8.fr/evian/english/navigation/2003_g8_summit/summit_documents/fighting_corruption_and_ improving_transparency_-_a_g8_action_plan.html.
[27] Id., at paragraph 4.2.
[28] G20 Working Group on Reinforcing International Cooperation and Promoting Integrity in Financial Markets (SG2), March 27, 2009, at paragraph 41.
[29] G20, "Leaders' Statement, The Pittsburgh Summit," (September 24-25, 2009), at paragraph 42, http://www.pittsburghsummit.gov/mediacenter/129639.htm.
[30] The participating banks are Banco Santander, Bank of Tokyo-Mitsubishi, Barclays, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JPMorgan Chase, Societe Generale, and UBS.
[31] See "Wolfsberg Frequently Asked Questions ('FAQs') on Politically Exposed Persons ('PEPs')," http://www.wolfsberg-principles.com/pdf/PEP-FAQ-052008.pdf.

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PEP databases, and establish a procedure for senior bank officials' approval of PEP clients. The guidelines also recommend enhanced monitoring of accounts controlled by PEPs, and training employees to increase awareness of the associated risks. The guidelines caution that existing customers may become PEPs in the future, and recommend enhanced due diligence when a PEP controls a corporation that has or is attempting to establish a relationship with the bank.

Public Interest Organizations. Many other public interest organizations are also active in the battle against corruption. Transparency International, for example, works with local anti-corruption groups around the world and publishes an annual Corruption Perceptions Index that focuses attention on corruption problems. Global Witness investigates and exposes corruption problems in specific countries. The Extractive Industries Transparency Initiative (EITI), launched in 2002, seeks to curb corruption primarily in the oil, gas, and mining sectors. EITI requires corporations involved in extractive industries to disclose royalty and other payments made to government officials, and then requires the recipient governments to disclose the revenues produced from those sectors, with the aim of increasing transparency and reducing corruption. Publish What You Pay (PWYP) is another group aimed at holding governments accountable for revenues derived from the oil, gas, and mining sectors. Active in nearly 70 countries, PWYP urges governments to disclose not just company payments and government revenues, but also license agreements and contracts, while supporting a variety of transparency and anti-corruption initiatives. Still other groups, such as the Global Financial Integrity Program, the Tax Justice Network, and Sherpa contribute to anti-corruption efforts in a variety of ways, encouraging academic research, building anti-corruption capabilities, filing legal actions, and adding to the visibility and urgency of the issue.

This Report seeks to contribute to U.S. and international anti-corruption efforts by exposing some of the tactics being used by PEPs to bring suspect funds into the United States and offering recommendations to strengthen U.S. AML and PEP controls. The Subcommittee's investigation shows that, although U.S. financial institutions have become more vigilant over time and less willing to harbor suspect funds, PEPs are still often able to bring millions of dollars into the United States without having to answer questions about the source of their funds. Some of these PEPs escape detection for years at a time due to inadequate screening of potential PEP clients by banks, by using routine bank accounts not subject to enhanced monitoring, or by finding banks with lax due diligence procedures. Other PEPs conceal their transactions by acting through third parties, using shell company, attorney-client, law office, escrow agent, trust, and other accounts to move their funds into the U.S. financial system. Still others exploit

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weak controls in U.S. wire transfer systems to bypass AML or PEP scrutiny. The Report's four case studies present actual examples of how some foreign officials, their relatives, or close associates have persuaded U.S. lawyers to help them circumvent AML and PEP safeguards at U.S. banks, convinced U.S. real estate and escrow agents to handle suspect funds, used a U.S. lobbyist's bank account to distribute offshore funds, and even convinced U.S. university officials to accept millions of dollars from unknown offshore corporations.

In addition to exposing some of these tactics, the Report offers a range of recommendations to stop the abuses. They include tightening bank procedures for screening PEP clients, requiring written beneficial ownership forms for accounts to detect PEP involvement, and conducting annual reviews of PEP accounts to identify suspicious transactions; eliminating existing AML exemptions for real estate and escrow agents handling millions of dollars in realty and vehicle transactions; cracking down on the misuse of attorney-client and law office accounts to carry out PEP transactions outside of bank AML and PEP controls; urging professional organizations to issue guidance to their members against facilitating suspect transactions for PEPs; calling on the United States to make better use of its visa and immigration systems to deny entry to corrupt foreign officials; and supporting the ongoing international effort to strengthen the anti-corruption and PEP provisions in FATF's 40+9 Recommendations.

Senior foreign officials engaged in large-scale corruption can have a disproportionate impact on a country, a region, even a generation of citizens victimized by a corrupt society. They can export problems by spreading corruption internationally, undermining the rule of law, encouraging crime, and even opening the door to terrorism. In some cases, those engaged in large-scale corruption have sought the services provided by a modern financial system that can store, protect, invest, and transfer their funds efficiently. To keep that corruption out of the United States, it is time to build stronger legal barriers, not only in our banks, but in a range of U.S. professions.

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III. OBIANG CASE STUDY: USING U.S. LAWYERS, REAL ESTATE AND ESCROW AGENTS, AND WIRE TRANSFER SYSTEMS TO BRING SUSPECT FUNDS INTO THE UNITED STATES

Teodoro Nguema Obiang Mangue is the 40-year-old son of Teodoro Nguema Obiang Mbasogo, the President of Equatorial Guinea (EG). For more than ten years, he has held the post of EG Minister of Agriculture and Forestry, and has been seen as a likely successor to the EG Presidency. Mr. Obiang and his father have also long been suspected of accumulating substantial wealth from acts of corruption. This case study examines how, from 2004 to 2008, Mr. Obiang employed the services of a variety of U.S. professionals, including attorneys, real estate and escrow agents, insurance brokers, and others, to bring more than $100 million in suspect funds into the United States to advance his interests. At times, the U.S. professionals he employed acted openly on his behalf; at other times, they hid his involvement in transactions, especially from U.S. banks on guard against handling suspect funds. This case history details how Mr. Obiang employed these U.S. professionals to help him move money through at least six large and small U.S. banks, often by using attorney-client, escrow, or shell company accounts or by using wire transfer systems unequipped to detect or block incoming wire transfers from Obiang accounts abroad.

This case history demonstrates, for example, how Mr. Obiang employed two U.S. attorneys, Michael Berger and George Nagler, to help him bring millions of dollars in suspect funds from Equatorial Guinea into the United States, carry out certain transactions, and pay his bills and expenses. These attorneys, each of whom operated independently of the other, formed U.S. shell companies under California law for Mr. Obiang's use, including Beautiful Vision, Inc., Unlimited Horizon, Inc., Sweetwater Malibu, LLC, Sweetwater Management, Inc., and Sweet Pink, Inc. Each attorney helped open U.S. bank accounts for those shell corporations and helped use some of those corporate accounts to pay Mr. Obiang's bills and expenses. In addition, each allowed his own attorney-client and law office accounts to serve as conduits for Obiang funds, accepting millions of dollars in wire transfers from Equatorial Guinea, moving those funds into other Obiang-related accounts, and using the funds to pay Obiang-related bills and expenses. Each attorney also worked with other U.S. professionals, including bankers, property managers, insurance brokers, and real estate and escrow agents, to advance Mr. Obiang's interests.

In addition, Mr. Obiang employed two U.S. real estate agents, Neil Baddin and John Kerrigan, to buy and sell high-end California real estate, including a 2006 purchase of a $30 million residence in Malibu

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and 2004 sale of a $7.7 million residence near Los Angeles. A U.S. escrow company, First American Trust, helped Mr. Obiang purchase the Malibu property without using a mortgage, accepting $30 million in wire transfers from Equatorial Guinea to complete the transaction. Another U.S. escrow company, Insured Aircraft Title Services, Inc. (IATS), facilitated Mr. Obiang's purchase of a Gulfstream jet, again without a mortgage, by accepting $38.5 million in wire transfers from Equatorial Guinea and forwarding those funds through U.S. bank accounts for the seller of the aircraft. IATS agreed to handle the Gulfstream transaction after another U.S. escrow company, McAfee & Taft, had declined, as an anti-money laundering precaution, to complete the purchase without information on the source of the $38.5 million.

Documents also show that, throughout the four years examined by the Subcommittee, Mr. Obiang exploited lax anti-money laundering (AML) and PEP controls at U.S. financial institutions. Documents reviewed by the Subcommittee show, for example, that Mr. Obiang surreptitiously used attorney-client, law office, shell company, and other third party accounts to obtain access to the U.S. financial system, even at banks that had previously closed his accounts and declined to do business with him. In addition, from 2004 to 2008, he brought over $100 million into the United States using wire transfer systems at just two U.S. financial institutions, Wachovia Bank and Citibank. Neither system had been programmed to detect or block wire transfers bearing his name. In 2009, Wachovia took steps for the first time to block wire transfers with Mr. Obiang's name, while Citibank declined to take the same action due to projections that identifying, freezing, and investigating these wire transfers would generate too much work for its anti-money laundering staff.

Many of the U.S. professionals examined in this case history were under no legal obligation to take anti-money laundering precautions when dealing with a PEP, to evaluate the source of funds supplied by a PEP, or to refrain from handling suspect funds involving a PEP. For example, attorneys are currently not required by U.S. anti-money laundering (AML) statutes to establish AML controls to prevent or detect money laundering, and no U.S. professional rules or voluntary AML guidelines require attorneys to perform due diligence before accepting a client, evaluate the source of client funds, or refrain from using their attorney-client or law office accounts to conceal PEP transactions from the financial institution providing the accounts.[32]

[32] Attorneys are not subject to the major U.S. AML laws that require banks and other entities to establish AML programs to prevent, detect, and report suspicious transactions to law enforcement. See, e.g., list of covered entities at 31 U.S.C. §5312(a)(2). The American Bar Association does not provide official guidance for U.S. attorneys on how to handle AML issues or establish AML programs, although discussions and work to develop such guidance have been underway since at least 2002. The American Bar Association's existing Model Rules of

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In 2008, for the first time, the Financial Action Task Force on Money Laundering (FATF) issued international guidance for members of the legal profession to address many AML issues.[33] The FATF guidance recommends, for example, that attorneys perform due diligence before accepting clients, evaluate the risk posed by particular clients, analyze the source of client funds, and monitor client activity for suspicious transactions. Paragraph 109 of the FATF guidance recommends that attorneys treat PEPs as high risk clients requiring enhanced due diligence and monitoring. In addition, Paragraph 110 recommends that attorneys treat certain services as high risk, including services in which attorneys "handle the receipt and transmission of funds through accounts they actually control." This guidance, however, was issued after most of the events reviewed in this Report and was never intended to be legally binding on U.S. attorneys.

With respect to real estate and escrow agents, since 1988, U.S. AML laws have identified "persons involved with real estate closings and settlements" and "business[es] engaged in vehicle sales, including automobile, airplane, and boat sales" as vulnerable to money laundering abuses and in need of AML safeguards, due to the large amounts of money involved in their transactions.[34] In 2001, after the 9/11 terrorist attack and as part of its effort to strengthen U.S. AML safeguards, the Patriot Act explicitly required such businesses to establish AML programs, unless exempted by the Treasury Department.[35] Six months later, however, in 2002, the Treasury Department "temporarily" exempted both categories of businesses from having to establish AML

(9/16/2009). For example, while the Model Rules require attorneys to track and safeguard client property held in attorney-client accounts, they do not address issues related to using an attorney-client account to conceal a client's transactions or circumvent AML or PEP controls at a financial institution. The Model Rules do caution attorneys against engaging in criminal or fraudulent conduct. See, e.g., Model Rule 1.2(d) (an attorney "shall not counsel a client to engage, or assist a client, in conduct that the lawyer knows is criminal or fraudulent"); Rule 8.4 (it is professional misconduct for an attorney to engage in conduct "involving dishonesty, fraud, deceit or misrepresentation"). Attorneys are also subject to U.S. criminal prohibitions against participating in a money laundering offense, see, e.g., 18 U.S.C. §§ 1956, 1957; and doing business with terrorists, narcotics traffickers, or other criminals identified on lists compiled by the Office of Foreign Assets Control, see OFAC lists, U.S. Dept. of Treasury, http://www.ustreas.gov/offices/enforcement/ofac/sdn/. In addition, attorneys engaged in a business are required to file reports, Form 8300, with the Internal Revenue Service if they receive cash payments of $10,000 or more. ("Each person engaged in a trade or business who, in the course of that trade or business, receives more than $10,000 in cash in one transaction or in two or more related transactions, must file Form 8300.") See http://www.irs.gov/pub/irs-pdf/f8300.pdf. See also United States v. Moffitt, Zwerling & Kemler, 83 F.3d 660 (4th Cir. 1996)(law firm that did not examine the source of its fees can be required to forfeit them as proceeds of narcotics trafficking).

[33] See FATF, "RBA Guidance for Legal Professionals," October 23, 2008.

[34] See 31 U.S.C. § 5312(a)(2)(T) and (U).

[35] See Section 352 of the Patriot Act of 2001, P.L. 107-56 (October 26, 2001), codified at 31 U.S.C. § 5318(h).

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programs.[36] In 2003, Treasury solicited comments to develop a proposed AML rule for real estate businesses, but took no further action.[37] Today, eight years after enactment of the Patriot Act, the Treasury Department has yet to propose or finalize a rule requiring businesses engaged in either real estate closings or vehicle sales, including aircraft sales, to establish AML safeguards. In addition, none of the relevant business sectors has developed voluntary AML guidance for their members.[38]

In contrast, since 2001, U.S. financial institutions have been required by law to set up AML programs, with AML policies, procedures, and controls; a compliance officer; employee training; and an internal audit function to ensure compliance.[39] Their AML programs typically require personnel to know their customers, evaluate the source of client funds, identify high risk clients, apply enhanced monitoring to high risk clients, and report suspicious transactions to law enforcement. Despite these requirements, some of the banks handling Obiang-related accounts did not designate the accounts as high risk and allowed them to receive suspect funds from Equatorial Guinea.

A. Background

Equatorial Guinea. Equatorial Guinea is a small country of about 600,000 persons located on the west coast of Africa between the countries of Cameroon and Gabon.[40] Its official languages are Spanish and French.[41] Originally a Portuguese colony, Equatorial Guinea was

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[36] See 31 CFR § 103.170, as codified by interim final rule published at 67 FR 21110 (April 29, 2002, as amended at 67 FR 67547 (November 6, 2002) and corrected at 67 FR 68935 (November 14, 2002).

[37] See Advance Notice of Proposed Rulemaking on Anti-Money Laundering Program Requirements for 'Persons Involved in Real Estate Closings and Settlements,' 68 FR 17569 (April 10, 2003), http://www.fincen.gov/statutes_regs/frn/pdf/352_real_estate_04102003.pdf.

[38] The National Association of Realtors, for example, has developed a detailed Code of Ethics for real estate agents, but none of the Code provisions addresses AML concerns. See 2010 Code of Ethics and Standards of Practice of the National Association of Realtors, www.realtor.org. The Association has instead developed educational materials for its members on money laundering and terrorist financing, without official guidance on how to address the issues. See, e.g., "The Basics, Money Laundering and Terrorist Financing," http://www.realtor.org/government_affairs/gapublic/business_issues_money_laundering; Subcommittee interview of National Association of Realtors, January 13, 2010. Real estate and escrow agents, like attorneys, are subject to U.S. criminal prohibitions against participating in a money laundering offense, see, e.g., 18 U.S.C. §§ 1956, 1957, and doing business with terrorists, narcotics traffickers, or other criminals identified on lists compiled by the Office of Foreign Assets Control, http://www.ustreas.gov/offices/enforcement/ofac/sdn/. Real estate and escrow agents are also required to file Form 8300 reports with the Internal Revenue Service if they receive cash payments of $10,000 or more.

[39] See Section 352 of the Patriot Act of 2001, P.L. 107-56 (October 26, 2001), codified at 31 U.S.C. § 5318(h).

[40] 2008 World Fact Book, U.S. Central Intelligence Agency.

[41] Id.

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ceded to Spain in 1778, which granted it independence 190 years later in 1968.[42]

Equatorial Guinea (EG) possesses substantial natural resources. Following the discovery of oil in 1996, Equatorial Guinea has become the third largest oil producer in sub-Saharan Africa,[43] generating about 500,000 barrels per day by 2007.[44] In 2007 alone, Equatorial Guinea reportedly sold about 1.8 billion barrels of oil for $4.3 billion, which comprised about 90 percent of the EG economy.[45] U.S. oil companies help produce roughly 75 percent of Equatorial Guinea's oil,[46] leading to the institution of direct airline flights between Houston, Texas and the EG capital city, Malabo.[47] In addition to oil, Equatorial Guinea has significant timber resources, which provides its second major export commodity.

EG oil and timber resources have done little, however, to raise the living standards of the EG population. Although the country ranks in the top fifth of nations in gross domestic product per capita due largely due to its oil revenues,[48] poverty is widespread. Equatorial Guinea ranks, for example, 115th of 179 nations on the United Nation's Human Development Index.[49] EG citizens have a low life expectancy and suffer from the 17th highest infant mortality rate in the world.[50] The World Bank has determined that, between 1995 and 2002, roughly 39 percent of EG children under the age of five were malnourished, and only 44 percent of the population had access to safe drinking water.[51]

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[42] U.S. Department of State, Background Notes: Equatorial Guinea, http://www.state.gov/r/pa/ei/bgn/7221.htm; 2008 World Fact Book, U.S. Central Intelligence Agency.

[43] The World Bank, Equatorial Guinea, http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/EQGUINEAEXTN/0,,menuPK:352197~pagePK:141132~piPK:141109~theSitePK:352171,00.html.

[44] U.S. Department of State, Background Notes: Equatorial Guinea, http://www.state.gov/r/pa/ei/bgn/7221.htm.

[45] "Equatorial Guinea; Poverty Rife in Africa's 'Kuwait,'" Africa News (10/6/2008), citing Bank of Central African States, http://allafrica.com/stories/200810061482.html.

[46] Id.

[47] The Independent, "A Murderous Dictator, His Rapper Son and a $700M-a-Year Oil Boom," March 16, 2004, http://www.independent.co.uk/news/world/africa/a-murderous-dictator-his-rapper-son-and-a-700mayear-oil-boom-566494.html.

[48] 2008 World Fact Book, U.S. Central Intelligence Agency.

[49] The Human Development Index is a product of the United Nations Development Programme (UNDP). It "provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income)." See: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_GNQ.html.

[50] 2008 World Fact Book, U.S. Central Intelligence Agency. See also U.N. Human Development Reports, http://hdr.undp.org/en/statistics/.

[51] The World Bank, Equatorial Guinea, http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/EQGUINEAEXTN/0,,menuPK:352197~pagePK:141132~piPK:141109~theSitePK:352171,00.html.

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Equatorial Guinea has had only two presidents since gaining independence in 1968. Francisco Macias Nguema was elected the first EG President in 1968. By 1972, he had taken the title of "President-for-Life,"[52] and during ten years of autocratic rule, saw the EG population contract by one-third. In 1979, his nephew, Teodoro Obiang Nguema Mbasogo, led a successful coup, executed his uncle, and assumed the presidency.

Over the next 30 years, President Obiang was declared the winner of five successive elections to seven-year terms, in 1982, 1989, 1996, 2002, and 2009.[53] International observers have criticized the fairness of those elections, questioning vote totals that, for example, in 1996 and 2002, showed President Obiang winning 98% and 97% of the vote, respectively.[54] His vote total in 2009 was announced as 95%.[55] Critics have also condemned his administration for widespread human rights abuses and suppression of political opposition.[56] In its 2008 Human Rights Report, the U.S. State Department noted improvements from past years, but also criticized a host of EG human rights abuses, including "limited ability of citizens to change their government; increased reports of unlawful killings by security forces; government-sanctioned kidnappings; systematic torture of prisoners and detainees by security forces; life threatening conditions in prisons and detention facilities; impunity; arbitrary arrest, detention, and incommunicado detention; harassment and deportation of foreign residents with limited due process; judicial corruption and lack of due process; restrictions on the right to privacy; restrictions on freedom of speech and of the press … [and] government corruption."[57]

Transparency International's Corruptions Perception Index has consistently ranked Equatorial Guinea as having one of the most corrupt images in the world, with the 2008 index ranking it 171 out of the 180 countries evaluated.[58] During the same time period, President Obiang's personal wealth appears to have increased. In 2006, President Obiang was named by Forbes as one of the world's ten wealthiest rulers, with an

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[52] U.S. Department of State, Background Notes: Equatorial Guinea, http://www.state.gov/r/pa/ei/bgn/7221.htm.
[53] Id.
[54] Id.
[55] See 12/2/09 statement issued by the EG Ambassador to the United States, Purificacion Angue Ondo, "Republic of Equatorial Guinea Releases Final Presidential Election Results," available on PRNewsire-USNewsWire.
[56] See, e.g., CBS News: 60 Minutes, "Kuwait of Africa," July 18, 2004, http://www.cbsnews.com/stories/2003/11/14/60minutes/main583700.shtml.
[57] U.S. Department of State, 2008 Human Rights Report: Equatorial Guinea, February 25, 2009.
[58] Transparency International, "Transparency International 2008 Corruption Perceptions Index." http://www.transparency.org/news_room/in_focus/2008/cpi2008/cpi_2008_table.

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estimated personal wealth of $600 million.[59] In 2008, Parade Magazine named President Obiang as one of the world's worst dictators.[60]

Teodorin Obiang. Teodoro Nguema Obiang Mangue, nicknamed "Teodorin," is the eldest son of President Obiang and First Lady Constancia Mangue Nsue Okomo.[61] For at least ten years, he has held the post of EG Minister of Agriculture and Forestry. He reportedly collects an official government salary of approximately $5,000 per month or $60,000 per year.[62] Despite this modest salary, Mr. Obiang is known to live a lavish lifestyle with multiple real estate holdings, automobiles, and extravagant spending sprees.[63]

In 2004, as part of an investigation into how Riggs Bank was implementing Patriot Act provisions to curb money laundering and foreign corruption, the Subcommittee released documents related to 60 Riggs Bank accounts that had been opened by Equatorial Guinea, EG officials, and their relatives, including Teodorin Obiang. One Riggs Bank analysis evaluated Mr. Obiang's business activities, noting that in addition to his government position, he was the sole owner of a key EG forestry company, Grupo Sofana, with exclusive rights to export EG timber, and controlled an affiliated EG timber company, Somagui

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[59] See forbes.com, "Fortunes of Kings, Queens, and Dictators," May 5, 2006, see online at http://www.forbes.com/2006/05/04/rich-kings-dictators_cz_lk_0504royals.html.
[60] Parade Magazine, "The World's Worst Dictators," 2008, http://www.parade.com/dictators/2008/index.jsp.
[61] The Scotsman, "Coup Plot Conviction Increases the Pressure on Mark Thatcher,"August 28, 2004. http://news.scotsman.com/topstories/Coup-plot-conviction-increases-the.2559206.jp.
[62] See African Development Information Service – People Record: Teodoro Nguema Obiang, http://www.afdevinfo.com/htmlreports/peo/peo_8085.html.
[63] See, e.g., The Times Online, "Playboy Waits for His African Throne," September 3, 2006, http://www.timesonline.co.uk/tol/news/world/article626511.ece; The Star, "African Oil Sheik Goes on South African Spending Spree," July 20, 2005, page 1. Mr. Obiang's well-publicized spending sprees include the following:

- According to press reports, on one weekend in 2005, Mr. Obiang purchased two Bentleys, a Lamborghini, and two multi-million dollar luxury houses in Cape Town, South Africa, http://www.iol.co.za/index.php?set_id=1&click_id=86&art_id=vn20050720063046112C699596; Times Online "President's Playboy Son Splashes Out £1M in Luxury Car Spree," July 21, 2005. http://www.timesonline.co.uk/tol/news/world/article546244.ece; The Star, "Playboy's High Life: Dictator's Son Spends Millions on Cars, Houses, and Champaigne in SA," July 20, 2005, http://www.thestar.co.za/index.php?fArticleId=2631945.
- In 2003, Mr. Obiang was observed traveling around Paris in a Lamborghini and purchasing as many as 30 designer suits in one afternoon while being followed by French media. CBS News: 60 Minutes, "Kuwait of Africa," July 18, 2004. http://www.cbsnews.com/stories/2003/11/14/60minutes/main583700.shtml.
- According to another press report, in 2006, Mr. Obiang spent nearly $700,000 to rent Microsoft founder Paul Allen's yacht "Tatoosh" for a Christmas cruise off St. Barts to entertain a former girlfriend. NY Daily News, "Has Eve's Fling Brought Her a Despot of Gold," February 20, 2006, http://www.nydailynews.com/archives/gossip/2006/02/20/2006-02-20_has_eve_s_fling_brought_her_.html.

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Forestal.[64] The Riggs documentation also showed that, from 1997 through 2003, Mr. Obiang was associated with over a dozen U.S. bank accounts which, at times, received millions of dollars in deposits. The 2004 report released by the Subcommittee summarized these accounts as follows.

> "While the E.G. President's eldest son, Teodoro Nguema Obiang, the E.G. Minister of Forestry, did not have any personal accounts at Riggs, he was the beneficial owner of three accounts opened in the name of companies he controlled. Two of these accounts were opened in the name of his California entertainment company, TNO Entertainment LLC. The first, Account No. 76-889-555, was opened in 2000 and closed in 2001, and the funds were transferred to Account 76-923-450, which was opened in 2001 and remained open in early 2004. From 2001 to 2003, the second account had balances that fluctuated between about $17,000 and $11.6 million. The third account, Account No. 25-380-038, was opened in the name of Awake Ltd., a Bahamian offshore shell company that Riggs helped to establish. This money market account, opened in 2002, saw virtually no account activity.[65] ...
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> "The Subcommittee also identified two other sets of bank accounts associated with the President's son, opened at JPMorgan Chase and Citigroup. At JPMorgan Chase, four accounts and three CDs were opened in the name of the President's son, including a savings account and three checking accounts which together held about $75,000 in 2003. All three CDs had matured in 2002, and at that time had an aggregate value of more than $1.7 million. At Citigroup, the Subcommittee identified four accounts that had been opened in the name of the son's company, TNO Entertainment. The earliest of these accounts was opened in 1997, and all four were closed in early 2000. They included a checking account, money market account, CitiGold account, and securities investment account. These accounts were apparently dormant at times, but in mid 1999, received deposits in a relatively short period totaling about $11.8 million. After noting suspicious account activity, Citigroup closed these accounts in 2000. Riggs Bank apparently identified at least one additional set of accounts held by the E.G. President's son at City National Bank of Beverly Hills, California."[66]

Mr. Obiang has admitted in a number of settings that, in addition to his government post, he owns a number of companies. For example, in

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[64] "Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the Patriot Act," U.S. Senate Permanent Subcommittee on Investigations, July 15, 2004 (hereinafter "2004 Subcommittee Investigation into Riggs Bank")
[65] 2004 Subcommittee Investigation into Riggs Bank, at 159.
[66] Id., at 160.

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2004, when a U.S. bank asked him to explain the source of funds for a substantial wire transfer, he sent an email explaining: "The wire transfer was from one of my companies in Equatorial Guinea. The funds that were transferred to me did not come from any illegal source. It was either from Somagui Forestal or Sofona."[67] In a 2006 court proceeding examining ownership of two houses in South Africa, Mr. Obiang produced wire transfers showing that he had paid for the houses with funds from an EG account held by Socage. In a sworn and signed affidavit submitted to the court, he wrote: "One of the companies that I own is SOCIEDAD DE CARRETERAS DE GUINEA ECUATORIAL ('SOCAGE'), with a bank account at the CCEI BANK GE, in BATA, the commercial capital of the country."[68]

Many of the transactions examined in this Report involve wire transfers sent by Somagui Forestal or Socage from bank accounts in Equatorial Guinea; a few involve funding transfers from accounts opened in the name of TNO Entertainment, LLC, a California corporation that is associated with Mr. Obiang and was still active in 2009.[69]

During the course of the investigation, Subcommittee staff has communicated with Mr. Obiang's attorneys, raising questions as to the source of his funds. Most recently, in December of 2009, the Subcommittee contacted Mr. Obiang and again offered an opportunity for him to provide information to the Subcommittee. The Embassy of Equatorial Guinea responded and noted that it had passed the Subcommittee's request along to Mr. Obiang. Subcommittee staff then met with Mr. Obiang's attorney who promised to provide information as to the source of Mr. Obiang's funds.

Corruption Allegations. Members of the Obiang family have long been suspected of misappropriating Equatorial Guinea's oil and timber wealth for personal gain.[70] In addition to allegations in the media, over the past five years several civil and criminal legal actions have raised corruption concerns involving President Obiang, his son, and other relatives.

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[67] 9/30/04 Declaration of Teodoro Ngeuma Obiang, Obiang v. City National Bank, Case No. SC 083177, explaining the source of funds for a substantial wire transfer he had sent to the bank, CNB0004068.

[68] 8/8/06 Second Respondent's Answering Affidavit, Maseve Investments 7 (PTY) Ltd. v. Equatorial Guinea, (High Court of South Africa (Cape Provincial Division), Case No. 1407/2006, at 13. (Emphasis in original.)

[69] "TNO" apparently stands for Teodoro Nguema Obiang. Mr. Obiang is also active in the media in Equatorial Guinea, apparently owing the only privately-held radio station, Radio Asonga, and serving as director of the state owned TV Asonga.

[70] See, e.g., Washington Post, "Oil Gives African Nation a Chance for Change: Despite Leader's Promises, Many Fear People of Equatorial Guinea Will Not Benefit From Windfall," May 13, 2001; CBS News: 60 Minutes, "Kuwait of Africa," July 18, 2004, http://www.cbsnews.com/stories/2003/11/14/60minutes/main583700.shtml.

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In 2004, this Subcommittee charged that Riggs Bank in Washington, D.C. had opened more than 60 accounts and certificates of deposit for the EG government, EG officials, and their relatives and, when administering them, had "turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement." Documents released by the Subcommittee showed that the bank had opened multiple personal accounts for the EG President and his wife, helped establish two offshore corporations controlled by President Obiang, and over a three-year period from 2000 to 2002, had "facilitated nearly $13 million in cash deposits into Riggs accounts controlled by the E.G. President and his wife."[71] The Subcommittee also released documents showing that about $35 million had been withdrawn from the country's oil revenue accounts at Riggs Bank and wire transferred to accounts opened in the name of Apexside Trading Ltd. and Kalunga Co., offshore shell corporations associated with EG officials, including President Obiang.[72]

In 2006, a civil complaint was filed in the High Court of South Africa by a South African firm, Maseve Investments, which was attempting to collect on a debt that it claimed the EG government owed in connection with a contract to construct an EG airport. To collect the debt, the plaintiff attempted to seize two luxury Cape Town homes that were owned by Mr. Obiang, but which the plaintiff alleged had been purchased with EG government funds sent from an account at Riggs Bank.[73] Mr. Obiang filed a sworn affidavit in response, producing wire transfers showing that the houses had been purchased with funds from an EG account held in the name of a company he owned, Socage.[74] He stated in the affidavit:

> "Cabinet ministers and public servants in Equatorial Guinea are by law allowed to own companies that, in consortium with a foreign company, can bid for government contracts and should the company be successful, then what percentage of the total cost of the contract the company gets, will depend on the terms negotiated between the parties. But in any event, it means that a cabinet

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[71] 2004 Subcommittee Investigation into Riggs Bank, at 129.
[72] Id., at 167.
[73] See Maseve Investments 7 (Pty) Ltd. v. Republic of Equatorial Guinea, (High Court of South Africa, Cape Provincial Division), Case No. 1407/2006. See also The Cape Times, "Equatorial Guinea playboy's Cape homes seized," February 16, 2006; The Guardian, "The tiny African State, the President's Playboy Son and the $35M Malibu Mansion," November 10, 2006.
[74] 8/8/06 Affidavit of Teodoro Nguema Obiang, Second Respondent, Maseve Investments 7 (PTY) Ltd. v. Equatorial Guinea, (High Court of South Africa, Cape Provincial Division), Case No. 1407/2006.

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minister ends up with a sizeable part of the contract price in his bank account."[75]

The U.S. Department of Justice later characterized this statement as follows: "Although Teodoro Nguema OBIANG has claimed that this practice was legal, the assertion also suggests that he may be receiving bribes or extortion payments in the form of a percentage of contract revenue."[76]

In March 2007, three nonprofit anti-corruption organizations, Sherpa, Survie, and the Federation of the Congolese Diaspora, filed a legal complaint before the French Public Prosecutor alleging the ruling families of Equatorial Guinea, Gabon, Angola, Burkina Faso, and Congo owned millions of dollars worth of properties in France "that could not be the fruits of their official salaries … but would have likely required the use of stolen public assets."[77] The complaint attached articles and reports with alleged information about property and vehicles owned by the Heads of State and their relatives, including the Obiangs. According to a later legal pleading filed in the case, in June 2007, a police investigation was launched in response to the complaint which confirmed most of the allegations and uncovered additional luxury properties, vehicles, and bank accounts belonging to the cited Heads of State and their relatives.[78] The police allegedly confirmed, for example, that "Teodorin Obiang, son of the President of Equatorial Guinea, acquired at least 5 million Euros worth of luxury cars."[79] In November 2007, however, the police investigation was halted by the Public Prosecutor.

On July 9, 2008, another nonprofit organization dedicated to combating corruption, Transparency International France (TI France), together with two citizens from Gabon and the Congo, re-filed the complaint before the French Public Prosecutor with the goal of asking an

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[75] Id., at 12.

[76] 9/4/07 memorandum from the U.S. Department of Justice to the Central Authority of France, MEW:SCR.PJR 182-21407, at 5-6, no bates number. See also The Financial Times, "Taking a Cut Acceptable, Says African Minister," October 25, 2006, http://www.ft.com/cms/s/0/98cb7e86-645a-11db-ab21-0000779e2340.html?nclick_check=1.

[77] Legal memorandum prepared by Sherpa & Transparency International France (TI France), Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 1. This memorandum recounts the history of the anti-corruption case filed by the three organizations from 2007 to 2009. The initial 2007 complaint is Plainte Pres le Tribunal de Grande Instance de Paris, undated, PSI-OECD-00001-13.

[78] Legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 1.

[79] Id. Later, in 2009, a 600-page compilation of documents related to the French police investigation was leaked to the press. Among other information, those documents indicate that the police had identified a luxury Paris apartment owned by Teodorin Obiang as well as eight luxury cars worth a total of $6.2 million. MWC News, October 30, 2009, "France Halts African Leaders Probe," mwcnews.net/content/view/34091/51/. See also Agence France, "French Corruption Suit Targets African Leaders," December 2, 2008.

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investigating judge to reopen the investigation.[80] On December 2, 2008, after the Public Prosecutor declined to pursue the case, TI France filed a civil party petition with an investigating judge alleging that the presidents of Equatorial Guinea, Gabon, and Congo had acquired luxury homes and other property in France with embezzled public funds and requesting that an investigation be undertaken.[81] On April 8, 2009, the Public Prosecutor recommended that the TI France petition be ruled inadmissible due to a lack of standing.[82] On May 5, 2009, the Dean of investigating judges rejected that recommendation and instead held that the case could continue.[83] The Public Prosecutor appealed the Dean's decision, and in October 2009, a French appeals court ruled that TI France did not have standing to file the petition and dismissed it.[84] That ruling is now on appeal to France's highest court.[85]

While this lengthy civil proceeding was unfolding in court, in September 2007, the U.S. Department of Justice (DOJ) sent a formal request to the "Central Authority of France" requesting assistance with an ongoing U.S. criminal investigation into Teodorin Obiang and his associates.[86] The 2007 DOJ memorandum making this request was leaked to the press in November 2009.[87] The memorandum stated that Mr. Obiang "has been the subject of various U.S. government inquiries

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[80] Legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 2.

[81] Plainte Avec Constitution de Partie Civile Pres le Tribunal de Grande Instance de Paris, undated, PSI-OECD-00014-38; legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 2. The civil party petition was also filed by Gregory Ngbwa Mintsa, a Gabonese citizen.

[82] Legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 3.

[83] Ordonnance D'Irrecevabilite Partielle De Plainte Avec Constitution De Partie Civile, Tribunal de Grande Instance de Paris, May 5, 2009, PSI-Transparency-USA.org 00001-00005; legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 5; TI France Press Release, "Corruption case filed by Transparency International France and a Gabonese citizen ruled partially admissible," May 5, 2009. See also BBC News, "Lawsuit on Africa Leaders 'Valid,'" May 6, 2009, http://news.bbc.co.uk/2/low/africa/8035218.stm; Connect Africa, "African Leaders to be Tried by French Magistrate," May 6, 2009, http://connectafrica.wordpress.com/2009/05/06/ african-leaders-to-be-tried-by-french-magistrate.

[84] Cour D'Appel De Paris Pole 7 Deuxieme Chambre De L'Instruction, Appel D'une Ordonnance De Recevabilite De Constitution De Partie Civile Arret, October 29, 2009, PSI-Transparency-usa.org 00006-15. See also TI France Press Release, "Appealing for justice: three African presidents and their French assets," October 29, 2009; MWC News, "France Halts African Leaders Probe," October 30, 2009; Agence France, "French Corruption Suit Targets African Leaders," December 2, 2008; Impunity Watch, "French Court Halts Corruption Probe," October 31, 2009, http://www.impunitywatch.com/impunity_watch_europe/2009/10/french-court-halts-corruption-probe.html.

[85] TI France Press Release, "Appealing for justice: three African presidents and their French assets," October 29, 2009.

[86] 9/4/07 memorandum from the U.S. Department of Justice to the Central Authority of France, MEW:SCR.PJR 182-21407, no bates number (hereinafter "2007 DOJ memorandum").

[87] The DOJ memorandum was posted on the website of the New York Times on November 17, 2009. See New York Times, "Taint of Corruption is No Barrier to U.S. Visa," November 16, 2009, http://www.nytimes.com/2009/11/17/us/17visa.html.

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for several years."[88] It stated that DOJ and the U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE) were "investigating suspected criminal conduct of Teodoro Nguema OBIANG and his associates involving the illicit transfer and laundering of assets believed to be derived from extortion, bribery and/or the misappropriation, theft, or embezzlement of public funds." It continued:

> "[S]ources have informed investigators that Teodoro Nguema OBIANG, in his official capacity, has instituted a large 'revolutionary tax' on timber, but insisted that the payments be made directly to him, either in cash or through checks to SOMAGUI FORESTAL, a forestry company owned by Teodoro Nguema OBIANG. … [I]n August 2006, Teodoro Nguema OBIANG filed an affidavit with the High Court of South Africa in a civil matter regarding whether funds held by Teodoro Nguema OBIANG belonged to the Equatorial Guinea government, a contention that Teodoro Nguema OBIANG contested. In his affidavit, Teodoro Nguema OBIANG admitted that cabinet ministers in Equatorial Guinea form private companies which act in consortia with foreign companies when obtaining government contracts and, as a consequence, 'a cabinet minister ends up with a sizeable part of the contract price in his bank account.' Although Teodoro Nguema OBIANG has claimed that this practice was legal, the assertion also suggests that he may be receiving bribes or extortion payments in the form of a percentage of contract revenue."[89]

The memorandum concluded: "The prosecutors suspect that most, if not all, of Teodoro Nguema OBIANG's assets are derived from extortion, bribery or the misappropriation of public funds."[90]

A presentation by ICE in support of the 2007 request for assistance provided additional information. It stated that Mr. Obiang "[t]ravels frequently to the United States as an 'A-1' diplomat, although he is seldom on official business," and "[r]outinely travels to the United States with over $1 million in cash, and fails to declare," which is a federal crime punishable by up to five years in prison.[91] The ICE presentation also stated that Mr. Obiang was the "[t]arget of multiple [Suspicious Activity Reports] for suspected money laundering from different financial institutions,"[92] and identified multiple assets and bank

[88] 2007 DOJ memorandum at 3.
[89] 2007 DOJ memorandum at 5-6. See also Financial Times, "Taking a Cut Acceptable, Says African Minister," October 25, 2006, http://www.ft.com/cms/s/0/98cb7e86-645a-11db-ab21-0000779e2340.html?nclick_check=1.
[90] 2007 DOJ memorandum at 11.
[91] U.S. Immigration and Customs Enforcement powerpoint presentation, undated but likely in 2007, "Teodoro Nguema OBIANG, et al," slides 9 and 10.
[92] Id., at slide 10.

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accounts associated with Mr. Obiang in France, South Africa, and the United States.

The Subcommittee attempted to confirm the 2007 criminal investigation discussed in the DOJ and ICE materials. Neither DOJ nor ICE would confirm the investigation or provide an update of its status. To date, no federal criminal indictment or civil asset forfeiture action involving Mr. Obiang had been made public.

In 2008, a complaint was filed in a Spanish court by the Open Society Institute and Soros Foundation, alleging money laundering of misappropriated oil revenues by EG officials. According to press articles, the complaint alleges that President "Teodoro Obiang has controlled close to 16 billion Euros [roughly US $22 billion] worth of oil revenues since he took power in 1979."[93] The complaint also alleges that President Obiang and his relatives purchased more than $26 million in Spanish real estate with suspect funds. According to press reports, this civil complaint remains active.

Together, these investigations and complaints over the past five years have raised substantial public concerns about the Obiang family in general and Mr. Obiang in particular, and suggest that the funds in their possession should be viewed as suspect.

B. Obiang Use of Attorneys To Bring Suspect Funds Into the United States

For the four year period, 2004 to 2008, examined in this case history, Mr. Obiang employed members of the U.S. legal profession to help him bring millions of dollars in suspect funds from Equatorial Guinea into the United States through U.S. bank accounts. Two of the attorneys he employed in those efforts were Michael Berger who worked for him for four years, and George Nagler who worked for him for two years. Both attorneys were aware of the allegations of corruption related to Mr. Obiang, but facilitated his efforts to use shell company, attorney-client, law office, and other third party accounts at six U.S. banks as hidden conduits for his funds.

(1) Attorney Michael J. Berger

Documentation obtained by the Subcommittee shows that, from at least 2004 to 2008, Mr. Obiang employed Michael Jay Berger, a California attorney, to carry out a variety of personal and business transactions. Among other services, Mr. Berger incorporated two U.S. shell companies called Beautiful Vision, Inc. and Unlimited Horizon,

[93] See El Mundo, "Obiang Launders over $26 Million, Buying Real Estate in Spain," December 9, 2008.

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Inc. on behalf of Mr. Obiang; opened bank accounts in the names of those shell companies; and used those shell company accounts, as well as Mr. Berger's own attorney-client and law office accounts, to bring at least $3 million in suspect funds from Equatorial Guinea into the United States and pay Mr. Obiang's bills and expenses. The documents indicate that Mr. Berger actively assisted Mr. Obiang in using these third party accounts as conduits for his funds, at times helped conceal Mr. Obiang's activities from the banks administering the accounts, and thereby helped Mr. Obiang bypass AML and PEP safeguards designed to detect and analyze high risk transactions. Mr. Berger also assisted Mr. Obiang in the purchase of a $30 million California residence, as explained later in this section.

The documents indicate that, while working for Mr. Obiang, Mr. Berger was well aware of Mr. Obiang's political status and suspect wealth. Mr. Berger maintained a collection of press articles related to Mr. Obiang, for example, many of which described corruption problems within Equatorial Guinea, alleged that the wealth accumulated by Mr. Obiang's father, the President of Equatorial Guinea, originated as the proceeds of corruption, and criticized Mr. Obiang's lavish lifestyle.[94]

Mr. Berger received hundreds of thousands of dollars in compensation for his services as well as other benefits. Although he provided documents in response to a Subcommittee subpoena, Mr. Berger declined to answer Subcommittee questions regarding his dealings with Mr. Obiang, asserting his Constitutional rights under the Fifth Amendment.

(a) Incorporating Shell Companies and Paying Bills

Mr. Berger is a California attorney who, according to his website, specializes in bankruptcy law.[95] He started his own firm in 1983, and his web site describes his clients as ranging from high-profile to working-class.[96] His relationship with Mr. Obiang, which dates back to at least 2004, involved his providing a variety of services to support Mr. Obiang's interests in the United States.

Mr. Berger formed two U.S. corporations for Mr. Obiang. The first was Beautiful Vision, Inc., a California corporation which was formed on October 12, 2004, and whose incorporation papers list Mr. Berger as the company president.[97] Although none of the incorporation documents mentions Mr. Obiang by name, he was the sole

[94] Various periodicals, SEN000535-84; 11/21/06 email from Mr. Berger to Mr. Obiang, SEN004492; 9/15/07 email from Mr. Berger to Mr. Obiang, SEN004620; 10/28/07 email from Mr. Berger to Mr. Obiang, SEN004389.
[95] Michael Jay Berger, Esq., http://www.bankruptcypower.com/.
[96] Id.
[97] See incorporation papers for Beautiful Vision, Inc., Wells Box 1, no bates number. See also Coldwell Banker agreement signed by Mr. Berger as president of Beautiful Vision, PSI-Coldwell_Banker-01-000501.

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signatory on a Beautiful Vision account at Bank of America and, in a later sworn statement in an arbitration case, Mr. Obiang described Beautiful Vision as "my company."[98]

One year later, on October 21, 2005, Mr. Berger formed a second California corporation for Mr. Obiang called Unlimited Horizon, Inc. Its incorporation papers identify Mr. Berger as the agent to accept service of process, but do not identify any officers or directors by name.[99] The incorporation documents do not mention Mr. Obiang. Mr. Berger later identified himself in bank account opening documentation as the president of Unlimited Horizon.[100]

From 2004 to 2007, Mr. Berger opened multiple bank accounts in the names of Beautiful Vision, Inc. and Unlimited Horizon, Inc., and used those accounts to pay bills and expenses associated with Mr. Obiang.

One of the documents reviewed by the Subcommittee illustrates the types of services performed by Mr. Berger for Mr. Obiang in connection with these shell corporations. On July 17, 2006, Mr. Berger entered into a written agreement with Mr. Obiang to perform services related to Unlimited Horizon, Inc.[101] The contract identified five services to be provided by Mr. Berger: (1) paying household bills associated with Mr. Obiang's residence at 3620 Sweetwater Mesa Road in Malibu, California; (2) hiring a payroll service company to pay the salaries of the employees of Unlimited Horizon, Inc., and compute any taxes owed in connection with these salaries; (3) hiring an accountant to perform that tax work; (4) obtaining worker's compensation insurance for Unlimited Horizon, Inc.; and (5) reviewing and paying Mr. Obiang's personal bills upon request.[102]

Other documents show that Mr. Berger's tasks included such matters as screening, hiring, and facilitating the payroll of the domestic staff at the $30 million Malibu residence Mr. Obiang had purchased, including private security guards, butlers, chefs, drivers, and other caretakers.[103] One bill showed, for example, that over the course of seven months in 2007, Mr. Berger paid over $330,000 for two

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[98] January 2007 Declaration of Teodoro Nguema Obiang, Mirzo International, Inc. v. Hyland, Case No. AB06-15 (Beverly Hills/Greater Los Angles Association of Realtors Arbitration Complaint Case), SEN007574-76 ("On or about November 1, 2004, I authorized Mr. Berger, as then President of my company, Beautiful Vision, Inc., to sign an Exclusive Retainer Agreement").

[99] See Unlimited Horizon articles of incorporation, PSI-Union_BK_Calif-01-000007-12, at 12; C0000016; 8/23/05 Bank of America Investigative File on Unlimited Horizon, Inc. account, BAC-PSI-05948.

[100] See, e.g., 8/28/06 account opening documentation for Unlimited Horizon account at Union Bank of California, PSI-Union_BK_Calif-01-000007-12.

[101] 7/17/06 agreement between Mr. Berger and Mr. Obiang, SEN000001-5.

[102] Id.

[103] 1/10/08 Fax from Mr. Berger to Mr. Obiang, SEN000008.

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bodyguards available 24 hours per day at $38 per hour, and over $7,400 for "The Fish Physician" to provide services related to Mr. Obiang's fish tank and Koi pond.[104] These funds were disbursed from an Unlimited Horizon account at Union Bank of California.[105]

Mr. Berger also assisted Mr. Obiang in his 2006 purchase of the $30 million Malibu property, as detailed later in this section. An October 2006 email from Mr. Berger to Mr. Obiang shows that he also helped negotiate contracts with third parties regarding that property. In the message, Mr. Berger describes meeting with an interior decorator to discuss a $4 million budget for decorating Mr. Obiang's Malibu residence:

> "I met for 2 hours today with your designer .... I convinced them to accept 25% commission on all items, not the 30% in their draft contract. ... The job has an approximate budget of $4,000,000.00. 5% of $4,000,000.00 is $200,000.00. I feel good about saving you money .... I enjoy working for you."[106]

(b) Bringing In and Moving Suspect Funds

From at least 2004 to 2008, Mr. Obiang utilized a variety of U.S. bank accounts and wire transfer systems to bring millions of dollars in suspect funds from Equatorial Guinea into the United States to support his U.S. activities. Documents reviewed by the Subcommittee show that Mr. Berger helped Mr. Obiang conceal his U.S. financial activities, primarily by opening and using shell company accounts and his own attorney-client and law office accounts at U.S. banks as conduits for Obiang funds. Mr. Berger does not appear to have taken any steps to ensure that the funds he helped bring into the United States were legitimate.

From 2004 to 2007, Mr. Obiang used accounts at three U.S. banks, Union Bank of California, Bank of America, and Citibank, often with Mr. Berger's assistance, to deposit, transfer, and spend nearly $10 million. Most of these funds were wire transferred from accounts in Equatorial Guinea held in the name of Mr. Obiang or two EG companies he controlled, Somagui Forestal and Socage. The EG wire transfers often deposited funds into attorney-client or law office accounts controlled by Mr. Berger, who then transferred the funds to other Obiang-related accounts. This two-step process helped mask the fact that the other accounts were receiving funds from Equatorial Guinea, which most banks flag as a high risk country due to its weak AML controls and reputation for corruption. Mr. Berger also used the EG

[104] Various dates, checks from Unlimited Horizon, Inc. General Account at Union Bank of California, PSI-Union_Bk_Calif-01-000048-397 (Sealed Exhibit). See also 10/10/06 Invoice from Saurman Investigative Services, Inc. and 10/28/06 check from Unlimited Horizon, Inc., SEN000874.
[105] Id.
[106] 10/18/06 email from Mr. Berger to Mr. Obiang, SEN003438.

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funds to pay Obiang-related bills and expenses. Over time, as the three banks discovered the EG wire transfers or Mr. Obiang's use of their accounts, they closed the accounts he was using. The two banks with a Berger attorney-client or law office account also terminated their relationships with him, due to the incoming EG wires and Mr. Obiang's surreptitious use of the accounts. Each time an account was closed, however, Mr. Obiang responded by finding another U.S. bank account, often with Mr. Berger's assistance, that he could utilize.

Mr. Berger's matter-of-fact reaction to the account closings is instructive. On June 12, 2007, Union Bank of California closed Unlimited Horizon, Inc. General Account No. 0720115409, less than a year after it was opened, due to suspicious transactions.[107] Following the account closure, Mr. Berger wrote an email to Mr. Obiang explaining the status of the account, steps he was taking to avoid any complications from the closure, and alternative funding channels that could be used, including an Unlimited Horizon account at Citibank, a Berger attorney-client account at Bank of America, and perhaps a new account at another bank.

> "Attached hereto is a copy of the check register of the general account at Union Bank from June 1, 2007 through June 12, 2007, the date it was closed by the bank. There is currently a zero balance in said account. Checks that were written but did not clear before the account was closed are listed. … Most of these checks have already been replaced with new checks from the Citibank account. I have not yet heard from DMV with respect to replacement of 2 registration checks that did not clear: checks for your 2005 Lamborghini and your 2005 Mercedes. I will replace these checks as soon as I receive a bill from DMV, as I did for your 2005 Porche.
>
> Also attached hereto is a copy of the Check register for the general account at Citibank from its opening on 6/25/07 through today, 7/11/07. The remaining balance in this account is $19,664.96. I am saving this money for the next payroll which will take place on Friday, July 13.
>
> Also attached hereto is an account of the funds that were deposited by me into my Bank of America Client Trust Account on your behalf, and the checks I wrote on your behalf. You have $9,727.55 remaining in my Bank of America Client Trust Account. Per our discussion, I will use these funds to open up another bank account at another bank or, if needed, deposit these funds into the existing Citibank account.

[107] 7/11/07 email from Mr. Berger to Mr. Obiang, SEN004574. See also 8/28/06 Bank-Depositor Agreement of Union Bank of California and Unlimited Horizon, Inc., PSI-Union_BK_Calif-01-000007-12.

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> … I have prepared and attached an invoice to you requesting a wire transfer of $200,000.00 to my Bank of America Client Trust Account. I will need these funds to pay additional bills for you. A copy of my Bank of America Client Trust Account Wire Transfer Information is attached hereto.
>
> As always, I appreciate the opportunity to work for you."[108]

As this email and other documents demonstrate, Mr. Berger actively assisted Mr. Obiang in bypassing U.S. AML and PEP safeguards intended to keep foreign corruption out of the United States.

(i) Union Bank of California

For more than four years, from 2004 to 2008, Mr. Obiang used accounts at Union Bank of California (UBOC) to bring suspect funds into the United States to support his activities. Using multiple shell company, law office, and other third party accounts, none of which were opened in his own name, Mr. Obiang was able to wire transfer nearly $8 million in suspect funds into UBOC accounts. Mr. Berger was instrumental in opening the shell company and law office accounts, moving Obiang funds through them, and masking Mr. Obiang's financial activities from the bank.

From 2001 to 2004, Mr. Obiang sent multiple wire transfers from Equatorial Guinea, including one for over $6.2 million, to UBOC accounts, including one opened in the name of an individual employed by Mr. Obiang and another opened by an Obiang-related shell company, Sweet Pink, Inc. After detecting these EG wire transfers in 2004, the bank closed both accounts in 2005. In 2006, Mr. Berger opened two accounts for another Obiang shell company, Unlimited Horizon, as well as a law office account at UBOC, without disclosing that Mr. Obiang would be using them. Over a ten-month period from 2006 to 2007, EG wire transfers totaling more than $1.7 million were deposited into the new Berger law office account. Over that same time period, Mr. Berger transferred those funds to the two Unlimited Horizon accounts which he then used to pay Mr. Obiang's bills and expenses.

While the $1.7 million in EG wire transfers triggered internal UBOC AML alerts, UBOC did not review the transactions for about six months, because it was negotiating a deferred prosecution agreement with the U.S. Justice Department over deficiencies in UBOC's AML program. In June 2007, UBOC finally reviewed the transactions. Bank personnel concluded that the EG wire transfers were suspicious, raising both fraud and AML concerns, and UBOC immediately closed all three accounts.

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[108] 7/11/07 email from Mr. Berger to Mr. Obiang, SEN004574.

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But Mr. Obiang still wasn't done making surreptitious use of UBOC accounts. UBOC later discovered that, in 2008, Mr. Obiang wire transferred nearly $30,000 to a UBOC account held by the mother of a woman he was dating, and then withdrew the funds via cash withdrawals at ATM machines and casinos in the United States.

Wire Transfers and Kulungian Account. UBOC told the Subcommittee that it first became aware of Obiang-related account activity in 2004, after UBOC deemed Equatorial Guinea to be a high-risk country and conducted a search for EG wire transfers.[109] The search identified one large 2001 wire transfer of $6.2 million and seven smaller wire transfers from 2003 to 2004, totaling about $18,700, that had been sent from an Obiang account at Riggs Bank, Account No. 76923450, to accounts at UBOC. The $6.2 million wire transfer had been sent to a UBOC account for Beverly Hills Escrow in connection with Mr. Obiang's purchase of a residence near Los Angles as explained below.[110] The remaining wire transfers had been sent to UBOC Account No. 1301073100, held in the name of Carla Kulungian.[111] Still another wire transfer for more than $14,700 had been sent from an Obiang company, Somagui Forestal, to the Kulungian account.[112] UBOC told the Subcommittee that it was able to determine that Ms. Kulungian worked as a secretary for Mr. Obiang, and had accepted the wire transfers into her account pursuant to her employment.[113] On November 19, 2004, UBOC closed the Kulungian account.[114]

Sweet Pink Account. Nearly a year later, on September 29, 2005, a UBOC checking account, Account No. 1300052831, was opened in the name of Sweet Pink, Inc.[115] Sweet Pink, Inc. is a California shell corporation, formed in 2005, by another attorney who worked for Mr. Obiang, George Nagler, as described later in this section. During October 2005, two wire transfers, each for nearly $30,000, were deposited into the account by Somagui Forestal, Mr. Obiang's EG company.[116] The bank learned of the EG wire transfers and closed the

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[109] Subcommittee interview of Union Bank officials, February 25, 2009; 10/21/04 UBOC Case Report, PSI-Union_Bank_of_California-04-0449-52 (providing results of search related to "Equatorial Guinea Government and related officials/family members scrub"). According to UBOC employees, each year UBOC ranked various countries by risk, using recommendations and reports of the Financial Action Task Force (FATF), the U.S. State Department, Transparency International, and other sources. UBOC assigned each country a risk rating of high, medium, or low. UBC's monitoring software then screened wire transfers and other transactions on a monthly basis to identify high risk activity for further review.
[110] 10/21/04 UBOC Case Report, PSI-Union_Bank_of_California-04-0450, 0452.
[111] Id., at 0450. See also Subcommittee interview of Union Bank officials, February 25, 2009.
[112] 10/21/04 UBOC Case Report, PSI-Union_Bank_of_California-04-0450.
[113] Subcommittee interview of Union Bank officials, February 25, 2009.
[114] 10/21/04 UBOC Case Report, PSI-Union_Bank_of_California-04-0177; Subcommittee interview of Union Bank officials, February 25, 2009.
[115] UBOC Case Report on Sweet Pink, Inc. Wire Review, PSI-Union_Bank_of_California-04-0191.
[116] Id.

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Sweet Pink account on October 27, 2005, less than a month after it had been opened.[117]

Unlimited Horizon and Law Office Accounts. Undeterred by the closing of the two accounts, a year later Mr. Obiang struck again, this time using Mr. Berger to open the accounts. In August 2006, Mr. Berger opened two accounts at UBOC for Unlimited Horizon, Inc., without mentioning Mr. Obiang's connection to the company. Mr. Berger initially funded the accounts with Obiang funds held in his attorney-client account at Bank of America.[118] Two months later, Mr. Berger opened a law office account at UBOC, and immediately began accepting EG wire transfers into that account. Over a ten-month period from 2006 to 2007, EG wire transfers deposited more than $1.7 million into the UBOC Berger law office account. During that same period, Mr. Berger transferred the funds via check to the two Unlimited Horizon accounts and then used those accounts to pay Mr. Obiang's bills and expenses. By allowing his law office account to function as a pass-through for the EG funds, Mr. Berger helped Mr. Obiang circumvent UBOC's AML and PEP controls and bring suspect funds into the United States.

Mr. Berger opened the two Unlimited Horizon accounts at Union Bank of California on August 28, 2006, Accounts No. 0720115409 and No. 0720115417.[119] The account opening documentation shows that Mr. Berger listed himself as the sole signatory for both accounts.[120] The documentation makes no mention of Mr. Obiang.

An August 28, 2006 email shows that Mr. Berger and Mr. Obiang explicitly agreed from the beginning to channel Obiang funds through the two Unlimited Horizon accounts. The email also makes it clear that both men knew Mr. Berger was using his attorney-client account to transact business and execute funding transfers for Mr. Obiang. Mr. Berger wrote:

> "Dear Mr. Nguema:
>
> Attached hereto is proof of my opening two business checking accounts for Unlimited Horizon, Inc. at Union Bank today and wire transfer information for these two accounts. From the funds that I am holding for you in my client trust account, I deposited $20,000.00 into the general account for Unlimited Horizon, Inc.

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[117] Id.

[118] 8/28/06 check from the Law Offices of Michael Jay Berger Attorney-Client Trust Account to Unlimited Horizon, Inc., PSI-Union_Bank_of_California-01-000026.

[119] 8/28/06 Bank-Depositor Agreement of Union Bank of California and Unlimited Horizon, Inc., PSI-Union_Bank_of_California-01-000007-11. The first account was designated a "general" account for Unlimited Horizon, Inc., while the second was designated a "special" account for Unlimited Horizon.

[120] Id.

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and $10,000.00 into the special account for Unlimited Horizon, Inc."[121]

Two months later, on October 15, 2006, Mr. Berger sent Mr. Obiang the following email:

"As of today, I have spent or transferred to the Unlimited Horizon Accounts all of the funds that you wired to my client trust account. … Unlike my client trust account [at Bank of America] which is used for many clients, the 2 Unlimited Horizon Accounts are used exclusively for your business. … [T]he need for the transfer of additional funds is clear. … By separate email and fax, I am sending you a request for a wire transfer of $200,000.00."[122]

The following day, October 16, 2006, Mr. Berger opened a third account at UBOC, the Michael Jay Berger DBA Law Office of Michael Jay Berger, Account No. 0720115581.[123] He was the only authorized signatory on the account.[124] He immediately began using his law office account as a pass-through for EG wire transfers, accepting large wire transfers from Somagui Forestal and Obiang accounts in Equatorial Guinea and forwarding the funds via check to the Unlimited Horizon general account at UBOC.

Two weeks after opening the new account, for example, on November 1, 2006, Mr. Berger sent Mr. Obiang an email asking him to wire $200,000 to Mr. Berger's new law office account at UBOC and explaining that he would then transfer the funds to the Unlimited Horizon account and, in turn, pay Mr. Obiang's bills and expenses.

"Dear Mr. Nguema:

Our July, 2006 agreement requires me to send you an e-mail 'whenever the balance in the checking account of Unlimited Horizon, Inc. falls below $50,000.00.' The balances as of today in the two Unlimited Horizon, Inc. accounts are as follows (after the clearing of all checks that have been written and sent out):

General Account $53,354.51
Special Account $ 336.46

Per our in person discussion on October 29, 2006, I suggest that the wire transfer be sent to my new client trust account at Union Bank. I will transfer it from there to the Unlimited Horizon, Inc. General Account. I will send you a separate e-mail and fax

[121] 8/28/06 email from Mr. Berger to Mr. Obiang, SEN004449.
[122] 10/15/06 email from Mr. Berger to Mr. Obiang, SEN004465.
[123] 10/16/06 Bank of California Bank-Depositor Agreement, PSI-Union_BK_Calif-01-000629-630.
[124] Id.

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requesting a $200,000 wire transfer and providing wire transfer information for this new account."[125]

On November 24, 2006, Somagui Forestal wired nearly $200,000 to Mr. Berger's new law office account.[126]

From November 24, 2006 through June 6, 2007, eight EG wire transfers from Somagui Forestal or Mr. Obiang, totaling over $1.7 million, were deposited into the new Berger law office account at UBOC.[127] Bank records indicate that soon after receiving each wire transfer, Mr. Berger transferred the funds received by writing a check to Unlimited Horizon Account No. 0720115409.[128] The funds deposited into the Unlimited Horizon account were then used to pay Mr. Obiang's bills, including household expenses, parking tickets, car repairs, clothing, home furnishings, and electronics.[129]

In addition, from October 2006 to March 2007, on a monthly basis, Mr. Berger wrote himself a $5,000 self-endorsed check from the Unlimited Horizon account, presumably as compensation for his services.[130]

The $1.7 million in EG wire transfers sent to the Berger law office account did not go unnoticed; they triggered several internal UBOC anti-money laundering (AML) alerts.[131] The bank's review of these alerts was delayed, however, due to a deferred prosecution agreement that it was then negotiating with the U.S. Department of Justice arising from deficiencies in UBOC's AML program.[132] As part of the deferred prosecution agreement, UBOC was required to complete a number of pending compliance matters that delayed its review of the 2006 and 2007 EG wire transfers.[133]

On or about June 11, 2007, Union Bank of California initiated an internal review of the EG wire transfers into the Berger law office account extending back to November 2006, and that account's

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[125] 11/1/06 email from Mr. Berger to Mr. Obiang, SEN004477. Although the account is held in the name of Mr. Berger's law office, he refers to the account in this email as his "new client trust account."
[126] 11/24/06 wire transfer from Somagui Forestal, PSI-Union_Bk_Calif-01-000642.
[127] Wire transfers from Somagui Forestal, PSI-Union_BK_Calif-01-000642-647, 649-650.
[128] UBOC account statements, PSI-Union_BK_Calif-01-000631-641; UBOC wire transfer records, PSI-Union_BK_Calif-01-000652, 000657, 000660, 000667, 000678, 000686, 000697, 000718.
[129] Various dates, checks from Unlimited Horizon, Inc. to a variety of service vendors, PSI-Union_Bk_Calif-01-000048-397 (Sealed Exhibit).
[130] Various dates, checks from Unlimited Horizon, Inc. to Mr. Berger, PSI-Union_Bk_Calif-01-000391, 000331, 000274, 000239, 000182, 000140.
[131] Union Bank of California wire monitoring software screens every field of wire transfer data for certain names, countries, and dollar amounts. Subcommittee interview of Union Bank officials, February 25, 2009.
[132] Id.
[133] Id.

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subsequent transfers to the Unlimited Horizon accounts.[134] Bank personnel concluded that the EG wire transfers were suspicious, raising both fraud and AML concerns. The investigative report of the UBOC Financial Intelligence Unit stated the following:

> "The investigation found the use of multiple corporate vehicles by Michael Berger, the lawyer of a Politically Exposed Person (PEP), to disguise the identity of the PEP as well as layer and integrate funds derived via international wire transactions from a high risk jurisdiction [Equatorial Guinea], which had the appearance of money laundering activity. ... Several problematic areas were detected in the client's business account activity. … [S]pecifically, the client (1) received multiple wire transactions from Teodoro Nguema Obiang and his company in Equatorial Guinea (EG), Somagui Forestal, (2) processed 3rd party checks payable to Teodoro Nguema Obiang through his IOLTA [law office] account in order to conceal the identity of the listed payee, and (3) operated a California LLC, Sweetwater Malibu LLC, in order to layer and integrate funds which originated in a high-risk jurisdiction. The ultimate benefactor of the transactions was Teodoro Nguema Obiang with the funds being utilized to pay for his estate and living expenses in the United States. …
>
> The aggregate total of all suspicious credits to the client's IOLTA account was $1,752,520. … [T]he total debits from the client's IOLTA account which were deemed suspicious in nature totaled $1,551,855.00. … [T]he total of [all debits paid from Ultimate [sic] Horizon accounts deemed suspicious] was $1,656,359.00. … [T]he aggregate total of all suspicious activity detected during this investigation was $4,960,734.00.
>
> This suspicious activity consisted of the use of multiple corporate vehicles by Michael Berger, the lawyer of Politically Exposed Person (PEP) Teodoro Nguema Obiang, in order to disguise the identity of his client as well as to place, layer, and integrate Obiang's funds derived via international wire transactions from Equatorial Guinea, a high risk jurisdiction. Therefore, the detailed actions had the appearance of money laundering activity conducted by a UBOC client on behalf of Obiang."[135]

On June 12, 2007, UBOC closed the Berger law office account.[136] The bank gave Mr. Berger a cashiers check with the remaining funds, which Mr. Berger deposited into his attorney-client account at Bank of

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[134] 6/15/07 UBOC Case Notes on Berger-Wire Review, PSI-Union_Bank_of_California-04-0272.
[135] 6/15/07 UBOC Case Summary on the Berger Wire Review, PSI-Union_Bank_of_California-04-0269.
[136] 6/12/07 letter from Union Bank of California to Mr. Berger, SEN000998. See also 6/15/07 UBOC Case Notes on Berger-Wire Review, PSI-Union_Bank_of_California-04-0272.

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America.[137] UBOC also sent a letter to Unlimited Horizon, addressed to Mr. Berger, stating that "we do not believe it is in the best interest to continue your relationship with Union Bank."[138] On June 12, 2007, UBOC issued a second cashiers check in the amount of $250,014.65 to Unlimited Horizon.[139]

Johnson Account. Even after the closure of the Unlimited Horizon and Berger accounts, Mr. Obiang did not cease his efforts to make use of UBOC accounts. In 2009, UBOC discovered that, on March 28, 2008, Mr. Obiang sent a wire transfer from Equatorial Guinea for nearly $30,000 to a UBOC account belonging to Rayshonda Johnson for her daughter Roxanna Galbran.[140] It is unclear why the bank did not detect and ask questions about the EG wire transfer at the time, given the prior problems with Mr. Obiang. According to a 2009 internal UBOC investigation, Ms. Johnson explained that her daughter was engaged to an African prince, Mr. Obiang, and that the funds were to be used for her daughter's housing expenses. UBOC told the Subcommittee that it had learned the daughter had already lost her home, possibly to foreclosure, and that the funds appeared to have been withdrawn via large cash withdrawals at ATM machines and casinos in the United States.[141] The bank told the Subcommittee that it had concluded Mr. Obiang had once again used a UBOC customer to receive funds in the United States on his behalf, continuing a multi-year pattern of activity to circumvent UBOC's attempts to restrict his financial activity at the bank.

(ii) Bank of America

From 2004 to 2007, Mr. Obiang was also able, with the assistance of Mr. Berger, to deposit over $9.7 million, including over $2 million in wire transfers from Equatorial Guinea and over $4 million from the sale of property in Los Angeles, into accounts at Bank of America, none of which were opened in Mr. Obiang's name. The EG wire transfers generally went to an attorney-client account that Mr. Berger had long maintained at the bank. Mr. Berger then transferred some of these funds into two Bank of America accounts opened for an Obiang shell company, Beautiful Vision, Inc. Mr. Berger and Mr. Obiang then used the Beautiful Vision accounts to pay Obiang-related bills and expenses, until Bank of America closed them in 2005. After that, Mr. Berger used the EG funds in his attorney-client account to either pay Obiang-related bills directly or transfer funds to the Unlimited Horizon accounts at Union Bank of California or Citibank. By using his attorney-client account as a conduit for the EG funds, Mr. Berger helped disguise the real source of funding for the Beautiful Vision and Unlimited Horizon

[137] Subcommittee staff interview of UBC officials, February 25, 2009.
[138] 6/12/07 letter from UBOC to Unlimited Horizon, Inc. and Mr. Berger, SEN007797.
[139] 6/12/07 cashier's check from UBOC to Unlimited Horizon, Inc., SEN004570.
[140] Subcommittee interview of Union Bank officials, February 25, 2009.
[141] Id.

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accounts and enabled Mr. Obiang to utilize those accounts for a substantial period of time. In 2007, after the bank conducted an internal investigation into whether Mr. Obiang was secretly utilizing the Berger attorney-client account, Bank of America closed the account, terminated its relationship with Mr. Berger, and told the Subcommittee that it had taken steps to prevent such tactics in the future.

Beautiful Vision Accounts. From 2004 to 2005, Mr. Berger opened several Bank of America accounts in the name of Beautiful Vision, Inc. Those accounts were used to pay millions of dollars in Obiang-related bills as well as supply Mr. Obiang with two cashiers checks totaling in excess of $3.4 million.

On October 19, 2004, one week after Mr. Berger incorporated Beautiful Vision, Inc., he opened two Bank of America accounts in the name of the company, listing himself in the bank records as the company's owner and president.[142] Beautiful Vision Account No. 02137-06466 was set up as a business checking account,[143] while Beautiful Vision Account No. 02139-06465 was designated a "special" checking account.[144] Mr. Berger was designated the sole signatory for the business checking account,[145] while the sole signatory for the special checking account was Mr. Obiang.[146] Mr. Berger also set up accounts to purchase two CDs in the name of Beautiful Vision, CD Nos. 02135-00057 and 02132-00049.[147] Although Mr. Obiang was the sole signatory on one of the accounts, Bank of America did not perform any due diligence related to him during the account opening process and did not learn of his PEP status.

About two weeks after the accounts were established, on November 1, 2004, Mr. Berger wrote three checks providing $3.1 million in initial funding to the accounts. All three checks were drawn on his Bank of America attorney-client account, and used Obiang-related funds sent from Equatorial Guinea. One check deposited $500,000 into the Beautiful Vision business checking account;[148] a second deposited $1 million into the Beautiful Vision special checking account;[149] and a third provided $1.6 million to purchase the two CDs.[150] Three weeks later, on November 19, 2004, the Beautiful Vision special checking account received a wire transfer for another $4 million from D&G Escrow Corporation, the escrow agent that handled the September

[142] 8/23/05, Bank of America, Master Case Information, BAC-PSI-05948.
[143] Bank of America, Master Agreement: Business Deposit Accounts, BAC-PSI-03036-39.
[144] Id.
[145] Id.
[146] 8/23/05 Bank of America, Master Case Information, BAC-PSI-05948.
[147] Id.
[148] BAC-PSI-03067-68.
[149] BAC-PSI-02398.
[150] BAC-PSI-02400.

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2004 sale of a Los Angeles residence owned by Mr. Obiang, as explained further below.[151] Over the next year, Mr. Berger made additional deposits totaling about $2.5 million.[152] This chart shows the primary deposits into the Beautiful Vision accounts.

Major Deposits Into Beautiful Vision Accounts			
Date	"To:"	Amount	Bates
11/1/04	Beautiful Vision, Inc. 02139-06465 (check from Berger attorney-client account)	$ 1,000,000.00	BAC-PSI-02398
11/1/04	Beautiful Vision, Inc. 02137-06466 (check from Berger attorney-client account)	$ 500,000.00	BAC-PSI-02399
11/1/04	Beautiful Vision, Inc. 02135-00057 (CD) & 02132-00049 (CD) (check from Berger attorney-client account)	$ 1,600,000.00	BAC-PSI-02400
11/12/04	Beautiful Vision, Inc. 02139-06465	$ 500,000.00	BAC-PSI-02473
11/19/04	Beautiful Vision, Inc. 02139-06465 (wire transfer from D&G Escrow)	$ 4,054,408.33	BAC-PSI-02474
12/2/04	Beautiful Vision, Inc. 02139-06465	$ 500,000.00	BAC-PSI-02479
3/4/05	Beautiful Vision, Inc. 02139-0646	$ 605,288.43	BAC-PSI-02492
7/29/05	Beautiful Vision, Inc. 02139-06465 (check from Berger attorney-client account after City National Bank closed Obiang account)	$ 669,691.02	BAC-PSI-02401
8/8/05	Beautiful Vision, Inc. 02139-06465 (wire transfer from Teodoro Obiang)	$ 299,933.50	BAC-PSI-02510
Source: Bank of America		Total: $ 9,729,321.28	

Prepared by Subcommittee

The two Beautiful Vision checking accounts were used to pay bills and expenses associated with Mr. Obiang. The business checking account, for example, issued multiple checks, signed by Mr. Berger, which together totaled about $532,000. While most were for amounts of less than $10,000, one large check for $266,944.45 paid for purchases at a high-end retail store. The special checking account also issued multiple checks, all of which were signed by Mr. Obiang and together exceeded $7.6 million.[153] The following chart lists the Beautiful Vision checks in excess of $50,000 that were funded from the Beautiful Vision special checking account for which Mr. Obiang was the sole signatory.

[151] November 2004 statement for Beautiful Vision special checking account, BAC-PSI-02474. Less than two weeks later, a wire transfer for $3.5 million was sent from the Beautiful Vision account to an account for Mr. Obiang, but that wire transfer was reversed on 12/10/04, and the funds were returned to the account. Id., at BAC-PSI-02474 and 02479.

[152] See 2004-2005 account statements for Beautiful Vision special checking account, BAC-PSI-02470-515.

[153] See 2004-2005 account statements for Beautiful Vision special checking account, BAC-PSI-02470-515.

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Beautiful Vision Checks in Excess of $50,000				
Date	Check Amount	"Pay to the Order of"	"For"	Bates
11/1/04	$ 82,900.00	Naurelle	Furniture	BAC-PSI-02564
11/1/04	$ 137,312.71	Ferrari of Beverly Hills	Maserati BVH	BAC-PSI-02565
11/5/04	$ 63,326.25	Soofer Gallery	Carpet	BAC-PSI-02571
11/5/04	$ 332,243.21	Ferrari of Beverly Hills	Ferrari	BAC-PSI-02566
11/8/04	$ 66,893.11	Summit	(Illigible)	BAC-PSI-02568
11/12/04	$ 80,287.95	Gucci		BAC-PSI-02572
11/13/04	$ 51,288.00	Dolce & Gabbana		BAC-PSI-02563
11/13/04	$ 21,976.56	Fields Pianos	Piano	BAC-PSI-02575
11/16/04	$ 50,000.00	Ferrari of Beverly Hills	Deposit 6/2 Order	BAC-PSI-02574
11/13/04	$ 59,850.00	Soofer Gallery	Rugs	BAC-PSI-02573
11/22/04	$ 280,409.00	Auto Star Signature	Ferrari (Illegible)	BAC-PSI-02567
11/26/04	$ 50,000.00	Lamborghini Beverly Hills		BAC-PSI-02570
11/26/04	$ 288,523.29	Lamborghini Beverly Hills		BAC-PSI-02569
11/26/04	$ 181,265.32	GlobalJet Corp.		BAC-PSI-02578
1/5/05	$ 393,192.90	GlobalJet Corp.		BAC-PSI-02580
1/6/05	$ 55,193.00	Dolce & Gabbana		BAC-PSI-02579
3/4/05	$ 3,300,000.00	Cash		BAC-PSI-02585
3/4/05	$ 285,567.33	GlobalJet Corp.		BAC-PSI-02586
3/5/05	$ 58,500.00	L.A. Audio Video, Inc.	Installation of Bang &Olufsen Home Theatre	BAC-PSI-02587
3/5/05	$ 118,244.66	ADT Security Services	Teodoro Nguema Obiang	BAC-PSI-02591
7/30/05	$ 330,173.96	O'Gara Coach Company, LLC	Pay off 2005 Lamborghini Roadster	BAC-PSI-02591
8/6/05	$ 102,053.29	ADT Security Services	Teodoro Nguema Obiang	BAC-PSI-02592
8/15/05	$ 100,000.00	Beautiful Vision	General Acct. Payroll	BAC-PSI-02593
9/16/05	$ 79,522.54	Cash		BAC-PSI-02595
Total - $ 6,968,723.08		Source-Bank of America		

Prepared by Subcommittee

The largest Beautiful Vision check, dated March 4, 2005, and signed by Mr. Obiang, was made out to "cash" in the amount of $3.3 million. Mr. Obiang used it to purchase a Bank of America cashiers check on the same day in the same amount, made payable to himself.[154] A little over a week later, on March 15, 2005, the cashiers check was cashed at CCEI Bank in Equatorial Guinea.[155] Despite the large amount of money and high risk jurisdiction involved in this transaction, it did not trigger a review by Bank of America or direct the bank's attention to Mr. Obiang.

[154] See copy of 3/4/05 check and 3/4/05 cashier's check from Bank of America, BAC-PSI-06020.
[155] See copy of 3/4/05 cashier's check, BAC-PSI-07630.

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Bank of America closed the first Beautiful Vision business checking account, Account No. 02137-06466, on or about August 10, 2005,[156] and a week later, on August 18, 2005, replaced it with a new checking account, Beautiful Vision Account No. 02139-41114.[157] This new account was initially funded with a $100,000 check, signed by Mr. Obiang, drawn on the Beautiful Vision special checking account.[158] A month later, a $50,000 check, again signed by Mr. Obiang and drawn on the Beautiful Vision special checking account, was also deposited into the new Beautiful Vision account.[159] The account then paid bills related primarily to activities at the Grand Wailea Resort in Hawaii, the Venetian Hotel in Las Vegas, and the L'ermitage Hotel in Beverly Hills, on dates that corresponded to travel by Mr. Obiang to those cities.[160] In addition, two large wire transfers from the account, listing Mr. Berger as the originator, sent $70,000 to the Grand Wailea Resort on August 24, 2005, and $37,093.55 to the same resort on September 12, 2005.[161]

This activity triggered a review of the new account.[162] During the review, Bank of America immediately discovered Mr. Obiang's role and immediately closed the account on September 12, 2005, a month after it was opened. The review also led to Bank of America's discovering that Mr. Obiang was using the second Beautiful Vision account, and the bank closed that account as well, two months later in November 2005.[163] Bank of America told the Subcommittee that it closed both accounts due to Mr. Obiang's involvement with Beautiful Vision, Inc.[164] The bank did not, however, take any action regarding Mr. Berger's accounts, even though he was the president of Beautiful Vision, had opened both accounts, and had hidden from the bank that Mr. Obiang was the beneficial owner of the company.

Berger Attorney-Client Account. After Bank of America closed the Beautiful Vision accounts in 2005, Mr. Obiang did not withdraw from the bank. Instead, he made greater use of Mr. Berger's attorney-

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[156] 10/29/04 account statement from Bank of America, BAC-PSI-03040; 08/10/05 account statement from Bank of America, BAC-PSI-03065.
[157] 8/31/05 account statement from Bank of America, BAC-PSI-02516; 9/16/05 account statement from Bank of America, BAC-PSI-02520. The funds in the closed account were transferred to other Beautiful Vision accounts and used to pay Obiang-related bills and expenses. Subcommittee interview of Bank of America officials, December 18, 2009.
[158] 8/18/05 Bank of America deposit ticket and 8/15/05 check to Beautiful Vision, Inc. signed by Mr. Obiang, BAC-PSI-02596-97.
[159] 9/12/05 Bank of America deposit ticket and 9/9/05 check signed to Beautiful Vision, Inc. signed by Mr. Obiang, BAC-PSI-02598-99.
[160] 8/31/05 account statement from Bank of America, BAC-PSI-02516. 9/16/05 account statement from Bank of America, BAC-PSI-02520.
[161] Id., at BAC-PSI-02520.
[162] Subcommittee interview of Bank of America officials, December 18, 2009.
[163] Subcommittee interview of Bank of America officials, March 25, 2009 and December 18, 2009.
[164] Subcommittee interview of Bank of America officials, April 22, 2009.

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client account to continue to bring suspect funds into the United States through Bank of America.

Mr. Berger first opened his attorney-client account at Bank of America in 1996, under the name of Law Offices of Michael Jay Berger Attorney-Client Trust Account No. 16646-09603.[165] Mr. Berger first began accepting wire transfers from Mr. Obiang in 2004, when he began working for him, and continued to accept them, including wire transfers from Equatorial Guinea, until his account was closed by the bank in 2007. Altogether over three years, the Berger attorney-client account accepted and disbursed over $4.8 million to pay Obiang-related bills or forward funds to other Obiang-related accounts. By using his attorney-client account as a conduit for Obiang funds, Mr. Berger helped Mr. Obiang conceal his activities at Bank of America and circumvent the bank's AML and PEP controls.

For example, on June 24, 2005, City National Bank sent two checks to the Berger attorney-client account at Bank of America in the amounts of $500,000 and $199,691.02, for a total of $699,691.02.[166] These funds came from an Obiang account that had been closed by the bank. Mr. Obiang had earlier told the bank that the source for these funds was one of his companies in Equatorial Guinea.[167] Mr. Berger deposited both checks in his attorney-client account.[168]

On July 28, 2006, Mr. Berger sent Mr. Obiang instructions for wiring funds to his attorney-client account.[169] A week after those instructions were sent, on August 4, 2006, Mr. Obiang's EG company, Socage, wire transferred nearly $300,000 to the Berger attorney-client account.[170] It was the first of six large EG wires from Socage or Somagui Forestal, totaling nearly $1.3 million, sent to the account between August 2006 and September 2007.[171] Each time these EG funds were deposited into the account, Mr. Berger responded by using the money to pay Obiang-related bills or forwarding the funds to other Obiang-related accounts.[172]

On October 20, 2006, for example, the Berger attorney-client account received a wire transfer for $199,931.17 from Socage.[173] Three

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[165] 8/2/96 SQN scanned signature for account 16646-09603, BAC-PSI-04678.
[166] 7/6/05 City National Bank account statement, CNB0005540.
[167] 9/30/04 Declaration of Teodoro Nguema-Obiang to the Superior Court of California, County of Los Angeles, CNB0004068.
[168] Various dates, wire transfer records from Bank of America, BAC-PSI-02424-25.
[169] SEN 004438 (Mr. Berger wrote: "Here is the updated information that you need to wire transfer money to my Attorney Client Trust Account at Bank of America. Name of Account: Law Offices of Michael Jay Berger Attorney-Client Trust Account").
[170] 8/4/06 wire transfer record, BAC-PSI-02445.
[171] Various dates, wire transfer records from Bank of America, BAC-PSI-02445-69. This $1.3 million is in addition to the $9.7 million deposited into the Beautiful Vision account from 2004 to 2005.
[172] BAC-PSI-02395-441 (Sealed Exhibit). See also Citibank account file, C0000003-24.
[173] Various dates, wire transfer records from Bank of America, BAC-PSI-02442-69..

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days later, on October 23, 2006, Mr. Berger wrote a check from his attorney-client account to "cash" for $199,931.17, placing a note on the check, "For UHI (illegible) account."[174] "UHI" refers to Unlimited Horizon, Inc. which cashed the check the same day, and deposited the funds into its account at Union Bank of California, Account No. 0720115409.[175] This transaction was described in an email from Mr. Berger to Mr. Obiang as follows:

> "Dear Mr. Nguema:
>
> This confirms my receipt of a wire transfer from you in the amount of $199,941.17 [sic]. This money was received in my attorney client trust account at Bank of America on October 20, 2006. Per our telephone conversation today, I will transfer said funds to the Unlimited Horizon General Checking Account at Union Bank on Monday (when Union Bank opens) and use said funds to pay your bills. …
>
> Sincerely,
> Michael Berger"[176]

On July 26, 2007, the Berger attorney-client account received another EG wire transfer from Socage for $199,948.82.[177] The same day, Mr. Berger wrote a check on his account to "cash" for $199,948.82 with a note "for cashier's check for client." The check was deposited into an Unlimited Horizon account at Citibank, Account No. 202018867.[178]

On August 5, 2007, Mr. Berger sent the following email asking Mr. Obiang to send $200,000 to the Berger attorney-client account at Bank of America so that the money could be used to pay Mr. Obiang's bills.

> "Dear Mr. Nguema:
>
> … All approved check requests have been paid, with the following 4 exceptions:
>
> Hagerty Insurance Agency $8,165.00 (add on Bentley Azure)
> Gearys $1,734.17 (2 wine glasses)
> South Coast Water $3,221.31 (portable car wash machine)
> Xtreme Marine $8,044.26 (service speed boat)

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[174] The check amount corresponds to a $200,000 incoming wire amount, less a $45 wire transfer fee. 10/31/06 account statement from Bank of America, BAC-PSI-02371.
[175] 9/28/07 account statement from Bank of America, BAC-PSI-02394; 10/23/06 check to UHI, BAC-PSI-02406.
[176] 10/21/06 email from Mr. Berger to Mr. Obiang, SEN012377.
[177] 7/31/07 account statement from Bank of America, BAC-PSI-02390.
[178] 7/31/07 account statement from Citibank, C0000027.

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I did not have enough money to pay these 4 bills[.]

I have prepared and attached an invoice to you requesting a wire transfer of $200,000.00 to my Bank of America Client Trust Account. I will need these funds to pay additional bills for you. A copy of my Bank of America Client Trust Account Wire Transfer Information is attached hereto. …

Sincerely,
Michael Berger"[179]

Shortly afterward, on August 16, 2007, Somagui sent a wire transfer from Equatorial Guinea for $199,908.45 to the Berger attorney-client account.[180] On the same day, Mr. Berger wrote a check on that account to "cash" for $199,908.45 with a note for "Unlimited Horizon, Inc. Cashier's Check." The check was deposited into the Unlimited Horizon account at Citibank, Account No. 202018867.[181]

A final example occurred on September 11, 2007, when Somagui sent an EG wire transfer for $199,934.10 to the Berger attorney-client account.[182] On the same day, Mr. Berger wrote a check on that account to "cash" for $199,934.10 with a note for "Cashier's Check." As before, the check was deposited into the Unlimited Horizon account at Citibank.[183]

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[179] 8/5/07 email from Mr. Berger to Mr. Obiang, SEN004594.
[180] BAC-PSI-02462-65.
[181] SEN004605; 8/31/07 account statement from Citibank, C0000030; 6/26/07 Citibank account enrollment form for Unlimited Horizon, Inc., C0000018.
[182] 4/26/04 wire transfer, BAC-PSI-02466-69. This amount was the amount sent by wire transfer less a wire transfer fee.
[183] SEN004605; 9/30/07 account statement from Citibank, C0000033; 6/26/07 Citibank account enrollment form for Unlimited Horizon, Inc., C0000018.

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The following chart lists key EG incoming wires to the Berger attorney-client account at Bank of America from 2005 to 2007.

Select Incoming EG Wires to Berger Attorney-Client Account at Bank of America						
Date	**Amount**	**Originator**	**Ordering Bank**	**Correspondent**	**Ultimate Beneficiary**	**Bates**
8/8/05	$299,933.50	Teodoro Obiang	Belgolaise Bank in Paris	None specified	Beautiful Vision Account 02139-06465 at Bank of America	BAC-PSI-02914
8/4/06	$299,923.68	SOCAGE, BATA	NATEXIS BANQUES	None Specified	Funded multiple checks drawn on Berger Attorney-Client Account 16646-09603 at Bank of America	BAC-PSI-02445
9/26/06	$199,975.90	SOCAGE, BATA	CCEI Bank GE	ING Belgium	Funded multiple checks drawn on Berger Attorney-Client Account 16646-09603 at Bank of America	BAC-PSI-02449
10/20/06	$199,976.17	SOCAGE, BATA	CCEI Bank GE	ING Belgium	Unlimited Horizon Account 0720115409 at Union Bank of California	BAC-PSI-02454
7/26/07	$199,948.82	SOCAGE, BATA	CCEI Bank GE	Northern Trust Int'l Bank	Unlimited Horizon Account 202018867 at Citibank	BAC-PSI-02458
8/14/07	$199,933.45	SOMAGUI, BATA	NATEXIS BANQUES	None Specified	Unlimited Horizon Account 202018867 at Citibank	BAC-PSI-02462
9/11/07	$199,934.10	SOMAGUI, BATA	CCEI Bank GE	Northern Trust Int'l Bank	Unlimited Horizon Account 202018867 at Citibank	BAC-PSI-02466
TOTAL- $1,599,625.62			**SOURCE- Bank of America**			

Prepared by Subcommittee

By 2006, Bank of America knew that Mr. Berger was working with Mr. Obiang and had established the Beautiful Vision accounts for him, but took no action for more than two years to review the EG wires going into the Berger attorney-client account.

In the meantime, Mr. Berger used his attorney-client account to transfer funds to both the Beautiful Vision and Unlimited Horizon accounts, as well as to pay some Obiang bills and expenses.

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The following chart lists significant disbursements totaling in excess of $4.8 million from the Berger attorney-client account from 2004 to 2007.

Select Disbursements from Berger Attorney-Client Account at Bank of America			
Date	"To:"	Amount	Bates
11/1/04	Beautiful Vision Account 02139-06465 at Bank of America	$ 1,000,000.00	BAC-PSI-02398
11/1/04	Beautiful Vision Account 02139-06466 at Bank of America	$ 500,000.00	BAC-PSI-02399
11/1/04	Beautiful Vision Accounts 02135-00057 (CD) & 02132-00049 (CD) at Bank of America	$ 1,600,000.00	BAC-PSI-02400
7/29/05	Beautiful Vision Account 02139-06465 at Bank of America	$ 669,691.02	BAC-PSI-02401
8/31/06	Saurman Investigative Services "For: Sweetwater Malibu, LLC"	$ 56,544.00	BAC-PSI-02404
10/4/06	Saurman Investigative Services "For: Sweetwater Malibu, LLC"	$ 54,720.00	BAC-PSI-02405
10/23/06	Cash ("For: Cashier's Check UHI Gen. Acct.") – Unlimited Horizon Account at Union Bank of California	$ 199,931.17	BAC-PSI-02406
7/6/07	Saurman Investigative Services "For: TNO June 2007"	$ 54,720.00	BAC-PSI-02408
7/10/07	Cash "For Cashier's Check Unlimited Horizons, Inc."/Deposited to Unlimited Horizon Account 202018867 at Citibank	$ 100,000.00	BAC-PSI-02409
7/27/07	Cash "For: Cashier's Check for Client"/Deposited to Unlimited Horizon Account 202018867 at Citibank	$ 199,948.82	BAC-PSI-02407
8/16/07	Cash "For: Unlimited Horizon, Inc. Cashiers Check"/Deposited to Unlimited Horizon Account 202018867 at Citibank	$ 199,908.45	BAC-PSI-02410
9/11/07	Cash "For: Cashier's Check"/Deposited to Unlimited Horizon Account 202018867 at Citibank	$ 199,934.10	BAC-PSI-02411
Source- Bank of America	Total- $ 4,835,397.56		

Prepared by Subcommittee

A comparison of the two charts shows five instances in which an incoming EG wire transfer into the Berger attorney-client account was followed by an outgoing check in the same amount to an Unlimited Horizon account. The timing and amounts of those transfers suggest that the funds were deliberately sent to the attorney-client account first, even though the funds were ultimately intended for an Unlimited Horizon account at another bank. The transfers suggest that Mr. Obiang, with the assistance of Mr. Berger, was making a deliberate effort to conceal the source of funding for the Unlimited Horizon accounts. By routing the funds through the Berger attorney-client account at Bank of America first, the funds deposited into the Unlimited Horizon accounts at UBOC and Citibank were presented as transfers from the account of a U.S. lawyer rather than from a company in Equatorial Guinea. Mr. Berger assisted in this scheme by accepting the EG wire transfers and then transferring the same amount of funds via checks to the Unlimited Horizon accounts. Essentially, Mr. Berger allowed his

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attorney-client account to function as a pass-through account and conceal the fact that the Unlimited Horizon accounts at UBOC and Citibank were recipients of suspect funds from Equatorial Guinea.

In June 2008, the Subcommittee contacted the bank and inquired about whether the Berger attorney-client account was being used as a conduit for Obiang funds. Bank of America told the Subcommittee that an analysis performed in response to the Subcommittee's inquiry uncovered the Obiang and EG connections to the Berger attorney-client account.[184] Bank of America told the Subcommittee that it "wasn't comfortable" with the transactions, viewed them as suspicious, and closed the attorney-client account in July 2008.[185]

(iii) Citibank

Still another U.S. bank account utilized by Mr. Obiang, with the assistance of Mr. Berger, was an account opened by Mr. Berger in the name of Unlimited Horizon, Inc. at Citibank in Beverly Hills, California. Beginning in July 2007, more than $1 million in suspect funds from Equatorial Guinea were transferred from the Berger attorney-client account to this account and used to pay Mr. Obiang's bills and expenses. Citibank closed the account in May 2008, ten months after it was opened.[186]

Mr. Berger opened Citibank Account No. 202018867 in the name of Unlimited Horizon, Inc. on June 25, 2007, thirteen days after the closing of the Unlimited Horizon account at Union Bank of California.[187] Mr. Berger was the sole signatory on the account, and apparently actively hid from Citibank the company's connection to Mr. Obiang.[188]

At the time of the account opening, Citibank conducted a due diligence review of Unlimited Horizon, including by reviewing its corporate records, requiring completion of a know-your-customer form, and conducting a physical site inspection of the company using the address provided by Mr. Berger.[189] As part of this due diligence process, Mr. Berger provided a copy of Unlimited Horizon's incorporation documents and identified himself as the company's president.[190]

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[184] Subcommittee interview of Bank of America officials, April 22, 2009.
[185] Subcommittee interview of Bank of America officials, March 25, 2009; document disclosing Mr. Berger's accounts, BAC-PSI-07607.
[186] Mr. Obiang also had a Citibank credit card in his own name from June 30, 2005 to March 2008, when the account was closed. The credit card account had been inactive since March 2007. See 3/19/09 letter from Citibank to the Subcommittee, PSI-Citi-34-0001-08, at 06.
[187] 7/11/07 email from Mr. Berger to Mr. Obiang, C0000006; SEN004574.
[188] 6/26/07 Citibank account enrollment form for Unlimited Horizon, Inc., C0000018.
[189] 6/27/07 Citibank Single Stock Holder Checklist, C0000005.
[190] 10/27/05 Articles of Incorporation for Unlimited Horizon, Inc. as provided to Citibank, C0000016; Citibank account file for Unlimited Horizon cover sheet, C0000004.

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Mr. Berger also filled out a Citibank form entitled, "Senior Public Figure Screening," requesting details on any politically connected signatory or owner of more than a 25% of the company's shares. Mr. Berger indicated on the form that no signatory or account owner was a citizen of a country other than the United States. By answering in the negative, Mr. Berger was not required to and did not answer the following question which asked: "If yes, are any of such owners a Senior Political Figure (for example, a current or former Senior Public Figure or Senior Official in the executive, legislative, administrative, military or judicial branch of government) or a close associate/family member ...."[191]

The final step in Citibank's due diligence process was a site inspection of the place of business listed on the account opening forms. On June 26, 2007, one day after the account application, a Citibank personal banker toured the address of Unlimited Horizon, Inc. provided by Mr. Berger.[192] The banker's report described the type of business as providing legal accounting services, the number of employees present as three, and other characteristics of the office.[193] Mr. Berger had provided the address for his own law offices. The Citibank report states: "Mr. Berger also owns Law Offices of Michael Jay Berger and D&B verification result showed a confidence code: 6. Same address and phone number."[194]

Mr. Berger failed to disclose that the beneficial owner of Unlimited Horizon – the true beneficiary of the company – was Mr. Obiang.[195] He also represented that his law offices served as the physical office of Unlimited Horizon, without disclosing that Unlimited Horizon was a shell company with no employees or physical presence of its own. He allowed the Citibank banker to think that Unlimited Horizon provided legal accounting services, when it did not. Mr. Berger also failed to disclose that the company had a direct connection to a senior foreign official, Mr. Obiang, who was then serving as the Minister of Agriculture and Forestry in Equatorial Guinea.

Based upon the information it was provided, Citibank agreed to open the account for Unlimited Horizon on June 25, 2007. Citibank records show that the account was first funded two weeks later, on July 10, 2007, with a $100,000 cashier's check from Bank of America.[196] This cashiers check had been paid for with funds from the Berger

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[191] 6/22/07 Citibank: CitiBusiness Deposit Account Application, Senior Public Figure Application, C0000014.
[192] 6/26/07 Citibank, Observations at Place of Business, C0000021.
[193] Id.
[194] Id.
[195] See, e.g., 10/15/06 email from Mr. Berger to Mr. Obiang, SEN004465 (Mr. Berger wrote: "Unlike my client trust account which is used for many clients, the 2 Unlimited Horizon Accounts [at Union Bank of California] are used exclusively for your business.").
[196] 7/31/07 account statement from Citibank, C0000026; SEN004595.

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attorney-client account. A July 12, 2007 email from Mr. Berger to Mr. Obiang makes it clear that these were Obiang-related funds:

> "Dear Mr. Nguema, … I went to Bank of America, withdrew $100,000.00 of your money from my Bank of America client trust account, purchased a cashier's check for $100,000.00 made out to Unlimited Horizon, Inc. and deposited said cashier's check into the new Unlimited Horizon, Inc. account at Citibank."[197]

Over the next five months, the Unlimited Horizon account received five more large deposits, totaling nearly $1 million, all of which were secretly linked to Mr. Obiang. On July 27, 2007, for example, following a wire transfer for nearly $200,000 from "Somagui" in Equatorial Guinea to the Bank of America attorney-client account, Mr. Berger withdrew the same amount from that account and deposited it into the Unlimited Horizon account at Citibank.[198] Three weeks later, on August 16, 2007, Mr. Berger withdrew nearly $200,000 from his attorney-client account at Bank of America and deposited the same amount into the Unlimited Horizon account at Citibank.[199] A month after that, on September 11, 2007, he did it again. After receiving a wire transfer for nearly $200,000 from "Somagui" in Equatorial Guinea to his Bank of America attorney-client account, Mr. Berger withdrew the same amount from that account and deposited it into the Unlimited Horizon account at Citibank.[200] On October 12, 2007, it happened a fourth time. Mr. Berger withdrew nearly $200,000 from his Bank of America attorney-client account and deposited the same amount into the Unlimited Horizon account at Citibank. Finally, on November, 9, 2007, he withdrew nearly $170,000 from the same attorney-client account and deposited the same amount into the Unlimited Horizon account at Citibank.[201] These five deposits, in addition to the initial deposit of $100,000, meant that the Citibank account collected over $1 million in less than six months.

The funds sent to Mr. Berger's attorney-client account at Bank of America could have been sent directly to the Unlimited Horizon account at Citibank, but if they had been, Citibank would have been alerted the funds were being wired from Equatorial Guinea. The fact that the funds were routed first through the attorney-client account suggests that Mr. Berger was deliberately assisting Mr. Obiang in hiding his involvement in the funding of the Citibank account.

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[197] 7/12/07 email from Mr. Berger to Mr. Obiang, SEN004586.
[198] BAC-PSI-02458; BAC-PSI-02407; SEN004598; 7/31/07 account statement from Citibank, C0000027.
[199] 8/31/07 account statement from Citibank, C0000030; BAC-PSI-02410; SEN004605.
[200] BAC-PSI-02411; BAC-PSI-02466; SEN004605; 9/30/07 account statement from Citibank, C0000033.
[201] SEN004675.

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The Obiang-related funds in the Berger attorney-client account were used to pay Obiang-related bills and expenses, including payroll expenses associated with his Malibu residence. On May 20, 2008, less than one year after the account was opened, Citibank closed the Unlimited Horizon account, because "activity in the account was inconsistent with the account profile."[202] A little over $6,000 was in the account when it was closed.[203]

(iv) PayPal

Mr. Berger used three U.S. banks, Union Bank of California, Bank of America, and Citibank, to help Mr. Obiang bring millions of dollars in suspect funds into the United States, through shell company, attorney-client, and other accounts. He apparently also considered using other payment systems for this purpose. On June 8, 2007, for example, Mr. Obiang's assistant Suellen Everett wrote to Mr. Berger requesting that he purchase a product called "jumping stilts" for Mr. Obiang:

> "The boss saw a guy running down the street in these contraptions and wanted them. In order to get them by Saturday we must pay via the link below ...."[204]

Mr. Berger replied:

> "I have set up a PayPal account for Unlimited Horizon, Inc. It will take 2 or three business days to get verified. At that point, I will be able to use PayPal to make payments for Unlimited Horizon in any amount up to the balance of the account. This will be a good thing for the future and will give Mr. Nguema extra flexibility in ordering and paying for items...."[205]

By setting up a PayPal account in the name of a shell company, Mr. Berger could have enabled Mr. Obiang once more to hide his involvement in making purchases that, while trivial here, could involve a more serious expenditure of suspect funds in the future.

When Paypal was contacted by the Subcommittee, however, it was unable to find any account that had been opened in the name of Unlimited Horizon, Inc., Beautiful Vision, Inc., or other corporations associated with Mr. Obiang. Nor had any account been opened in the name of Mr. Obiang. The Subcommittee was thus unable to confirm, despite Mr. Berger's 2007 email, that any PayPal account for Mr. Obiang had actually been established.

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[202] 3/19/09 letter from Citibank to the Subcommittee, PSI-Citi-34-0001-08, at 07.
[203] 2/29/08 account statement from Citibank, C0000056.
[204] 6/7/07 email from Ms. Everett to Mr. Berger, SEN002185.
[205] Mr. Berger previously established an account at Union Bank of California in the name of Unlimited Horizon, Inc.; see also 6/7/07 email from Mr. Berger to Ms. Everett, SEN002184.

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(c) Compensation

The total amount and form of the compensation provided by Mr. Obiang to Mr. Berger in return for his services are unclear. Mr. Berger periodically requested wire transfers from Mr. Obiang in amounts ranging from $200,000 to $400,000 to be sent to Mr. Berger's attorney-client accounts to pay for "legal services to be rendered to you and costs to be paid for you pursuant to our July 26, 2006 personal services agreement."[206] These funds were provided on at least a monthly basis, but it is unclear how much Mr. Berger retained as compensation for his own services.[207] The records also show that, from October 2006 to March 2007, Mr. Berger wrote himself a monthly $5,000 self-endorsed check from the Unlimited Horizon account at UBOC, for a total of $30,000 over six months.[208] Still another document indicates that Mr. Berger was paid a $60,000 fee for referring Mr. Obiang to a California real estate agent who helped him purchase his $30 million Malibu residence, as explained further below.[209]

In addition to this cash compensation, as a result of his relationship with Mr. Obiang, Mr. Berger was invited to exclusive social events and venues in Southern California. After a party called the "Nguema Summer Bash" on September 14, 2007, for example, Mr. Berger sent the following email to Mr. Obiang:

> "Thank you very much for inviting me to your party and for being so nice to me at the party. I appreciate the super VIP treatment that you gave me. I appreciate you telling your friends that I am your attorney. I am proud to work for you. … The food was great, the drinks were better than great, the house, the view, the DJ, the white tiger were all SO COOL! Best of all were the people that I met there because of you."[210]

Mr. Obiang also arranged for Mr. Berger to be invited to the 2007 "Kandy Halloween Bash" at the Playboy Mansion.[211] After the party, Mr. Berger wrote:

> "Dear Mr. Nguema:

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[206] See, e.g., 8/23/07 invoice from Mr. Berger to Mr. Obiang, SEN007758; 8/5/07 invoice from Mr. Berger to Mr. Obiang, SEN007767; 8/5/07 wire transfer information, SEN007769; 11/29/07 invoice from Mr. Berger to Mr. Obiang, SEN007785; 10/30/07 invoice from Mr. Berger to Mr. Obiang, SEN007786; 9/25/07 invoice from Mr. Berger to Mr. Obiang, SEN007796.

[207] Id.

[208] Various dates, checks from Unlimited Horizon to Mr. Berger, PSI-Union_Bk_Calif-01-000391; 000331, 000274, 000239, 000182, 000140 (Sealed Exhibit).

[209] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0003.

[210] 9/15/07 email from Mr. Berger to Mr. Obiang, SEN004620.

[211] 10/12/07 email from Mr. Berger to Mr. Obiang accepting the invitation to the Kandy Halloween party, SEN004651.

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> Thank you very much for inviting me to the Kandy Halloween party @ The Playboy Mansion and getting me the VIP treatment. I had an awesome time. I met many beautiful women, and I have the photos, e-mail addresses and phone numbers to prove it. If the word gets out that you are looking for a bride, women all over the world will go even more crazy for you. …
>
> Your loyal friend and attorney,
> Michael Berger."[212]

These documents suggest that, through Mr. Obiang, Mr. Berger gained access to exclusive settings that might otherwise have been inaccessible to him.

(2) Attorney George I. Nagler

For a two-year period from 2005 to 2007, Mr. Obiang employed a second California attorney, George I. Nagler, to advance his interests in the United States. Mr. Nagler helped Mr. Obiang purchase and manage the Malibu property, incorporated shell companies for Mr. Obiang, persuaded others to open accounts in the names of those companies, and for a short time allowed Obiang funds to be funneled through his own attorney-client and law office accounts. Altogether, Mr. Nagler helped Mr. Obiang bring over $2.1 million in funds from Equatorial Guinea into the United States. In addition, Mr. Nagler worked with a colleague in the insurance industry to help Mr. Obiang obtain insurance for his fleet of 32 cars and motorcycles. Mr. Nagler and Mr. Berger met, but appeared to work independently of each other.

Mr. Nagler is a graduate of Harvard University and has been admitted to practice law in California since 1970.[213] According to his website, his areas of practice include real estate, business law, and limited liability companies, among others.[214] Mr. Nagler provided documents in response to a Subcommittee subpoena and answered written questions from the Subcommittee.

According to Mr. Nagler, he provided legal services to Mr. Obiang for two years, from approximately September 2005 through September 2007.[215] Those services related primarily to Mr. Obiang's purchase of the $30 million Malibu residence, and included assisting Mr. Obiang in the formation of three shell companies, arranging for the purchase and management of his Malibu property, and handling various insurance matters.[216] Mr. Nagler told the Subcommittee that in performing these

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[212] 10/28/07 email from Mr. Berger to Mr. Obiang, SEN004389.
[213] Lawyers.com, http://www.lawyers.com/California/Beverly-Hills/George-I.-Nagler-78953-a.html.
[214] Law Offices of George I. Nagler, http://www.georgenagler.com/.
[215] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0002.
[216] Id.

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duties he did "not believe that he ever concealed or mischaracterized the Client's association with any account."[217] The documentation also indicates that, like Mr. Berger, Mr. Nagler was well aware of the suspect origins of Mr. Obiang's funds. Mr. Nagler told the Subcommittee that he was paid fees for his services which, over the two years, totaled about $196,500.[218]

(a) Incorporating Shell Companies

Mr. Nagler told the Subcommittee that he helped Mr. Obiang establish three California corporations, Sweet Pink, Inc., Sweetwater Malibu, LLC, and Sweetwater Management, Inc.

Sweet Pink, Inc. According to Mr. Nagler, he began working for Mr. Obiang in September 2005, after being contacted through the Internet by Mr. Obiang's executive assistant, Rosalina Romo.[219]

Mr. Nagler told the Subcommittee that he was asked at that time to form a corporation "to employ individuals at the home the Client maintained before he purchased the Malibu Property and to handle payroll and other matters related to the employment of those individuals."[220] In an email dated September 15, 2005, Mr. Nagler asked Ms. Romo to provide him with two or three names for the corporation.[221] Later that same day, he requested articles of incorporation be filed with the California Secretary of State for "Sweet Pink Inc."[222] The Statement of Information for Sweet Pink, Inc. listed Ms. Romo as the company's Chief Executive Officer, Secretary, and Chief Financial Officer.[223] Mr. Obiang is listed as "assistant treasurer,"[224] but Mr. Nagler told the Subcommittee that it was his understanding that Mr. Obiang "was the sole owner" of the corporation and was the "sole source of funding" for the corporation.[225]

On September 22, 2005, Mr. Nagler faxed an "engagement letter" to Marvin Freedman, a certified public accountant, with instructions to immediately open a bank account for Sweet Pink, Inc. and obtain wiring instructions so that Mr. Obiang could fund the account.[226]

> "He [Mr. Obiang] wants you to open a bank account as soon as you can forward the wiring instructions so he can wire funds. You

[217] Id., at PSI-Nagler-02-0009.
[218] Id., at PSI-Nagler-02-0002.
[219] Id., at PSI-Nagler-02-0010.
[220] Id., at PSI-Nagler-02-0004.
[221] 9/15/05 email from Mr. Nagler to Ms. Romo, SEN005785.
[222] 9/15/05 fax from Mr. Nagler, SEN005786.
[223] State of California, Statement of Information for a Domestic Stock Corporation, SEN013765.
[224] Id.
[225] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0004-05.
[226] 9/22/05 fax from Mr. Nagler to Mr. Freedman, SEN005761.

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should plan to have two or three people in your office authorized to sign the account. You should add him as the assistant treasurer as able to sign alone. … He is in Paris and can arrange to wire the funds from there."[227]

A few days later, Mr. Nagler was told that Eve Jeffers, a hip-hop musician and Mr. Obiang's then girlfriend, would become the president of the corporation. On September 28, 2005, Mr. Nagler sent the following instructions to Mr. Freedman and Ms. Romo regarding signatory authority for the Sweet Pink account at Union Bank of California:

"I understand that Eve Jeffers, the President, Secretary, and Chief Financial Officer will be coming in to the Encino branch of Union Bank to sign the signature card today. She signing alone will have signing authority, Mr. Obiang will also have signing authority acting alone when he can come in and sign and you will initially be authorized. Three other people from your office will be authorized to sign so long as two of you sign all checks. You expect that the other three will sign the signature card some time this week. In the interim you will be authorized to sign alone.

Lina, by copy [being] sent to you, please ask Eve to call you when she has signed. You should then call or fax Mr. Freedman and tell him that the card has been signed. Mr. Freedman can then open the account and send the complete wiring instructions to you by fax. I understand that the funds will be wired by Mr. Obiang from a bank out of town."[228]

The next day, September 29, 2005, a checking account in the name of Sweet Pink, Inc., Account No. 1300052831, was opened at Union Bank of California. Ms. Jeffers was a signatory along with four other persons from Mr. Freedman's firm. Mr. Obiang was not on the signature card.[229] During October 2005, two wire transfers, each for nearly $30,000, were deposited into the account from Somagui Forestal, one of Mr. Obiang's EG companies.[230] Union Bank of California learned of the large wire transfers from Equatorial Guinea, which it had designated as a high-risk jurisdiction. On October 27, 2005, less than one month after the account opening, the bank closed the Sweet Pink account.

Sweetwater Malibu, LLC. In February 2006, Mr. Nagler formed a second California corporation for Mr. Obiang, Sweetwater Malibu, LLC. Mr. Nagler told the Subcommittee that this corporation was

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[227] Id.
[228] 9/28/05 fax from Mr. Nagler to Mr. Freedman, SEN005736.
[229] Union Bank of California internal report, PSI-Union_Bank_of_California-04-0191.
[230] 3/2/09 Union Bank of California Case Report on Sweet Pink, Inc., PSI-Union_Bank_of_California-04-0191.

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formed "to take title to the Malibu Property,"[231] which was then in the process of being purchased. In a memorandum he sent to Mr. Obiang, Mr. Nagler provided this explanation of the company:

> "Sweetwater Malibu, LLC. This limited liability company will be the buyer of the Malibu. I had it formed on Tuesday, February 7, 2006, by sending the papers to the Secretary of State. I need you to give me the name of the person who you want to act as manager. I need someone who is a US taxpayer so that we can apply for a tax identification number for the company. If you do not give me a name, I will show you as the manager."[232]

The Sweetwater Malibu, LLC articles of organization were filed with the California Secretary of State on February 8, 2006.[233] They identified Mr. Nagler as the initial agent for service of process and stated that Sweetwater Malibu, LLC would be managed by a single manager who was not named.[234] The articles made no mention of Mr. Obiang, however, a week later, on February 15, 2006, Mr. Obiang signed an "Operating Agreement for Sweetwater Malibu, LLC" identifying him as the "sole member of the company."[235]

Three weeks after the formation of the corporation, on February 27, 2006, a grant deed was signed and notarized selling the Malibu property to Sweetwater Malibu, LLC.[236] The grantor requested that notification of the recording of the deed be sent to "Sweetwater Malibu, LLC, care of George Nagler."[237]

On March 31, 2006, a confidentiality agreement was signed by the realty company that handled the sale, Coldwell Banker, to prohibit disclosure of Mr. Obiang as the purchaser of the property, the terms of the purchase, or the value of the property, for a period of 50 years.[238] According to the agreement, any disclosure made pursuant to legal process required notification to Mr. Nagler and the seller's attorney.[239] Hilton & Hyland, the seller's agent, told the Subcommittee that both the seller and Mr. Obiang had wanted the confidentiality agreement.

About six months later, on September 15, 2006, a Statement of Information for Sweetwater Malibu, LLC was filed with the California

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[231] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0003. See also 4/3/06 fax from Mr. Nagler to the First American Title Co., SEN006103 (Sweetwater Malibu, LLC was formed for the purpose of "purchasing, owning and operating a residence commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265.").
[232] 2/21/06 fax from Mr. Nagler to Mr. Obiang, SEN0011704
[233] 2/8/06 Sweetwater Malibu, LLC Articles of Organization, PSI-Pacific_Mercantile_Bank-01-0263.
[234] Id.
[235] 2/15/06 Operating Agreement for Sweetwater Malibu, LLC, PSI-Pacific_Mercantile_Bank-01-0266-73.
[236] 2/27/06 Grant Deed of 3620 Sweetwater Mesa Road, PSI-Coldwell_Banker-01-000069.
[237] Id.
[238] 3/31/06 Broker Confidentiality Agreement, PSI-Coldwell_Banker-01-000509.
[239] Id., at PSI-Coldwell_Banker-01-000510.

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Secretary of State and listed Mr. Obiang as the sole manager of the corporation.[240] Mr. Nagler told the Subcommittee that Mr. Obiang "was the sole manager" of Sweetwater Malibu, LLC "after March 2, 2006."[241] He said that Sweetwater Malibu, LLC "had no employees."[242]

Sweetwater Management, Inc. A few weeks after setting up Sweetwater Malibu, LLC, Mr. Nagler established a third California corporation for Mr. Obiang called Sweetwater Management, Inc. A February 21, 2006, memorandum from Mr. Nagler to Mr. Obiang describes the corporation as follows:

> "New Management Company. You asked me to form a new management company to handle the payroll and to employ all the employees that you now have and will have at the Malibu house. You also asked me to prepare a draft of an employment agreement. We talked about using the name Sweetwater Management, Inc. You thought that name was acceptable. Do you want me to form this company?"[243]

On May 16, 2006, Sweetwater Management, Inc. was incorporated using Mr. Nagler's business address in Beverly Hills, California.[244] The California "Statement of Information" listed Mr. Obiang as the company's sole director and identified Mr. Nagler as the agent for service of process.[245] Another document filed a week later named Mr. Obiang as the president, chief financial officer, and secretary of Sweetwater Management, Inc.[246] An employee contract later described the purpose of Sweetwater Management, Inc. as "providing various services to Sweetwater Malibu, LLC."[247]

Documentation obtained by the Subcommittee shows that bank accounts that were later opened in the name of Sweetwater Management provided funds for employee and other expenses associated with Mr. Obiang's Malibu property.[248] The documents also show that Mr. Nagler helped manage the domestic staff payroll through

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[240] 9/25/06 Statement of Information regarding Sweetwater Malibu, LLC, signed by Mr. Obiang, PSI-Pacific_Mercantile_Bank-01-0262.
[241] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0003.
[242] Id.
[243] 2/21/06 fax from Mr. Nagler to Mr. Obiang, SEN011704.
[244] See 5/16/06 Sweetwater Management, Inc. Articles of Incorporation, PSI-Pacific_Mercantile_Bank-01-0215-16; SEN005882.
[245] See 6/21/06 Sweetwater Management, Inc. Statement of Information, PSI-Pacific_Mercantile_Bank-01-0217; SEN009061-72.
[246] 5/23/06 "Action by Unanimous Written Consent in Lieu of First Meeting of the Incorporator and Board of Directors of Sweetwater Management, Inc.," SEN009183. See also 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0003.
[247] 12/12/06 Employment Agreement of Suellen Everett at Sweetwater Management, Inc., SEN004220.
[248] Id.; 7/30/07 Sweetwater Management, Inc. Semi-Monthly Payroll, SEN007509; 6/10/07 Sweetwater Management, Inc. Over Time Approval, SEN007510.

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Sweetwater Management and paid a number of bills associated with that property as well as other expenses incurred by Mr. Obiang.[249]

(b) Bringing In and Moving Suspect Funds

During the two years that he was employed by Mr. Obiang, from September 2005 to September 2007, Mr. Nagler helped Mr. Obiang open accounts at three small California banks, Cal National Bank, City National Bank, and Pacific Mercantile Bank. These accounts included accounts opened in the name of two Obiang shell companies that Mr. Nagler helped form, Sweetwater Malibu, LLC and Sweetwater Management, Inc.; Mr. Nagler's own attorney-client and law office accounts; and a personal account in Mr. Obiang's own name which Mr. Nagler helped to open. The shell company and Obiang accounts did not last long; the banks closed each account after it received a single large wire transfer from Equatorial Guinea, but together these accounts managed to bring in over $1.75 million through EG wire transfers. Mr. Nagler accepted another $400,000 in Obiang-related funds into his own attorney-client and law firm accounts and used the funds to pay Obiang-related bills and expenses for a three-month period in the summer of 2006, but then stopped doing so. By September 2007, Mr. Obiang stopped using Mr. Nagler's services, and Mr. Nagler ended his efforts to locate bank accounts that Mr. Obiang could use to bring money into the United States from Equatorial Guinea.

(i) Cal National Bank

A few months after Mr. Obiang purchased the Malibu property in April 2006, Mr. Nagler facilitated the opening of Sweetwater Malibu and Sweetwater Management accounts at Cal National Bank in Westwood, California even though Cal National Bank had a policy against doing business with PEPs. Mr. Nagler asked a property management company that was known to the bank to open the accounts without disclosing Mr. Obiang's involvement. The bank initially opened the accounts, but after receiving a $250,000 wire transfer from Equatorial Guinea and an inquiry from an Obiang employee, the bank learned of Mr. Obiang's ownership of the Malibu property being managed, closed the accounts, and transferred the remaining funds to Mr. Nagler's attorney-client account at City National Bank.

Opening the Accounts. During late 2005 and early 2006, Mr. Nagler actively assisted Mr. Obiang in the purchase of the Malibu residence, which was ultimately purchased in the name of Sweetwater Malibu, LLC in April 2006. In May 2006, Mr. Obiang, as owner of Sweetwater Malibu, LLC, entered into an agreement with Ed Mizrahi of

[249] 1/26/07 email from Mr. Nagler to Ms. Everett, SEN013560.

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American Equity Properties, Inc. to manage the property.[250] In connection with that agreement, Mr. Nagler asked Mr. Mizrahi to open accounts in the name of Sweetwater Malibu, LLC and Sweetwater Management, Inc. at the bank used by his property management firm, so that those accounts could be used to pay for expenses related to the Malibu property, but not to disclose Mr. Obiang identity or involvement with the property or the corporations.

Cal National Bank officials told the Subcommittee that Mr. Mizrahi was well known to them as a professional property manager who managed multiple properties and maintained numerous accounts for those properties at Cal National Bank.[251] They said that, on or about May 30, 2006, Mr. Mizrahi asked the branch manager to open property management accounts for an individual described as "high profile" who "needed his identity to remain anonymous."[252] The bank agreed to open the shell company accounts without obtaining the identity of the person or determining whether he qualified as a PEP, even though U.S. financial institutions are routinely required to obtain this type of information to prevent money laundering.

In response to Mr. Mizrahi's request, on May 30, 2006, the bank opened Account No. 50317171 in the name of "American Equity Properties, Inc. ITF: Sweetwater Malibu."[253] Mr. Mizrahi was the sole account signatory.[254] As part of the account opening documentation, the bank obtained a copy of the management agreement between American Property Management and Sweetwater Malibu, LLC.[255]

The next day, Mr. Mizrahi, accompanied by Melinda Dehaven, an Obiang employee, opened three additional accounts: Account No. 50317197 for Sweetwater Management, Inc. – Payroll; Account No. 50317205 for Sweetwater Management, Inc. – Household; and Account No. 50317254 for Sweetwater Management, Inc. – Corporate. Ms. Dehaven was a signatory on all three accounts and apparently funded them with money transferred from her personal account at Bank of America.[256] Mr. Mizrahi was also a signatory.[257]

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[250] 5/23/06 Management Agreement, PSI-Cal_Nat'l_Bank-01-0020-24; Subcommittee interview of Cal National Bank officials, February 27, 2009.
[251] Subcommittee interview of Cal National Bank officials, February 27, 2009.
[252] 7/06 Cal National Bank Account Review and Summary, PSI-Cal_Nat'l_Bank-01-0048; Also see Subcommittee interview of Cal National Bank officials, February 27, 2009.
[253] 5/31/06 Cal National Bank Business Signature Card and Resolution of Corporation, PSI-Cal_Nat'l_Bank-01-0091-92. Subcommittee interview of Cal National Bank officials, February 27, 2009. "ITF" means "in trust for."
[254] Subcommittee interview of Cal National Bank officials, November 9, 2009.
[255] 5/23/06 Management Agreement, PSI-Cal_Nat'l_Bank-01-0020-24.
[256] Subcommittee interview of Cal National Bank officials, February 27, 2009. See also deposit tickets and checks from Ms. Dehaven, PSI-Cal_Nat'l_Bank-01-0089-90. The Subcommittee did not examine her account to determine whether it, too, operated as a conduit for Obiang funds.
[257] 5/31/06 Cal National Bank Business Signature Card and Resolution of Corporation, PSI-Cal_Nat'l_Bank-01-0091-92.

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Mr. Nagler sent the following email to Mr. Obiang regarding the opening of the Cal National Bank accounts:

> "Mr. Nguema,
>
> Ed [Mizrahi] called me from the bank. He has been able to open the accounts with Melinda in the name of Sweetwater Management, Inc. for both the payroll and the household accounts. To do this, we need to have Melinda elected the Secretary instead of being an assistant secretary. I will change the first minutes to show her as the secretary. You can remove her as secretary any time you wish but it now gives her the authority with the bank to open the bank accounts. It avoids you having to go into the bank and sign the documents."[258]

The Subcommittee does not know whether Mr. Nagler actually "changed" the minutes dating from the first Sweetwater Management board meeting as suggested in this email.

Account Activity. About two weeks later, on June 12, 2006, Cal National Bank received a wire transfer for nearly $250,000, sent by Socage in Equatorial Guinea, to the American Equity Properties, Inc. ITF: Sweetwater Malibu account.[259] The next day, June 13, 2006, Ms. Dehaven contacted the bank about the wire transfer and apparently asked to have the money moved from the American Equity account, where she was not a signatory, to one of the Sweetwater Management accounts where she was a signatory.[260]

According to bank officials interviewed by the Subcommittee, after receiving her inquiry, the branch manager reviewed the American Equities-Sweetwater agreement it had on file, examined the information provided on ownership of the company, and learned that Mr. Obiang was listed as the sole owner and manager of Sweetwater Malibu, LLC.[261] The branch manager then conducted an Internet search, learned that Mr. Obiang was an EG Minister and the son of the EG President, and read about Riggs Bank's involvement with Equatorial Guinea and the Obiang family.[262] He then contacted a Cal National Bank compliance officer for guidance.[263]

The branch manager also contacted Mr. Mizrahi who sent the following email to Ms. Dehaven, with a copy to Mr. Nagler:

> "I was just informed by the Manager at Cal National Bank that you were inquiring why the $249,899.80 wire was transferred into the

[258] 5/31/06 email from Mr. Nagler to Mr. Obiang, SEN011169.
[259] 7/06 Cal National Bank Account Review and Summary, PSI-Cal_Nat'l_Bank-01-0055.
[260] 6/13/06 email from Mr. Mizrahi to Ms. Dehaven, SEN010959.
[261] 5/16/06 State of California, Articles of Incorporation for Sweetwater Management, Inc., PSI-Cal_Nat'l_Bank-01-0024.
[262] 7/06 Cal National Bank Account Review and Summary, PSI-Cal_Nat'l_Bank-01-0048.
[263] Id.

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> American Equity Properties, Inc. ITF Sweetwater Mailibu account and not the Household account (that you are a signer on) or the payroll account. … In the future, if you have questions concerning the transfers of monies you should address them with me or George Nagler, and **not the bank manager**."[264] [Emphasis in original.]

Ms. Dehaven sent the following apology:

> "Sorry if I didn't go about it the correct way. I didn't realize that speaking with [the branch manager] wasn't proper."[265]

Mr. Mizrahi later sent another email to Mr. Nagler:[266]

> "Cal National Bank decided to review the files and researched the Owner and Ownership of the property. Upon doing so, the Bank Manager advised me of his finding and said that the Bank's policy is to have 'clients that are not politically connected.' He further informed me that the bank accounts (that were just opened) could potentially be closed by the bank due to their findings."[267]

Account Closings. On June 22, 2006, less than a month after the account was opened, Cal National Bank notified American Equity Properties by letter that it was closing all four Sweetwater accounts.[268] Following the account closure, Cal National Bank placed Mr. Obiang and Melinda Dehaven on its "hot list," which restricted them from receiving banking services through the bank.[269] The funds remaining in the American Equity Properties, Inc. ITF: Sweetwater Malibu account, totaling about $203,000, were wire transferred to Mr. Nagler's attorney-client trust account at City National Bank.[270]

Cal National Bank chose not to take any action against Mr. Mizrahi, the property manager, even though he opened the Sweetwater accounts and hid Mr. Obiang's involvement from the bank.

(ii) City National Bank

After the closure of the Cal National Bank accounts in June 2006, for the next three months, Mr. Nagler allowed his attorney-client and law office accounts at City National Bank to serve as conduits for about $400,000 in Obiang funds. Mr. Nagler told the Subcommittee that he

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[264] 6/13/06 email from Mr. Mizrahi to Ms. Dehaven, SEN010959.
[265] 6/13/06 email from Ms. Dehaven to Mr. Mizrahi, SEN010958.
[266] 6/13/06 email from Mr. Mizrahi to Ms. Dehaven, SEN010959.
[267] 6/13/06 email from Mr. Mizrahi to Mr. Nagler, SEN010943.
[268] 6/06 letter from Cal National Bank regarding closure of Sweetwater accounts, PSI-Cal_Nat'l_Bank-01-0049.
[269] Subcommittee interview of Cal National Bank officials, February 27, 2009.
[270] 6/26/06 wire transfer, PSI-Cal_Nat'l_Bank-01-0051. See also Subcommittee interview of Cal National Bank officials, February 27, 2009.

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did not recall using these accounts to pay for Obiang-related expenses at any other time.[271]

Mr. Nagler told the Subcommittee that during the summer of 2006, at Mr. Obiang's request, he accepted a number of Obiang-related wire transfers into his attorney-client and law office accounts at City National Bank, and then used those funds to pay Mr. Obiang's "household and living expenses" while Mr. Obiang made other arrangements.[272] To pay the bills, Mr. Nagler instructed a payroll company to produce checks imprinted with the Sweetwater Management, Inc. name at the top and his attorney-client or law office account number at the bottom, and used those checks to pay the Obiang bills.

More than a year later, after the bank received an inquiry from the Subcommittee, City National Bank conducted a search of its records and learned for the first time that, for a three-month period during the summer of 2006, Mr. Obiang had utilized the Nagler attorney-client and law office accounts. Because there was no sign that Mr. Obiang had continued to use them, City National Bank did not close the Nagler accounts, but rated them "high risk" subject to additional monitoring. City National Bank also confirmed that it had earlier maintained personal and corporate accounts for Mr. Obiang, but had closed the last of those accounts in 2004.

Obiang Accounts. Mr. Obiang had already had five years of involvement with City National Bank prior to his utilization of the Nagler accounts in 2006. From at least 2001 to 2004, Mr. Obiang had maintained six corporate and personal accounts at the bank. In 2003, City National Bank closed the five corporate accounts. In 2004, the bank opened and then closed a personal account for Mr. Obiang due to suspicious transactions, froze $700,000 of his funds, and returned those funds to Mr. Obiang only after ordered by a court to do so.

The first set of accounts at the bank were opened in the name of TNO Entertainment, LLC, the California company owned by Mr. Obiang.[273] These accounts were:

- Account No. 101-672085 "TNO ENTERTAINMENT, LLC";

[271] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0008. See also 7/20/06 email from Mr. Nagler to Pacific Mercantile Bank, PSI-Pacific_Mercantile_Bank-01-0154-55 (Mr. Nagler wrote: "Currently, I … have been paying [the Malibu property] bills out of my trust account.").
[272] Id., at PSI-Nagler-02-00008-09.
[273] Subcommittee interview of City National Bank officials, March 9, 2009. "TNO" refers to Teodoro Ngeuma Obiang.

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- Account No. 101-770427 "TNO ENTERTAINMENT, LLC (PETTY CASH ACCOUNT)";
- Account No. 101-800261 "TNO ENTERTAINMENT, LLC (SPECIAL ACCOUNT)";
- Account No. 101-862860 "TNO ENTERTAINMENT, LLC (PAYROLL ACCOUNT)";
- Account No. 101-862852 "TNO ENTERTAINMENT, LLC (MUSIC DIVISION ACCOUNT)".[274]

In account opening documents for Account No. 101-672085, Mr. Obiang identified himself as the managing member of TNO Entertainment, LLC, and listed his occupation as "Recording Executive."[275] Between February and December of 2001, Mr. Obiang made three large deposits to that account totaling $3.5 million.[276] Those deposits were funded by checks drawn against a Riggs Bank account, numbered 76923450, that had been opened in the name of TNO Entertainment.[277]

Bank records show that numerous checks drawn on Account No. 101-672085 were used to pay for high-end retail purchases. For example, the account was used to pay for a $25,000 bill from Versace, a $23,000 bill from Dolce & Gabanna, and a $14,000 bill from Gucci, three high-end clothiers.[278] Sometime in 2003, the bank initiated an evaluation of the account activity and determined that it was inconsistent with the profile for an entertainment company.[279] At the end of 2003, the bank closed all five TNO Entertainment accounts, because of rapidly diminishing funds in the accounts, account activity inconsistent with other entertainment accounts handled by the bank, and difficulties contacting the accountholder, Mr. Obiang.[280] Although City National Bank closed the accounts, the bank told the Subcommittee that it did not view them as suspicious, and did not place any restrictions on Mr. Obiang's doing business with the bank in the future.[281]

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[274] 5/28/04 City National Bank Suspicious Activity Report: Part IV Suspicious Activity Information Explanation/Description, CNB0001067; 5/8/01 Operating Agreement of TNO Entertainment, LLC, CNB0004863 to CNB0004868.
[275] 12/4/03 City National Bank Business Account Agreement, CNB0001049.
[276] 2/28/01 account statement from City National Bank CNB0000614; 11/30/01 account statement from City National Bank, CNB0000655; 11/30/01 account statement from City National Bank, CNB0000659, R 2589; 5/28/04 City National Bank Suspicious Activity Report: Part IV Suspicious Activity Information Explanation/Description, CNB0001067.
[277] 2/28/01 account statement from City National Bank CNB0000614; 11/30/01 account statement from City National Bank, CNB0000655; 11/30/01 account statement from City National Bank, CNB0000659; 5/28/04 City National Bank Suspicious Activity Report: Part IV Suspicious Activity Information Explanation/Description, CNB0001067 (Sealed Exhibit).
[278] 5/16/01 check from TNO Entertainment to Versace, CNB0001200; 5/18/01 check from TNO Entertainment to Dolce & Gabanna, CNB0001201; 8/3/01 check from TNO Entertainment to Gucci, CNB0001229 .
[279] Subcommittee interview of City National Bank officials, March 9, 2009.
[280] Id.
[281] Id.

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About three months later, on March 2, 2004, Mr. Obiang opened a personal checking account at City National Bank, Account No. 009-609326, apparently using an invalid Social Security number and an invalid date of birth.[282] At account opening, the bank used a database known as Chex System to verify the Social Security number without receiving any alert of a problem.[283] Mr. Obiang apparently did not alert the bank to his PEP status. Mr. Obiang initially funded the account with a $300,000 check drawn on a Riggs Bank account, Account No. 25773624, but the check was returned unpaid.[284] On March 15, 2004, Mr. Obiang sent a wire transfer for nearly $1 million from his account at CCEI Bank Guinea Equatorial.[285] City National Bank allowed the transfer without making any inquiries into the source of the funds.

A few months earlier, in December 2003, the bank had received a Section 314(b) request from Riggs Bank requesting information related to Mr. Obiang.[286] The letter clearly disclosed Mr. Obiang's PEP status. In addition, City National Bank had become aware of adverse media reports concerning Equatorial Guinea and the Obiang family. In response, a City National Bank compliance officer performed a search of the bank records, identified the Obiang checking account, and began to review the account activity.[287] On June 2, 2004, the compliance officer wrote to other bank officials, raising a number of concerns regarding the Obiang account:

> "We have identified a number of issues with this client, which should be addressed immediately.
>
> 1) Your branch is unable to locate the signature card. Account opened on 3-2-2004.
>
> 2) Public records indicate, the Social Security number used belongs to another individual.

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[282] 3/21/04 City National Bank Personal Account Agreement, CNB0001043. Mr. Obiang has been issued a valid Social Security Number, apparently in connection with his California corporation. See 12/10/09 letter from Social Security Administration to the Subcommittee, no bates number.

[283] Subcommittee interview of City National Bank officials, March 9, 2009. CNB advised the Subcommittee that at time of account opening, the banking center manager may not have been aware of policies respective to screening and banking PEPs, and that bank policies regarding PEPs were not as strong as they are currently as a result of improvements made pursuant to a 2005 Consent Order with the Office of the Comptroller of the Currency (OCC).

[284] 3/31/04 account statement from City National Bank, CNB0000057.

[285] Id.

[286] Subcommittee interview of City National Bank officials, March 9, 2009. Section 314(b) of the 2001 Patriot Act encourages financial institutions and associations of financial institutions located in the United States to share information in order to identify and report activities that may involve terrorist activity or money laundering.

[287] Subcommittee interview of City National Bank officials, March 9, 2009.

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3) Opening deposit of $300,000.00 was returned unpaid by Riggs Bank (own check).

4) Discrepancy in date of birth.

4) Wire transfer for $999,950.00 from Equatorial Guinea, which should have been reported as suspicious and unusual.

5) Internet shows that the client is the Minister of State for Forestry, Fishing, & Environment of Equatorial Guinea. It appears, he is related to the President of that country, Obiang Nguema Mbasogo. He may qualify as a political exposed person, requiring enhanced due diligence. Refer to Legal & Compliance Manual.

Since the client provided false information, we should close the account."[288]

On the same day, June 2, 2004, City National Bank sent a letter notifying Mr. Obiang of its intention to terminate its banking relationship with him, asked him to close his account by June 8, and instructed him to cease all banking activity with the bank.[289] City National Bank closed the account on or about June 14, 2004.[290] Following the account closure, the bank placed Mr. Obiang on its "hot list," effectively blocking him from banking through City National Bank in the future.[291] The bank also issued and held two checks with the funds remaining in the account totaling $669,691.02.[292]

On July 30, 2004, Mr. Obiang called the bank to discuss closure of the account. An email by the bank official who spoke with Mr. Obiang described the conversation as follows:

"In our conversation he asked me why we closed the account. I told him that we were provided with the incorrect social security number and that we had tried to reach him on many occasions and we were unsuccessful. After I told him that, he said, 'I thought it was due to our country and the oil.' He then asked me if we could reopen the account if he were to come in and provide us with the correct social. I told him that since we were unable to get a hold of him, the legal department is now involved."[293]

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[288] 6/2/04 internal City National Bank email, CNB0004800.
[289] 6/2/04 letter from City National Bank to Mr. Obiang, CNB0004101.
[290] 11/15/04 City National Bank's Cross-Complaint, Obiang v. City National Bank, Case No. SC 083177, CNB0003931.
[291] Subcommittee interview of City National Bank officials, March 9, 2009.
[292] 11/15/04 City National Bank's Cross-Complaint, Obiang v. City National Bank, Case No. SC 083177, CNB0003931.
[293] 11/30/04 internal City National Bank email CNB0004799.

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Earlier the same month that this conversation took place, on July 15, 2004, the Subcommittee held its hearing and released its report on Riggs Bank's handling of the Equatorial Guinea accounts. The Subcommittee's report specifically referenced Mr. Obiang's TNO Entertainment accounts at City National Bank.[294] The bank learned of the Subcommittee report as well as a report issued by the U.S. State Department warning that Equatorial Guinea was mishandling its growing oil wealth.[295] In addition, on August 19, 2004, the bank received a law enforcement subpoena requesting documentation that, among other individuals, related to Mr. Obiang.[296]

In August 2004, Mr. Obiang requested delivery of the $700,000 from his closed account.[297] In response, City National Bank requested that Mr. Obiang identify the source of the funds. Mr. Obiang provided the following declaration:

> "The wire transfer was from one of my companies in Equatorial Guinea. The funds that were transferred to me did not come from any illegal source. It was either from Somagui Forestal or Sofona."[298]

According to documents reviewed by the Subcommittee, City National Bank learned from press reports that Obiang accounts at Riggs Bank had been frozen by the U.S. Government and believed that law enforcement expected delivery of the remaining funds in the Obiang account at its bank, pursuant to the subpoena served on the bank.[299] City National Bank determined that it should hold onto the funds in expectation of a request from law enforcement.

Mr. Obiang filed suit in the Superior Court of California, County of Los Angeles, to recover the funds.[300] He was represented in that matter by attorney Michael Jay Berger. A Federal court had previously determined that the U.S. Government had no interest in the funds.[301] When no other party filed a claim in the suit, the California court ordered the funds paid to Mr. Obiang.[302] On June 24, 2005, City National Bank issued two checks payable to a Berger attorney-client account at Bank of America in the amounts of $500,000 and

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[294] 2004 Subcommittee Investigation of Riggs Bank at 44, footnote 162.
[295] CNB0003931-32.
[296] 11/15/04 City National Bank's Cross-Complaint, Obiang v. City National Bank, Case No. SC 083177, CNB0003931.
[297] Id.
[298] CNB0004068.
[299] Id.
[300] 6/27/05 Teodoro Nguema Obiang's Ex Parte Application to Approve Judgment, Obiang v. City National Bank, Case No. SC083177, CNB0005558-64, at 61.
[301] Id.
[302] Id.

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$199,691.02, for a total of $699,691.02.[303] Mr. Berger deposited both checks in that account.[304]

Nagler Attorney-Client and Law Office Accounts. Despite the actions taken by City National Bank to close the Obiang checking account in June 2004, bar Mr. Obiang from doing business with the bank, and freeze $700,000 of his funds until the June 2005 court decision, Mr. Obiang did not object when Mr. Nagler suggested using City National Bank accounts during the summer of 2006, to pay Mr. Obiang's bills and expenses. For the three-month period from June to August 2006, Mr. Obiang managed once more, without the bank's knowledge, to funnel money through its accounts, using an account Mr. Nagler had opened years earlier to handle client funds, Account No. [xxx-xxxx]27, and an account opened in the name of "Law Offices of George I. Nagler," Account No. [xxx-xxxx]43.[305]

Mr. Nagler told the Subcommittee that he had maintained an attorney-client account at City National Bank "for many years."[306] In 2005, this account began receiving the first of several wire transfers from Equatorial Guinea, which Mr. Nagler said were sent by Somagui Forestal to pay Mr. Obiang's legal fees. Mr. Nagler told the Subcomittee that he received nearly $40,000 in this manner, citing an October 19, 2005 wire transfer for nearly $12,000; a January 18, 2006 wire transfer for nearly $12,000; and a March 23, 2006 wire transfer for about $14,200.[307]

In mid-2006, the Nagler attorney-client account received another influx of Obiang-related funds totaling more than $360,000. All of these funds came from U.S. bank accounts, rather than directly from Equatorial Guinea. On May 2, 2006, First American Title Company wire transferred $107,581.11 from its U.S. account to the Nagler attorney-client account, marked "FBO Teodoro Nguema Obiang."[308] City National Bank did not block this wire transfer even though, in 2004, it had placed Mr. Obiang on its "hot list" to prevent his doing any more business with the bank.

Mr. Nagler told the Subcommittee that these funds had been left over in the escrow account at the title company after Mr. Obiang's purchase of the Malibu property.[309] He said that he used $50,000 of the

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[303] 7/1/05 internal legal memorandum from City National Bank, CNB0005553.
[304] BAC-PSI-02424, 02425. Mr. Berger later transferred these funds to one of the Beautiful Vision accounts as explained earlier.
[305] Various dates, variety of checks from Sweetwater Management, Inc., CNB0001955-57.
[306] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0006.
[307] Id., at 08.
[308] 7/7/08 Transaction Detail Report from First American Title Co., CNB0001651. "FBO" typically means "for the benefit of." Mr. Nagler told the Subcommittee that this transfer occurred on May 5, 2006. 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0008.
[309] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0008.

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transferred funds to pay Mr. Obiang's legal fees, sent about $4,400 to the IRS to settle a tax matter involving Mr. Obiang, and set aside the rest in a "subaccount" for Mr. Obiang.[310]

On June 26, 2006, another $213,149.30 was transferred into the Nagler attorney-client account from the closed Sweetwater accounts at Cal National Bank.[311] On July 27, 2006, First American Title Company sent another $47,500 to the Nagler attorney-client account with instructions "FBO Teodoro Nguema Obiang."[312] Again, the bank did not block the wire transfer even though Mr. Obiang was on the bank's internal "hot list." Mr. Nagler told the Subcommittee that these funds came from rent that had been paid by the seller for occupying the Malibu property after the closing.[313]

After receiving these funds, Mr. Nagler transferred at least $27,000 to his law office account. On May 6, 2006, for example, Mr. Nagler transferred $15,052.38 from his attorney-client account into his law office account.[314] On June 30, 2006, Mr. Nagler wrote a $12,683.05 check drawn against his attorney-client account and deposited it into his law office account with the notation for "Sweetwater Mgt - payroll."[315]

In addition, he arranged for a payroll company, Paychex Inc., to provide him with checks which were imprinted with Sweetwater Management, Inc. at the top and his law office account number, No. [xxx-xxxx]43, at the bottom. Beginning on June 30, 2006, Mr. Nagler began using those checks "to pay wages due to the employees of Sweetwater Management, Inc. and the appropriate payroll tax obligations of the company."[316] Mr. Nagler told the Subcommittee that he paid these expenses at the direction of Mr. Obiang.[317]

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[310] Id., at 08-09.
[311] 6/30/06 account statement from City National Bank, CNB00000227; 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0008.
[312] 7/7/08 Transaction Detail Report from First American Title Co., CNB0001654.
[313] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0009.
[314] 5/30/03 account statement from City National Bank, CNB0000153.
[315] 6/30/06 check from Mr. Nagler to himself, CNB0002320.
[316] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0004.
[317] Id., at 08.

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The following chart lists the checks that were imprinted with Sweetwater Management, Inc., drawn on the Nagler law office account, and paid to Obiang-related employees during June 30 to July 31, 2006.

Sweetwater Management Checks Drawn on Nagler Law Office Account to Sweetwater Employees			
Date	Check #	Amount	Bates
6/30/06	11003	$ 719.87	CNB0001956
6/30/06	11008	$ 983.50	CNB0001956
6/30/06	11004	$ 2,360.63	CNB0001957
6/30/06	11006	$ 731.06	CNB0001957
6/30/06	11009	$ 992.67	CNB0001957
6/30/06	11007	$ 2,072.95	CNB0001955
7/14/06	11013	$ 1,460.27	CNB0001963
7/14/06	11012	$ 2,322.95	CNB0001958
7/14/06	11011	$ 2,360.63	CNB0001958
7/14/06	11010	$ 1,404.63	CNB0001959
7/31/06	11018	$ 1,460.27	CNB0001959
7/31/06	11015	$ 2,360.63	CNB0001957
7/31/06	11014	$ 1,442.64	CNB0001962
7/31/06	11017	$ 2,115.21	CNB0001961
7/31/06	11016	$ 2,322.95	CNB0001961
Source: City National Bank		**Total: $ 25,110.86**	

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Mr. Nagler also had checks imprinted with Sweetwater Management, Inc. at the top and the number of his attorney-client account, No. [xxx-xxxx]27, at the bottom. In a written response to questions from this Subcommittee, Mr. Nagler's attorney stated that from "June 26, 2006 through August 23, 2006, Mr. Nagler paid certain of Client's household and living expenses from his trust account, at the Client's request and with funds provided by the Client for that purpose."[318] The "Client" referred to is Mr. Obiang. Altogether, his account disbursed more than $368,000 in Obiang-related funds.[319]

During this period, Mr. Obiang relied heavily on Mr. Nagler to pay his bills. In July 2006, for example, after Mr. Nagler advised Mr. Obiang's assistant, Melinda Dehaven, that he would be out of town for four days,[320] Ms. Dehaven sent him the following email:

> "Mr. Nguema left me a message and wanted me to ask you if you go out of town on those dates who will be available to write checks while you are away. … [T]here are numerous bills that are awaiting his approval along with purchases that he will be making

[318] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0008.
[319] Id., at 09.
[320] 7/8/06 email from Mr. Nagler to Ms. DeHaven, SEN010356.

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> upon his arrival and will need to be paid by check. … [P]lease advise so I can let him know."[321]

According to Mr. Nagler's attorney, Mr. Nagler stopped paying Mr. Obiang's expenses on or about August 23, 2006.[322] Mr. Berger had already agreed to undertake this task in an agreement he had signed the prior month with Mr. Obiang.[323] Even after Mr. Nagler stopped paying Mr. Obiang's bills, however, he apparently retained some Obiang-related funds in his accounts. An email dated May 10, 2007, for example, sent by Mr. Nagler to Mr. Obiang indicates that he was then holding more than $4,000 in Obiang funds in his attorney-client account at City National Bank:

> "Mr. Nguema, I note that I am still holding $4,185.10 of your funds in my trust account from last August. This amount was intended to cover check #3039 to Raffles L'Ermitage…to cover 5 nights at the hotel."[324]

Obiang Connection Uncovered. In July 2008, the Subcommittee asked City National Bank for records related to Mr. Obiang. In response, the bank conducted a search and learned for the first time that Mr. Obiang had used the Nagler attorney-client and law office accounts to pay his expenses during the summer of 2006.[325] The bank also learned of the checks that Mr. Nagler had created. City National Bank told the Subcommittee that it did not view these transactions as suspicious, but did deem them to be inconsistent with the purposes of the Nagler attorney-client and law office accounts.[326] City National Bank told the Subcommittee that it had determined not to close the Nagler accounts, but rate them as "high risk" subject to enhanced monitoring.[327]

In 2004, City National Bank's regulator, the Office of the Comptroller of the Currency (OCC), had determined that the bank's anti-money laundering controls were inadequate. In 2005, the OCC entered into a Consent Agreement with the bank to strengthen its AML and other compliance programs, including by establishing controls to detect and report potential money laundering by immediate family members of senior foreign political figures.[328] Despite this instruction from its regulators to tighten its controls to detect PEP activities, City National Bank did not investigate the EG wire transfers into the Nagler

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[321] 7/9/06 email from Ms. DeHaven to Mr. Nagler, SEN010356.
[322] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0009.
[323] See 7/17/06 contract between Mr. Berger and Mr. Obiang in which Mr. Berger agreed to assist Unlimited Horizon, Inc. in managing Mr. Obiang's Malibu property and to pay Mr. Obiang's personal bills upon request, SEN000001.
[324] 5/10/07 email from Mr. Nagler to Mr. Obiang, SEN004055.
[325] Subcommittee staff interview with City National Bank officials, March 9, 2009.
[326] Id.
[327] Id.
[328] See Office of Comptroller of the Currency, Consent Order # 2005-16, In the Matter of City National Bank, http://www.occ.treas.gov/ftp/eas/EA2005-16.pdf; Subcommittee staff interview with City National Bank officials, March 9, 2009.

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attorney-client and law office accounts, even when the wire transfers explicitly named Mr. Obiang; did not detect Mr. Obiang's use of those accounts; and did not take any action against Mr. Nagler, even after discovering how he had hidden Mr. Obiang's utilization of his accounts in 2006.

(iii) Pacific Mercantile Bank

At the same time that Mr. Nagler was using his City National Bank attorney-client and law office accounts to pay Mr. Obiang's bills, he was working to help Mr. Obiang open accounts at another bank. In July 2006, Mr. Nagler contacted an acquaintance at Pacific Mercantile Bank (PMB) in Beverly Hills, California, and urged the bank to open accounts for Mr. Obiang. PMB is a small state-charted bank, with less than ten branches in southern California.[329] The bank agreed to open five accounts in the name of Mr. Obiang and his Sweetwater corporations. For the first three months, the accounts were inactive. Then, after an EG wire transfer deposited nearly $500,000 into Mr. Obiang's personal checking account and he disbursed nearly all of the funds over the course of the next month, PMB decided it was ill-equipped to oversee such high risk transactions and closed the accounts.

Account Opening. The documents reviewed by the Subcommittee show that, on July 20, 2006, Mr. Nagler sent an email to an acquaintance who worked as an Executive Vice President at the PMB Beverly Hills branch.[330] Mr. Nagler stated in the email that he wanted to introduce Mr. Obiang to the bank, describing him as the son of the EG President, an EG Minister, and someone who wanted to become active in the U.S. entertainment industry. Mr. Nagler described Equatorial Guinea as "an ally of the United States and a major supplier of oil to this country," and downplayed the negative reports on the country's interactions with Riggs Bank. He wrote: "I suggest that Mr. Nguema will become a valued customer of the bank and someone with whom you will be proud to have a business relationship."[331]

Mr. Nagler also wrote that Mr. Obiang "has formed two entities, a corporation and a limited liability company, to hold and manage his residence here and would like to establish one or more bank accounts for these entities. … Currently, I am the sole signing officer on his funds and have been paying bills out of my trust account."[332]

According to Mr. Nagler, on or about September 15, 2006, he accompanied Mr. Obiang to the bank and introduced him to the PMB Executive Vice President.[333] That same day, Mr. Obiang completed

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[329] See PMB press release, November 12, 2009, on its website, www.pmbank.com.
[330] 7/20/06 email from Mr. Nagler to PMB, PSI-Pacific_Mercantile_Bank-01-0114-15.
[331] Id., at 0115.
[332] Id.
[333] 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0005.

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paperwork to open five accounts for himself and his companies.[334] Account No. 3109386 was a personal checking account in his name, and was opened with an initial cash deposit of $3,000.[335] According to PMB, this was the only account of the five that was actually funded.[336]

Account No. 3401130 was a personal savings account in Mr. Obiang's name.[337] On the account opening form, he indicated that he would be making an initial deposit of $500,000, but this deposit was not actually made.[338] Account No. 3109378 was opened in the name of Sweetwater Malibu, LLC,[339] with the account opening documentation identifying Mr. Obiang as the company's sole owner and manager.[340] Account No. 3109360 was opened in the name of Sweetwater Management, Inc.,[341] with the account opening documentation identifying Mr. Obiang as the company president,[342] chief executive officer, director,[343] and sole owner.[344] According to PMB, despite the completed paperwork, neither of these corporate accounts was ever funded. Mr. Obiang also completed a form to purchase a Certificate of Deposit (CD) at the bank to be funded with a $1 million wire transfer.[345] Again, however, according to PMB, this CD was never actually purchased.

Mr. Obiang provided slightly different information on the various account opening forms. In one, he described his "Employer" as: "Self[;] Minister of Agriculture/Forestry."[346] In others, he described himself as an "Investor" or "Self Employed."[347] He gave the Malibu

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[334] 9/15/06 PMB account opening documentation, SEN008935-9021. See also handwritten notations regarding these accounts, PSI-Pacific_Mercantile_Bank-01-0201; 9/15/06 email from Mr. Nagler to PMB regarding accounts, PSI-Pacific_Mercantile_Bank-01-0220.
[335] 9/15/06 PMB cash receipt, PSI-Pacific_Mercantile_Bank-01-0016.
[336] Subcommittee interview of Pacific Mercantile Bank officials, November 16, 2009.
[337] 9/15/06 PMB form, PSI-Pacific_Mercantile_Bank-01-0196-98; Subcommittee interview of Pacific Mercantile Bank officials, Nov. 16, 2009.
[338] 9/15/06 PMB account opening form, SEN008956; Subcommittee interview of Pacific Mercantile Bank officials, Nov. 16, 2009.
[339] 9/15/06 PMB account opening documentation, PSI-Pacific_Mercantile_Bank-01-0256-75.
[340] 9/15/06 PMB account opening documentation, PSI-Pacific_Mercantile_Bank-01-0259-60, 262-63, 281, 290; 9/15/06 Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, Substitute Form W-8BEN, PSI-Pacific_Mercantile_Bank-01-0223.
[341] 9/15/06 PMB account opening documentation, PSI-Pacific_Mercantile_Bank-01-0210-219.
[342] Id., at 213, 222, 232-33, and 242.
[343] Id., at 217.
[344] Id., at 221. See also 9/15/06 Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, Substitute Form W-8BEN, PSI-Pacific_Mercantile_Bank-01-0223.
[345] See 9/15/06 PMB form to purchase a CD, PSI-Pacific_Mercantile_Bank-01-0184; 9/18/06 PMB Certificate of Deposit Receipt, PSI-Pacific_Mercantile_Bank-01-0188. Despite these documents, PMB told the Subcommittee that the $1 million wire transfer never arrived, and the CD was never actually purchased. Subcommittee interview of Pacific Mercantile Bank officials, November 17, 2009. See also 8/1/08 letter from Mr. Nagler's legal counsel to the Subcommittee, PSI-Nagler-02-0005.
[346] 9/15/06 PMB Individual Account Holder form, PSI-Pacific_Mercantile_Bank-01-0194-95. See also PMB Individual Account Holder form, PSI-Pacific_Mercantile_Bank-01-0280.
[347] PMB new account forms, See PSI-Pacific_Mercantile_Bank-01-0184, 198, 210.

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residence as his home address.[348] He also provided a copy of a U.S. social security card in his name.[349]

In addition, Mr. Obiang provided the following memorandum bearing his signature to Pacific Mercantile Bank:

> "If Teodoro Nguema Obiang is out of the country and needs to conduct an internal transfer via phone, it is acceptable between personal and business accounts, and vice versa. ... This internal transfer from business to personal is approved by [the PMB Executive Vice President]."[350]

This document established a clear link between the Obiang personal and corporate accounts.

Due Diligence Review. Within a few days after opening the five accounts, PMB initiated a due diligence review of Mr. Obiang. On July 21, 2006, the PMB Vice President sent an email to his colleagues: "This is a prospect who really we need to check his background with regard to all regulatory compliances including OFAC and Bank Secrecy Act/MLA. … Pat, I would suggest that you check his background thoroughly through all means available and then we can decide if the risk is warranted to have him as a client."[351] On July 25, 2006, his colleague responded:

> "I can relay that the country is not on any government AML watch-list, including the FATF. The individual is not an SDN on OFAC and has no derogatory information in Lexis Nexis. Our main challenge is the BSA [Bank Secrecy Act] monitoring, especially as it relates to an attorney representing a PEP (Professional Front Scheme is a common AML scheme and one the regulators will be right on top of when they monitor our accounts). So it becomes a business risk decision, and keeping in mind that we have a BSA Officer (in contrast to a dept that larger banks have to monitor)."[352]

Three weeks later, on September 18, 2006, PMB's outside vendor, E-Funds, which performed "verification checks" for prospective clients reported that Mr. Obiang was a government official in Equatorial Guinea and a Politically Exposed Person (PEP), but also incorrectly stated that

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[348] See, e.g., 9/15/06 PMB Individual Account Holder form, PSI-Pacific_Mercantile_Bank-01-0194.
[349] See copy of social security card, PSI-Pacific_Mercantile_Bank-01-0203 (Sealed Exhibit). This social security number was assigned to Mr. Obiang by the Social Security Administration, apparently in connection with his California corporation. 12/10/09 letter from the Social Security Administration to the Subcommittee, no bates number.
[350] 9/15/06 memorandum from Mr. Obiang to PMB, SEN008995.
[351] 7/21/06 internal PMB email, PSI-Pacific_Mercantile_Bank-01-0114.
[352] 7/25/06 internal PMB email, PSI-Pacific_Mercantile_Bank-01-0114.

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he was a U.S. citizen.[353] PMB told the Subcommittee that it found "no derogatory information in Lexis Nexis" about Mr. Obiang, even though in 2004, the Subcommittee had issued a widely-publicized report and held hearings which raised questions about him.[354] In addition, because Equatorial Guinea was not on any government AML watch-list, PMB decided to rank it as a "low risk" country.[355]

After collecting the due diligence information, PMB used an internal risk scoring model which determined that Mr. Obiang was a high-risk client.[356] Under PMB's individual scoring model, 0 to 5 points was a low risk client; 6 to 9 points was a moderate risk client; and 10 or more points was a high risk client requiring "enhanced due diligence."[357] The model automatically assigned a score of 15 to any PEP client.[358] PMB documents indicate that its personnel performed two risk ratings of Mr. Obiang, scoring him at 25 and 34, with his elevated scores due primarily to his PEP status.[359] PMB also told the Subcommittee that Mr. Obiang was the bank's first and only PEP client. According to PMB, while it concluded in 2006 that it could open an account for Mr. Obiang with enhanced AML monitoring, it said that, under its current policy, it would no longer open an account for him due the difficulty associated with monitoring PEP accounts.[360]

On September 19, 2006, PMB sent a letter to Mr. Obiang stating: "Thank you for choosing Pacific Mercantile Bank and the opportunity to serve you." It confirmed the opening of his accounts and assigned him a "personal banker."[361] A copy of the letter was sent to Mr. Nagler.

For the first three months they were open, the accounts were apparently unused. Then on December 14, 2006, Mr. Obiang's personal checking account received a wire transfer for nearly $500,000 from Somagui Forestal in Equatorial Guinea.[362] Over the next month, Mr. Obiang wrote eight checks for various purposes, including one to pay for more than $253,000 in California property taxes. Those disbursements, which exceeded $446,000, consumed nearly all the available funds in the account.

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[353] E-Funds ID Verification Results for Teodoro N Obiang, PSI-Pacific_Mercantile_Bank-01-0179-81.
[354] Subcommittee interview of Pacific Mercantile Bank officials, November 16, 2009.
[355] See, e.g., PMB Individual Scoring Model, PSI-Pacific_Mercantile_Bank-01-0094 (Sealed Exhibit).
[356] PMB Individual Scoring Model, PSI-Pacific_Mercantile_Bank-01-0092-95 (Sealed Exhibit).
[357] Id., at 93.
[358] Id.
[359] Id., at 92, 95 (Sealed Exhibit).
[360] Subcommittee interview of Pacific Mercantile Bank officials, November 17, 2009.
[361] 9/19/06 letter from PMB to Mr. Obiang, PSI-Pacific_Mercantile_Bank-01-0089.
[362] 12/14/06 PMB Wire Original Information Report, PSI-Pacific_Mercantile_Bank-01-0020-21.

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The eight checks were as follows.

Transactions Involving Obiang Account at PMB December 2006-January 2007				
Date	**Transaction**	**Amount**	**Source or Recipient**	**Bates**
12/14/06	Wire deposit	$ 499,943.53	"Somagui Forestal"	PSI-Pacific_Mercantile_Bank-01-0020
12/18/06	Check No.1001	$ 5,400.00	"Las Vegas Golf & Tennis"	PSI-Pacific_Mercantile_Bank-01-0023
12/19/06	Check No.1002	$ 2,174.00	"DMV" for "Porsche"	PSI-Pacific_Mercantile_Bank-01-0025
12/20/06	Check No.1007	$ 22,289.00	"Dolce & Gabana"	PSI-Pacific_Mercantile_Bank-01-0027
12/21/06	Check No.1008	$ 54,720.00	"Saurman Inv. SC"	PSI-Pacific_Mercantile_Bank-01-0029
12/21/06	Check No.1009	$ 51,903.14	"Starlink Tours"	PSI-Pacific_Mercantile_Bank-01-0031
12/21/06	Check No.1010	$ 50,000.00	"Washington Mutual"[363]	PSI-Pacific_Mercantile_Bank-01-0087, 0088
12/21/06	Check No.1011	$ 253,204.46	"LA County Tax Collector" for "Tax-property 07"	PSI-Pacific_Mercantile_Bank-01-0033
1/04/07	Check No.1012	$ 56,544.00	"Saurman Inv.Svc"	PSI-Pacific_Mercantile_Bank-02-0001
Source: Pacific Mercantile Bank		**$ 499,943.53 – Total Deposits** **$ 496,234.60 – Total Disbursements**		

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PMB told the Subcommittee that the $500,000 wire transfer in mid-December triggered a review of the account.[364] In addition, other documentation indicates that Washington Mutual contacted PMB to inquire about the authenticity of a $50,000 check drawn on the Obiang checking account, which further directed the bank's attention to the account activity.[365] On February 8, 2007, PMB closed Mr. Obiang's checking account and issued a cashier's check to him for the remaining balance of $56,693.93.[366] PMB told the Subcommittee that it closed the account, because as a small bank, monitoring the account of a known PEP was too burdensome.[367] According to PMB, it also viewed at least some of the account activity as suspicious.

(c) Obtaining Insurance for Obiang Assets

In addition to incorporating shell companies, paying his bills, and helping Mr. Obiang open U.S. bank accounts, Mr. Nagler worked with Paul Finestone of Finestone Insurance Agency to obtain insurance for

[363] This check apparently was not cashed. An internal PMB email indicated that the check was intended to pay a Washington Mutual credit card bill, but Washington Mutual told PMB that the credit card limit was lower. See PSI-Pacific_Mercantile_Bank-01-0087-88.
[364] Subcommittee interview of Pacific Mercantile Bank officials, November 17, 2009.
[365] See 1/11/07 internal PMB email, PSI-Pacific_Mercantile_Bank-01-0087; 1/11/07 review of checking account activity, PSI-Pacific_Mercantile_Bank-01-0090. See also 2/5/07 review of checking account, PSI-Pacific_Mercantile_Bank-01-0096.
[366] 2/8/07 check from PMB to Mr. Obiang, PSI-Pacific_Mercantile_Bank-01-0038.
[367] Subcommittee interview of Pacific Mercantile Bank officials, November 17, 2009.

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Mr. Obiang's Malibu residence and a fleet of 32 vehicles.[368] After several U.S. insurance companies declined to provide either homeowners or automobile insurance to Mr. Obiang, at Mr. Nagler's request, Mr. Finestone undertook an extensive effort to secure insurance for Mr. Obiang's U.S. assets, including by contacting numerous companies, defending Mr. Obiang's reputation, considering leasing arrangements, and utilizing renters and temporary insurance.

Homeowners Insurance for Malibu Property. In 2006, Mr. Nagler asked Mr. Finestone to obtain homeowners insurance for Mr. Obiang's newly purchased residence at 3620 Sweetwater, Malibu, California. Initially, Mr. Finestone sought to transfer the coverage maintained by the previous homeowner.[369] Mr. Finestone told Mr. Nagler in an email that given the carrier's history of coverage of the residence, the transfer should be "very easily accomplished" "[a]s long as your client is not 'notorious.'"[370] The existing carrier did not, however, agree to transfer coverage, and in May 2006, Mr. Finestone began contacting other insurance companies.[371] On June 2, 2006, Mr. Finestone notified Mr. Nagler that American International Group, Inc. (AIG) had decided to withdraw an offer after learning more about Mr. Obiang. [372]

> "We have very bad news indeed. We have this instant received a fax from the AIG underwriters representative who advises that they have reviewed web sites concerning Teodoro Obiang and that they are withdrawing the written quotations submitted to us for you on all of the coverage for the estate."[373]

Another insurance company submitted five questions to Mr. Finestone seeking additional information about Mr. Obiang, including his occupation and need for armed security guards at the Malibu residence.[374] Mr. Finestone responded that Mr. Obiang was "independently wealthy," an "investor and collector," and required armed security because of the threat of kidnapping and ransom inherent with his wealth.[375] Additionally, Mr. Finestone noted that Equatorial Guinea "is a major supplier of oil to America and a critical interest of American energy needs;" and stated that "the father [President Obiang] is no better and no worse than the Saudi Royal family. … We insure billions and billions of dollars of Saudi property bought with our oil

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[368] 12/12/06 email from Mr. Nagler to Ms. Everett, SEN013561; 6/14/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010929; 6/14/06 email from Mr. Finestone to Mr. Nagler and Ms. DeHaven, SEN010919.
[369] 5/5/05 email from Mr. Finestone to Mr. Nagler, SEN011296.
[370] Id.
[371] 5/24/06 email from Mr. Finestone to Mr. Nagler, SEN011148.
[372] 6/2/06 email from Mr. Finestone to Mr. Nagler, SEN011137.
[373] Id.
[374] 6/7/06 email from Mr. Finestone to Mr. Nagler, SEN011068.
[375] Id at 11069.

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money here in America and AIG has no problem handling a great deal of that business."

On June 9, 2006, Mr. Finestone advised Mr. Nagler that Homeland Insurance had offered to provide one year of homeowners coverage for about $85,000.[376] In his email to Mr. Nagler, Mr. Finestone wrote: "WE ARE CERTAIN THAT THE INSURER KNOWS WHO THEY ARE INSURING."[377] On June 14, 2009, Mr. Nagler advised Mr. Obiang to accept the coverage, because it was the only policy available.[378]

Mr. Nagler provided Mr. Obiang with a "Homeowner's Summary" from Mr. Finestone showing that he had contacted eleven insurance agencies and only one had agreed to provide insurance on the Malibu property.[379] The summary prepared by Mr. Finestone showed that two major insurers, Chubb Insurance and AIG Private Client, had declined to provide the homeowners insurance, because "client profile too high" and "will not write due to political exposure."[380] Although others cited brush fire dangers and a high property value as reasons for the declination, Mr. Finestone noted in his summary that "clearly politics is part of the placement process on this property."[381] Mr. Finestone characterized one insurer's decision, presumably that of Homeland Insurance, to provide property damage but not liability insurance, in the following email to Mr. Nagler:

> "We had a single market prepared to accept coverage on the homeowners and they refused liability coverage given whom the client is and their perceived exposure to political risk and 'social' risk."[382]

He also wrote that "Farmers Insurance does not fully appreciate whom their client is at this time and we hesitate to trip them into a detailed review given the current automobile savings."[383] Mr. Finestone was negotiating with Farmers at the time to provide both homeowners and automobile insurance to Mr. Obiang.[384]

Approximately one year later, in August 2007, it appears that, although Homeland Insurance had provided property damage coverage, property liability insurance had still not been obtained.[385] In an email to Mr. Obiang, Mr. Nagler recommended that he create the impression he

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[376] Id.
[377] 6/9/06 email from Mr. Finestone to Mr. Nagler, SEN011045.
[378] 6/14/06 email from Mr. Nagler to Mr. Obiang, SEN010918.
[379] 6/14/06 email from Mr. Finestone to Mr. Nagler and Ms. DeHaven, SEN010919.
[380] Id.
[381] Id.
[382] 4/29/07 email from Mr. Finestone to Mr. Nagler, SEN008867-69.
[383] 6/14/06 email from Mr. Finestone to Mr. Nagler and Ms. DeHaven, SEN010919.
[384] 7/26/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010296, 010300-301.
[385] 8/11/07 email from Mr. Nagler to Mr. Obiang, SEN004091.

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was leasing the Malibu property to justify rental insurance that would provide added liability protection:

> "[Y]ou should have a lease prepared between the limited liability company that owns your Sweetwater home and you individually showing that you are leasing the house from the company. This will support the so called renters policy that provides liability protection for your protection."[386]

This email suggests that Mr. Nagler, a licensed attorney, was advising his client to create a fictitious lease between himself and Sweetwater Malibu, LLC to "support" a renters insurance policy for the Malibu residence when, in fact, Mr. Obiang was the beneficial owner of that company and thus would be leasing the house from himself.

Automobile Insurance. Mr. Nagler and Mr. Finestone also worked together to obtain insurance for Mr. Obiang's fleet of 32 motorcycles and automobiles.

On June 12, 2006, Mr. Finestone notified Mr. Nagler that Mr. Obiang's lack of a valid California driver's license was prohibitive to obtaining reasonably priced motorcycle insurance.[387] Apart from recommending that Mr. Obiang obtain a California license, he proposed two alternatives to secure the necessary insurance. First, he proposed that Mr. Obiang lease the motorcycles to Mr. Nagler for $1 per year to be lent back to Mr. Obiang.[388] Second, he proposed acquiring insurance for the entire fleet of vehicles, using licensed drivers in addition to Mr. Obiang.[389] Mr. Finestone wrote:

> "[I]f there were a couple of relatively clean drivers with CA information that the underwriters could verify on the drivers list which forms part of the application, it makes it easier for them to reasonably accept a foreign non California licensed driver as the primary driver. We continue to look for every possibility to best secure and put to bed all of the various problems for Mr. Obiang"[390]

The two alternatives suggested by Mr. Finestone involve creating either a fictitious lease or the misimpression that other California drivers would be using the vehicles owned by Mr. Obiang.

In July 2006, automobile insurance for all of Mr. Obiang's vehicles was still unresolved. It appears that Mr. Obiang was receiving

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[386] Id.
[387] 6/12/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010987.
[388] Id.
[389] 6/14/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010929-32, 34.
[390] Id. Mr. Finestone also provided Mr. Nagler with a sample letter from the Government of Equatorial Guinea to certify that Mr. Obiang had a clean driving record in that country. 6/13/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010960-61.

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temporary coverage for at least some vehicles through State Farm using a 15-day grace period on pending applications for insurance.[391] However, on July 24, State Farm advised Mr. Finestone that the temporary coverage would expire on July 26.[392] To keep Mr. Obiang covered for an additional 15 days, it appears that Mr. Finestone used his friendship with a State Farm employee to renew the pending applications, as explained in this email he sent to Mr. Nagler.

> "We are going to get another 15 days by collapsing the current applications. … My friend will then re enter all of the data for a second new application in return for an outrageously expensive sushi dinner at his favorite place. … I think I can only do this once (depending on his appetite for a sushi fix and the risk of doing this if his superiors observe the action – they would not approve). …[T]hat gives us another 15 days from today to get this done."[393]

Mr. Finestone openly advised Mr. Nagler of this deceptive scheme to obtain a continuance of automobile insurance for Mr. Obiang in violation of State Farm policy.

Billing records obtained by the Subcommittee indicate that Mr. Obiang was able to obtain automobile and motorcycle insurance for the year 2007 to 2008, from Hagerty Insurance, Essex Insurance, and Progressive Insurance, at a cost of more than $274,000. These policies appear to have ensured 32 motorcycles and automobiles, including seven Ferraris, five Bentleys, four Rolls Royces, two Lamborghinis, two Maybachs, two Mercedes, two Porches, one Aston-Martin, and one Bugatti, with a collective insured value of $9.5 million.[394]

(d) Awareness of the Suspect Origins of Obiang Funds

During the two years that Mr. Nagler worked for Mr. Obiang, he was well aware of Mr. Obiang's background and the suspect origins of his funds. On August 11, 2005, approximately one month before Mr. Nagler began working for Mr. Obiang, Rosalina Roma, an Obiang assistant, informed Mr. Nagler in an email that his future client "is Teodoro Nguema Obiang from Equatorial Guinea, his father is the president of this country."[395] In July 2006, Mr. Nagler sent a previously-cited email to Pacific Mercantile Bank defending Mr. Obiang's reputation and noting that, "Neither Mr Nguema nor his father has ever

[391] 7/26/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEN010300.
[392] 7/25/06 email from Ms. DeHaven to Mr. Finestone, SEN010306.
[393] 7/26/06 email from Mr. Finestone to Ms. DeHaven and Mr. Nagler, SEB010297.
[394] 9/17/07 policy statement from Hagerty Insurance, SEN000213 to SEN000221; 10/15/07 invoice from Finestone Insurance Agency, SEN000222; 6/21/07 invoice from Finestone Insurance Agency, SEN000293.
[395] 8/11/05 email from Ms. Romo to Mr. Nagler, SEN005794.

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been convicted or even charged with violating US law."[396] Throughout 2006, in connection with his work to obtain home and automobile insurance for Mr. Obiang, Mr. Nagler was exposed to insurance company concerns about Mr. Obiang's reputation and source of funds.

In late 2006, Mr. Nagler asked the public relations firm Winner & Associates to propose a strategic communications plan for Mr. Obiang. On November 21, 2006, Winner & Associates sent Mr. Nagler a proposal which stated in part:

> "[W]e understand that Mr. Nguema desires to communicate on a range of issues including the progress being made by Equatorial Guinea. Several of the issues that have helped bring about that progress involve positive developmental programs that are unknown or misunderstood by certain non-governmental organizations which have been communicating negatively about Mr. Nguema and the government of Equatorial Guinea. … [W]e believe that our services in the areas of crisis communication, media relations, third-party advocacy, and strategic positioning can assist in communicating positive information about Mr. Nguema, his government, and his country, while at the same time curtailing what has become a tide of misinformation put into a negative context by Mr. Nguema's adversaries. … The negative communications we are monitoring seem to be more frequent and the sooner we can intervene, the better."[397]

Approximately one month later on January 19, 2007, Winner & Associates emailed Mr. Nagler an article entitled, "Malibu Bad Neighbor; A Dictator in Training Buys His Way in as Politically Active Superstars Stay Mum."[398] The next month, on February 6, 2007, apparently without an agreement to provide services, Winner & Associates sent Mr. Nagler an article entitled, "Dictator's Son Moves in; Time for Malibu to Speak Out," and warned: "Dear George, The communications context for your client appears to be going further downhill. There will be a point beyond which we will be unable to help."[399]

On another occasion in June 2006, when Mr. Obiang had instructed his staff to secure space for a private jet he had just purchased,[400] the owner of an airplane hangar who was an acquaintance of Mr. Nagler sent him the following email:

> "I got the feeling when I did not get the material that he was not interested in disclosing his client's [Mr. Obiang's] background. I

[396] 7/20/06 email from Mr. Nagler to PMB, PSI-Pacific_Mercantile_Bank-01-0114-15.
[397] 11/21/06 email from Winner & Associates to Mr. Nagler, SEN008925.
[398] 1/19/07 email from Winner & Associates to Mr. Nagler, SEN008895.
[399] 2/6/07 email from Winner & Associates to Mr. Nagler, SEN008880.
[400] 6/7/06 fax from Mr. Nagler to airport hanger contact, SEN011075.

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don't feel comfortable in being responsible for someone I have no idea who he is and on top of that, one who has diplomatic credentials."[401]

Mr. Nagler responded with a recommendation for Mr. Obiang in which he listed four professional references, two associated with his luxury car collection, one associated with his private jet, and Neil Baddin, a Coldwell Banker realtor who helped arrange Mr. Obiang's purchase of his Malibu property.[402] Mr. Nagler also disclosed that Mr. Obiang was the EG Minister of Agriculture and Forests, requested that information be kept confidential, and asked the hangar owner to call him directly to discuss his concerns.[403]

Two months later, on August 14, 2007, an Obiang employee, Ms. Romo, sent an email to Mr. Berger stating that Mr. Obiang had terminated his relationship with Mr. Nagler.[404] Mr. Nagler told the Subcommittee that his employment by Mr. Obiang ended in September 2007.

(3) Analysis

The Obiang case history demonstrates how a determined PEP can employ the services of U.S. attorneys to bring millions of dollars in suspect funds into the United States through U.S. financial institutions. Mr. Berger and Mr. Nagler helped Mr. Obiang utilize accounts at six different U.S. banks, both large and small, from 2004 to 2008. Most of these accounts were not opened in Mr. Obiang's name, but were set up for him to use without alerting the host bank and often without triggering the bank's AML and PEP controls for months or sometimes years. The tactics used in this case history expose a variety of AML and PEP deficiencies at U.S. banks that ought to be strengthened.

Union Bank of California, for example, had designated Equatorial Guinea as a high-risk country in 2004, and identified and closed an Obiang employee account and a shell company account receiving EG funds. The bank did not know for three years, until 2007, that Mr. Obiang was still using the bank's services by utilizing two U.S. shell company accounts for Unlimited Horizon as well as Mr. Berger's law office account at the bank. Mr. Berger opened each of those accounts, but did not disclose that Mr. Obiang was the beneficial owner of Unlimited Horizon or that the law office account would be conducting transactions on Mr. Obiang's behalf. In 2006, UBOC's routine monitoring systems flagged high-dollar EG wires that had begun to be

[401] 6/7/06 email to Ms. DeHaven, SEN011096.
[402] 6/7/06 fax from Mr. Nagler to airport hanger contact, SEN011075.
[403] Id.
[404] 8/14/07 email from Ms. Romo to Mr. Berger, SEN000589. Throughout the email, Ms. Romo referred to a "Mr. Smith," seemingly in place of Mr. Obiang's name. This practice has been noted in other messages as well. See, e.g, SEN011704-05; SEN010918; SEN005767; SEN004091.

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sent to the Berger law office account. But UBOC personnel took six months to initiate a review of those wire transfers, ironically because its AML personnel were negotiating a deferred prosecution agreement with the U.S. Justice Department over its inadequate AML program. When the AML department finally reviewed the EG wire transfers, UBOC immediately uncovered Mr. Obiang's use of the shell company and law office accounts, and immediately closed them. The key AML deficiencies that allowed Mr. Obiang to take advantage of UBOC were the absence of beneficial ownership information for Unlimited Horizon and the bank's failure to promptly review the data it had collected on high risk wire transfers.

Bank of America also opened accounts for a U.S. shell company, Beautiful Vision, at the request of Mr. Berger, a longstanding customer of the bank. Mr. Berger did not disclose that Mr. Obiang was the beneficial owner of the company or explain why Mr. Obiang was the sole signatory on one of the Beautiful Vision accounts. From 2004 to 2005, Mr. Obiang made open use of one of the Beautiful Vision accounts by signing numerous, high-dollar checks that together exceeded $7.6 million in less than a year, but Bank of America did not conduct a due diligence review of him, did not learn of his PEP status, and did not review the account activity, even after Mr. Obiang used Beautiful Vision account funds to purchase a $3.3 million cashier's check and cashed it in Equatorial Guinea. In 2005, a flurry of wire transfers involving a newly-opened Beautiful Vision account did trigger a review, and Bank of America quickly discovered Mr. Obiang's connection to the company, and closed its accounts. However, the bank took no action against the Berger accounts, even though he had opened the Beautiful Vision accounts in the first place and hidden Mr. Obiang's involvement. Over the next year, Mr. Obiang sent a number of high-dollar EG wire transfers to Mr. Berger's attorney-client account at Bank of America, most of which Mr. Berger transferred within days to other Obiang-related accounts, but the bank did not review the account activity. It was only in 2007, that Bank of America conducted a review, quickly discovered Mr. Obiang's use of the account, and closed it. The AML deficiencies here include the failure to review high-risk wire transfers sent to an attorney-client account; the failure to take action against an attorney who violated bank policy by hiding the beneficial owner behind a shell company account; the failure to examine shell company accounts with multi-million-dollar account activity; and the failure to perform a due diligence of all account signatories.

Like UBOC and Bank of America, Citibank also opened a U.S. shell company account at the request of Mr. Berger, but before doing so, conducted a much more detailed due diligence review of Unlimited Horizon. Citibank asked, for example, for information about the company's beneficial owners, inquired about any PEP involvement, and

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physically visited the business address of the company. Its oversight efforts, however, were frustrated by Mr. Berger's willingness to provide deceptive information about the company. Mr. Berger was also careful to ensure that no high-dollar EG wire transfers were sent to the Unlimited Horizon account at Citibank that might trigger a bank review, instead providing funding through checks drawn on his attorney-client account at Bank of America. Despite these precautions, Citibank's monitoring of the account activity led the bank to question the transactions taking place, and it closed the account ten months after it opened. Despite its reasonable AML efforts, Citibank was taken advantage of by Mr. Obiang and Mr. Berger. The key problem was Citibank's inability to identify the true owner of Unlimited Horizon, a problem that would have been less difficult if U.S. shell companies were required to identify their beneficial owners, under oath, to the State where the company was formed. That type of incorporation requirement might also have led Mr. Berger to provide accurate beneficial ownership information for the company to protect his law license.

Cal National Bank opened accounts for still another set of U.S. shell companies associated with Mr. Obiang, Sweetwater Malibu and Sweetwater Management. Unlike Citibank, however, Cal National Bank knowingly allowed a property manager, who was a long-time customer of the bank, to open these accounts without disclosing the beneficial owners of the companies. Due to a fortunate series of events, within one month, Cal National Bank discovered Mr. Obiang's connection to the companies and, in light of the bank's policy against opening accounts for PEPs, immediately closed them. It also placed Mr. Obiang on a "hot list" to prevent him from using bank services in the future. The bank took no action, however, against the property manager, even though he was the one who hid Mr. Obiang's involvement from the bank and violated its no-PEP policy. The key AML deficiencies exposed here include the bank's willingness to allow a longstanding customer to skip a basic disclosure requirement and then, after discovering the customer took advantage of the bank, to continue to do business with him.

City National Bank had the longest history with Mr. Obiang of the six banks examined in this case history. From 2001 to 2003, the bank allowed Mr. Obiang to open five accounts for his California company, TNO Entertainment, without learning of his PEP status. In 2004, the bank allowed Mr. Obiang to open a personal checking account, again without learning of his PEP status. When a $1 million EG wire transfer triggered a review of the account two months later, the bank learned for the first time that Mr. Obiang was an EG official, the son of the EG President, and the subject of corruption allegations. The bank immediately closed the account and put Mr. Obiang on a "hot list" to block his doing business with the bank. Despite this action, during the summer of 2006, Mr. Nagler printed checks with Sweetwater

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Management, Inc. at the top and the account number of his attorney-client or law office account at the bottom and used them to pay Obiang bills and expenses. In 2008, Mr. Obiang sent an EG wire transfer to still another third party account at City National Bank and then withdrew the funds at ATM machines and casinos in the United States.

City National Bank's experiences with Mr. Obiang expose a variety of tactics that can be used to access U.S. bank accounts, even after a PEP is explicitly barred from a bank. Key AML and PEP deficiencies include the bank's poor due diligence efforts that failed to uncover Mr. Obiang's PEP status from 2001 until 2004; and Mr. Nagler's use of his attorney-client and law office accounts as checking accounts for Mr. Obiang's shell companies. In addition, after learning of the checks that Mr. Nagler created, the bank chose not to close the Nagler accounts, but simply designate them as "high risk" warranting enhanced monitoring. That decision, like that of Cal National Bank regarding the property manager, demonstrates the banks' reluctance to end relationships with longstanding customers, even when they are discovered to be facilitating a PEP's use of bank services without informing the bank. A final problem is City National Bank's failure to detect and block high risk wire transfers before they deliver funds to an account, including the $1 million EG wire transfer in 2006, the $40,000 in EG wire transfers sent to the Nagler attorney-client account, and the $30,000 in EG wire transfers to the third party account in 2008. City National Bank had added Mr. Obiang's to its internal "hot list" to block his use of bank services, but its interdiction software failed to block wire transfers bearing his name or to flag wire transfers from Equatorial Guinea for further inspection.

Pacific Mercantile Bank is the only one of the six banks that opened an account in the name of Mr. Obiang, while knowing of his PEP status. It did so in 2006, after Mr. Nagler supplied a letter of recommendation, its staff conducted a limited due diligence review that missed press articles containing negative information about Mr. Obiang, and its staff reached the surprising conclusion that Equatorial Guinea was a low risk country. On the other hand, to the bank's credit, when the Obiang account received a $500,000 EG wire transfer and disbursed nearly all of the funds within a month, the bank decided that it was ill-equipped to oversee such high risk transactions and immediately closed the account.

Together, these six banks provided evidence that U.S. financial institutions need to strengthen their AML and PEP controls if they are to keep foreign corruption out of the United States. Stronger measures include using better PEP lists to identify PEP clients and obtain accurate information about them; obtaining beneficial ownership information for U.S. shell companies; providing prompt reviews of high-dollar wire transfers from high risk jurisdictions; and strengthening the monitoring

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of PEP, attorney-client, law office, and shell company accounts by designating them as high risk accounts. Banks should also consider obtaining a written certification from each attorney-client and law office account that the account will not be used to bypass AML or PEP controls at the bank, conceal PEP activity from the bank, bring suspect funds into the bank, or provide services to a PEP who had been excluded from the bank.

C. Obiang Use of Real Estate and Escrow Agents To Purchase U.S. Property With Suspect Funds

In addition to members of the U.S. legal profession, Mr. Obiang employed members of the U.S. real estate industry to help him buy and sell high-end real estate in California, using millions of dollars in suspect funds transferred from Equatorial Guinea. Neal Baddin, a real estate agent at Coldwell Banker, helped Mr. Obiang purchase the $30 million property in Malibu, while John Kerrigan, a real estate agent with Mirzo International, Inc., helped Mr. Obiang sell a Los Angeles area house for $7.7 million. First American provided key escrow services for the Malibu purchase, accepting $30 million in wire transfers from Equatorial Guinea to complete the transaction. Neither the real estate agents nor the escrow company asked Mr. Obiang about the source of his funds, even when he made a multi-million-dollar real estate purchase without using a mortgage and wire transferred the needed funds from a country known for corruption, since none had a legal obligation to inquire.

As explained earlier, since 1988, U.S. AML laws have identified "persons involved in real estate closings and settlements" as vulnerable to money laundering abuses due to the large sums of money involved in their transactions.[405] The 2001 Patriot Act required this group to establish AML programs, unless exempted by the Treasury Department.[406] In 2002, the Treasury Department issued a "temporary" exemption for persons involved in real estate closings and settlements from the new requirement; eight years later, the Treasury Department still has not required them to establish AML programs.[407] Nor has the real estate industry issued AML guidance to its members. That means, under current law, U.S. real estate and escrow agents operate without any legal obligation to know their customers, evaluate the source of their funds, or exercise special precautions when dealing with PEPs.

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[405] See 31 U.S.C. § 5312(a)(2)(U)(including "persons involved in real estate closings and settlements" in the list of "financial institutions" subject to U.S. AML requirements).
[406] See Section 352 of the Patriot Act of 2001, P.L. 107-56 (October 26, 2001), codified at 31 U.S.C. § 5318(h).
[407] See 31 CFR § 103.170, as codified by interim final rule published at 67 FR 21110 (April 29, 2002, as amended at 67 FR 67547 (November 6, 2002) and corrected at 67 FR 68935 (November 14, 2002).

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(1) Real Estate Agent Neil Baddin

Neal Baddin has been involved in the real estate business for 29 years.[408] Originally from Minnesota, he moved to Los Angeles in 1979, and over the years worked at a number of real estate firms. He currently works as an independent contractor in a branch office of Coldwell Banker.

Mr. Baddin's office is located in the Hollywood Hills, and he told the Subcommittee that he works with many people in the entertainment industry.[409] He stated that he usually works with clients seeking property in the $800,000 to $2 million price range. Mr. Baddin said he attracts clients through referrals, telephone calls, and advertising. He indicated that the $30 million purchase of the Malibu property by Mr. Obiang was the largest transaction he has worked on.

Introduction to Mr. Obiang. Mr. Baddin stated that he was introduced to Mr. Obiang by Michael Jay Berger, whom he has known since the early 1990s when Mr. Berger moved into Mr. Baddin's neighborhood.[410] Mr. Baddin stated that Mr. Berger called him in August or September 2004, said he was representing a wealthy client who wanted to buy a property, and the client was looking for a new real estate agent. Mr. Baddin wasn't sure if Mr. Berger mentioned the client's name at that time, but understood that it would be a "delicate and intricate sales transaction."

Mr. Baddin said that, in or around October 2004, Mr. Berger arranged a meeting at the Beverly Wilshire Hotel where he introduced Mr. Baddin to Mr. Obiang.[411] Mr. Baddin said the meeting took place in a suite, that Mr. Obiang was accompanied by a woman that may have been his girlfriend, and that his impression was that Mr. Obiang was "bigger than life." Mr. Baddin reported that they spoke very little about real estate, except in general terms. Mr. Baddin said Mr. Berger had told him that Mr. Obiang had a house in mind and had made previous bids on the residence without success. At the end of the meeting, Mr. Baddin said that he did not know if he would ultimately be representing Mr. Obiang.

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[408] Subcommittee interview of Mr. Baddin, May 12, 2008.
[409] Id.
[410] Id.
[411] Id. Prior to meeting Mr. Obiang, Mr. Baddin stated that in or around April 2004, he had visited Mr. Obiang's then residence on Antelo Road during an open house. Mr. Baddin wrote: "Regarding my visit to Mr. Ngeuma's house on Antelo, My wife and I saw it advertised as an Open House on a Sunday approximately around 4/04. … Mr. Kerrigan was holding it open. We were amazed at this round Nautilus shaped house, but what was more amazing was the car collection in the garage that John showed us. We asked John, 'who owns this house?' He said, I shouldn't really say, but he's a minister of a very wealthy country in Africa. … I did not try to make contact with the Owner. … By coincidence and by a mutual friend, I was introduced to Mr. Nguema around 10/04." Memorandum from Mr. Berger, PSI-Coldwell_Banker-01-000502.

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Mr. Baddin said that, about a month later, Mr. Berger telephoned and told him that Mr. Obiang wanted to work with him.[412] On November 1, 2004, Mr. Baddin entered into an exclusive retainer agreement to locate property for Mr. Obiang. The retainer agreement said that the real estate agent fee for the purchase of a property would comply with the Multiple Listing Service (MLS), and that, "The first and only house for now to be covered by this agreement is 3620 Sweetwater Mesa Road, Malibu CA."[413] The agreement was signed by Mr. Berger as president of Beautiful Vision, Inc.[414] Mr. Baddin told the Subcommittee he didn't know why the retainer agreement was signed by Mr. Berger or what business Beautiful Vision was engaged in, but knew that it was a company that had been created by Mr. Obiang with Mr. Berger, and had no employees.[415]

Bidding on the Property. In November 2004, Mr. Baddin and Mr. Berger went to look at the Sweetwater property in an exclusive gated community in Malibu, California. Mr. Baddin said that the property was "one of the most extraordinary pieces of property I've ever seen in my life."[416] He described it as "12 acres of land over looking one of the most famous surfing beaches in California. The main house was 15,000 square feet in a Mediterranean style. There was a 2500 square foot guest house, 2 gate houses, a pool overlooking the ocean, a small putting green, and a tennis court." The asking price was $35 million. Mr. Baddin said that an assistant from the listing company, Hilton & Hyland, met them at the property to show it to them.

Over the course of more than a year, he said that Mr. Obiang made five offers on the property. The first, in November, was for $27 million.[417] Mr. Baddin submitted this offer in person to Hilton & Hyland which countered with an offer of $32 million.[418] Mr. Obiang

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[412] Subcommittee interview of Mr. Baddin, May 12, 2008.

[413] 11/1/04 Exclusive Retainer Agreement to Locate Real Property, PSI-Coldwell_Banker-01-000501.

[414] Id. This was the only retainer agreement that was signed between Mr. Baddin and Mr. Berger acting as an agent of Mr. Obiang.

[415] In a statement later submitted in connection with an arbitration proceeding, Mr. Obiang described Beautiful Vision as "my company." January 2007 Declaration of Michael Berger, Mirzo International, Inc. v. Hyland, Case No. AB06-15 (Beverly Hills/Greater Los Angles Association of Realtors Arbitration Complaint Case), SEN007574-76, at 7575.

[416] Subcommittee interview of Mr. Baddin, May 12, 2008.

[417] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0002.

[418] Mr. Baddin reported that although he submitted this offer, he understood that another real estate agent, John Kerrigan, had submitted an offer for Obiang prior to the offer Mr. Baddin submitted. In a written statement, Mr. Baddin wrote, "I asked both Mr. Berger and Mr. Ngeuma why they weren't continuing to work with Mr. Kerrigan. They both explained to me jointly and separately that Mr. Kerrigan had bungled the sale of Mr. Nguema's property on Antelo. They said he let the Buyer move in to Antelo before the close of escrow without Mr. Nguema's permission. The Buyer also refused to close the escrow on time and the transaction became litigious." Memorandum from Mr. Baddin, PSI-Coldwell_Banker-01-000502.

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responded with an offer of $27.5 million.[419] Mr. Baddin said that, on November 8, 2004, Hilton & Hyland countered with $31.5 million.[420]

Mr. Baddin said that about six months then went by without further developments.[421] He said that he ran into Mr. Berger and inquired about the property but received no new information. In September 2005, Mr. Baddin stated that he received a call from either Mr. Obiang or Mr. Berger informing him that Mr. Obiang wanted to make a new offer. Mr. Baddin confirmed that the property was still on the market, and called Mr. Obiang with that information. He said that Mr. Obiang said "Let's give it another try," and informed him that another attorney who specialized in real estate, George Nagler, would be involved in the transaction. Mr. Baddin said that he began dealing with Mr. Nagler as well as Mr. Berger, but that Mr. Obiang remained the primary contact.[422] On September 30, 2005, Mr. Obiang submitted a new offer for $28.5 million.[423]

In November 2005, Mr. Baddin took Mr. Nagler to see the property.[424] On December 21, 2005, Mr. Baddin submitted a fourth offer on behalf of Mr. Obiang to buy the property for $30 million.[425] The seller countered on December 28 for $31 million. Mr. Baddin said at that point, the transaction was becoming complicated, and the attorneys began dealing directly with one another.[426] In December 2005, Mr. Obiang contacted Mr. Baddin who presented Hilton & Hyland with a fifth offer for $30.5 million. In early January 2006, Mr. Nagler called Mr. Baddin and informed him that the seller had accepted the offer. According to Mr. Baddin, the final price was $30 million for the residence and $750,000 for specified furnishings in the house.[427]

Escrow Deposits. To complete the purchase of the Malibu property, in January 2006, Hilton & Hyland and Coldwell Banker

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[419] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0002. Mr. Baddin noted that throughout the negotiations, Mr. Obiang was very difficult to reach and didn't always return Mr. Baddin's phone calls. He also noted that at times he would have an appointment with Mr. Obiang, and he would spend hours waiting at his house and Mr. Obiang wouldn't come downstairs or he wouldn't show up.

[420] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions , PSI-Coldwell_Banker-03-0002.

[421] Subcommittee interview of Mr. Baddin, May 12, 2008.

[422] A September 29, 2005, email from Lina Romo, an Obiang assistant, confirms Mr. Nagler's involvement in the transaction when she asks Mr. Nagler to send the documents for the Malibu property to Mr. Obiang at the Hotel Crillon in Paris. See 9/29/05 email from Mr. Nagler to Mr. Baddin, PSI-Coldwell_Banker-01-000385.

[423] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker 03-0002.

[424] Subcommittee interview of Mr. Baddin, May 12, 2008.

[425] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker 03-0002.

[426] According to Mr. Baddin, the complicating factors included whether or not the furniture would remain with the house and the date when the seller would vacate the property.

[427] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0002.

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opened an escrow account at First American Title Company.[428] Mr. Baddin stated that the seller chose the escrow agent.[429]

Mr. Baddin told the Subcommittee that, a few months earlier, Hilton & Hyland had asked for funds to be placed in escrow at Coldwell Banker to demonstrate that Mr. Obiang was making a serious bid on the Malibu property. In an email dated October 3, 2005, Hilton & Hyland wrote: "In order for us to present your offer on Sweetwater Mesa to the owner's attorney, we need verification of funds from your buyer."[430] Mr. Baddin said that, in response, Mr. Obiang transferred $500,000 to an escrow account at West Coast Escrow, which was affiliated with Coldwell Banker.[431] On December 22, 2005, Mr. Obiang sent an additional $900,000 to the escrow account, sending the funds from another U.S. account rather than from Equatorial Guinea.[432] On February 2, 2006, West Coast Escrow, on behalf of Mr. Obiang, wire transferred the $900,000 to First American Title Company as a down payment on the purchase of the Malibu residence. The funds were placed in First American's escrow account at Wachovia Bank.[433]

Mr. Baddin told the Subcommittee that, after the price was agreed on and the escrow deposits made, he spent the next 45 days, from January into February 2006, helping to conduct detailed inspections of the property.[434] He said that Mr. Obiang did not accompany him, and he dealt exclusively with Mr. Nagler. He said that several repairs were needed, and the seller agreed to credit $80,000 to $100,000 back to the buyer for the repairs.

Confidentiality Agreement. Mr. Baddin told the Subcommittee that, on March 31, 2006, just prior to the purchase of the Malibu

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[428] California law requires that the real estate buyer place money in escrow. First American Title Company owns First American Trust Company; First American Title Company is, in turn, owned by its parent company, First American Corporation. Subcommittee interview of First American officials, January 15, 2010.

[429] Subcommittee interview of Mr. Baddin, May 12, 2008.

[430] 10/3/05 email from Hilton & Hyland to Mr. Baddin, PSI-Coldwell_Banker-01-000386. In a February 1, 2008 telephone call with the Subcommittee, Alla Furman of Hilton & Hyland stated that she knew something was unusual with this transaction because it was "all confidential" and it "sounded weird to us."

[431] See fax from Mr. Baddin, PSI-Coldwell_Banker 01-000706-7 (instructions from Mr. Baddin to Mr. Obiang's attorney, Mat Hsu, to send funds to the West Coast Escrow account at Comerica Bank).

[432] See 12/22/05 email from Sidley Austin to Citibank Private Bank requesting the wire transfer to West Coast Escrow, and accompanying email showing the transfer was completed, PSI-Sidley Austin-01-000028. The $900,000 was wire transferred by Sidley Austin LLP, a law firm, from its account at Citibank Private Bank to the West Coast Escrow account at Comerica Bank, on behalf of Mr. Obiang. Sidley Austin had received a much larger sum from a U.S. escrow account at Gulfstream Aerospace Corporation, which had been negotiating with Mr. Obiang over the purchase of an aircraft, as explained below. The negotiations were unsuccessful, and Gulfstream had returned Mr. Obiang's escrowed funds, sending them to Sidley Austin at his direction. See 12/17/09 letter from Sidley Austin to the Subcommittee, PSI-Sidley Austin-01-000001-3.

[433] 2/6/06 receipt for deposit from First American Title Co., SEN011816.

[434] Subcommittee interview of Mr. Baddin, May 12, 2008.

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property, Coldwell Banker was asked to and did sign a confidentiality agreement regarding the purchase.[435] The agreement stated that the identity of Mr. Obiang was "confidential" and "not to be disclosed to anyone."[436]

Mr. Baddin stated that he had signed a few confidentiality agreements in the past, "usually for a celebrity type of person." Mr. Baddin stated that being asked to sign a confidentiality agreement did not raise a red flag for him, because people are "nosy." Hilton & Hyland told the Subcommittee that both the seller and the buyer wanted a confidentiality agreement.[437]

Mr. Baddin told the Subcommittee that, in addition to signing the confidentiality agreement, he decided not to list his name in the real estate MLS system as the buyer's real estate agent. Mr. Baddin said that he didn't want to be listed in the MLS system because it was a very high end sale and if he had been listed, he would have been "bombarded" by other agents. Mr. Baddin reported that Hilton & Hyland had asked him if he wanted to be listed as the buyer's agent, and he declined. He said that he usually puts his name in the system, and there have been only a few times when he hasn't. Mr. Baddin noted that he could have been fined $250 for not putting his name in the system.

$30 Million in EG Wire Transfers. The grant deed for the Malibu property indicates that the seller sold the residence to Sweetwater Malibu, LLC on February 27, 2006.[438] According to Mr. Baddin, while the deed was signed and notarized on February 27, the deal was not recorded and therefore not finalized until April 27, 2006, because the property was not actually delivered until April.[439]

Mr. Baddin also told the Subcommittee that the original offer for the property had been made in the name of Beautiful Vision, Inc., but the final offer had been made in the name of Teodoro Nguema Obiang. During the escrow process, Mr. Baddin said that Mr. Nagler arranged to remove Mr. Obiang's name from the deed and for the title to be recorded

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[435] 3/31/06 Broker Confidentiality Agreement, PSI-Coldwell_Banker-01-000509-10.

[436] Id. Mr. Baddin had signed the confidentiality agreement a few days earlier, on March 23, 2006, but the manager of his branch office officially signed it on behalf of Coldwell Banker. 3/23/06 Broker Confidentiality Agreement, SEN012339-41.

[437] Subcommittee interview of Jeffrey Hyland, December 20, 2007.

[438] 2/20/06 Grant Deed from First American Title Co., PSI-Coldwell_Banker-01-000069-70. The seller sold the property under the name Sweetwater Mesa, LLC.

[439] Subcommittee interview of Mr. Baddin, May 12, 2008. Mr. Baddin stated in another document that "the deed to the buyer was executed prior to close of the sale. The deed remained in escrow until the Buyer placed sufficient funds into escrow, when the sale closed. During most of this time the buyer's contingencies had not been removed. A supplemental escrow instruction dated April 16, 2006, to the effect that the buyer would release another $500,000 to the seller to extend the escrow to May 15, 2006, was circulated by the escrow holder." 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0003.

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in the name of Sweetwater Malibu, LLC, a shell company Mr. Nagler had formed two months earlier in February 2006.[440]

In April 2006, Mr. Obiang actually paid for the purchase of the Malibu residence, which Forbes magazine later described as the sixth most expensive residential purchase in the United States that year.[441] In doing so, Mr. Obiang did not use a mortgage. Instead, according to the settlement document, Mr. Obiang paid for the property outright, in six installments, as follows:

On February 6, 2006, he paid $900,000.
On April 5, 2006, he paid $5,908,400.
On April 10, 2006, he paid $5,908,400.
On April 19, 2006, he paid $5,908,400.
On April 21, 2006, he paid $5,908,400.
On April 26, 2006, he paid $5,908,400.[442]

Documentation reviewed by the Subcommittee shows that Mr. Obiang provided the initial payment of $900,000 from a bank account belonging to a U.S. law firm, as explained earlier.[443] The remaining payments were wire transferred directly from Equatorial Guinea to the First American Trust escrow account at Wachovia Bank. Specifically, the funds originated at Societe General de Banque in Equatorial Guinea where Mr. Obiang had a personal account; passed through correspondent accounts held by the Bank of Central African States and Banque de France; and were deposited with Wachovia Bank in California, where First American Trust had its escrow account.

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[440] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0002. See 3/23/06 supplemental escrow instructions submitted by Mr. Nagler to First American Title Company, SEN011514. These instructions stated that Mr. Obiang would take title to the property in the name of Sweetwater Malibu, LLC and asked for all documentation to reflect that vesting change.

[441] Forbes Magazine, "Most Expensive Home Sales 2006," December 12, 2006, http://www.forbes.com/home/2006/12/11/most-expensive-sales-forbeslife-cx_mw_1212mostexpensivehomesales_ slide_7.html?thisSpeed=15000.

[442] 4/28/06 Buyer's Final Settlement Statement from First American Title Co., PSI-Coldwell_Banker-02-000367.

[443] The U.S. law firm was Sidley Austin Brown & Wood LLP (now Sidley Austin LLP) which sent the $900,000 to West Coast Escrow in December 2005. On February 6, 2006, West Coast Escrow sent the funds to First American. 2/6/06 receipt for deposit from First American Title Co., SEN011816.

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This chart summarizes the five EG wire transfers used to fund the purchase of the Malibu residence.

EG Wire Transfers To Purchase Malibu Residence					
Date	Amount	Originating Institution	Through	Beneficiary	Bates
4/05/06	$5,908,400	Obiang Account at Societe Generale de Banque-Equatorial Guinea	Bank of Central African States → Banque De France	First American Trust Account at Wachovia	BF-G-00004
4/10/06	$5,908,400	Obiang Account at Societe Generale de Banque-Equatorial Guinea	Bank of Central African States → Banque De France	First American Trust Account at Wachovia	BF-G-00010
4/19/06	$5,908,400	Obiang Account at Societe Generale de Banque-Equatorial Guinea	Bank of Central African States → Banque De France	First American Trust Account at Wachovia	BF-G-00016
4/21/06	$5,908,400	Obiang Account at Societe Generale de Banque-Equatorial Guinea	Bank of Central African States → Banque De France	First American Trust Account at Wachovia	BF-G-00019
4/26/06	$5,908,400	Obiang Account at Societe Generale de Banque-Equatorial Guinea	Bank of Central African States → Banque De France	First American Trust Account at Wachovia	BF-G-00022
Total: $29,542,000			**Source- Wachovia**		

Prepared by Subcommittee Staff

Mr. Baddin told the Subcommittee that the Obiang purchase was unique in his experience, not only because of the high price involved, but also because no mortgage was used.[444] When questioned, he stated that none of the parties involved in the transaction had asked how Mr. Obiang would provide the funds needed for the purchase price. Mr. Baddin noted that it is up to the seller to determine whether or not they believe the buyer has the ability to pay for the property.

When questioned about whether Mr. Baddin knew the source of Mr. Obiang's funds, Mr. Baddin responded that he did not. He said that he knew Mr. Obiang was involved in the government in his country, and that Mr. Berger had told him Mr. Obiang was qualified to purchase the property. Mr. Baddin stated that he never asks his clients questions about their finances, since he had no legal obligation to do so and such questions made most clients uncomfortable. He said that, from his viewpoint, there were "no red flags" raised by either the transaction or Mr. Obiang.

First American told the Subcommittee that it had a voluntary AML program and that, among other measures, each time it receives a wire transfer from a foreign account, it checks the name of the originator

[444] Subcommittee interview of Mr. Baddin, May 12, 2008.

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against lists compiled by OFAC of terrorists, narcotics traffickers, and other criminals, as required by law.[445] It noted that Mr. Obiang was not on the OFAC list. Its other AML controls did not prevent First American from accepting the wire transfers from Mr. Obiang.

First American's bank, Wachovia, told the Subcommittee that its systems automatically screen all incoming wire transfers against the OFAC lists, as required by law.[446] Wachovia indicated that, because the Obiang name is not on the OFAC lists, the wire transfers from Equatorial Guinea did not trigger a review, even though Wachovia had designated Equatorial Guinea as a high risk country. Instead, the $30 million in EG wire transfers were deposited into the First American escrow account with no questions asked. Wachovia noted that, under current law, it has no legal obligation to perform due diligence on the clients of its client, First American.[447]

Split Commission. One last issue related to the purchase of the Malibu residence involves the $615,000 commission paid to the real estate agent. Mr. Baddin said that, in September 2005, about a year after he began working with Mr. Obiang, Rosalina Romo, an Obiang assistant, telephoned and asked him if he would be willing to credit half of his commission on the Malibu purchase back to Mr. Obiang. Mr. Baddin said that he agreed. While unusual, Mr. Baddin noted that he had split his commission with clients in the past, though not often. He said he agreed to it in this case, because he did not want Mr. Obiang to back out of the deal and knew the commission would be large due to the high purchase price.

On September 18, 2005, Mr. Baddin handwrote a letter in which he agreed to split his commission with Mr. Obiang. The letter stated: "This is a letter to confirm the agreement that Neal Baddin of Coldwell Banker will share the commission on 3620 Sweetwater 50/50 with Teodoro Ngeuma Obiang."[448] The letter was signed by both Mr. Baddin and Mr. Obiang. Mr. Baddin said that he was later told by Mr. Obiang's attorney, Matt Hsu, that Mr. Obiang wanted to amend the letter agreement. On December 16, 2005, Mr. Obiang sent Mr. Baddin a more formal letter stating that Mr. Baddin was representing Mr. Obiang as his real estate agent and asking Mr. Baddin to provide Mr. Obiang with 50% of his commission on the Malibu property.[449]

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[445] Subcommittee interview of First American, January 11, 2010. All U.S. financial institutions also perform this wire transfer screening, so Wachovia, as First American's bank, would also have performed this function.
[446] 11/21/08 legal counsel to Wachovia's written response to Subcommittee questions. PSI Wachovia 10-0001-15.
[447] Id., at 5, 8. Wachovia has since informed the Subcommittee that it has added Mr. Obiang to an internal list within the bank that blocks wire transfers bearing specified names, as explained further below.
[448] 9/18/05 letter from Mr. Baddin and Mr. Obiang, PSI-Coldwell_Banker-01-000388.
[449] 12/16/05 letter from Obiang to Mr. Baddin, PSI-Coldwell_Banker-01-000505.

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The total commission on the Malibu property was $615,000.[450] Mr. Obiang received $305,000, and Mr. Baddin received $305,000, although after taxes and processing fees, Mr. Baddin ultimately received about $241,000.[451] The remaining $5,000 was retained by Coldwell Banker. Mr. Baddin also paid Mr. Berger a referral fee of $60,000.[452]

Ongoing Relationship. Mr. Baddin told the Subcommittee that he continued to work with Mr. Obiang after the closing on the Malibu property.[453] About a month or two after the closing, Mr. Obiang called Mr. Baddin and asked him if he knew a good interior decorator. Mr. Baddin recommended a decorator, and he and the decorator met with Mr. Obiang at the Pacific Design Center.

In the fall of 2006, Mr. Obiang called Mr. Baddin and told him that he wanted to purchase a condominium. An Obiang assistant, Melinda DeHaven, arranged to view four to six properties with Mr. Baddin, but at the last minute canceled and did not reschedule. In 2007, Mr. Obiang called again and asked Mr. Baddin to show him properties of interest. Mr. Baddin said he took Mr. Obiang to see two or three houses in the Los Angeles area, but Mr. Obiang was not interested in any of them.

Mr. Baddin stated that Mr. Obiang still occasionally calls him. He stated that Mr. Obiang called him in early 2008, and said he was thinking about selling the Malibu property. Mr. Baddin said that he was not surprised since Mr. Obiang did not live there very much and traveled a great deal.

(2) Real Estate Agent John Kerrigan

Prior to Mr. Baddin, Mr. Obiang worked with another California real estate agent, John Kerrigan. Mr. Kerrigan told the Subcommittee that he had been in the real estate business since 1984, and currently worked for Mirzo International, Inc.[454] He said that, from 1999 to 2004, he had shown Mr. Obiang a number of properties for sale, but was never selected as the buying agent. In 2004, however, Mr. Kerrigan helped Mr. Obiang sell a Los Angeles residence for $7.7 million.

Mr. Kerrigan has also filed a complaint against real estate agent Neil Baddin, alleging that he inappropriately lured away his client by offering to split the commission related to the purchase of the Malibu property.[455] That complaint was referred for arbitration, and a number

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[450] 3/27/06 NRT cash receipt statement, PSI-Coldwell_Banker-01-000549.
[451] Id.; 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0003.
[452] 3/11/09 legal counsel to Neal Baddin's written response to Subcommittee questions, PSI-Coldwell_Banker-03-0003.
[453] Subcommittee interview of Mr. Baddin, May 12, 2008.
[454] Subcommittee interview of Mr. Kerrigan, May 15, 2008.
[455] Mirzo International, Inc. v. Hyland, Arbitration Complaint Case No. AB06-15. 11/6/06 email from Mr. Baddin to Mr. Obiang, PSI-Coldwell_Banker-01-000498.

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of pleadings were filed in the arbitration case providing information about the Antelo and Malibu properties.

Introduction to Mr. Obiang. Mr. Kerrigan said that, in 1999, when he was working at Remax, he received a "cold call" from Mr. Obiang who was looking for properties in the $10 to $15 million range.[456] Mr. Kerrigan reported that soon after he received the call, he met Mr. Obiang at the Beverly Hills Hotel and showed him photographs of residences for sale. Mr. Kerrigan stated that, from 1999 to 2003, he showed Mr. Obiang approximately 20 to 30 properties in the $15 to $20 million price range and, in 2004, made multiple offers on his behalf to purchase the Malibu property that Mr. Obiang eventually purchased in 2006, using a different real estate agent, Mr. Baddin.[457]

In a statement submitted in connection with his complaint against Mr. Baddin, Mr. Kerrigan described his relationship with Mr. Obiang in the following manner:

> "I have had [an] extensive, continuous, and ongoing real estate agency relationship with the Buyer, Mr. Teodoro Nguema Obiang, for the past seven years, from September 1999 all the way to the present, October 2006. In addition to helping Mr. Ngeuma with his real estate needs, I have been closely connected to helping him adjust to living here in the U.S. over the last seven years. Whenever he came to town I would always make myself available to him, at his request, to run errands, help him out with selecting furniture, finding the best hotels online for him to travel to on vacation, and finding rental apartments for his friends, all with no commission compensation to me. … I was always willing to help him any way I could in order to build a strong working relationship with this client."[458]

Mr. Kerrigan also stated that he showed Mr. Obiang:

> "a number of condominiums that he wanted to lease or purchase because he was getting tired of staying in hotels. He wanted a condo in addition to a large home and the plan was to let his out of town friends stay in the condo after he purchased a home. He put in offers to purchase with me on two penthouse condos for $8,000,000 and $7,500,000 on Wilshire Blvd. Corridor. The offer for $7,500,000 was accepted and he opened escrow in May 2002. Then, two and a half months later, he abruptly cancelled the

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[456] "Exhibit 1A, Detailed Information by John Kerrigan on the Agency Relationship of John Kerrigan with the Buyer, Leading up to the Purchase of the Malibu Property," (hereinafter "Kerrigan Statement"), Mirzo International v. Hyland, Arbitration Complaint Case No. AB06-15, PSI-Coldwell_Banker-01-000009-24; Subcommittee interview of Mr. Kerrigan, May 15, 2008.

[457] Kerrigan Statement, Mirzo International, Inc. v. Hyland, Arbitration Complaint Case No. AB06-15. PSI-Coldwell_Banker-01-000014.

[458] Id.

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escrow for no reason in August 2002 and walked away from most of his deposit. I continued to work with him."[459]

Antelo Property Sale. According to Mr. Kerrigan, in 2001, Mr. Obiang purchased a very contemporary house on Antelo Road, in the Los Angeles area, for $6.5 million.[460] Mr. Obiang did not use him as his agent when he purchased the Antelo property.[461] Mr. Kerrigan told the Subcommittee that he understood Mr. Obiang had purchased the property in his own name, did not use a mortgage, and provided funds to pay the entire $6.5 million cost.[462] The Subcommittee subsequently located documentation of a wire transfer sent on March 19, 2001, for $6.2 million from an Obiang account at Riggs Bank, Account No. 76923450, to a Union Bank of California account for Beverly Hills Escrow in connection with property on Antelo Road in Los Angles.[463] Mr. Kerrigan told the Subcommittee that he was not aware of and did not ask about the source of Mr. Obiang's funds.[464]

Mr. Kerrigan said that a few years later, in or around March 2004, Mr. Obiang decided to sell the Antelo property, and telephoned him to act as his agent in the sale.[465] Mr. Kerrigan said that Mr. Obiang had never actually moved into the property. He said he originally listed the property for $10 million at Mr. Obiang's request, even though that was an unrealistically high price. On October 8, 2004, the Antelo property sold for $7.7 million, which meant that Mr. Obiang had secured a gross profit of more than $1 million from the $6.5 million purchase price he had paid in 2001.[466]

On October 19, 2004, the escrow agent who handled the Antelo property sale, D&G Escrow Corp., transferred over $4 million from the purchase price to a Beautiful Vision, Inc. account at Bank of America.[467] Beautiful Vision had been formed the prior week by Mr. Berger, on October 12, 2004. It's not clear where the remainder of the $7.7 million was sent.

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[459] Id., at 15-16.
[460] Id., at 15.
[461] Id. Mr. Kerrigan told the Subcommittee that he had told Mr. Obiang about the Antelo property, and Mr. Obiang "did not want to see it because it was a contemporary style and he preferred Mediterranean. After all the time and effort I spent I was disappointed that he did not buy it from me but I continued to work with him just the same."
[462] Subcommittee interview of Mr. Kerrigan, May 15, 2008.
[463] See UBOC Case Report with information on this wire transfer, PSI-Union_Bank_of_California-04-0452.
[464] Id.
[465] Id.
[466] See 10/15/04 Grant Deed, signed by Mr. Obiang, from Commonwealth Land Title Co., SEN003674.
[467] November 2004 statement for Beautiful Vision special checking account, BAC-PSI-02474.

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Subsequent to the sale, disagreements apparently arose among Mr. Kerrigan, Mr. Berger, and Mr. Obiang.[468]

Malibu Property. Mr. Kerrigan stated that, in 2003, he showed Mr. Obiang the Malibu property that Mr. Obiang eventually purchased in 2006.[469] He said that he showed the property to Mr. Obiang several times from 2003 to 2005, and, at Mr. Obiang's direction, submitted multiple offers for the property, in the range of $21 to $29 million, none of which were accepted.[470] Mr. Kerrigan stated that as late as December 2005, he was still communicating with Mr. Obiang about purchasing the Malibu property.

Mr. Kerrigan wrote that, in December 2005, "Jeff Hyland reluctantly told me that my client Teodoro Ngeuma had been to the property in the late summer of 2005 with Neal Baddin."[471] Mr. Kerrigan wrote that he called Mr. Obiang and asked him whether he was working with Mr. Baddin, and Mr. Obiang said that Mr. Baddin "had offered to

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[468] Mr. Kerrigan told the Subcommittee that, as part of the Antelo sale, he entered into an agreement with the buyer's representative, R & B Realty, to provide it with 1% of the commission, while Mr. Kerrigan would keep 4%. Mr. Kerrigan said that normally on a 5% commission, the buyer and seller's agent split the commission evenly. Mr. Kerrigan said that Mr. Berger "made an issue" of the commission division and "tried to disrupt the escrow." Mr. Kerrigan stated that, in the end, he received a $308,000 commission and the buyer's agent received $77,000 for the Antelo property. Subcommittee interview of Mr. Kerrigan, May 15, 2008.

Mr. Kerrigan also stated that, prior to the sale, the Antelo property needed repair work. Mr. Kerrigan said that a Riggs Bank employee, Simon Kareri, asked him to recommend a construction firm. Mr. Kerrigan recommended Pacific National Construction (PNC) which was selected for the work. He said the repair work ultimately cost $80,000, and Mr. Berger would not pay the bill. Mr. Kerrigan stated that PNC put a lien on the property and was ultimately paid for its work.

In a written statement, Mr. Baddin wrote: "I asked both Mr. Berger and Mr. Nguema why they weren't continuing to work with Mr. Kerrigan. They both explained to me jointly and separately that Mr. Kerrigan had bungled the sale of Mr. Ngeuma's property on Antelo. They said he let the Buyer move in to Antelo before the close of escrow without Mr. Ngeuma's permission. The Buyer also refused to close the escrow on time and the transaction became litigious." Memorandum by Mr. Baddin, PSI-Coldwell_Banker_01-000502. According to Mr. Kerrigan, Mr. Berger had authorized the new client moving in early.

[469] Subcommittee interview of Mr. Kerrigan, May 15, 2008.

[470] According to Mr. Kerrigan, Mr. Obiang had authorized him to submit a written offer on the property on October 18, 2003, for $21 million. 10/18/03 Residential Purchase Agreement, PSI-Coldwell_Banker-01-000179-190. On January 29, 2004, Mr. Kerrigan submitted a second offer for $24 million (see 1/29/04 California Residential Purchase Agreement, PSI-Coldwell_Banker-01-000148-159) and received a counter offer for $33.9 million (see 2/3/04 counter offer form, PSI-Coldwell_Banker-01-000144-147). On February 5, 2004, Mr. Obiang submitted a written offer of $27 million (see 2/5/04 counter offer form, PSI-Coldwell_Banker-01-000140). On February 9, 2004 the seller sent back a counter offer of $33.5 million (see 2/9/04 counter offer form, PSI-Coldwell_Banker-01-000139). On August 27, 2004, Mr. Kerrigan submitted a written offer for $28 million (see PSI-Coldwell_Banker-01-000113-124.). On September 1, 2004, the seller countered with a written offer of $32 million (see PSI-Coldwell_Banker-01-000109-112) Mr. Kerrigan wrote: "We had not come to an agreement on price yet, but as time went on we were getting closer to making a deal on the Malibu home." Kerrigan statement, Mirzo International, Inc. v. Hyland, Arbitration Complaint Case No. AB06-15, PSI-Coldwell_Banker-01-000017-18.

[471] Statement of Facts Describing the Controversy, Mirzo International, Inc. v. Hyland, Arbitration Complaint Case No. AB06-15, PSI-Coldwell_Banker-01-000024. Mr. Kerrigan reported that he never signed a retainer agreement with Mr. Obiang.

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kick him back 50% of the selling commission if he bought the Malibu property through him."[472] Mr. Kerrigan later filed suit against Mr. Baddin for allegedly inappropriately luring away his client.

No Questions. When asked about the source of Mr. Obiang's funds, Mr. Kerrigan indicated that he had no legal obligation to ask such questions and didn't inquire. He told the Subcommittee that he did not know who Mr. Obiang was initially, but ultimately "found out his family was running Equatorial Guinea." He said he did an Internet search, learned that Mr. Obiang was the son of the EG President whom some people were trying to overthrow. He said he didn't know how much to believe regarding what he saw on the Internet. He said he had no understanding of where Mr. Obiang's money came from, but assumed it was legitimate. Mr. Kerrigan stated: "Who am I to question it?"

Mr. Kerrigan said that Mr. Obiang "rolled up to showings in a Bentley," and he wasn't about to turn Mr. Obiang away. He told the Subcommittee: "If he said 'I want to buy a house for $10 million' and I said, 'no,' he'd go to someone else." He also noted that clients don't want to divulge financial information, and he never talked to Mr. Obiang about finances because he didn't want to "get someone upset."

When questioned about whether or not real estate agents should conduct due diligence in order to know who their clients are and avoid facilitating real estate purchases with suspect funds, Mr. Kerrigan responded that if those were legal requirements, real estate agents would comply with the law.

(3) Analysis

Real estate agents, Mr. Baddin and Mr. Kerrigan, assisted Mr. Obiang in his efforts to buy and sell high-end real estate in California. They operated, and continue to operate, without any legal obligation to know their customers, analyze the source of their funds, or exercise special precautions when dealing with PEPs. The escrow agents who handled the Malibu purchase, West Coast Escrow and First American, together accepted more than $30 million in suspect funds wire transferred from Equatorial Guinea. D&G Escrow Corporation, which handled the Antelo property sale, received $7.7 million from the buyer and transferred the sale proceeds to Obiang-controlled accounts, including $4 million to a shell company account at Bank of America. Those sale proceeds included a $1 million profit on the funds that Mr. Obiang had used to buy the property three years earlier. Like their real estate agent counterparts, these escrow agents operated, and continue to operate, without any legal obligation to know their customers, analyze the source of their funds, or exercise special precautions when dealing with PEPs.

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[472] Id.

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In addition, the banks that housed the escrow agent accounts did not stop the multi-million-dollar wire transfers sent to or from the accounts of the escrow agents, relying on the principle that a bank is not obligated to know the clients of its client. These banks' AML and PEP controls depended upon the escrow agents policing their own clients, but under current law, U.S. escrow agents selling multi-million-dollar real estate are not required to have AML safeguards in place.

Because of these gaps in U.S. AML law, Mr. Obiang was able to buy and sell U.S. real estate without having to account for the source of the funds he used in his transactions. The end result was that he sent millions of dollars in suspect funds into and out of the United States in connection with his real estate transactions. If AML safeguards are to be applied to these types of transactions in the future, real estate and escrow agents should be required to establish AML programs.

D. Obiang Use of a U.S. Escrow Agent To Purchase A Private Jet with Suspect Funds

In 2006, Mr. Obiang used a shell corporation called Ebony Shine International, Ltd. to purchase a private jet with $38.5 million wire transferred from Equatorial Guinea to a U.S. escrow agent that facilitated the purchase. After one U.S. escrow agent, McAfee & Taft, learned of Mr. Obiang's involvement in the purchase and refused to complete the transaction without information on the source of the funds being supplied by him, another U.S. escrow agent, Insured Aircraft Title Services, Inc. (IATS), stepped in and completed the transaction without questioning the source of the funds. The $38.5 million was transferred from an Obiang account in Equatorial Guinea to an IATS escrow account at UBS Bank in London, and later to various U.S. bank accounts. Mr. Obiang now routinely uses the jet to travel throughout the United States and around the world.

Like persons involved with real estate closings and settlements, since 1988, "business[es] engaged in vehicle sales, including automobile, airplane, and boat sales," have been identified in U.S. AML laws as vulnerable to money laundering abuses due to the large sums involved in their transactions.[473] The 2001 Patriot Act required such businesses to establish AML programs, unless exempted by the Treasury Department.[474] In 2002, the Treasury Department provided a "temporary" exemption from the statutory requirement to "seller[s] of

[473] See 31 U.S.C. § 5312(a)(2)(T)(including "a business engaged in vehicle sales, including automobile, airplane, and boat sales; in the list of "financial institutions" subject to U.S. AML requirements).
[474] See Section 352 of the Patriot Act of 2001, P.L. 107-56 (October 26, 2001), codified at 31 U.S.C. § 5318(h).

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vehicles, including automobiles, airplanes, and boats."[475] Today, eight years after enactment of the Patriot Act, the Treasury Department has yet to propose an AML rule for businesses engaged in vehicle sales. Treasury has also never made it clear whether such an AML rule would extend to escrow agents holding the funds needed to complete the vehicle sales. This business sector has also failed to develop AML guidance for its members. That means, under current law, U.S. escrow agents that handle aircraft sales operate without any legal obligation to know their customers, evaluate the source of funds used to purchase aircraft, or exercise special precautions when dealing with a PEP.

2005 Purchase Attempt. In February 2005, Mr. Obiang employed a U.S. law firm, Sidley Austin Brown & Wood LLP (now Sidley Austin LLP), to help him purchase an aircraft from Gulfstream Aerospace Corporation (Gulfstream).[476] At some point, Mr. Obiang sent more than $21 million to an escrow account associated with Gulfstream for the purchase of the aircraft,[477] but according to the law firm, the "negotiations between Gulfstream and Mr. Obiang were unsuccessful."[478] Sidley Austin agreed to accept a wire transfer of the $21 million from Gulfstream, after first obtaining a letter from the U.S. Department of Justice that, "at the present time," it had "no basis for either restraining or seizing proceeds used to finance this proposed sale as potentially forfeitable property" and "no basis for believing that the monies used to purchase the aircraft would violate the U.S. money laundering laws."[479]

On July 28, 2005, Gulfstream wire transferred the $21 million to Sidley Austin's attorney-client account at Citibank Private Bank.[480] According to the law firm, the transfer "was done at the direction of Mr. Obiang with the understanding that the funds would be remitted to Mr. Obiang."[481] The funds remained at the law firm for more than four months. On December 8, 2005, at Mr. Obiang's request, Sidley Austin wire transferred $250,000 of his funds to Aero Records & Title Co. Escrow.[482] Sidley Austin also applied about $266,000 of the funds to pay Mr. Obiang's outstanding legal fees and accepted another $100,000

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[475] See 31 CFR § 103.170, as codified by interim final rule published at 67 FR 21110 (April 29, 2002, as amended at 67 FR 67547 (November 6, 2002) and corrected at 67 FR 68935 (November 14, 2002).
[476] 12/17/09 letter from Sidley Austin LLP to Subcommittee, PSI-Sidley Austin-01-000001-3.
[477] Id.
[478] Id.
[479] 4/18/05 letter from U.S. Department of Justice to Sidley Austin Brown & Wood LLP, PSI-Sidley Austin-01-000005.
[480] See Sidley Austin Trust Transaction Detail Report for 1/1/04 to 1/1/07 for the Republic of Equatorial Guinea and Minister Obiang, PSI-Sidley Austin-01-000006-7.
[481] 12/17/09 letter from Sidley Austin LLP to Subcommittee, PSI-Sidley Austin-01-000001.
[482] Id., at 2. This money was placed in escrow and used in Mr. Obiang's second, ultimately successful attempt to purchase a Gulfstream jet in 2006, as explained below.

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"as a retainer payment."[483] The next day, December 22, 2005, at Mr. Obiang's direction, Sidley Austin wire transferred $900,000 of his funds to West Coast Escrow.[484]

Sidley Austin attempted to send the remaining funds, about $19.5 million, to Mr. Obiang's personal bank account in Equatorial Guinea. On December 21, 2005, Sidley Austin sent a wire transfer of the funds to Societe Generale de Banques in Equatorial Guinea for Mr. Obiang's account, but Societe General "did not approve the transfer."[485] A month later, on January 24, 2006, after obtaining a second letter from the U.S. Justice Department that the transfer did not violate U.S. AML laws, Sidley Austin sent a second wire transfer with the $19.5 million to Societe General in Equatorial Guinea. That time, the bank accepted the transfer and credited the funds to Mr. Obiang's account.[486]

2006 Purchase Offer. In 2006, Mr. Obiang made a second attempt to purchase a Gulfstream aircraft, this time from an owner rather than the manufacturer. On February 23, 2006, Ebony Shine International, Ltd., acting on behalf of Mr. Obiang, submitted a purchase offer to Blue Sapphire Services, Ltd. to buy a Gulfstream G-V jet airplane registered in the United States.[487] Ebony Shine International, Ltd. is a British Virgin Islands (BVI) shell company. Mr. Obiang was represented in the transaction by a non-U.S. attorney, Duret Sieraczek-Abilan, also known as Eric Duret.

Blue Sapphire Services, Ltd. is also a BVI shell corporation, that was used to facilitate the sale of the aircraft by the Bakrie family of Indonesia.[488] The Bakrie family was represented in the transaction by a non-U.S. citizen referred to as Dick Brown. At the time of the transaction, the aircraft was registered with the Federal Aviation Administration (FAA) in Oklahoma City, but physically located in Singapore.[489] Because U.S. registered aircraft require a U.S. registered

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[483] Id.

[484] Id. See also 12/22/05 letter from Sidley Austin to Citibank Private Bank regarding the wire transfer, and several emails of the same date showing the transfer was completed, no bates numbers. The $900,000 was placed in escrow and later used in Mr. Obiang's purchase of the Malibu residence, as explained earlier.

[485] Id.

[486] Id.

[487] The Gulfstream G-V is a high performance corporate-style jet airplane that seats up to sixteen passengers and crew, and has an ultra-long flight range of 6,500 nautical miles. It is manufactured in the United States by Gulfstream Aerospace Corp., a subsidiary of General Dynamics. The Gulfstream G-V can be used to transport senior government officials or corporate management, and serve military and homeland defense roles. See Gulfstream Aerospace Corp., News Release, November 6, 2008, http://www.gulfstream.com/news/releases/2007/070618a.htm.

[488] Subcommittee staff interview with McAfee & Taft officials, 2/20/09. See also 2/23/06 Offer to Purchase from Ebony Shine International LTD, BSSL000001.

[489] As is common with foreign owners of U.S. registered aircraft, Blue Sapphire Services, Ltd. had entered into an owner-trustee relationship with Wells Fargo Bank N.A. to hold title of the aircraft to satisfy domestic ownership requirements for registration purposes. See also 2/23/05 Offer to Purchase from Ebony Shine International Ltd., BSSL000001.

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owner, Blue Sapphire employed Wells Fargo Bank Northwest as the aircraft's registered owner.[490]

McAfee & Taft, a U.S. company headquartered in Oklahoma City, initially acted as the escrow agent in the sale. According to McAfee officials, their company was chosen because it had assisted in the original purchase of the jet by Blue Sapphire Services, and so was familiar with the unique leasing structure used to finance that purchase.[491]

The February 2006 purchase offer proposed a total purchase price of $38.5 million payable in three installments to the escrow agent, consisting of an initial payment of $4.7 million at the time of the offer; a second payment of $10.3 million due at the pre-purchase inspection of the jet on or about March 25, 2006; and a final payment of $23.5 million upon delivery of the aircraft.[492] The offer was signed by Mr. Duret on behalf of Ebony Shine International and by Irma Pujiastuti on behalf of Blue Sapphire Services.[493] An escrow agreement, that was drafted but not signed by either party, indicated that all payments would be made to an escrow account at McAfee & Taft in Oklahoma City.[494]

A second U.S. company, Insured Aircraft Title Services (IATS) of Oklahoma City, was selected to serve as the escrow agent for Ebony Shine International. On February 27, 2006, IATS sent an email to Eric Duret, the attorney representing Ebony Shine International, stating that IATS had received a deposit of about €3.9 million from Mr. Obiang to purchase the aircraft.[495] The funds had been deposited into an IATS escrow account at UBS bank in London.

Those funds were supposed to be transferred to the seller's escrow agent, McAfee & Taft, which had its account at Bank of America in Oklahoma City.[496] On March 6, 2006, however, Mr. Duret sent an email to McAfee & Taft, with a copy to Blue Sapphire's representative, Dick Brown, requesting alternate wire arrangements:

> "Further to Dick's correspondence he has noted deposit to be made in a bank in Oklahoma [C]ity.
>
> The future owner of this plane is from an African origin and therefore it is complicated for him to make a wire transfer to the USA instead of Europe or to Asia.

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[490] See 6/29/06 FAA Aircraft Bill of Sale and 8/16/06 letter from Wells Fargo canceling U.S. registration of the aircraft, PSI-Insured_Aircraft-01-0159-60.
[491] Subcommittee interview of McAfee & Taft officials, 2/20/09.
[492] 2/23/06 Offer to Purchase, BSSL000001, 10-11.
[493] Id., at 03.
[494] Id., at 11.
[495] Id., at 04.
[496] Escrow Agreement, BSSL000054.

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> He presently hold[s] an account with UBS London. Would it be possible for you to manage this escrow account in London in order to proceed further with this transaction and guarantee our client interest."[497]

McAfee & Taft replied the same day, stating: "We cannot manage an account with UBS London. With that said, the parties may choose to use another escrow agent for funds (possibly a London firm/company) and we would simply hold the documents in escrow."[498] Mr. Brown of Blue Sapphire Services, however, insisted on using McAfee & Taft as the escrow agent for the funds, sending the following email:

> "As I advised from the outset of this transaction, the funds have to be in Escrow with MCAFEE & TAFT. We have no way of managing funds in overseas accounts. If your client has an account with UBS in London, he can transfer the funds from Africa to his UBS account in London, and from there it is a simple transaction to move the funds to McAfee & Taft.
>
> If you can't have these funds moved into an Escrow acceptable to McAfee & Taft, then I don't see how we are going to get this deal done."[499]

On March 15, 2006, an internal McAfee & Taft email noted that the company had not received any funds regarding the Gulfstream purchase, and that Ebony Shine must "direct IATS to transfer the $3,912,504.94 to our escrow account."[500] On March 16, 2006, Mr. Brown emailed Mr. Duret to request the immediate transfer of the funds:

> "Eric, we have not received any advice from [McAfee & Taft] that they have received funds into Escrow despite your advice earlier in the week that the funds have been sent. This is very disturbing and it is a long way from your commitment."[501]

Mr. Duret replied:

> "[F]unds will arrive on Wednesday. As I told you in my email of March 6th, my client is [of] African origin and therefore it is complicated for him to make a wire transfer to the USA. That's the reason why the funds [are] not in your account. Please be patient."[502]

McAfee & Taft Raises Patriot Act Concerns. After reviewing the IATS wire transfer documentation, McAfee & Taft became aware of

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[497] 3/6/06 email from Ms. Nasrallah, BSSL000093.
[498] 3/6/06 email from McAfee & Taft, BSSL000145.
[499] 3/6/06 email from Mr. Brown to Mr. Duret, BSSL000093.
[500] 3/15/06 internal McAfee & Taft email, BSSL000100.
[501] 6/16/06 email from Mr. Brown to Mr. Duret, BSSL000144.
[502] 3/17/06 email from Mr. Duret to Mr. Brown, BSSL000144.

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Mr. Obiang's involvement in the transaction.[503] It then researched Mr. Obiang, learned of his political status and reputation, and became concerned about the source of the funds he would be supplying to purchase the aircraft.[504]

Although in 2002, the U.S. Treasury Department exempted U.S. businesses engaged in aircraft sales from requirements in the 2001 Patriot Act to establish AML programs, McAfee & Taft told the Subcommittee that it had voluntarily chosen to implement the Patriot Act's AML safeguards to avoid facilitating transactions involving suspect funds.[505] The 2006 escrow agreement to be used in the Gulfstream purchase, for example, stated that McAfee & Taft "maintains a Customer Identification Program (CIP) in accordance with the Patriot Act."[506] McAfee & Taft told the Subcommittee that its CIP program required it to identify the officers and principals of the purchasing company, Ebony Shine International; to understand the source of the purchaser's funds; and to ensure that the funds were sent from an account held in the name of the purchaser, Ebony Shine International, rather than from a parent, subsidiary, related company, officer, or director.[507]

On March 19, 2006, McAfee & Taft sent an email to Mr. Brown and Mr. Duret stating: "We need some information to assure compliance with the U.S. Patriot Act. Funds must arrive from an account held in the name of Ebony Shine International, Ltd. (Ebony). We also need copies of Ebony's formation documents, list of officers and principals and identity of the source of funds."[508]

On March 23, 2006, IATS wire transferred about $4.7 million from its UBS account in London to a McAfee & Taft escrow account at Bank of America in Oklahoma City. An email from a McAfee employee stated that the funds were to be held pending further instruction from Teodoro Nguema Obiang.[509]

McAfee & Taft sent an email to Mr. Brown confirming receipt of the funds but also noting: "The funds, until such time as a final escrow agreement is executed by all parties, [are] being held by us and subject to the discretion of the purchaser. We of course will not execute the escrow agreement until we are satisfied that the Patriot Act

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[503] Subcommittee interview of McAfee & Taft officials, February 20, 2009.
[504] Id.
[505] Id.
[506] 3/06 Escrow Agreement Draft 46, BSSL000205.
[507] See 3/06 Escrow Agreement Draft 46, BSSL000205; and 3/19/06 email from McAfee & Taft to Mr. Brown and Mr. Duret, BSSL000159.
[508] 3/19/06 email from McAfee & Taft to Mr. Brown and Mr. Duret, BSSL000159.
[509] See 3/23/06 email from McAfee & Taft, BSSL000222; 3/23/06 email from McAfee & Taft to Mr. Brown, BSSL000223; 3/24/06 email from McAfee & Taft to Mr. Brown, BSSL000226.

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documentation is sufficient. We have not received any further documentation from Eric, since our last meeting."[510]

McAfee & Taft and Mr. Brown sent multiple emails to Mr. Duret and his assistant, Christine Nasrallah, in an attempt to obtain the information about Ebony Shine International and the source of its funds to satisfy the company's compliance with the Patriot Act.[511] On March 30, 2006, Mr. Brown sent the following email to Mr. Duret:

> "We are approaching the end of another week, and nothing has been done by you to enable compliance with the Patriot Act. I have sent you several emails on this matter and have not even had the courtesy of a reply.
>
> As explained to you previously, because you have not complied with the requirements of the Patriot Act, we do not have a deposit as required under the Sale and Purchase Agreement. The fact that you have actually transferred the funds to the Escrow Account has no meaning if you are unable to comply with the Patriot Act.
>
> In the absence of a constructive reply from you by return, we will have to assume that you no longer wish to continue with this transaction."[512]

Ignoring the McAfee & Taft requests for additional customer information, Mr. Obiang wire transferred $10.3 million from his account in Equatorial Guinea to the McAfee & Taft escrow account at Bank of America in Oklahoma City, in three installments:

> On April 4, 2006, Mr. Obiang wired $2,575,000 to the McAfee & Taft escrow account. The originating institution was Societe Generale De Banque (SGDB) in Equatorial Guinea.[513]
>
> On April 6, 2006, he wired another $2,575,000 from SGDB to the McAfee & Taft escrow account.[514]
>
> On April 7, 2006, Mr. Obiang wired $5,150,000 from SCDB to the McAfee & Taft escrow account in Oklahoma City.[515]

In each case, the funds moved from his bank in Equatorial Guinea to a correspondent account at Wachovia Bank which then transferred the funds to Bank of America in Oklahoma City. The plan was that, once the sale of the jet was complete, the funds would move from the McAfee

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[510] 3/24/06 email from McAfee & Taft to Mr. Brown, BSSL000226, see also 3/06 Escrow Agreement Draft 46, BSSL000205.
[511] See 3/17/06 - 3/28/06 emails between McAfee & Taft, Mr. Brown, and Mr. Duret, BSSL000230-235.
[512] 3/30/06 email from Mr. Brown to Duret, BSSL000238.
[513] 4/5/06 wire transfer record, BSSL000254.
[514] Id., at BSSL000255.
[515] 4/6/06 wire transfer record, BSSL000258.

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& Taft escrow account at Bank of America to an account for the benefit of the seller, Blue Sapphire.[516]

On April 7, 2006, Mr. Duret's assistant, Ms. Nasrallah, wrote to Mr. Brown about the $10.3 million that had been transferred to the U.S. escrow account as follows:

> "The 1st and 2nd settlements of $2,175,000.00 each were transferred to the credit of [McAfee & Taft's] account value April 6th, 2006 and the 3rd $5,150,000.00 value April 7th. … We have contacted the Wells Fargo Bank re the compliances of Patriot Act. Taking into account the difficulties linked with their client's political activities, we have decided not to proceed with a U.S. registration but to go for a registration in the Caymand [sic] Islands or Bermuda."[517]

On April 7, 2006, Mr. Brown responded with an email to Mr. Duret, Ms. Nasrallah, McAfee & Taft, and others:

> "We seem to have reached an impass[e] on the Patriot Act compliance. … The buyer has decided to take the aircraft off the US Register because they feel that complying with the requirements of the Patriot Act for Well[s] Fargo will take too long. … We are just about at the stage where we will have to either restructure this sale to take it entirely outside the Patriot Act (i.e. we sell it to one of their associates in Singapore, and accept payment there)."[518]

Minutes later, McAfee & Taft replied:

> "I just want to make sure everyone is on the same page and aware that for us to continue to hold the funds I must be provided with the Patriot Act due diligence by Monday morning. … [I]f I don't have the information or if I am in anyway unsure, I will wire the funds back to the account of the party sending said funds to us. Or we can wire the funds back to IATS if they are willing to act as escrow agent.
>
> The parties could use the same form of escrow agreement with IATS."[519]

Five days later, on April 12, 2006, having received no information from Ebony Shine International, McAfee & Taft cancelled the transaction and returned the funds that had been provided to them to purchase the Gulfstream jet. McAfee & Taft told the Subcommittee that it expected an angry phone call from Mr. Duret, but received no further

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[516] Wells Fargo was the appointed trustee for Blue Sapphire. See 7/26/06 Escrow Agreement, PSI-Insured_Aircraft-01-0196-205.
[517] 4/7/06 email Ms. Nasrallah to Mr. Brown, Mr. Duret, McAfee & Taft, BSSL000259.
[518] 4/7/06 email from Mr. Brown to McAfee & Taft, Mr. Duret, and other others, BSSL000279.
[519] 4/7/06 email from McAfee & Taft, BSSL000280.

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communication from him.[520] On April 12, 2006, McAfee & Taft sent three wire transfers totaling $10,299,950.00 to Mr. Obiang in Equatorial Guinea and one wire transfer for $4,723,262.22 to IATS at UBS in London.[521] These amounts corresponded to the "initial payment" and "second payment" amounts specified in the draft escrow agreement, less fees.

IATS Steps In. After McAfee & Taft declined to complete the transaction without information on the source of the $38.5 million being provided to purchase the Gulfstream jet, IATS stepped in, agreeing to serve as escrow agent for the transaction and to facilitate the purchase of the jet by Mr. Obiang's company.

On April 20, 2006, Ms. Nasrallah sent an email to IATS noting that "the transaction was cancelled via Mcafeetaft" and requesting IATS to open an escrow account in the name of "Blue Sapphire (NGUEMA)."[522] Later that day, IATS sent Mr. Duret a confirmation that it had deposited $4.7 million into an IATS escrow account at UBS Bank in London for "Blue Sapphire Services LTD (Nguema)."[523] Mr. Duret subsequently provided IATS with a Power of Attorney form, signed by Mr. Obiang, in which Mr. Obiang authorized Mr. Duret to represent him in the purchase of the aircraft.[524]

Two weeks later, on May 4, 2006, Mr. Brown emailed Mr. Duret and Ms. Nasrallah to warn them "if the deposit held by IATS is not made non refundable (in accord with the Purchase Agreement) and confirmed as non refundable by IATS, by close of business tomorrow Friday May 5, then we will have to abort the sale to your client."[525] The next day, on May 5, 2006, Mr. Brown wrote:

> "It is good to hear that your client still wants to buy the aircraft, and we are still interested to sell him the aircraft, but weeks go by and there is no progress and no action from your side. We can understand the problems that have occurred with the banking, but not the long periods on no action by your side were the major contributor to the banking problems.
>
> Your client has indeed sent the US$4,700,000 back to [IATS] however the funds are still held by IATS for the account of your clients, and not for the escrow account of Blue Sapphire in accordance with the Purchase Agreement. Your client still has total control over these funds, we do not have them.

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[520] Subcommittee interview of McAfee & Taft officials, February 20, 2009.
[521] 4/11/06 internal McAfee & Taft email, BSSL000331; 4/12/06 Bank of America wire transfer record, BSSL000335-38.
[522] 4/19/06 email from Ms. Nasrallah to IATS, PSI-Insured_Aircraft-01-0222.
[523] 4/20/06 IATS Deposit Confirmation, PSI-Insured_Aircraft-01-0229.
[524] 4/20/06 Bordreau De Transmission, PSI-Insured_Aircraft-01-0226-28.
[525] 5/4/06 email from Mr. Brown to Mr. Duret and Ms. Nasrallah, PSI-Insured_Aircraft-01-0258.

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> The Pre Purchase inspection can be scheduled as soon as the funds are moved into escrow on a non refundable basis in accordance with the terms of the Purchase Agreement.
>
> Please contact Eric by phone today to get this matter resolved."[526]

Mr. Brown sent a second email on May 5, 2006, as follows:

> "As explained in my earlier email the US$4,700,000 is in the IATS Escrow Account and is being held for the Credit of your client. … We can be patient while all the other problems are sorted out, but we must have the US$4,700,000 made non refundable in accordance with the terms of the Sale and Purchase Agreement. … I would suggest you contact Fred Weissmann and arrange for Jet Aviation to advise you on this matter and assist you in completing this transaction. They are experts in these matters and can help you get this transaction finalized."[527]

On May 9, 2006, Ms. Nasrallah sent an email stating: "The management of the aircraft will be done by Jet Aviation in accordance to the instructions of the buyer."[528]

That same day, Mr. Obiang sent the second installment of $10.3 million to purchase the aircraft, using three wire transfers to do so. Each transfer was sent from an Obiang account at Societe Generale De Banque in Equatorial Guinea to the IATS account at UBS in London. On May 9, 2006, UBS notified IATS that $2,574,975 had arrived from Banque De France by order of Mr. Obiang.[529] This email clearly disclosed Mr. Obiang's involvement in the aircraft sale. On May 10, 2006, UBS received an additional $5,149,975 from Banque De France by order of Mr. Obiang.[530] And again, on May 11, 2006, another $2,574,975 was sent from Banque De France by order of Mr. Obiang.[531] At that point, IATS held about $15 million in its escrow account at UBS in London.

On May 18, 2006, IATS notified Mr. Brown of Blue Sapphire Services and Mr. Duret of Ebony Shine International, among others, that IATS was in possession of the first and second payments specified in the draft escrow agreement for the purchase of the jet.[532]

Seller Invokes Patriot Act. On May 23, 2006, Mr. Brown sent an email to Mr. Duret notifying him that the seller of the aircraft, Blue

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[526] 5/5/06 email from Mr. Brown to Ms. Nasrallah and Mr. Duret, PSI-Insured_Aircraft-01-0257.
[527] 5/5/06 email from Mr. Brown to Mr. Duret and Ms. Nasrallah, PSI-Insured_Aircraft-01-0250.
[528] 5/9/06 email from Ms. Nasrallah to Mr. Brown, PSI-Insured_Aircraft 01-0265; see also 5/9/06 email from Ms. Nasrallah to Mr. Brown, PSI-Insured_Aircraft-01-0268.
[529] 5/5/06 email from UBS to IATS, PSI-Insured_Aircraft-01-0275.
[530] 5/10/06 email IATS to UBS, PSI-Insured_Aircraft-01-0264.
[531] 5/11/06 email from UBS to IATS, PSI-Insured_Aircraft-01-0276.
[532] 5/18/06 email from IATS to Mr. Brown, PSI-Insured_Aircraft-01-0281.

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Sapphire, wanted a legal opinion that the proposed purchase was not subject to provisions of the Patriot Act:

> "The owner of the GV is very concerned that this sale to your client is not in compliance with the Patriot Act. As such he requires a Legal Opinion from IATS's Counsel that the transaction as structured by IATS is not subject to the provisions of the Patriot Act, or if it is, that all requirements of the Patriot Act have been complied with."[533]

Wells Fargo Bank Northwest, which acted as Blue Sapphire's U.S. registered owner of the aircraft, normally complied with the Patriot Act's AML provisions and wanted a legal determination as to whether the $38.5 million being paid in the sale was subject to a due diligence review to evaluate the source of the funds.

Ms. Nasrallah responded with an email on May 31, 2006, arguing that the Patriot Act was not applicable to the transaction:

> "Please allow me to pinpoint the following points: the client is Indonesian, the sale will take place in Singapore between 2 [BVI] companies out of which one is detained by an African, the guarantee is based in London, both intermediaries (you and me) are non US Citizens. Based on the above, could you please explain to me how an American law can be applied to this contract knowing that the plane has already been re-registered at the Cayman Islands?"[534]

Despite this email, the escrow agreement had been revised to require the purchaser to provide a legal opinion that the transaction was exempt from the Patriot Act.[535] On June 9, 2006, William J. Robinson, an Oklahoma City attorney, provided the requested legal opinion to Blue Sapphire, Ebony Shine International, IATS, and Wells Fargo Bank. He wrote in part:

> "In accordance with Paragraph 4 of the June 5, 2006 Aircraft Sale and Purchase Amendment Agreement herein relative to the applicability of the Uniting and Strengthening America By Providing Appropriate Tolls Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act Of 2001 thereto, you are advised that while the transaction may not be specifically 'exempt' from same, it is my opinion, subject to qualification hereinafter expressed, that nothing in said Act prevents the parties hereto, or their agents, from consummating the purchase and sale or identifies the transaction as a violation of said Act."[536]

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[533] 5/23/06 email from Mr. Brown to Mr. Duret, PSI-Insured_Aircraft-01-0328.
[534] 5/31/06 email from Ms. Nasrallah to Mr. Brown, PSI-Insured_Aircraft-01-0327.
[535] See 5/6/06 Escrow Agreement, PSI-Insured_Aircraft-01-0326.
[536] 6/9/06 legal opinion, PSI-Insured_Aircraft-01-0299.

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On June 27, 2006, Mr. Robinson provided a supplemental legal opinion further explaining his reasoning. First, he observed that IATS was not a "financial institution" as defined in the Patriot Act.[537] Second, he noted that it was the banks that were wiring funds in connection with the transaction that were subject to the Patriot Act.[538] Finally, he stated that the two banks that would be involved with completing the sale, Wells Fargo Bank and the International Bank of Commerce, were both in compliance with the Patriot Act.[539]

Apparently this legal analysis was sufficient for Wells Fargo and International Bank of Commerce to accept the funds supplied by Mr. Obiang in his purchase of the jet.

Purchase Completed. On June 26, 2006, Mr. Brown emailed IATS that the "full amount of funds were in escrow with IATS" to complete the sale of the aircraft.[540] On June 27, 2006, Mr. Brown forwarded a revised escrow agreement to IATS. The revisions included identifying IATS instead of McAfee & Taft as the escrow agent for the buyer's funds, specifying that the escrow account was at UBS London, and deleting the requirement that the escrow agent maintain a Customer Identification Program in compliance with the Patriot Act.[541] On June 28, 2006, Mr. Obiang and Blue Sapphire Services, Ltd. executed a final Escrow Agreement and Instructions to Fund the purchase of the aircraft.[542]

The following charts summarize the source of the $38.5 million used to purchase the aircraft and what happened to the funds.[543] Essentially, the funds were provided by Mr. Obiang from his personal account in Equatorial Guinea. Because his payments were in U.S. dollars, they went through several correspondent accounts, including Wachovia Bank in the United States, before arriving at the IATS account at UBS in London.[544] Once IATS received the funds, it divided the purchase price among five parties. It wire transferred the largest amount, over $27 million to PMA Capital Management, an escrow agent based in the Cayman Islands with an affiliate in Hong Kong, which used the funds to pay off an outstanding mortgage on the aircraft.[545] IATS

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[537] 6/27/06 legal opinion, PSI-Insured_Aircraft-01-0309.
[538] Id.
[539] Id. International Bank of Commerce administered IATS' escrow accounts in the United States.
[540] 6/26/06 email from Mr. Brown to IATS, BSSL000339.
[541] See Escrow Agreement, PSI-Insured_Aircraft-01-0196-205; Escrow Agreement Draft 46, BSSL000204-213; and 6/28/06 Escrow Agreement, PSI-Insured_Aircraft-01-0313
[542] 6/28/06 Escrow Agreement, BSSL000364-366.
[543] See Escrow Worksheet, PSI-Insured_Aircraft-01-0182; list of transaction parties, PSI-Insured_Aircraft-01-0202; 6/16/06 email from UBS to IATS, PSI-Insured_Aircraft-01-0306; 5/10/06 email from UBS to IATS, PSI-Insured_Aircraft-01-0264; and 5/11/06 email from UBS to IATS, PSI-Insured_Aircraft-01-0276.
[544] See chart in next section identifying the transfers.
[545] See, e.g., 6/29/06 FAA Release and Disclaimer, signed by PMA Capital Management Ltd, PSI-Insured_Aircraft-01-0161.

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wire transferred the next largest amount, over $11 million, to a Blue Sapphire account at Credit Suisse in Singapore. Since the funds were in U.S. dollars, they went through Credit Suisse's U.S. dollar correspondent account at Bank of New York. IATS then transferred about $22,000 to its U.S. account at International Bank of Commerce in Oklahoma as its escrow fee, and sent additional amounts to two lawyers.[546]

FUNDS SENT TO IATS ACCOUNT AT UBS LONDON IN 2006 AIRCRAFT SALE

Date	Amount	Originating Institution	Through	Beneficiary	Bates
4/13/06	$4,723,262.22	McAfee & Taft Escrow Account at Bank of America (returning Obiang funds)		Insured Aircraft Title Service, Inc.	BSSL0003321, 38
5/9/06	$2,574,975.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0025, 26
5/11/06	$5,149,975.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0028, 29
5/12/06	$2,574,975.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0031, 32
6/13/06	$7,833,308.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0034, 35
6/13/06	$7,833,308.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0037, 38
6/19/06	$7,833,308.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France	Insured Aircraft Title Service, Inc	BF-G-0040, 41
TOTAL- $38,523,112.21			**Source: Wachovia and McAfee & Taft**		

[546] See 4/20/06 Escrow Report, PSI-Insured_Aircraft-01-0225; Subcommittee interview of IATS, December 17, 2009.

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FUNDS DISBURSED FROM IATS ACCOUNT AT UBS LONDON IN 2006 AIRCRAFT SALE				
Date	Funds Sent To	Account	Amount	Bates
6/29/06	PMA Capital Management Ltd.	HSBC account in Hong Kong (through a US dollar correspondent account at HSBC in New York)	$ 27,238,963.17	BSSL000347
6/29/06	Blue Sapphire Services, Ltd.	Credit Suisse account in Singapore (through a US dollar correspondent account at Bank of New York)	$ 11,232,011.83	BSSL000347
6/29/06	Insured Aircraft Title Services, Ltd.	International Bank of Commerce account in Oklahoma	$ 22,525.00	BSSL000347
6/29/06	Clifford Chance, LLP	HSBC account in Hong Kong (through a US dollar correspondent account at HSBC in New York)	$ 6,500.00	BSSL000347
6/30/06	WJ Robin	Account information not available	$ 4,000.00	PSI-Insured_ Aircraft-01-0225
Source: McAfee & Taft		TOTAL- $ 38.504,000.00		

Charts prepared by Subcommittee

On June 28, 2006, Mr. Obiang signed a Form of Acceptance acknowledging receipt of the Gulfstream G-V jet airplane, as well as a memorandum verifying completion of the aircraft inspection.[547] In a subsequent email, Mr. Brown requested a 48 hour hold on the Transfer of Title to allow the jet to be flown from Singapore to Basel, Switzerland.[548] Documents reviewed by the Subcommittee indicate that the jet was registered in the Cayman Islands under the management of a private company, Jet Aviation, using registration Tail No. VP-CES.[549] Other documentation obtained by the Subcommittee indicates that, in June 2006, Mr. Obiang was looking for space in an aircraft hangar in California to house a private jet.[550]

Flight records reviewed by the Subcommittee for Mr. Obiang's Gulfstream G-V aircraft show that over the last two and a half years, from March 2007 through November 2009, Mr. Obiang's aircraft has arrived and departed from the United States thirty-five times.[551] These flights have originated or departed from a variety of countries, including Bermuda, Brazil, the Dominican Republic, Dubai, France, and Switzerland. Common locations in the United States were airports at

[547] 6/28/06 inspection memorandum, BSSL000368; 6/28/06 Form of Acceptance Certificate, BSSL000369.
[548] 6/28/06 email from Mr. Brown, BSSL000372.
[549] 7/6/06 email from Mr. Brown, PSI-Insured_Aircraft-01-0184; 10/7/07 email from Jet Aviation to Ms. Romo, SEN006229.
[550] 6/7/06 fax from Mr. Nagler, SEN011075; 6/7/06 email from Ms. DeHaven to Mr. Nagler, SEN011096.
[551] See 1/6/10 letter from Customs and Border Protection (CBP) to the Subcommittee, with attached flight records, PSI-CBP-01-00001-03. CBP began tracking flight information for private aircraft in 2007.

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Los Angeles, Miami, New Jersey, Tucson, and Yuma, a small airport in Arizona near the Mexican border.

Analysis. Mr. Obiang's 2006 purchase of the Gulfstream jet involved multi-million-dollar funding transfers across international lines to and from the escrow agents retained by the buyer and seller. The seller's original escrow agent, McAfee & Taft, as an AML precaution, asked for information on the source of the $38.5 million sent to its escrow account in the United States. When Mr. Obiang's associates refused to disclose the source of the funds, McAfee & Taft declined to complete the transaction and returned the funds it had been given. In contrast, its competitor IATS chose not to question the source of the funds, but to facilitate the purchase.

In addition, none of the banks who administered accounts for the escrow agents stopped the transfers. The banks were relying on the escrow agents themselves to police their clients, but under current law, U.S. escrow agents selling multi-million-dollar aircraft have no legal obligation to know their customers, evaluate the source of the funds used in aircraft purchases, or take special precautions when dealing with PEPs. Because of this gap in U.S. AML law, Mr. Obiang was able to send $38.5 million in suspect funds into the United States to purchase the Gulfstream jet. To prevent similar suspect sales of aircraft in the future – as well as sales of luxury automobiles, yachts, and other high-end vehicles using escrow accounts – escrow agents need to be required to establish AML programs.

E. Obiang Use of U.S. Wire Transfer Systems To Move Millions of Dollars in Suspect Funds

In addition to making use of U.S. lawyers, real estate and escrow agents, Mr. Obiang has made frequent use of U.S. wire transfer systems to bring millions of dollars in suspect funds from Equatorial Guinea into the United States. He has used these EG wire transfers to send funds, not only to U.S. bank accounts that he controlled or utilized, but also to purchase U.S. goods and services and transact other business in the United States. Mr. Obiang has been able to utilize U.S. wire transfer systems because major U.S. banks that provide correspondent accounts to foreign banks have not established procedures which would allow them routinely to detect, block, and analyze high-dollar wire transfers sent by PEPs from high-risk jurisdictions.

Two examples illustrate the problem: over a two-month period in 2006, Mr. Obiang was able to move $73 million from Equatorial Guinea into the United States using wire transfer systems operated by Wachovia Bank; and over a four-year period from 2002 to 2006, he was able to move $37 million through wire transfer systems operated by Citibank.

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(1) $73 Million Wired Through Wachovia Bank

In just over two months, from April 5, 2006 to June 19, 2006, Mr. Obiang was able to complete fourteen wire transfers that brought more than $73 million in suspect funds from Equatorial Guinea into the United States through a Banque de France correspondent account at Wachovia Bank.[552] Mr. Obiang used these funds to complete the purchase of the $30 million Malibu residence and the $38.5 million Gulfstream G-V jet airplane described earlier in this section.[553]

This section has already examined the roles of the real estate and escrow agents and their banks in those transactions; this section takes the next step and examines the role of the U.S. banks that provide correspondent accounts that serve as gateways into the U.S. financial system for foreign banks sending wire transfers on behalf of their customers. Such correspondent accounts are not the final destination of the funds sent by wire transfer, but serve as intermediary accounts that link the originator of the wire transfer to its final beneficiary. Normally, U.S. correspondent accounts automatically transmit numerous wire transfers each day, and the funds represented by the wire transfers remain only briefly in the correspondent accounts. However, all U.S. banks are equipped with interdiction software that can detect and block wire transfers bearing particular names or countries to meet the requirements of U.S. law, such as prohibitions against transmitting wire transfers for terrorists, narcotics traffickers, and other criminals specified on OFAC lists or for countries against which the United States has imposed trade sanctions. This interdiction software has rarely been employed, however, in the battle to keep foreign corruption outside of the United States.

The $73 million in wire transfers sent through Wachovia's correspondent account in the spring of 2006, occurred nearly two years after this Subcommittee held a hearing and released a well-publicized report describing how EG officials including Mr. Obiang, had used accounts at Riggs Bank to move suspect funds. Related criminal and regulatory investigations led to a $16 million criminal fine, a $25 million civil fine, and the sale of Riggs Bank.[554] The report also sparked tougher oversight by Federal regulators of bank procedures to combat money laundering and foreign corruption, including by PEPs.

Wachovia told the Subcommittee that, in response to the Subcommittee's investigation, in 2005, the bank had designated

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[552] 4/5/06 – 6/19/06 Integrated Funds Transfer System, History Transaction Listings, BF-G-00001-56 (Sealed Exhibit).

[553] $44,099,999.99 was wired to McAfee & Taft and Insured Aircraft Title Services, Ltd. for escrow and title services related to the purchase of Gulfstream G-V S/N 669; and $29,542,000.00 was wired to First American Title Company for the purchase of 3620 Sweetwater Blvd., Malibu.

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Equatorial Guinea as a high-risk jurisdiction in its "enterprise-wide list."[555] Wachovia also told the Subcommittee that it considered Mr. Obiang to be a senior foreign political figure whose financial activities required enhanced due diligence.[556] Nevertheless, Wachovia failed to identify or stop the $73 million in wire transfers that passed through the bank from April to June 2006. Each of these fourteen wire transfers involved a minimum of $2 million, referenced Mr. Obiang on the wire transfer documentation, and showed the funds originating from a bank in Equatorial Guinea, but Wachovia's interdiction software did not block any of the transfers. In each case, Wachovia had relied on its client – Banque De France, the foreign bank transmitting the funds to the United States – to ensure that it was not transmitting suspect funds. This case history shows that reliance was not well placed.

In January 2007, the Foreign Corruption Unit of the U.S. Immigration and Customs Enforcement (ICE) division alerted Wachovia to Mr. Obiang's wire activity through the bank during the prior year, directing Wachovia's attention to the Banque De France correspondent account.[557] Even after receiving this warning, however, Wachovia did not place the Banque De France correspondent account under any additional scrutiny, or take steps to restrict wire transfers bearing Mr. Obiang's name.[558]

After the 2006 wire transfers involving the $73 million, Mr. Obiang did not openly use the Wachovia wire transfer system for over a year. Then, in 2008, he struck again. In response to a Subcommittee inquiry seeking Obiang-related financial records, Wachovia conducted a search of its wire transfer records and found that, in February and July of 2008, Mr. Obiang had sent two wire transfers totaling about $145,000 from his personal account at a bank in Equatorial Guinea, through Fortis Bank, a French bank with a correspondent account at Wachovia, to accounts at other banks in the United States.[559] Wachovia had again served as the gateway into the United States for his suspect funds.

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[555] Subcommittee interview of Wachovia Bank officials, 2/6/09; PSI-WACHOVIA-10-0007.
[556] Subcommittee interview of Wachovia Bank officials, 2/6/09.
[557] 1/16/07 email from ICE to Wachovia, BF-F00007.
[558] 11/21/08 Wachovia's written responses to Subcommittee questions, PSI-WACHOVIA-10-0004; Subcommittee interview of Wachovia Bank officials, 2/6/09.
[559] 2/7/08-7/31/08 Wachovia Transaction Reports, BF-G-00043-56. Fortis Bank is affiliated with BNP Paribas.

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This chart summarizes the Obiang wire transfers that were sent through foreign bank correspondent accounts at Wachovia from 2006 to 2008, and enabled Mr. Obiang to bring $73 million in suspect funds into the United States.

OBIANG WIRE TRANSFERS THROUGH WACHOVIA 2006-2008					
Date	Amount	Originating Institution	Through	Beneficiary	Bates
4/05/06	$2,575,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	McAfee &Taft account at Bank of America	BF-G-00001-03
4/05/06	$5,908,400.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	First American Title Company at First American Trust, F.S.B.	BF-G-00004-06
4/10/06	$2,575,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	McAfee &Taft account at Bank of America	BF-G-00007-09
4/10/06	$5,908,400.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	First American Title Company at First American Trust, F.S.B.	BF-G-00010-12
4/10/06	$5,150,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	McAfee &Taft account at Bank of America	BF-G-00013-15
4/19/06	$5,908,400.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	First American Title Company at First American Trust, F.S.B.	BF-G-00016-18
4/21/06	$5,908,400.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	First American Title Company at First American Trust, F.S.B.	BF-G-00019-21
4/26/06	$5,908,400.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	First American Title Company at First American Trust, F.S.B.	BF-G-00022-24

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5/09/06	$2,575,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00025-27
5/11/06	$5,150,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00028-30
5/12/06	$2,575,000.00	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00031-33
6/13/06	$7,833,333.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00034-36
6/13/06	$7,833,333.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00037-39
6/19/06	$7,833,333.33	Teodoro Obiang Account at Societe Generale de Banque - Equatorial Guinea	Bank of Central African States → Banque De France → Wachovia	Insured Aircraft Title Service account at UBS London	BF-G-00040-42
2/06/08	$ 144,017.99	Teodoro Obiang Account at CCEI Bank GE	Fortis Bank → Wachovia	Tia Ping Carpets account at Wachovia	BF-G-00050-56
7/30/08	$ 1,458.51	Teodoro Obiang Account at CCEI Bank GE	Fortis Bank → Wachovia	Eulalia Salome Obono Nze account at Wachovia	BF-G-00043-49
Total- $72,687,476.49			**Source- Wachovia**		

Chart prepared by Subcommittee

Wachovia has advised the Subcommittee that as of January 2009, it has taken steps for the first time to restrict Mr. Obiang's ability to wire funds through Wachovia's wire transfer system.[560] According to Wachovia, it has added Mr. Obiang and his family members to the bank's pre-execution interdiction filter for wire clearing operations. Wachovia told the Subcommittee that any wires blocked by this software related to Mr. Obiang or his family would be scrutinized by

[560] Subcommittee interview of Wachovia Bank officials, 2/6/09.

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funds transfer specialists for a determination of legitimacy, referred to anti-money laundering specialists where appropriate, and, if necessary, returned to the originating financial institution.[561] Wachovia's actions show that U.S. banks offering correspondent accounts to foreign banks can become powerful guardians of the gateways into the U.S. financial system and provide vital services in the battle to keep foreign corruption outside of the United States.

(2) $37 Million Wired Through Citibank

A second example of Mr. Obiang's ability to take advantage of U.S. wire transfer systems involves wire transfers sent through Citibank. Wire transfer records reviewed by the Subcommittee indicate that, over a four-year period from 2002 to 2006, Mr. Obiang benefited from wire transfers sent through Citibank totaling in excess of $37 million.[562]

Most of these wire transfers sent funds from Equatorial Guinea to the United States, drawing on accounts held by two Obiang companies, Somagui Forestal and Socage, or accounts held in the name of Mr. Obiang personally. Some of these wire transfers appear to have deposited substantial sums into Obiang-related accounts in the United States. For example, on July 11, 2003, $1.5 million was deposited into an Obiang account at Riggs Bank.[563] On May 21, 2004, $1 million was deposited into an account held by his company, TNO Entertainment, LLC.[564] Other wire transfers appear to have been direct payments to U.S. high-end retail establishments, presumably to pay Obiang-related bills. For example, on September 23, 2004, Somagui Forestal wire transferred $97,588.05 to a Beverly Hills Porsche Audi dealership.[565] Payments also went to a U.S. yacht company, corporate jet service, high-end automobile dealers, and a luxury vacation retailer. Still other wire transfers, totaling nearly $2.5 million, appear to have been payments to satisfy American Express credit card charges.[566]

One of the wire transfers, for $19.5 million in January 2006, was sent by a U.S. law firm, Sidley Austin, to Mr. Obiang in Equatorial Guinea, returning funds that he had sent to an escrow account related to an attempted purchase of a Gulfstream jet, as explained earlier. Before initiating this wire transfer, Sidley Austin obtained a letter from the U.S. Department of Justice confirming that the funds transfer would not violate U.S. AML laws and there was no basis to restrain or freeze such

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[561] Id.
[562] 2002-2006 wire transfer records, C00000065-116 (Sealed Exhibit).
[563] 7/11/06 wire transfer record, C00000116.
[564] 5/21/04 wire transfer record, C00000085.
[565] 9/23/04 wire transfer record, C00000105.
[566] 11/12/04 wire transfer record, C00000070; 7/14/04 wire transfer record, C00000075; 7/20/04 wire transfer record, C00000083.

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proceeds at the time of transfer.[567] This chart summarizes the Obiang-related wire transfers that moved through Citibank from 2002 to 2006.

OBIANG WIRE TRANSFERS THROUGH CITIBANK 2002-2006					
Date	Amount	Originator	Through	Beneficiary	BATES
6/19/02	$ 150,000.00	Somagui Forestal	CCEI Bank GE → Citibank → City National Bank	TNO Entertainment LLC	C00000090
7/22/02	$ 50,000.00	Somagui Forestal	CCEI Bank GE → Citibank → City National Bank	TNO Entertainment LLC	C00000089
3/19/03	$ 33,638.28	Somagui Forestal	CCEI Bank GE → Citibank → Bank of America	Timeshare Specialist – Mega Yacht Services	C00000088
3/19/03	$ 300,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Riggs Bank	T.N.O.	C00000087
7/11/03	$ 1,500,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Riggs Bank	Teodoro Nguema Obiang	C00000116
9/17/03	$ 1,000,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Riggs Bank	Teodoro Nguema Obiang	C00000086
3/9/04	$ 1,000,000.00	Socage	CCEI Bank GE → Citibank → Riggs Bank	Teodoro Nguema Obiang	C00000068
3/15/04	$ 999,975.00	Socage	CCEI Bank GE → Citibank → City National Bank	Teodoro Nguema Obiang	C00000066
3/18/04	$ 500,000.00	Socage	CCEI Bank GE → Citibank → Bank One	Gulfstream Aerospace Corporation	C00000067
5/6/04	$ 42,595.50	Somagui Forestal	CCEI Bank GE → Citibank → First Arizona Savings	Global Jet Corporation	C00000078
5/21/04	$ 1,000,000.00	Somagui Forestal	CCEI Bank GE → Citibank → City National Bank	Teodoro Nguema Obiang (TNO Entertainment LLC)	C00000085
6/24/04	$ 1,000,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Riggs Bank	Teodoro Nguema Obiang	C00000091
6/29/04	$ 30,000.00	Somagui Forestal	CCEI Bank GE → Citibank → California Bank and Trust	Pacific National Construction	C00000076

[567] 12/17/09 letter from Sidley Austin to the Subcommittee, PSI Sidley Austin 01-000001.

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6/29/04	$ 50,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Wells Fargo Bank	Platinum Motors, LLC	C00000072
7/7/04	$ 182,000.00	Somagui Forestal	CCEI Bank GE → Citibank → First Arizona Savings	Global Jet Corporation	C00000073
7/13/04	$ 1,000,000.00	Somagui Forestal	CCEI Bank GE → Citibank → City National Bank	Teodoro Nguema Obiang	C00000074
7/14/04	$ 999,975.00	Somagui Forestal	CCEI Bank GE → Citibank → American Express	JPMorgan Chase American Express	C00000075
7/20/04	$ 999,950.00	Somagui Forestal	CCEI Bank GE → Citibank → American Express	JPMorgan Chase American Express	C00000083
8/4/04	$ 270,000.00	Somagui Forestal	CCEI Bank GE → Citibank → First Arizona Savings	Global Jet Corporation	C00000077
8/24/04	$ 421,155.09	Somagui Forestal	CCEI Bank GE → Citibank → Comerica Bank	MILLER-DM INC	C00000071
8/24/04	$ 1,328,739.00	Somagui Forestal	CCEI Bank GE → Citibank → Wells Fargo Bank	JAMES W HARRIS	C00000079
8/31/04	$ 397,594.21	Somagui Forestal	CCEI Bank GE → Citibank → Bank of America	O'Gara Coach, LLC	C00000080
9/13/04	$ 297,490.00	Somagui Forestal	CCEI Bank GE → Citibank → First National Bank	Investment Cars (SA)	C00000081
9/13/04	$ 250,000.00	Somagui Forestal	CCEI Bank GE → Citibank → First National Bank	Pearl Automotive PTY LTD (SA)	C00000082
9/16/04	$ 580,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Wells Fargo Bank	James W Harris	C00000103
9/20/04	$ 230,400.00	Somagui Forestal	CCEI Bank GE → Citibank → Bank of America	Svetlana Safieva	C00000108
9/22/04	$ 27,428.00	Somagui Forestal	CCEI Bank GE → Citibank → Wells Fargo Bank	Save-On Insurance	C00000107
9/23/04	$ 312,473.59	Somagui Forestal	CCEI Bank GE → Citibank → COMERICA BANK	Miller-DM INC	C00000106
9/23/04	$ 97,588.05	Somagui Forestal	CCEI Bank GE → Citibank → Mercantile Bank	Beverly Hills Porche Audi	C00000105

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10/7/04	$ 225,986.05	Somagui Forestal	CCEI Bank GE → Citibank → First Arizona Savings	Global Jet Corporation	C00000104
10/28/04	$ 218,099.00	Somagui Forestal	CCEI Bank GE → Citibank → First Arizona Savings	Global Jet Corporation	C00000109
11/12/04	$ 500,000.00	CCEIGQGQ	CCEI Bank GE → Citibank → JPMorgan Chase	American Express	C00000070
11/17/04	$ 314,440.65	Somagui Forestal	CCEI Bank GE → Citibank → First National Bank	Pearl Automotive PTY LTD (SA)	C00000102
11/30/04	$ 325,000.00	Somagui Forestal	CCEI Bank GE → Citibank → UBS AG	G5 Executive AG	C00000101
12/17/04	$ 50,000.00	Somagui Forestal	CCEI Bank GE → Citibank → First National Bank	Teodoro Nguema Obiang	C00000100
1/27/05	$ 274,610.00	Somagui Forestal	CCEI Bank GE → Citibank → First National Bank	Investment Cars (SA)	C00000099
2/11/05	$ 75,000.00	Somagui Forestal	CCEI Bank GE → Citibank → Mellon Bank	ADT Security Services	C00000098
2/28/05	$ 74,950.00	Somagui Forestal	CCEI Bank GE → Citibank → Mellon Bank	ADT Security Services	C00000097
4/13/05	$ 599,069.46	Somagui Forestal	CCEI Bank GE → Citibank → Comerica Bank	Miller-DM INC	C00000096
5/9/05	$ 79,960.22	Somagui Forestal	Natexis Banques Populaires → Citibank → Citi National Bank	TJB Gearys LLC	C00000095
1/24/06	$19,570,635.18	Sidley & Austin	Citibank → Societe Generale S.A. (NY) → Societe Generale de Banque – Equatorial Guinea	Account of Teodoro Nguema Obiang	C00000112
2/23/06	$ 59,970.01	Somagui Forestal	Natexis Banques Populaires → Citibank → Citi National Bank	Roland Sands Design Inc	C00000094
2/23/06	$ 69,090.95	Somagui Forestal	Natexis Banques Populaires → Citibank → Citi National Bank	Eve Jeffers	C00000093

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3/7/06	$ 157,794.68	Somagui Forestal	Natexis Banques Populaires → Citibank → Citi National Bank	Paradise Island Vacations	C00000092
6/16/06	$ 68,965.50	Socage	Natexis Banques Populaires → Citibank → Citi National Bank	Eve Jeffers	C00000065
TOTAL: $37,714,573.42		**Source- Citigroup**			

Prepared by Subcommittee

The transactions identified in this chart involve wire transfers that moved funds through a foreign bank correspondent account at Citibank on the way to an account at another bank. Citibank is a major provider of U.S. dollar correspondent accounts for foreign financial institutions, and often serves as an intermediary in wire transfers by foreign banks seeking to pay a beneficiary with U.S. dollars. According to Citibank, it screens all of its correspondent wire activity through real-time interdiction filters designed to comply with legal prohibitions on transmitting certain funds, such as funds transmitted by persons on the OFAC lists.[568]

Citibank told the Subcommittee that, although it is aware of Mr. Obiang's PEP status and deliberate use of U.S. wire transfer systems to bring suspect funds into the United States, it currently does not plan to set up procedures to block his wire transfers and automatically refer them for analysis to its AML specialists.[569] Citibank explained that any addition to its current blocking lists could result in thousands of false positives that would delay the completion of the affected wire transfers, and significantly increase the workload of its AML and compliance staff to clear the wire transfers that would be frozen as a result.[570] Citibank also noted that, under existing law, it already conducts careful reviews of the foreign financial institutions for which it opens correspondent accounts and relies on those institutions to adequately screen their own customers. Citibank officials characterized the bank's role in correspondent wire transfer transactions as extremely brief and expressed concern over any expectation that it be required to screen its customers' customers.

Analysis. Right now, U.S. banks that provide correspondent accounts to foreign banks do not generally screen the wire transfers that go through these accounts for high-dollar amounts sent by PEPs from high-risk countries. Adding such a requirement to U.S. AML and PEP

[568] Subcommittee interview of Citibank officials, 4/24/2009.
[569] Id.
[570] Id.

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controls would provide a powerful new weapon in the battle to keep foreign corruption out of the United States.

F. Conclusion

This case history shows how a controversial political figure, from the ruling family of a country plagued by corruption, moved vast amounts of wealth into the U.S. financial system, by employing American professionals such as attorneys, real estate and escrow agents to help him bypass U.S. AML and PEP controls, and by taking advantage of U.S. wire systems unequipped to screen out high-dollar transfers sent by PEPs from high-risk countries. Over a four year period, from 2004 to 2008, Teodoro Obiang was able to move over $100 million in suspect funds into or through the US. financial system. If the United States is to keep foreign corruption outside of its borders, U.S. AML and PEP safeguards have to be further strengthened, not only at U.S. financial institutions, but also at law firms, real estate agencies, and escrow companies.

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IV. BONGO CASE STUDY: USING LOBBYIST, FAMILY, AND U.S. TRUST ACCOUNTS TO BRING SUSPECT FUNDS INTO THE UNITED STATES

El Hadj Omar Bongo Ondimba, the President of Gabon for 41 years until his death in June 2009, was long suspected of having accumulated his wealth through corruption. His eldest son, Ali Ben Bongo, assumed the office of the President of Gabon on October 16, 2009. For the ten years prior, he served as the Minister of Defense in Gabon.

This case history shows how President Omar Bongo used a U.S. lobbyist to bring over $18 million in suspect funds into the U.S. financial system to purchase U.S.-built armored cars and to obtain U.S. government authorization to purchase U.S.-built C-130 aircraft to support his regime. President Omar Bongo also brought substantial amounts of cash into the United States, including $1 million to support his daughter, Yamilee Bongo-Astier, who deposited the cash into U.S. bank accounts or safe deposit boxes. On occasion, Ms. Bongo-Astier also used her U.S. accounts to transact business for her father. Three different banks, HSBC, Commerce, and JPMorgan Chase Bank, provided her with banking services for several years without being aware of her PEP status. President Ali Bongo's first wife, Inge Lynn Collins Bongo, also kept substantial funds in the United States, at times using a U.S. trust to open accounts that masked her connection to the Bongo family.

A. Background

Gabon. Gabon, a country on the west coast of Africa about the size of Colorado, is the third largest oil producing state in Africa. It has a population of over 1.4 million.

Gabon declared its independence from France in 1960, but continues strong ties with that country and has adopted French as its official language. According to the CIA World Fact book, while Gabon enjoys a per capita income that is four times that of most of sub-Saharan African nations due to its oil resources, there is a significant disparity in incomes within the country and a large proportion of its population remains poor.[571] The CIA estimated that, in 2006, Gabon's unemployment rate was 21 percent.[572]

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[571] CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/gb.html.
[572] Id.

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The U.S. State Department presents a mixed view of Gabon. On the one hand, the State Department applauds Gabon's willingness to work with the United States:

> "Relations between the United States and Gabon are excellent. In 1987, President Omar Bongo made an official visit to Washington, DC. In September 2002, Secretary of State Colin Powell made a brief but historic visit to Gabon to highlight environmental protection and conservation in the Central Africa region. This was followed by a visit to the White House by President Omar Bongo in May 2004.
>
> The United States imports a considerable percentage of Gabonese crude oil and manganese and exports heavy construction equipment, aircraft, and machinery to Gabon. Through a modest International Military Education and Training program, the United States provides military training to members of the Gabonese armed forces each year. Other bilateral assistance includes the funding of small grants for qualified democracy and human rights, self-help, and cultural preservation projects. U.S. private capital has been attracted to Gabon since before its independence."[573]

On the other hand, in its 2008 Human Rights Report, the U.S. State Department condemns Gabon's use of torture, imprisonment, and restrictions on free speech, as well as the country's "widespread government corruption":

> "The country's human rights record remained poor. The following human rights problems were reported: limited ability of citizens to change their government; use of excessive force, including torture toward prisoners and detainees; harsh prison conditions; arbitrary arrest and detention; an inefficient judiciary susceptible to government influence; restrictions on the right to privacy; restrictions on freedom of speech, press, association, and movement; harassment of refugees; widespread government corruption; violence and societal discrimination against women, persons with HIV/AIDS, and noncitizen Africans; trafficking in persons, particularly children; and forced labor and child labor."[574]

Bongo Family. President Omar Bongo, born Albert Bernard Bongo, was one of 12 children from a farming family in southeast Gabon.[575] He joined the French Air Force, was appointed to the staff of

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[573] 2006 State Department Report, http://www.state.gov/outofdate/bgn/g/55947.htm.
[574] U.S. Department of State, 2008 Human Rights Report: Gabon, http://www.state.gov/g/drl/rls/hrrpt/2008/af/119002.htm.
[575] BBC News/Africa, "Obituary: Omar Bongo," June 8, 2009, http://news.bbc.co.uk/2/low/africa/8088399.stm.

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then Gabon President Leon Mba, and was elected Vice President of Gabon in 1967.[576] He assumed the office of the Presidency later that year, when President Mba died in office from illness. President Omar Bongo ruled the country for the next 41 years, until his death on June 8, 2009.

Omar Bongo was elected President of Gabon six times, in elections held in 1975, 1979, 1986, 1993, 1998, and 2005. According to Freedomhouse in 2006:

> "President Omar Bongo, already Africa's longest-serving ruler, won another seven-year term in a flawed November 2005 election, which was marred by a lack of competition and continuing military influence over the electoral process. Poor fiscal management and declining oil revenues have lowered the living standards of many Gabonese, though new oil discoveries and higher prices on the world market bolstered an economic turnaround in 2005. Three decades of autocratic and corrupt rule have made Bongo among the world's richest men, although some money has trickled down to rural areas and contributed to higher education standards."[577]

Ten years ago, in 1999, the Subcommittee held a hearing and released a report which included a case history examining President Omar Bongo's use of U.S. private banking accounts.[578] Materials released by the Subcommittee showed that, from 1985 to 1999, President Omar Bongo had used accounts opened by Citibank Private Bank in the United States to deposit, invest, and transfer over $130 million in funds suspected to be the proceeds of corruption. These documents showed that, in 1985, Cititrust provided President Omar Bongo with a Bahamian shell corporation called Tendin Investments, and Citibank Private Bank then opened a number of bank accounts in the name of that shell corporation as well as several accounts in Paris under the name of a second shell corporation, Leontine, Ltd. In addition, in 1995, Citibank Private Bank opened an account for President Omar Bongo in New York under the name "OS," a word which was simply the title of the account and not a corporation or other legal entity. The documents showed that Citibank Private Bank provided President Omar Bongo with extensive investment and banking services as well as tens of millions of dollars in loans.

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[576] Id.
[577] FreedomHouse, Country Report: Gabon 2006 Edition, http://www.freedomhouse.org/template.cfm?page=22&country=6965&year=2006&view=mof.
[578] See "Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities," hearing before the Permanent Subcommittee on Investigations (November 9, 1999), the report issued by the Minority Staff at 39-53, reprinted in the hearing record at 910-924 (hereinafter "1999 Report on President Omar Bongo").

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The Subcommittee released copies of a number of Citibank Private Bank documents discussing the source of President Omar Bongo's wealth. A 1996 client profile, for example, noted that he did not come from a wealthy family and provided the following explanation of President Omar Bongo's source of wealth:

> "Head of State for over 25 Years … Source of Wealth/business Background: Self-made as a result of position. Country is oil producer."[579]

A 1997 client profile elaborated further:

> "Self-made. President of African oil producing country for 30 years. Wealth created as a result of position and connection to French oil companies (Elf) since country is a major oil [supplier] to France. Wealth invested in real estate locally and in financial instruments overseas. It is believed that subject through affiliated [entities] retains ownership in many oil related ventures in the country which over the past 30 years resulted in significant accumulation of wealth estimated at $200MM."[580]

Internal Citibank Private Bank emails dated April 9, 11, and 14, 1997, reported that certain "security" or "political" funds were set aside in the Gabon budget, in the range of $111 million per year, which were "understood to be used at the discretion of the Presidency" and were "at the disposal of the Presidency, without any limitation."[581] The 1999 Report concluded: "The plain meaning of these documents is that the private bank was identifying Gabon government funds as a primary source of funds in the Bongo accounts."[582] In response to the hearing, Citibank Private Bank closed the Bongo accounts.

Over the course of the following ten years, President Omar Bongo has continued to be the subject of corruption allegations.[583] In March

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[579] 1999 Report on President Omar Bongo at 42, reprinted in the hearing record at 913, converted from all capitals in original text.
[580] 1999 Report on President Omar Bongo at 43, reprinted in the hearing record at 914.
[581] Id., at 915.
[582] Id.
[583] See, e.g., New York Times, "Underneath Palatial Skin, Corruption Rules Gabon," September 14, 2009 ("The 'Bongo System,' as people here refer to it – forsaking roads, schools and hospitals for the sake of Mr. Bongo's 66 bank accounts, 183 cars, 39 luxury properties in France and grandiose government constructions in Libreville – is etched in the streets of this languid seaside capital, where he ruled for 41 years, and also in the minds of its inhabitants."); Washington Post, "Leader of Troubled Gabon Marks 40 Years in Office; Oil Rich Nation's Inequalities Likely to Tarnish Legacy," ("Bongo's accession to power coincided with the discovery of oil here in the late 1960s, boosting the president's popularity and providing billions of petrodollars to grease one of Africa's most effective patronage machines … Bongo drew international attention in the 1990s, when a French court case exposed corrupt dealings in Gabon by the oil company Elf."); New York Times, "The Billion-Dollar Shack," December 10, 2000

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2007, as explained in the prior section, three nonprofit anti-corruption organizations, Sherpa, Survie, and the Federation of the Congolese Diaspora, filed a legal complaint before the French Public Prosecutor alleging the ruling families of Gabon, Equatorial Guinea, Angola, Burkina Faso, and Congo owned millions of dollars worth of properties in France "that could not be the fruits of their official salaries … but would have likely required the use of stolen public assets."[584] The complaint attached articles and reports with alleged information about property and vehicles owned by the Heads of State and their relatives, including the Bongos. The complaint alleged, for example, that President Omar Bongo was involved in the Elf oil corruption scandal, had private banking accounts with millions of dollars, and multiple expensive properties in France.[585] According to a later legal pleading filed in the case, a police investigation was launched in response to the complaint in June 2007, which confirmed most of the allegations and uncovered additional luxury properties, vehicles, and bank accounts belonging to the cited Heads of State and their relatives.[586] The police allegedly confirmed, for example, that the Bongo family owned 39 luxury properties in "the wealthiest districts of Paris," and the President's wife bought an automobile "paid for by direct transfers from the Gabonese public treasury."[587]

In November 2007, the police investigation was halted by the French Public Prosecutor. Since then, additional litigation has ensued over whether a nonprofit organization such as Transparency International France (TI France) has standing to file a complaint against foreign officials and obtain an official investigation. In October 2009, a French appeals court ruled that TI France did not have standing to file the petition and dismissed it.[588] That ruling is now on appeal to France's highest court.[589]

("Citibank has admitted to handling billions of dollars from all kinds of corrupt leaders and their kin: Omar Bongo, the president of Gabon….").

[584] Legal memorandum prepared by Sherpa & Transparency International France (TI France), Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 1. This memorandum recounts the history of the anti-corruption case filed by the three organizations from 2007 to 2009. The initial 2007 complaint is Plainte Pres le Tribunal de Grande Instance de Paris, undated, PSI-OECD-00001-13.

[585] Plainte Pres le Tribunal de Grande Instance de Paris, undated, PSI-OECD-00004.

[586] Legal memorandum prepared by Sherpa & TI France, Admissibility of TI France's complaint with civil party petition, (French court of appeals, June 2009), at 1, PSI-Transparency-USA.org 000160-22.

[587] Id., at 1-2. Later, in 2009, a 600-page compilation of documents related to the French police investigation was leaked to the press. See, e.g., MCW News, "France Halts African Leaders Probe," October 30, 2009, mwcnews.net/content/view/34091/51/ ("[P]olice documents … also implicate his son and successor, Ali Bongo…. The Bongo family owns 39 properties in France, mostly in exclusive districts of Paris and on the Riviera."); The First Post, "Avenue Bongo," June 15, 2009; Agence France, "French Corruption Suit Targets African Leaders," December 2, 2008.

[588] Cour D'Appel De Paris Pole 7 Deuxieme Chambre De L'Instruction, Appel D'une Ordonnance De Recevabilite De Constitution De Partie Civile Arret, October 29, 2009, PSI-Transparency-usa.org 00006-15. See also TI France Press Release, "Appealing for justice: three

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During his tenure in office, President Omar Bongo had several wives and is reported to have fathered over 30 children.[590] His eldest son, Ali Ben Bongo, born Alain Bernard Bongo, served in various posts in the Gabon government, including ten years as the Minister of Defense from 1999 to 2009. On August 30, 2009, after his father's death, Ali Bongo won a contested election to assume office as President of Gabon, with 42 percent of the vote split among 17 candidates. Riots protesting his election occurred in Libreville, Gabon's capital, and Port Gentil, Gabon's second largest city. On October 16, 2009, President Ali Bongo was sworn into office. In 1994, Ali Bongo married Inge Lynn Collins, a U.S. citizen who is now estranged from him and living in California. He is also married to a Gabonese citizen, Sylvia Ajma Valentin Bongo.

President Omar Bongo's daughters include Pascaline Bongo, who was his chief of staff, and Yamilee Bongo Astier, a Canadian citizen who has lived at times in the United States.

B. Bongo Use of U.S. Lobbyist To Purchase Armored Cars and C-130 Aircraft

From 2003 through at least 2007, President Omar Bongo employed the services of a U.S. lobbyist, Jeffrey Birrell, to help him purchase U.S.-built armored vehicles, and obtain U.S. government authorization to purchase U.S.-built C-130 aircraft, to support his regime. In connection with those two transactions, over $18 million in suspect funds were wire transferred from Gabon into U.S. bank accounts maintained by Mr. Birrell in the name of The Grace Group LLC, a corporation formed by him and his wife. Mr. Birrell received the funds primarily from President Omar Bongo and an entity called Ayira. He later transferred $9.2 million of the Ayira funds to an account in the name of President Omar Bongo in Malta, and he made other large payments from The Grace Group accounts to a variety of individuals and entities, apparently at the direction of President Omar Bongo or his advisers. For at least a two-year period from 2005 to 2007, Mr. Birrell's corporate accounts served as a conduit for millions of dollars in suspect funds flowing into and out of the United States.

African presidents and their French assets," October 29, 2009; MWC News, October 30, 2009, "France Halts African Leaders Probe," mwcnews.net/content/view/34091/51/; Impunity Watch, "French Court Halts Corruption Probe," October 31, 2009, http://www.impunitywatch.com/impunity_watch_europe/2009/10/french-court-halts-corruption-probe.html.

[589] TI France Press Release, "Appealing for justice: three African presidents and their French assets," October 29, 2009.

[590] BBC News/Africa, "Obituary: Omar Bongo," June 8, 2009, http://news.bbc.co.uk/2/low/africa/8088399.stm; Yamilee Bongo told Commerce Bank that she had 60 siblings. 12/13/05 Commerce Bank memorandum on "Enhanced Due Diligence," Commerce 158.

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Mr. Birrell provided documents in response to a Subcommittee subpoena, and provided limited information to the Subcommittee through his legal counsel. Mr. Birrell refused, however, to participate in an interview or answer written questions provided by the Subcommittee regarding his business relationship with President Omar Bongo or his corporate accounts, asserting instead his Constitutional rights under the Fifth Amendment.[591]

Birrell Services. Mr. Birrell is a longtime lobbyist in the Washington, D.C. area.[592] He has been doing business with President Omar Bongo and the Republic of Gabon since at least 1998.[593] Documentation obtained by the Subcommittee indicates that Mr. Birrell had direct access to President Omar Bongo, met with him on a number of occasions, and communicated with him by letter and email.

This Report focuses on two business transactions in which President Omar Bongo used Mr. Birrell's services to purchase and ship three U.S.-built armored vehicles and three other U.S. automobiles to Gabon, and to obtain U.S. government authorization to purchase six U.S.-built C-130 military grade cargo aircraft owned by the Saudi Arabian Government.[594] After obtaining the necessary authorization from the United States, Mr. Birrell attempted to but was unsuccessful in completing the transfer of the aircraft to Gabon.

Barron-Birrell Inc. and The Grace Group. Mr. Birrell used two U.S. companies to transact business with President Omar Bongo and Gabon. The first was Barron-Birrell, Inc., a District of Columbia corporation that Mr. Birrell originally formed with David Henry Barron

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[591] See, e.g., the written questions submitted to Mr. Birrell by the Subcommittee on March 13, 2009.

[592] For a number of years, Mr. Birrell has registered his company, Barron-Birrell Inc. under the Foreign Agents Registration Act (FARA) as a representative of Gabon. He has not registered his company under the Lobbying Disclosure Act, since that Act requires representatives of foreign governments to complete the more detailed FARA registration. While Mr. Birrell thus qualifies as a registered "foreign agent" rather than a registered "lobbyist," this Report refers to him as a lobbyist to avoid any confusion that might result from referring to him as a "foreign agent."

[593] See FARA filing submitted by Barron-Birrell Inc. stating that the firm provided "lobbying/public relations" services to Gabon during 1998. Report of the Attorney General to the Congress of the United States on the Administration of FARA for the six months ending June 30, 1998.

[594] Mr. Birrell also proposed other projects for President Omar Bongo and Gabon. See, e.g., 3/27/07 memorandum from Mr. Birrell to "His Excellency Charles MBA," Grace 0636-37 (proposing bringing U.S. airline service to Gabon); 10/18/06 letter from Mr. Birrell to President Omar Bongo, Grace 0733-34 (urging President Omar Bongo to invest in the "Atlantic Fund"). See also 2003 and 2004 bank account statements for a Barron-Birrell Inc. account showing multiple cash deposits totaling $360,000 in just over one year, Psi-ub-000375 ($50,000 cash deposit on March 31, 2003); Psi-ub-000377 ($50,000 cash deposit on July 22, 2003); Psi-ub-000381 ($50,000 cash deposit on November 25, 2003); Psi-ub-000383 ($210,000 cash deposit on May 24, 2004); and Psi-ub-000385 ($150,000 check deposited from a Riggs Bank account in the name of "Payeur du Gabon A. Washington"). In addition, Birrell made a cash deposit into the BBI account in the amount of $160,000 in October of 2005.

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in 1991. The incorporation papers list Mr. Birrell as the Chief Executive Officer and President of the company, and Mr. Barron as the Chairman and Vice President of the company.[595] In 1998 and for most of the following years through 2006, Barron-Birrell Inc. submitted FARA filings with the U.S. Government stating that the company provided "public relations" services to President Omar Bongo and acted as a "U.S. Policy consultant" to Gabon.[596]

In 2004, Mr. Birrell formed a second company, The Grace Group LLC, which is the company primarily involved in the armored car and C-130 aircraft transactions. On June 8, 2004, Mr. Birrell formed this limited liability company in the State of Virginia.[597] The organization papers list him as the sole "Member" or owner.[598] Six months later, however, on December 20, 2004, a filing with the State of Virginia replaced him with his wife, Diane Duffy, as the sole "Managing Member" or owner of the company.[599] Two years later, in October 2007, a Virginia filing by Mr. Birrell once more listed him as the sole Member or owner of the company, replacing Ms. Duffy.[600]

Other corporate filings with the State of Virginia variously name Mr. Birrell or his wife as the owner, manager, president, or agent of The

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[595] See, e.g., 3/13/2003 Barron and Birrell Inc. Corporate Authorization Resolution, Psi-ub-000147.

[596] See, e.g., FARA filings for Barron-Birrell Inc. in the Reports of the Attorney General to the Congress of the United States on the Administration of FARA for the six months ending June 30, 1998, 1999, 2002, 2003, 2004, 2005, and 2006.

[597] 6/8/04 certificate of incorporation for The Grace Group LLC from the Commonwealth of Virginia, Grace 1107-08.

[598] 6/8/04 The Grace Group LLC Operating Agreement, Grace 1112-23. See also August 23, 2004 IRS letter identifying Mr. Birrell as the "Sole Mbr" of the company, Grace 1105-06. A letter dated September 15, 2004, sent by Mr. Birrell's legal counsel to the IRS states that "Grace Group LLC is solely owned by Diane Duffy, Mr. Birrell's wife," and that she "is the single member of this company," Grace 1104. A letter dated April 4, 2008 from Mr. Birrell's legal counsel to the Subcommittee, explains further:

> "Ms. Duffy is not involved in the Company and has no ownership interest therein. In case of Mr. Birrell's death or disability, Ms. Duffy is currently a signatory on the Company's bank account. Our law firm formed the LLC entity at Mr. Birrell's request on June 8, 2004. At that time, Mr. Birrell indicated that he intended to be the sole owner. … Subsequent to forming the LLC, Mr. Birrell decided to make his wife the sole member. However, this change created an administrative issue with the IRS which continued to address the registration form to "Birrell, Jeffrey Sole Mbr." After consultation with counsel and inasmuch as Ms. Duffy had no involvement with Company operations, and as the administrative issues with the IRS persisted and as Mr. Birrell was advised by this firm that there were no tax or estate planning benefits associated with the change, in July, 2005, Mr. Birrell sought our assistance and the original terms of the Operating Agreement were restored. Accordingly, from that point forward, all Company paperwork … [has] consistently shown Mr. Birrell as the sole owner of the Company."

[599] 12/20/04 Commonwealth of Virginia, Statement of Change of Registered Office and/or Registered Agent, Grace 1124.

[600] 10/21/07 Commonwealth of Virginia, Statement of Change of Registered Office and/or Registered Agent, Grace 1110-11.

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Grace Group.[601] Despite these filings, the documentation reviewed by the Subcommittee indicates that Mr. Birrell alone managed and operated The Grace Group; none showed Ms. Duffy's active involvement in the transactions examined in this Report. At times when his wife was listed as the sole Managing Member of the company, Mr. Birrell nevertheless held himself out as the Managing Member and company owner.[602]

As of 2009, Virginia incorporation records showed that The Grace Group continued to be registered and in good standing with the State. The Subcommittee was unable to locate any FARA filings for The Grace Group, or for Mr. Birrell personally.[603] Mr. Birrell did register The Grace Group as a broker for the C-130 aircraft transaction with the U.S. State Department.

Bank Accounts. Mr. Birrell opened four corporate bank accounts that were used by Barron-Birrell Inc. or The Grace Group LLC, as well as a personal account, at a bank in a Washington, D.C. suburb. The bank was United Bank in McLean, Virginia, a state-chartered institution with about $8 billion in assets.

The five accounts were as follows:

1) Barron-Birrell Inc. or BBI Account No. 4359-9687;
2) Grace Group LLC Account No. [xxxxxxx];
3) Grace Group LLC Escrow Account No. 4389-9095;
4) Grace Group LLC Special Project Account No. 4360-0485; and
5) Mr. Birrell and Ms. Duffy joint Account No. [xxxxxx].

The BBI account was opened as a small business checking account on March 13, 2003, and shows transactions involving President Omar Bongo and Gabon beginning that year.[604] The account had two signatories, Mr. Birrell and Mr. Barron. It was closed three years later at the request of the firm on November 6, 2006.

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[601] See, e.g., 6/17/05 corporate resolution naming Ms. Duffy as the manager and president and Mr. Birrell as a company "agent," Psi-ub-000136; 9/14/05 corporate resolution naming Mr. Birrell as the manager and agent, without mentioning Ms. Duffy, Psi-ub-000132.

[602] See, e.g., 7/29/05 filing with the U.S. State Department to register as a broker in which Mr. Birrell lists himself as the "Managing Member" of The Grace Group LLC, Grace 0749; 4/7/05 United Bank Account Agreement to open an account for The Grace Group LLC in which Mr. Birrell is listed as a "Co-Owner," Psi-ub-000127.

[603] FARA requires persons to file a registration form with the U.S. Department of Justice within ten days of becoming an "agent for a foreign principal," including a foreign government official. 22 U.S.C. § 612(a). An exception is provided, however, for persons who engage in commercial rather than lobbying or political activity. 22 U.S.C. § 613(d). Mr. Birrell may have viewed his work for President Omar Bongo as falling within the commercial activity exception, even though, with respect to the C-130 aircraft, he repeatedly contacted U.S. Government officials to obtain U.S. Government approval of the sale of the aircraft to Gabon.

[604] See 3/13/03 United Bank account opening documentation, Psi-ub-000145.

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The three Grace Group accounts were opened during 2005, and were funded primarily with wire transfers from Gabon. The first Grace Group LLC account was opened in June 2004, and has been the primary business account for the company.[605] Mr. Birrell and Ms. Duffy were listed as "co-owners," and both were signatories on the account. That account has remained active. The next account was opened a year later on June 17, 2005, as "The Grace Group Client Escrow Account."[606] Mr. Birrell and Ms. Duffy were both signatories, and this account was the key repository for funds associated with the C-130 aircraft transaction. A month later, in August 2005, Mr. Birrell and Ms. Duffey opened The Grace Group LLC Special Project Account, which was briefly used in connection with the armored car transaction.[607] Two months after that, on October 24, 2005, Mr. Birrell and Ms. Duffy opened a joint personal account at the bank.[608] The client escrow and special project accounts have since been closed on January 26, 2009, while the joint personal account remained open.[609]

(1) Purchase of Armored Cars

Documentation obtained by the Subcommittee indicates that, in early 2005, President Omar Bongo asked Mr. Birrell to assist him in the purchase and transport of armored cars to Gabon for his personal protection. President Omar Bongo apparently requested three vehicles that would be armored and three that would not. To finance the purchase of all six vehicles, President Omar Bongo sent over $1.2 million from his and other accounts in Gabon to The Grace Group LLC accounts in the United States. Mr. Birrell used the funds to purchase, armor, and ship the vehicles to Gabon. By the end of 2005, three armored H2 Hummers including an armored stretch limousine, one unarmored stretch H2 Hummer limousine, a Cadillac Deville, and a Jeep had been shipped to President Omar Bongo in Gabon,[610] and Mr. Birrell had allowed his U.S. bank account to serve as a conduit for over $1.2 million in suspect funds brought into the United States from Gabon.

Order Placed. Documentation obtained by the Subcommittee indicates that President Omar Bongo initiated the armored vehicle transaction in early 2005.

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[605] June 2004 United Bank account statement, Psi-ub-000153. See also update of account on April 7, 2005, United Bank Account Agreement, Psi-ub-000127.
[606] 6/17/05 United Bank Account Agreement, Psi-ub-000133-4.
[607] 9/30/05 United Bank Statement of Accounts, Psi-ub-000212.
[608] 10/24/05 United Bank Account Agreement, Psi-ub-000142. Mr. Birrell wrote the following to United Bank on October 24, 2005: "Can you please do the paperwork for a joint mm account for my wife (Diane T. Duffy) and me. Under the advice of my lawyer and CPA, I want to transfer the majority [of] the funds in the new Grace Group account to a personal (joint) account. Diane and I will stop by at some point this afternoon." PSI United Bank 05-000011.
[609] Subcommittee interview of United Bank officials, December 3, 2009.
[610] Subcommittee interview of International Armoring Corporation officials, November 24, 2008.

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In March or April 2005, Mr. Birrell and General Nzengui Nzoundou Flavien, a senior official in the office of the Gabon presidency, traveled to California, Utah, and Florida, in connection with the armored vehicle transaction.[611] In Palm Springs, California, they visited Exotic Motor Cars, which showed them a Cadillac Deville. They also traveled to Ogden, Utah, to visit International Armoring Corporation (IAC), a Utah firm which specializes in preparing armored vehicles for heads of state.[612]

An IAC invoice dated April 1, 2005, indicates that IAC agreed to prepare four 2005 GM Hummer vehicles for The Grace Group.[613] Later documentation makes clear that, of the four vehicles, two H2 Hummer sports utility vehicles would be armored, one H2 Hummer limousine would be both armored and "stretched," and a fourth H2 Hummer limousine would be "stretched" but not armored.[614] A handwritten notation on the IAC invoice indicates that the total cost for all four vehicles was $399,615.

Initial Transfer of $850,000. In late March and early April, to pay for the vehicles, President Omar Bongo sent two wire transfers from Gabon, totaling nearly $850,000, to The Grace Group LLC at United Bank in Virginia. The first wire transfer was sent on March 31, 2005, from an account in the name of "El Hadj Omar Bongo Ondimba" at BGFI Bank in Libreville, Gabon, and deposited $599,933.01 into the primary Grace Group Account No. [xxxxxx].[615] One week later, on April 7, 2005, the same Bongo account at BGFI Bank in Gabon wired nearly $242,000, this time through Banque Populaire in Paris, to the same Grace Group LLC account at United Bank.[616]

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[611] See, e.g., 7/7/05 memorandum from Barron-Birrell to President Omar Bongo, Travel to California/Utah/Florida (Nzengui/Birrell/Campbell)", Grace 0414; 4/7/05 check for $4,720 drawn on The Grace Group account and payable to Ms. Duffy for "CA/UT Trip Exp. Rept.", Grace 0019; 4/6/05 email from IAC to Mr. Birrell ("It was a pleasure to welcome General Nzengui and Jeff Birrell to the headquarters and the production facilities of the International Armoring Corporation."), Grace 0907.

[612] Mr. Birrell had communicated with IAC prior to the trip. On March 7, 2005, he sent an email to IAC stating: "I will know tomorrow about our date of arrival in UT to place the order for the 4 h2s. However, I was able to convince the president to add one more vehicle in support of his re-election program. Can you please advise if you can stretch an h2 to 14 or 15 meters and add a stand up portal for him to wave/address the crowd? The portal would not be an armored bubble." Grace 0966.

[613] 4/1/05 International Armoring Corporation invoice, Grace 0396. See also undated email, likely sent around April 6, 2005, from IAC to President Omar Bongo ("The contract to build the vehicles was signed on 31 Mar 05...."), Grace 0946.

[614] See also Subcommittee interview of International Armoring Corporation officials, November 24, 2008.

[615] 3/31/05 wire transfer record, Psi-ub-000404. The original swift message for the wire requests that $600,000 be transferred, and notes that transfer fees of $45 would be deducted. 3/31/05 wire transfer record, Grace 0387-8.

[616] 4/7/05 wire transfer record, Psi-ub-000408; 4/7/05 Funds Transfer Notification, Grace 0393.

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Shortly after receiving the first wire transfer from President Omar Bongo, on April 4, 2005, Mr. Birrell wire transferred $67,500 from his Grace Group account to an account in the name of Exotic Motor Cars at Pacific Western Bank in California.[617] This amount matches a vehicle transfer form showing that, a few days earlier, Exotic Motor Cars had transferred a 2005 Cadillac to "The Gabonese Republic" and "Gen Nzengui Nzoundou Flavien" for $67,500.[618] Priority Worldwide Services, a U.S. company experienced in shipping vehicles overseas, later arranged for the transport of the Cadillac to Gabon. A Priority Worldwide Services invoice indicates that, for $4,903.75, the Cadillac was picked up on June 6, 2005, and driven on a flat bed truck to New York in preparation for a flight to Gabon.[619] Mr. Birrell paid that invoice by sending a wire transfer from The Grace Group account to Priority Worldwide Services for $4,903.75 on June 29, 2005.[620] He had earlier sent a wire transfer to Priority Worldwide Services on June 6, 2005, for $28,020, presumably to pay for the flight itself.[621]

On April 8, 2005, in response to the invoice prepared a week earlier by International Armoring Corporation to armor and stretch the four H2 Hummer vehicles, Mr. Birrell sent a wire transfer from The Grace Group account to an IAC account at Zions Bank SLC for $399,615.[622]

Armoring Delays. According to a Birrell email, IAC had promised to deliver the first two H2 Hummers on April 9 and the second two on May 16.[623] The company missed both deadlines, and Mr. Birrell expended substantial effort in pressuring the company to complete the work and ship the armored vehicles to Gabon.

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[617] 4/4/05 United Bank Domestic Wire Transfer Authorization, Grace 0391. A few days earlier, on April 1, 2005, a check was drawn on the Grace Group LLC account for $9,000 and made out to "Cash." Grace 0019, Check No. 1032. On April 4, this check was cashed, with the notation "4K for Max Hotel[;] 5K to A[illegible]sh. – wire in, cash out."

[618] 5/31/05 DMV title transfer, Grace 0981. A week later, on April 6, $6,500 was deposited into The Grace Group account with the notation, "Caddy Commission Deposit," Grace 0020.

[619] 6/24/05 Priority Worldwide Services invoice, Grace 0406. See also 6/7/09 email from Priority Worldwide Services to Mr. Birrell (providing details on shipping the Cadillac Deville), Grace 0902; 6/9/05 email from Mr. Birrell to Abass Haidara ("The Cadillac is in safe hands in New York and the air shipper is looking for new air routes."), Grace 0958.

[620] 6/29/05 United Bank funds transfer notification, Grace 0408, with handwritten note: "Air Transport Remainder Storage & Trucking Caddy;" 6/29/05 United Bank Domestic Wire Transfer Authorization, Grace 0410.

[621] 6/6/05 United Bank Domestic Wire Transfer Authorization, Grace 0400.

[622] 4/8/05 United Bank WireHouse Message Details, Psi-ub-000410. 4/1/05 IAC invoice, Grace 0396. Zions Bank SLC is located in Salt Lake City. On March 29, 2005, another company, Armor Auto Sales in Fort Wayne, Indiana, wire transferred $5,000 to The Grace Group. Psi-ub-000402.

[623] 6/9/05 email from Mr. Birrell to Abass Haidara, a Gabon official states: "I have forcefully pointed out that we were offered hard assurances on delivery dates (April 9 and May 16) and that these dates have come and gone." Grace 0958.

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On April 6, 2005, after it had become clear IAC would miss the first deadline, Mr. Birrell sent an email to Daniel Dresser, IAC Vice President of Operations, urging him to write a personal letter to President Omar Bongo, explaining the delay.[624] Mr. Birrell provided a sample letter, and Mr. Dresser sent an undated letter to President Omar Bongo, providing a status report on the vehicles and apologizing for the delay: [625]

> "Unfortunately we have experienced some delays common for our head of state vehicles from our suppliers which have caused us to pass the original due date for the first two vehicles. … These delays are no reflection on your faithful representative Mr. Birrell; he has done everything within his power to see that these vehicles meet the deadlines established in the contract."[626]

On April 14, 2005, Mr. Birrell sent an email to IAC directing the company to keep the work they were doing for President Omar Bongo confidential:

> "I am making a series [of] acquisition[s] for the Head of State, and these actions have created a lot of interest among certain individuals. It is an election year in Gabon and not all of the individuals within the office of the president are from his party. Information regarding these transactions could be used to his political detriment. I am so advising all of the contractors and suppliers with which I am currently dealing. Please direct any and all inquiries to me and I will forward them directly to the appropriate official within the office of the president. **Any and all**."[627] [Emphasis in original document.]

On April 18, 2005, the Grace Group wire transferred another $36,750 to IAC at Zions Bank SLC.[628]

While the work on the vehicles continued, Mr. Birrell contacted Priority Worldwide Services to arrange for the shipment of six vehicles to Gabon, three that would be armored and three that would not.[629] Priority explained that the armored vehicles would require an export license from the U.S. Commerce Department, while the unarmored vehicles would not.

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[624] 4/6/05 email from Mr. Birrell to Mr. Dresser, Grace 0907.
[625] 6/10/05 letter from Mr. Dresser to Mr. Bongo, Grace 0946.
[626] Id.
[627] 4/14/05 email from Mr. Birrell to Mr. Dresser, Grace 0916.
[628] 4/18/05 United Bank Funds Transfer Notification, Grace 0999.
[629] Emails dated May 17 and 18, 2005, between Mr. Birrell and Priority Worldwide Services, Grace 1058.

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In response to a Priority Worldwide Services request for information, on May 19, 2005, Mr. Birrell sent a letter detailing the shipment request for the three armored vehicles.[630] He wrote: "This firm has been requested by the Gabonese Head of State to source three armored vehicles for the personal protection of the Head of State."[631] He also stated that the purchaser and end user of the three armored vehicles would be "the Gabonese Government, Executive Office of the President," and that the vehicles would not have any military application.

The next day, on May 20, 2005, Priority Worldwide Services applied to the U.S. Commerce Department for a license to export "3 armored Humvee SUVs [sport utility vehicles]. NIJ Level 3, unarmed."[632] The application stated that the vehicles had a value of $120,000 apiece and a total value of $360,000.

Delays in the armoring continued. On May 31, 2005, Mr. Birrell emailed Mr. Dresser that his company was "running behind schedule and I can tell you that I am now in a tough position with President Omar Bongo."[633]

On June 7, Mr. Birrell sent a letter to Gabon General Nzengui providing "titles of five of the vehicles that have been ordered for President Omar Bongo. These vehicles have been paid for from the funds wired to me."[634] The letter noted that the Cadillac was in New York and ready for shipment, two Hummer H2s were "nearly completed," and two more were "under construction and there will not be a lengthy delay" in shipping them.

At some point, Mr. Birrell and a delegation of Gabon officials traveled to IAC to inspect the vehicles.[635] On June 9, 2005, Mr. Birrell sent an email to Mr. Dresser at IAC stating, "I regret the tone of our conversation," but noting that President Omar Bongo had been "waiting since April 9th for shipment notification."[636] Mr. Birrell wrote:

> "I need all 4 H2s done without any further delay. It is not acceptable that the stretched H2 is still in CA and the armor has not started – waiting 10 days for a truck – or that the first two H2s have not moved at all since my trip to your HQ.

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[630] 5/19/05 letter from Mr. Birrell to Mr. Libutti, Grace 0397-98.
[631] Id.
[632] 5/20/05 U.S. Commerce Dept. Export License Application, Grace 0403-05. The license from the Commerce Department was validated on 6/24/05, and expired on 6/24/07.
[633] 5/31/05 email from Mr. Birrell to Mr. Dresser, Grace 0894.
[634] 6/7/05 email from Mr. Birrell to General Nzengui, Grace 0959.
[635] Subcommittee interview of International Armoring Corporation officials, November 24, 2008.
[636] 6/9/05 email from Mr. Birrell to Mr. Dresser, Grace 0929.

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> As requested, I will expect your correspondence regarding shipment date by Friday, COB eastern standard time. I will forward your letter directly to President Omar Bongo. ...
>
> The the [sic] H2s and the Caddy need to be in Libreville by the 26 or this moves into a new level. It will be out of my hands. The stretched H2s need to follow closely behind."[637]

On June 24, 2005, the Commerce Department granted an export license to Priority Worldwide Services allowing shipment of three armored vehicles to Gabon any time before June 24, 2007.[638] Within days, two of the H2 Hummer vehicles were shipped to Gabon. A Priority Worldwide Services invoice dated June 27, 2005, indicates that the vehicles had been picked up that day in Utah at IAC, transported on a flatbed truck to New York, and put on a flight to Gabon for $72,002.50.[639] On June 29, Mr. Birrell sent a wire transfer from The Grace Group account to Priority Worldwide Services for $72,002.50; a handwritten notation on the wire transfer documentation states: "Air Transport 2 H2s."[640]

The two remaining H2 Hummer vehicles took another three months to complete. On July 7, 2005, prior to Mr. Birrell's traveling to Gabon, Barron-Birrell Inc. sent a memorandum to President Omar Bongo, entitled, "Special Project Budget Recap," listing the expenses in connection with the armored car transaction.[641] The document referenced six cars: the Cadillac, four Hummer H2s, and a Jeep. It stated that the expenses paid to date associated with armoring, stretching, trucking, storing, and transporting the vehicles by air totaled $614,362, and that another $426,675 in expenses remained. In addition, it stated that the "Total Income" provided was $842,000 and that an additional $199,000 was "required."

On July 14, 2005, Mr. Birrell sent an email to Mr. Dresser at IAC stating that he had met with the President in Gabon that night and was meeting with him again in the morning. Mr. Dresser responded on July 15, 2005, with a long email apologizing for the delay and stating that IAC was "applying every resource possible" to complete work on the remaining two vehicles for President Omar Bongo. Mr. Dresser noted that, "We currently have (9) head of state vehicles in process with the 34 vehicles currently in the shop."[642]

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[637] Id. The email could be read as suggesting shipment of five vehicles, but the Subcommittee was able to document the shipment of only four.
[638] 6/24/09 U.S. Department of Commerce Export License No. D339614, Grace 0401-02.
[639] 6/27/05 Priority Worldwide Services invoice, Grace 0407.
[640] 6/29/05 United Bank Funds Transfer Notification, Grace 0409; 6/29/05 United Bank Domestic Wire Transfer Authorization, Grace 0410.
[641] 7/7/05 Barron-Birrell memorandum to President Omar Bongo, Grace 0414.
[642] 7/15/05 email from Mr. Dresser to Mr. Birrell, Grace 1075.

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On July 19, 2005, Mr. Birrell wire transferred an additional $84,950 to IAC to complete work on the remaining two vehicles.[643] These funds were taken from The Grace Group accounts which had been replenished with additional funds from Gabon.[644]

A month later, on September 14, 2005, Mr. Birrell sent a memorandum with an update on the vehicles to Mr. Haidara, President Omar Bongo's adviser who was then in New York.[645] Mr. Birrell wrote that the "two remaining Hummer (H2) cars" were finished. His letter then provided two alternatives for shipping them to Gabon, on a direct charter flight from Miami to Gabon for $332,650, or on an indirect flight with other cargo from New York to Gabon for $111,600. Mr. Birrell stated that he had also purchased three mobile "electronic counter measure equipment" (ECM) units for use in the President's vehicles for about $59,000, and that he had "purchased the General's Jeep for $23,948."[646] As a result of the purchase of the Jeep and ECM units, Mr. Birrell stated that "the additional budget needed has increased to about $120,000."

On September 22, 2005, The Grace Group wire transferred $90,490 to IAC. A notation on the wire transfer document states that the transfer was "payment for cost of 2 vehicles shipped to Africa."[647] On the same date, the Grace Group escrow account sent $332,650 to Priority Worldwide Services for "payment for the cost of 2 vehicles shipped to Africa."[648]

IAC told the Subcommittee that, altogether during 2005, The Grace Group paid $611,805 to IAC for the purchase, stretching, and armoring of four vehicles.[649] The documentation shows that The Grace Group also wire transferred at least $437,575 to Priority Worldwide Services. In addition, Mr. Birrell reported paying $67,500 to Exotic Motor; $23,948 to an unknown dealer for the Jeep; and $59,000 to an unknown vendor for the ECM units. Altogether, The Grace Group had spent nearly $1.2 million.

To pay these expenses, during the six-month period from April to October 2005, Mr. Birrell received millions of dollars wire transferred

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[643] 7/22/05 email from Mr. Birrell to IAC, Grace 1076.
[644] See, e.g., the wire transfers totaling $17 million sent to the Grace Group LLC account by Ayira from a Gabon bank account on June 17 and July 18 and 21, 2005, as explained in the next section.
[645] 9/14/05 memorandum from Mr. Birrell to Mr. Haidara, Grace 1060-61.
[646] Id. See also a similar memorandum which Mr. Birrell sent to General Nzengui on the same date, Grace 0418. In addition, see an earlier 7/18/05 memorandum from Mr. Birrell to Mr. Haidara, in which Mr. Birrell discussed the ECM purchase and additional vehicles for "General Nz." Grace 0630.
[647] 9/22/05 wire transfer, Psi-ub-000432-33.
[648] United Bank WireHouse Message Details, Psi-ub-000434-35.
[649] 12/6/08 email from IAC to the Subcommittee, no bates number.

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from Gabon into The Grace Group accounts. He used these funds to provide substantial wire transfers and checks to various parties across the United States.

Compensation. The compensation paid to Mr. Birrell for his work on the armored car transaction is unclear. It appears that the last two H2 Hummer vehicles were shipped to Gabon in September or October 2005. On October 24, 2005, Mr. Birrell and Ms. Duffy opened a new joint personal account at United Bank.[650] On October 25, 2005, the day after the account was opened, a check for $600,000 was signed by Mr. Birrell, drawn on the Grace Group LLC Special Project Account No. 4360-0485, and deposited into the new joint account.[651]

A United Bank statement for The Grace Group Special Project Account shows that earlier in the day on October 25, 2005, $534,430.11 was deposited into the Special Project Account by "Phone Tsfr."[652] A United Bank receipt shows that $534,430.11 had been transferred from The Grace Group LLC account.[653] When added to the $67,059.23 already in the account, the balance in the Special Project Account exceeded $600,000. After the $600,000 check withdrew those funds, the Special Project Account held about $1,400.

These documents show that the bulk of the $600,000, almost all of which came from Gabon, went from The Grace Group LLC account, to The Grace Group LLC Special Project Account, to the new Birrell-Duffy joint account. The joint account then spent the money on credit card bills, taxes, other expenses, and on making deposits to accounts at other financial institutions.[654] The documentation suggests that Mr. Birrell also received a $6,500 commission for the Cadillac sold to President Omar Bongo.[655]

The documentation indicates that, throughout 2005, Mr. Birrell expended significant effort to carry out President Omar Bongo's purchase of three armored and three unarmored U.S.-built vehicles, including by arranging the funding, pressuring IAC to fulfill its contract on a timely basis, and arranging shipment of the vehicles to Gabon. In addition, Mr. Birrell allowed his corporate accounts to serve as a conduit for at least $1.2 million in suspect funds from Gabon to purchase armored cars for the Bongo regime. Mr. Birrell declined to disclose to

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[650] 10/24/05 United Bank Account Agreement, Psi-ub-000142.
[651] 10/25/05 Check No. 951, Psi-ub-000233.
[652] October 2005 United Bank Statement of Accounts for The Grace Group LLC Special Project Account, Psi-ub-000213.
[653] 10/25/05 United Bank deposit slip, Grace 0007.
[654] See United Bank account statements, Psi-ub-000001-489.
[655] See 4/6/05 United Bank deposit slip for $6,500 deposit into the Grace Group LLC account, with handwritten notation: "Caddy Commission Deposit," Grace 0020.

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the Subcommittee whether he was paid in excess of $600,000 for his efforts.

(2) Purchase of C-130 Aircraft

From 2005 to 2007, President Omar Bongo also employed Mr. Birrell's services to obtain authorization to purchase six U.S.-built C-130 aircraft from the Government of Saudi Arabia. The United States had originally sold these military grade aircraft to Saudi Arabia with restrictions on any future transfer or sale. To comply with the Arms Export Act, Saudi Arabia had to obtain the U.S. State Department's approval prior to selling the C-130 aircraft to Gabon. At the direction of President Omar Bongo, Mr. Birrell undertook extensive efforts to obtain U.S. approval of the sale. After that approval was provided, however, the aircraft sale did not take place.[656] Mr. Birrell subsequently attempted to arrange a purchase of the aircraft using funds supplied by private companies, but that effort was also unsuccessful.

During the course of this transaction, an entity called Ayira transferred $17 million from Gabon into the Grace Group accounts at United Bank to pay for the purchase of the C-130 aircraft. Mr. Birrell declined to explain to the Subcommittee what he knew about Ayria or to clarify the relationship between Ayira and President Omar Bongo. After the aircraft sale fell through, Mr. Birrell wire transferred $9.2 million of the Ayira funds to an account in the name of President Omar Bongo at a bank in the country of Malta. In addition, Mr. Birrell used the Ayira funds to send wire transfers totaling over $4.2 million to President Bongo's senior adviser, Abass Haidara Cherif, and another $1 million to a handful of "consultants." By accepting the $17 million and initiating subsequent wire transfers at the apparent direction of President Omar Bongo or his senior advisers, Mr. Birrell allowed his corporate accounts to be used as a conduit for millions of dollars in suspect funds. As compensation for his efforts on the C-130 transactions, Mr. Birrell requested $850,000 plus expenses which, at one point, exceeded $253,000. Mr. Birrell declined to disclose to the Subcommittee how much he was actually paid.

Selling Military Grade Aircraft. The International Traffic in Arms Regulations (ITAR) are U.S. Government regulations which control the export and import of military-related items on the United States Munitions List.[657] These regulations implement the Arms Export Control Act, and are enforced by the U.S. Department of State working

[656] A letter from one of the consultants who worked on the sale, former Saudi Brigadier General (Retired) Hamid Bakhsh, told the Subcommittee that the "deal [was] not finalized by the government of Gabon." Undated letter from Mr. Bakhsh to the Subcommittee received on October 23, 2009, PSI-Baksh-01-0001.
[657] See ITAR regulations at 22 CFR §§ 120-130.

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with the U.S. Department of Defense (DOD). Under the ITAR regulations, technology related to military equipment may be shared only with U.S. persons, absent State Department approval. Should the U.S. State Department discover that ITAR products have been shared with a non-U.S. person, the company that shared such technologies can face steep fines.[658]

C-130 aircraft are military grade aircraft that are included on the U.S. Munitions List and subject to export controls under the ITAR regulations. The C-130 Hercules is a four-engine turboprop military transport aircraft built by Lockheed. It can land and takeoff from unprepared runways, and was originally designed as a troop, medical evacuation, and cargo transport aircraft. It has also been used as a gunship, for search and rescue, scientific research support, weather reconnaissance, aerial refueling, maritime patrol, and aerial firefighting. It is a common tactical airlift for military forces. Over 70 models have been sold to more than 60 nations.[659]

In general, to transfer an item on the U.S. Munitions List to a non-U.S. person, the seller must apply for an export license from the State Department. The State Department forwards the application to relevant U.S. offices within the State Department, DOD, and other U.S. agencies to determine whether there are concerns about the proposed transfer. If the State Department intends to rule favorably on a proposed transfer and it involves items valued at $14 million or more, Congress must also be notified of the proposed transfer.[660] Typically, the State Department notifies the House Foreign Affairs Committee and the Senate Foreign Relations Committee on an informal basis twenty days in advance of an official notification of the proposed transfer so that the committees have

[658] U.S. Department of State webiste, Directorate of Defense Trade Controls, http://pmddtc.state.gov/compliance/consent_agreements.html.
[659] See U.S. Air Force, Factsheets: C-130 Hercules, October 2009, http://www.af.mil/information/factsheets/ factsheet.asp?fsID=92. See also Lockheed Martin press release, "2300th Lockheed Martin C-130 Hercules Rolled Out," October 4, 2006, http://www.lockheedmartin.com/news/press_releases/2006/2300THLOCKHEEDMARTIN C130HERCULESROL.html.
[660] See Section 36b of the Arms Export Control Act, codified at 22 U.S.C. § 2776(b).

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sufficient time to consider it. Once the committees are formally notified, they have thirty days to object to the transfer.[661]

Individuals like Mr. Birrell, who wish to negotiate the transfer of an item on the U.S. Munitions List, must register with the State Department as either a broker or general exporter.[662] In order to register, a prospective broker must submit an application to the State Department which either approves or rejects the application. Even if approved, registration of a broker does not convey authority to complete a transfer; it is only after a specific export license has been approved for the transfer that the applicant meets the legal requirements to act as a broker in the sale.[663] Registered brokers are required to submit an annual report of their brokerage activities to the State Department; brokers that fail to do so are subject to civil action. In response to a Subcommittee question, State Department officials estimated that only about 1% of export license requests related to the U.S. Munitions List are denied.[664]

Documentation obtained by the Subcommittee demonstrates that, beginning in June 2005 and continuing for at least two more years, Mr. Birrell expended substantial effort to complete the C-130 aircraft transaction initiated by President Omar Bongo.

$17 Million Transfer. The first major event in connection with the C-130 aircraft transaction was the transfer of nearly $17 million into The Grace Group accounts at United Bank in Virginia in June 2005. The funds were provided through multiple wire transfers sent from Gabon by an entity called "Ayira." Mr. Birrell declined to describe the origins or owners of Ayira or its relationship to President Omar Bongo. The documentation reviewed by the Subcommittee suggests that Ayira is a shell entity operating at the direction of President Omar Bongo.[665]

On June 14, 2005, Mr. Birrell sent a letter to Abass Haidara Cherif, a senior advisor to President Omar Bongo and Mr. Birrell's primary Gabonese government contact in the C-130 aircraft transaction. In it, Mr. Birrell wrote: "The funds noted in our conversation can be sent to the following address. I will hold these funds in total until otherwise directed by you." His letter then provided instructions for sending a wire transfer to The Grace Group LLC account at United Bank.[666]

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[661] Subcommittee interview of State Department officials, October 16, 2008.
[662] ITAR Section 122.1. Individuals seeking to act as brokers must register; governments are not required to do so.
[663] Subcommittee interview of State Department officials, October 16, 2008.
[664] Id.
[665] See, e.g., several other Ayira wire transfers sending funds to the daughter of President Omar Bongo, Ounaida Bongo. 3/14/01 wire transfer for $74,943.20 from Ayira to an Ounaida Bongo account at Citibank in Washington, D.C., A 00043084; 9/26/01 wire transfer for $99,733.09 from Ayira to the same Citibank account, A 00043103; and 8/27/03 wire transfer for $64,882 from an Ayira account at BGFI Bank in Gabon to the same Citibank account, A 00043219.
[666] June 14, 2005 letter from Mr. Birrell to Mr. Haidara, Grace 0634.

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Three days later, on June 17, 2005, a wire transfer for nearly $5 million was sent by Ayira from an account at BGFI Bank in Libreville, Gabon to the primary Grace Group account at United Bank.[667] This wire transfer included the notation: "RSAF C-130E Aircraft."[668] On the same day The Grace Group received the funds, it transferred them to The Grace Group LLC Client Escrow Account, which Mr. Birrell and Ms. Duffy had opened earlier that day.[669]

On June 29, 2005, Mr. Birrell sent Mr. Haidara an email acknowledging receipt of the $5 million and asking him to convey certain information about the funds to President Omar Bongo.

> "Will you please advise President Omar Bongo of the following information. The Grace Group LLC has received $5,000,000.00 USD in its general operating account. These funds were received by wire. This same amount, minus wire transfer fees, has been re-deposited into a separate account titled, 'Grace Group LLC, Client Escrow Account.' These funds will remain in this account until otherwise directed by the client. Expenses incurred by the Grace Group with specific regard to the purchase of the C-130s, will be deducted from this account and repaid to the Grace Group's general operating account. A full accounting of these expenses will be made available to the client."[670]

This email makes it clear that the $5 million sent by Ayira was intended to be used to advance the C-130 aircraft purchase that President Omar Bongo had hired Mr. Birrell to help arrange.

One month after the first $5 million wire transfer, Ayira sent The Grace Group two more wire transfers from Gabon providing another $12 million. On July 18, 2005, Ayira sent a wire transfer from BGFI Bank in Gabon to The Grace Group LLC Account No. xxxxx for nearly $6 million.[671] The wire transfer documentation again referenced "RSAF C 130 E Aircraft." The next day, on July 19, 2005, The Grace Group LLC transferred the funds to its Client Escrow Account.[672] Three days later,

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[667] United Bank WireHouse Message Details, Psi-ub-000416-17. The actual amount transferred was $4,999,934, which appears to be $5 million less various fees.
[668] United Bank WireHouse Message Details, Psi-ub-000416-17. "RSAF" refers to the Royal Saudi Air Force.
[669] 6/17/05 United Bank transaction receipt, Psi-ub-000268; 6/17/05 United Bank Account Agreement, Psi-ub-000133-34.
[670] 6/29/05 email from Mr. Birrell to Mr. Haidara, Grace 0681.
[671] 7/18/05 United Bank WireHouse Message Details, Psi-ub-000422-23; 7/18/05 United Bank Funds Transfer Notification, Grace 0276. The amount sent was $5,999,934, which appears to be $6 million less various fees.
[672] July 2005 United Bank Statement for The Grace Group Client Escrow Account, Psi-ub-000240, showing a July 19 "PHONE TSFR-CREDIT" depositing $5,999,934 into the account. See also 7/19/05 United Bank documents showing transfer between the two accounts, Psi-ub-000269.

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on July 21, 2005, Ayira sent another $6 million from its account in Gabon to The Grace Group LLC account at United Bank.[673] Like the two prior emails, it referenced, "RSAF C 130 E Aircraft." On July 26, 2005, The Grace Group transferred the funds into its Client Escrow Account.[674]

On July 22, 2005, The Grace Group Client Escrow Account withdrew $1 million from its account and wire transferred the funds to Mr. Haidara at KBC Bank in Brussels, Belgium.[675] The wire transfer documentation noted that the transfer was at the "Request of the Head of State." Since all of the funds in the escrow account came from the Ayira wire transfers, this transaction indicates that Mr. Birrell was willing to and did disburse the Ayira funds at the direction of President Omar Bongo, including by sending them to a Belgium account in the name of his advisor, Mr. Haidara. Mr. Birrell did not explain the purpose of this transfer or how it may have related to the C-130 aircraft transaction.[676]

Registered Broker. On July 29, 2005, Mr. Birrell applied to register The Grace Group LLC with the State Department as a broker to sell aircraft and vehicles on the U.S. Munitions List.[677] Mr. Birrell was the only signatory on the application and signed as the "Managing Member" of The Grace Group, even though in December 2004, a change of agent form had been filed with the State of Virginia and replaced Mr. Birrell with his wife as the sole managing member or owner of the company.[678] The State Department approved the brokering application in August 2005.[679]

At the end of the year, Mr. Birrell sent a letter to the State Department reporting on his brokerage activities during 2005. His letter stated that The Grace Group "had no brokering activities" during 2005, but had applied for authorization to broker a transfer of C-130 aircraft

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[673] 7/21/05 United Bank WireHouse Message Details, Psi-ub-000426-27.
[674] July 2005 United Bank Statement for The Grace Group Client Escrow Account, Psi-ub-000240, showing a July 26 "PHONE TSFR-CREDIT" depositing $5,999,934 into the account. See also 7/26/05 United Bank documents showing transfer between the two accounts, Psi-ub-000270.
[675] 7/22/05 United Bank WireHouse Message Details, Psi-ub-000428-29.
[676] A month later, on August 31, 2005, The Grace Group Client Escrow Account wire transferred $200,000 to Mr. Haidara at a bank account at Societe Generale Agency Fontenoy in Paris. 8/31/05 United Bank WireHouse Message Details, Psi-ub-000430-31. The notation on the wire transfer documentation stated that the money was to "Feed starving refugees in Mali and Niger."
[677] 7/29/05 U.S. Department of State Statement of Registration, Grace 0749.
[678] See 10/20/04 Commonwealth of Virginia Statement of Change of Registered Office and/or Registered Agent, Grace 1124. See also 7/28/05 letter from Mr. Birrell to DTCC, Grace 0620.
[679] Subcommittee interview of State Department officials, October 16, 2008. See also 10/24/05 email from Mr. Birrell to the U.S. Ambassador to Gabon, Grace 0589 ("The Grace Group LLC … received its Brokering License (Brokering Registration Code K-1117) from the Department of State in August 2005.").

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from Saudi Arabia to Gabon.[680] The letter also stated that authorization had been granted on January 17, 2006. The next year, on January 25, 2007, Mr. Birrell sent a letter reporting on his brokerage activities during 2006, and again described his effort to broker the proposed transfer of C-130 aircraft from Saudi Arabia to Gabon.[681] His letter stated that an export license had been approved for the transfer in August 2006, but the transfer had not yet taken place.[682]

Brokering Authorization. Once The Grace Group received approval to act as a broker for materials on the U.S. Munitions List, the next step in the C-130 aircraft transaction was for Mr. Birrell to file a request with the State Department's Directorate of Defense Trade Controls (DDTC) to authorize The Grace Group to broker a sale of the C-130 aircraft owned by Saudi Arabia to Gabon.

Mr. Birrell filed the necessary application with the DDTC in August 2005. Initially, The Grace Group proposed a two-step process involving another U.S. company, Hoover Aviation, Inc., based in Texas. In its August 18, 2005 letter to the DDTC, Mr. Birrell proposed that six C-130 aircraft "be sold by the Saudi government to Hoover Aviation, who in turn will sell two of them to an end-user in Gabon," and requested approval for The Grace Group to broker the sale of the two C-130 aircraft to the Gabon end-user.[683] Mr. Birrell's letter identified Hoover Aviation as the seller of the two aircraft and Delta Synergie, a "privately owned Gabon company that is owned in part by Gabon's head of state," as the purchaser.[684]

A month later, Hoover Aviation was dropped from the transaction.[685] In September 2005, Mr. Birrell sent a letter to the DDTC amending his brokering application so that the seller of the C-130 aircraft would no longer be Hoover Aviation, but the Government of Saudi Arabia.[686]

In October 2005, Delta Synergie sent a formal request to the State Department for authorization to "reexport" the C-130 aircraft from Saudi

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[680] 1/31/06 letter from Mr. Birrell to the State Department, Grace 0774. Mr. Birrell signed the letter as "President & Senior Managing Member" of The Grace Group LLC, even though in Virginia records, his wife was then the sole managing member of the company.
[681] 1/25/07 letter from Mr. Birrell to the State Department, Grace 0723-24.
[682] Mr. Birrell again signed the letter as "President & Senior Managing Member" of The Grace Group, even though it would not be for another ten months that he would file a change of agent form with the State of Virginia replacing his wife as the sole Managing Member of the company. 10/21/07 Commonwealth of Virginia Statement of Change of Registered Office and/or Registered Agent, Grace 1110-11.
[683] 8/18/05 letter from Mr. Birrell to DDTC, Grace 0614-16.
[684] Id., at Grace 0615.
[685] 8/31/05 letter from Mr. Birrell's legal counsel to Hoover Aviation, Grace 0612.
[686] 9/15/05 letter from Mr. Birrell to DDTC, Grace 0601-2. See also Subcommittee interview of State Department officials, October 16, 2008.

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Arabia to Gabon. On October 13, 2005, Henri Claude Oyima, the "Administrateur Directeur General of Delta Synergie," wrote to the DDTC requesting authorization for Delta Synergie, "a privately owned Gabon company owned in part by Gabon's Head of State (in his private capacity)" to purchase two C-130 aircraft from the Royal Saudi Air Force.[687] Mr. Oyima described Delta Synergie as "a cargo and freight company established to develop an intra-gabonese trade and distribution network," and stated that the planes would be used for "transporting heavy loads and for short takeoffs and landings at Gabon's airfields."[688]

The documentation reviewed by the Subcommittee indicates that Mr. Birrell expected the brokering application to be approved and the sale consummated within a few months. The funds to purchase the first two aircraft had already been sent to the Grace Group in June and July. On July 18, 2005, Mr. Birrell obtained an "escrow kit" from an aircraft title insurance company to safeguard the funds during the purchase.[689] On August 31, 2005, Mr. Birrell obtained a letter from United Bank confirming that $10 million was available in Grace Group accounts to purchase the aircraft.[690] On September 4, 2005, Mr. Birrell sent a series of letters tendering a formal offer to the Royal Saudi Air Force (RSAF) to purchase two C-130 aircraft for $4.3 million each and four more for $4.5 million each;[691] engaging a retired RSAF Brigadier General, Hamid Bakhsh, to assist in the sale;[692] and later raising the offer to $4.5 million per airplane for a total of $27.6 million.[693] Later in September, Mr. Birrell traveled to Saudi Arabia to advance the transaction.[694] On October 18, 2005, the Grace Group Escrow Client Account wire transferred $136,765 to a Saudi company, Al Ahnaf Trading, to arrange to fly the aircraft to Gabon.[695]

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[687] 10/13/05 letter from Mr. Oyima to DDTC, Grace 0593-95.
[688] Id., at Grace 0595.
[689] 7/18/05 email from Mr. Birrell to Mr. Haidara, Grace 0631. Mr. Birrell contacted Insured Aircraft Title Services, Inc. (IATS), the same company cited in the Obiang case history. Mr. Birrell wrote: "I think with a lawyer and with the title company (and the two of us watching the funds) we can conduct this purchase without any problems." See also 11/07 draft Aircraft Purchase Agreement, Grace 0457, a provision indicating that Mr. Birrell had intended to use IATS as the escrow agent during the actual purchase of the C-130 aircraft.
[690] 8/31/05 letter from United Bank to Mr. Birrell, Grace 0613.
[691] 9/4/05 letter from Mr. Birrell to the Royal Saudi Air Force, Grace 0606-07.
[692] 9/4/05 Agreement of Services, Grace 0280-81; 9/4/05 letter from Mr. Birrell to Mr. Bakhsh, Grace 0285; 9/30/05 United Bank account statement, Grace 0056 (Grace Group Client Escrow Account check for $5,000 to Hamid Baksh for "Advance Commission C-130 Project.").
[693] 9/23/05 letter from Mr. Birrell to the Royal Saudi Air Force, Grace 0599.
[694] See 3/8/06 memorandum prepared by The Grace Group, Grace 0792-93 ("In September 2005, members of The Grace Group, LLC, and the firm's legal counsel, traveled to Saudi Arabia and met with senior officials of the Royal Saudi Air Force (RSAF) to discuss the availability of its C-130 air craft."); Grace 0056 (Grace Group Escrow Account check for $18,352 issued to Grace Group LLC for "9/27/2005 Ep. Rep. SA trip C-130.").
[695] 10/18/05 United Bank WireHouse Message Details, Psi-ub-000436; United Bank International Wire Transfer Authorization, Grace 0218. The wire transfer documentation included the notation: "1st half of the payment for C130E." See also September 28, 2005 agreement among Delta Synergie, Sofab Aerospace, and Al-Ahnaf Trading, in which Al-Ahnaf Trading agreed to help "move two (2) C-130 aircrafts from Jeddah to Gabon." Grace 0627. On

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While waiting for the State Department to rule on his brokering application, Mr. Birrell contacted the U.S. Ambassador to Gabon, Barrie Walkley, with whom he was personally acquainted, about the proposed transaction and enlisted his help. In an October 4, 2005 email, the Ambassador stated: "Regarding the C-130, we'll do all we can to help. Please talk to the Charge when you are in Libreville, as well as our Defense Attache."[696] On October 24, Mr. Birrell sent an email "to follow up on your kind offer to assist President Omar Bongo (via a private company in Gabon i.e. Delta Synergie) obtain two C-130E aircraft for regional commercial transport operations."[697] Mr. Birrell wrote:

> "It would be very helpful to know the status of this submission and to know how the process can be moved along. President Omar Bongo raised this matter with you directly many months ago and he is very interested in a timely resolution. These types of aircraft are in great demand and any further delay in this process could greatly impair this purchase. ... [A] call from you or [your staff] to ... DDTC ... to determine the status of this submission would be most helpful and may speed the approval process." [Emphasis in original.]

Denial of Application. Despite Mr. Birrell's efforts, in early November, the State Department denied his application to broker the transfer of the C-130 aircraft.

During October, several U.S. officials had raised objections to the proposed transfer. On October 6, 2005, DOD sent a memorandum to the State Department objecting to export of the C-130 aircraft to Gabon for "what appears to be non military use."[698] The DOD memorandum stated: "DOD is unclear as to what State's intent was by staffing a brokering agreement that appears to be an unlawful export

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November 18, 2006, Sofab Aerospace sent an invoice for $254,360 to Delta Synergie for the cost of moving two C-130 aircraft. Grace 0705. The invoice notes that "payment may be made to Al Ahnaf Trading."

One action which raises questions about President Omar Bongo's true intent regarding the transaction at this point was the withdrawal in late October of more than $3 million from the funds that The Grace Group had set aside for the C-130 purchase. On October 22, 2005, The Grace Group Client Escrow Account wire transferred $3,061,809 to Mr. Haidara at KBC Bank in Brussels, due to a "Request by the head of the State." United Bank WireHouse Message Details, Psi-ub-000438-39. See also The Grace Group LLC Client Escrow Account statement for October 2005, Psi-ub-000244-45. The purpose of this transfer, which depleted the funds needed for the C-130 aircraft purchase, is unclear. After this transfer, The Grace Group Client Escrow Account had about $11.6 million left for the C-130 transaction.

[696] 10/4/05 email from Ambassador Walkley to Mr. Birrell, Grace 1091.

[697] 10/24/05 email from Mr. Birrell to Ambassador Walkley, Grace 0589. Mr. Birrell was personally acquainted with the Ambassador. See 10/4/05 email from requesting him to bring frozen turkeys to Gabon in time for Thanksgiving if possible.

[698] 10/6/05 Official Department of Defense Position for Munitions Case BA L0039-05, PSI State Dept. 03-0028.

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transaction."[699] An October 24 email from a State Department employee also objected to the proposed transfer, noting that "permitting the sale of two C-130s to any private African party is inviting mischief."[700]

On November 3, 2005, the State Department sent a letter to Mr. Birrell denying his application to broker the sale of the C-130 aircraft to Delta Synergie. The letter explained: "Commercial ownership and end use of C-130 aircraft for transportation of goods by a private company as outlined in this request is inconsistent with the provisions of the Arms Export Control Act pertaining to exports in support of internal security or self defense."[701]

When asked about this decision, the State Department told the Subcommittee that it had two reasons for denying the brokerage application, involving both the proposed end use and the proposed end user.[702] First, the State Department told the Subcommittee that the particular military capabilities of the C-130 aircraft rendered them inappropriate for "in country transport and regional trade," since such activities do not require military grade aircraft. The State Department said these commercial needs could be met with an L100 aircraft. Second, the State Department told the Subcommittee that Section 4 of the Arms Export Control Act states that private end buyers are not qualified to receive military items such as C-130 aircraft.

State Department representatives told the Subcommittee that, had they seriously considered approving the transfer, they would have investigated the proposed end user, Delta Synergie, more closely.[703] The State Department also stated that it does not usually look at how the transactions it approves will be financed.

Approval of Revised Application. Two weeks after the application was denied, The Grace Group re-applied to broker the sale of the C-130 aircraft. Its new application, dated November 18, 2005,

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[699] Id.

[700] The October 24, 2005 internal State Department email, PSI State Dept. 03-0042, also states: "The U.S. Applicant, Jeffrey Birrell, of The Grace Group LLC, is likely the same person who is mentioned in a Justice Dept. investigation during the Clinton years, which targeted a Belgian lobbyist [redacted by Subcommittee], who obtained secret USG documents, and tried to sell the[m] to different African leaders. Birrell worked (or, maybe still does) for a Washington, D.C. African lobbying company that bears his name. Through intermediaries mentioned in this report, Birrell could have had tangential contacts with [redacted], who later reportedly was a gray arms dealer in profitable gun-running to various African countries. Even if the Gabon company said they knew all about the C-130 purchase, we'd have no way of knowing whether they'd turn around and lease the C-130 to bad parties in neighboring countries. If you can provide some reasoning for us to go forward with the BL (reasons to approve the potential sale), I could incorporate those reason[s] into a BL cable. But, I've still got a bad feeling, overall, about approving these a/c/ for sale."

[701] 11/3/05 letter from the State Department to Mr. Birrell, Grace 0588.

[702] Subcommittee interview of State Department officials, October 16, 2008.

[703] Id.

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proposed selling the six C-130 aircraft to the Government of Gabon, rather than Delta Synergie, and proposed using the aircraft for humanitarian peacekeeping missions rather than commercial trade.[704] The application apparently proposed the new end user and new end use for the aircraft to address the objections raised to the prior brokering application.

Around the same time that Mr. Birrell filed the new application, he wire transferred nearly $750,000 in consulting fees to persons outside of the United States. On November 16, 2005, The Grace Group Client Escrow Account wire transferred $496,500 to Michael Moussa at Rothschild Bank in Monaco.[705] The wire transfer documentation included the notation: "Business Consulting Agreement." On November 18, 2005, The Grace Group Client Escrow Account wire transferred $250,000 to Maxime Gandzion at KBC Bank in Brussels.[706] The wire transfer documentation included the notation: "Consulting Fee." The Subcommittee attempted to contact both individuals to inquire about their role in the C-130 transaction, but was unable to reach either individual, and Mr. Birrell declined to provide contact information for either person.

On November 22, 2005, Mr. Birrell sent a memorandum to his C-130 consultant in Saudi Arabia, retired RSAF Brigadier General Bakhsh, providing an update on the second application.[707] Mr. Birrell wrote:

> "[W]e are attempting to receive official U.S. government approval on an expedited basis. To this end, our legal team is working closely with their counterparts within the Department of State and I have separately engaged the U.S. Ambassador to Gabon to inquire as to the status of this submission. I believe that he has offered his points to the central decision makers."

Mr. Birrell asked General Bakhsh to advise Saudi officials of his ongoing efforts and the remaining approval process. He also offered comments on a draft contract to purchase the C-130 aircraft.

On December 2, 2005, Mr. Birrell sent a letter to the State Department's DDTC urging them to approve the proposed transfer:

> "This request … is now extremely time sensitive. … In planned meetings next week with the Assistant Secretary of State for Africa on this and other matters, I would very much like to report that this

[704] 11/18/05 The Grace Group LLC Application, PSI State Dept. 03-0051; Subcommittee interview of State Department officials, October 16, 2008.
[705] United Bank WireHouse Message Details, Psi-ub-000440-43.
[706] Id., at 000442-43.
[707] 11/22/05 memorandum from Mr. Birrell to Gen. Bakhsh, Grace 0585-87.

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request has been acted upon and is being processed. … [A]ny and all expedited treatment that can be afforded this request will be greatly appreciated by the Gabonese government and this firm."[708]

On December 8, 2005, Mr. Birrell sent President Omar Bongo a three-page letter updating him on the C-130 transaction and other matters.[709] Mr. Birrell began the letter by congratulating President Omar Bongo on his recent re-election to office. He wrote: "It was a pleasure to organize the U.S. Assessment and Observation Team."

Mr. Birrell discussed some meetings in Washington on other matters related to Gabon, and then spent the next two pages providing a detailed description of his efforts to advance acquisition of the C-130 aircraft. Among other matters, Mr. Birrell described several actions taken by Ambassador Walkley, including meeting with DDTC officials, writing to the Assistant Secretary of State, and directing his Defense Attache to contact DOD. Mr. Birrell concluded by stating that "all of the necessary approvals can be received … over the next two weeks."

One month later, on January 17, 2006, the State Department approved the new application to broker the sale, stating in its approval letter that the C-130 aircraft would be used by the Gabon government "to support the following missions:

a. Government and military transport of cargo and/or Personnel,
b. Support for regional peacekeeping missions,
c. Response to international disaster,
d. Search and rescue operations on a regional and sub-regional basis,
e. Border and coastal observations."[710]

DOD offered "no objection" to the sale.[711]

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[708] 12/2/05 letter from Mr. Birrell to DDTC, Grace 0583-84.
[709] 12/8/05 letter from Mr. Birrell to President Omar Bongo, Grace 0580-82.
[710] 1/17/06 letter from State Department to Mr. Birrell, Grace 0696-97. The documentation suggests that Mr. Birrell contributed to the identification of these non-commercial uses for the C-130 aircraft. In a September 2005 letter to the RSAF, for example, Mr. Birrell suggested using the aircraft for "famine relief efforts in the Western Sahara that have been organized by" President Omar Bongo and others. Grace 0599. In a September 5, 2006 email to Mr. Haidara, Mr. Birrell wrote: "Gabon can 'help' the [Saudi] Kingdom with political-military affairs in the Middle East. The Kingdom cannot fly in relief supplies to Palestine (or neighboring states) w/o dealing directly with Israel. This alliance between El Hadj and Abdullah could be very useful to the Kingdom." Grace 0750-51.

In a later memorandum, dated March 13, 2006, Mr. Birrell described a meeting with United Nations officials to discuss leasing the aircraft to the United Nations for peace keeping operations. Mr. Birrell wrote: "[T]here is a terrific demand for these planes and the return on investment of leasing to the United Nations or other organization[s], government or private contractor, is very positive." Grace 0789.
[711] See 11/21/05 Official DOD Munitions Case BA-L-0061-05, PSI-State_Dept-03-0057.

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The State Department told the Subcommittee that it approved the new application because it addressed both of the Department's earlier concerns, by specifying new non-commercial end uses for the aircraft and by specifying a new end user, the Government of Gabon rather than a private company partially owned by President Omar Bongo.[712]

Export License. Once Mr. Birrell's brokering application was approved by the State Department, the next step in the process was to submit an application to the State Department for formal approval to re-export the aircraft from Saudi Arabia to Gabon. That application had to be filed by the seller, Saudi Arabia.

On December 13, 2005, Mr. Birrell sent a letter to the Royal Saudi Air Force stating that, to advance the transaction, the RSAF needed to send a letter to the State Department requesting re-export of the aircraft.[713] On December 16, 2005, Mr. Birrell wire transferred $184,000 from The Grace Group Client Escrow Account to General Bakhsh, labeling it a "consulting fee aircraft purchase."[714]

After two months, in February, Mr. Birrell traveled to Saudi Arabia and "obtained a signed and official 'Re-export Request' from the Commander of the Royal Saudi Air Force."[715] The letter was submitted to the State Department on February 23, 2006.[716]

On March 12, 2006, the RSAF sent a memorandum to Mr. Birrell accepting Gabon's offer to purchase its six C-130 aircraft for $27.6 million.[717] The memorandum also stated that the price had to be paid within five days or the "offer will be invalid." A month later, on April 11, 2006, The Grace Group Client Escrow Account wire transferred $124,152 to Al Ahnaf Trading, the Saudi company that had agreed to help fly the C-130 aircraft to Gabon.[718]

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[712] Subcommittee interview of State Department officials, October 16, 2008.

[713] 12/13/05 letter from Mr. Birrell to Mr. Al Faisal, Grace 0569. Mr. Birrell wrote: "Because the re-export of these military items falls under specific U.S. law regarding their transfer, the Grace Group LLC has been instructed by the U.S. Department of State to seek a letter of application from an authorized Saudi official requesting a re-export license."

[714] United Bank WireHouse Message Details, Psi-ub-000448-49. See also a 12/24/05 letter from General Bakhsh to the RSAF requesting the needed letter on the C-130 transfer, Grace 0571.

[715] 3/8/06 "confidential" memorandum prepared by The Grace Group, Grace 0792-93. On February 19, 2006, The Grace Group Client Escrow Account issued a check to General Bakhsh for another $50,000. Grace 0080.

[716] Undated letter from RSAF to the State Department, Grace 0806-07. The letter noted: "These aircraft were sold to the Government of the Kingdom of Saudi Arabia in a direct commercial sale by the Lockheed Martin Corporation in the United States. The Gabonese Ministry of Defense will be the end-user of these C-130E aircraft." See also 3/8/06 "confidential" memorandum prepared by The Grace Group, Grace 0792-93 ("On February 23, 2006, the official request from the RSAF was supplied to [DDTC].").

[717] 3/12/06 memorandum from RSAF to Mr. Birrell, Grace 0718.

[718] 4/11/06 United Bank International Wire Transfer Authorization, Grace 0217.

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On April 21, 2006, the State Department issued a letter to Mr. Birrell approving the re-export of the six C-130 aircraft to Gabon.[719] Because the $27.6 million sales price for the aircraft exceeded the $14 million threshhold, however, the letter stated that approval of the transfer required one last step, notification to Congress:

> "The Department of State has no objection in principle to approving the re-export of these six (6) C-130E aircraft from the Government of the Kingdom of Saudi Arabia to the Government of Gabon. This transaction, however, does require Congressional Notification. We are in the process of informing Congress of this transaction and we will advise you when final approval can be given."

Mr. Birrell had attempted to convince the State Department to issue final approval of the transaction without notifying Congress. In an April 18, 2006 email to the State Department's Congressional Advisor for Political-Military Affairs, Mr. Birrell wrote: "[T]his C130 re-export has been approved but we've [been] at this for nearly a year. If the approval now moves thru the Congressional notification process, I believe that both the Saudi government and the Gabonese government will abandon the effort."[720] In an undated 2006 email to Ambassador Walkley, Mr. Birrell wrote:

> "If the now-approved re-export is tossed up to the Hill, the deal is dead. President Omar Bongo will just back out and all of this will have been for nothing. Worse than that, the President will see this as another indication of his lesser status in Washington and it will prove to be problematic in other areas. And after all, these air craft will be put to good use – as we have discussed on many occasions."[721]

Despite Mr. Birrell's efforts, the State Department followed its standard practice and provided informal notice of the proposed C-130 transfer to the key Congressional Committees prior to sending an official notice. In response, a Congressional staffer raised a number of questions about the transaction which the State Department relayed to Mr. Birrell to help answer.[722]

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[719] 4/21/06 letter from State Department to Mr. Birrell, Grace 0556. See also 4/12/06 Official DOD Position for Munitions Case GC-0247-06, PSI State Dept. 03-0083 (position listed as "no objection").

[720] 4/18/06 email from Mr. Birrell to the State Department, PSI State Dept. 03-0086-89.

[721] Id.

[722] 5/17/06 DOD questions and responses regarding the C-130 transfer, PSI State Dept. 03-0102-3; 5/1/06 email from the State Department to Mr. Birrell with questions about the proposed C-130 transfer, Grace 0812; 5/2/06 letter from Mr. Birrell to Saudi Defense Attache requesting assistance in answering the Congressional questions, Grace 819-21; chart sent by Mr. Birrell to

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On April 24, 2006, The Grace Group Client Escrow Account wrote a check for $9.2 million to United Bank, to purchase two cashiers checks.[723] Each cashiers check was for $4.6 million, and each was made payable to HH Prince Abdurrahaman Al Faisal.[724] In late April, Mr. Birrell traveled to Saudi Arabia, presumably to provide the checks to the Saudi Government to purchase the first two C-130 aircraft.[725]

On May 1, 2006, however, Mr. Birrell returned to United Bank and re-deposited the two cashiers checks into The Grace Group Client Escrow Account.[726] According to United Bank, Mr. Birrell told the bank that he didn't use the checks, so United Bank wrote "not used for purpose" on the back of the checks and credited the money back to the Grace Group escrow account.[727]

During June and July, Mr. Birrell continued to press the State Department for final approval of the transfer.[728] In mid-July, the key Congressional Committees unofficially cleared the transfer. On July 20, 2006, Mr. Birrell sent a letter to the Saudi Defense Attache with the news, quoting an undated email from a State Department official as follows:

> "Jeff,
>
> You can use this email. The Hill has pre-cleared the case. While there always exists the possibility of a resolution of disapproval in an effort to block the sale, I would not expect one in this case. That is why we work so hard to pre-clear the cases. I will also seek to have the informal 20 day period waived; however, that might prove a stretch. Please tell the Kingdom that we appreciate their patience and support during this period of time that we worked with our Congress. This delay had nothing to do with the source of the aircraft; yet there were some issues, that have been resolved, with the destination of the planes.
>
> VR, John"[729]

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the Saudi Defense Attache with the Congressional "inquiries," "Grace comments," and "RSAF Responses," Grace 0817.

[723] 4/24/06 check from The Grace Group LLC, Grace 0083; Subcommittee interview of United Bank officials, 5/5/07.

[724] United Bank copies of the cashier checks, Psi-ub-000279.

[725] See 5/1/06 email from Mr. Birrell to a State Department official, Grace 0812 ("I've just come back from Riyadh where I had meetings with the RSAF Commander.").

[726] April 2006 United Bank statement, Psi-ub-000254; Subcommittee interview of United Bank officials, 5/5/07.

[727] Subcommittee interview of United Bank officials, 5/5/07.

[728] See, e.g., 6/9/06 letter from Mr. Birrell to the Royal Embassy of Saudi Arabia, Grace 0837; 7/12/06 letter from Mr. Myer to U.S. Department of State, Grace 0848; 7/17/06 email, Grace 0871; 6/30/06 letter from Mr. Birrell to the Royal Embassy of Saudi Arabia, Grace 0873-74.

[729] 7/20/06 letter from Mr. Birrell to the Royal Embassy of Saudi Arabia, Grace 0767.

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On July 24, 2006, the State Department formally notified Congress of the proposed C-130 aircraft transfer.[730] After a month, the Saudi Government expressed frustration that the export license for the transfer had not yet been issued. On August 22, 2006, a Saudi official informed the Grace Group by letter: "[I]f you are unable to get issued the re-export license by the US [D]epartment of State in 30 days from 22nd August your Offer will be invalid and these will be sold to [an]other company."[731]

Congress officially cleared the transaction on August 24, 2006.[732] On the same day, the State Department sent a letter to Mr. Birrell stating: "The Department of State has no objection to the permanent re-export of the six (6) C-130 B/E aircraft and approves your request."[733]

Sale Falls Through. It had taken nearly one year for the State Department to approve the transfer of the C-130 aircraft from Saudi Arabia to Gabon. During the delay, Saudi officials had expressed increasing skepticism that Gabon would finalize the transaction. In May 2006, for example, Mr. Birrell learned from retired RSAF General Bakhsh that the RSAF did not think that The Grace Group had enough money to buy all six C-130 planes.[734] Mr. Birrell responded by writing a letter to the Saudi Arabian Embassy: "We are committed to accept and to pay for the aircraft in pairs of two. As the Grace Group is operating with funds provided by the Gabonese Government, the ability to pay for the aircraft is not in question."[735] [Emphasis in original.]

At some point, however, Mr. Birrell was informed that President Omar Bongo was considering cancelling the purchase. In a September 6, 2006 letter to President Omar Bongo, Mr. Birrell strongly advised against cancellation.[736] Mr. Birrell wrote: "[T]he Grace Group has travel[ed] to Saudi Arabia on six occasions and held lengthy and complicated negotiations with senior staff officers of the Royal Saudi Air Force and others in the Saudi Government" regarding the C-130 transfer. He warned that a cancellation of the sale "will invite the negative review of the White House, the Departments of State and Defense and the Congress. ... [It] will likely have a negative impact on Your Excellency's personal relationship with King Abdullah and with the Royal Saudi Government. ... [It] will have negative financial

[730] Subcommittee interview State Department officials, October 16, 2008.
[731] 8/22/06 letter from the Saudi Government to the Grace Group, Grace 0757.
[732] Subcommittee interview of State Department officials, October 16, 2008. See also official State Department approval pursuant to Section 36(D) of the Arms Export Control Act at PSI State Dept. 03-0110-12.
[733] 8/24/06 letter from the U.S. State Department to Mr. Birrell, Grace 0754-55.
[734] 5/20/06 email from General Bakhsh to Mr. Birrell, Grace 0826.
[735] 5/25/06 letter from Mr. Birrell to the Saudi Defense Attache, Royal Embassy of Saudi Arabia, Grace 0832-34.
[736] 9/6/06 letter from Mr. Birrell to President Omar Bongo, Grace 0752-53.

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ramifications for Your Excellency." Mr. Birrell also stated, however, that should President Omar Bongo "wish the immediate return of the funds held in escrow … I will transfer the total remainder within 24 hours and without question or exception."

On September 18, 2006, Mr. Birrell sent an email to President Omar Bongo's legal counsel, Francois Meyer, requesting an additional $10.6 million so that The Grace Group could complete the purchase of the six C-130 aircraft.[737] He also sent copies of the email to President Omar Bongo and Mr. Haidara. Although United Bank records do not show any influx of funds as a result of that request, the documentation also suggests that President Omar Bongo appears to have accepted Mr. Birrell's advice and determined to complete the purchase of the aircraft.

On October 24, 2006, President Omar Bongo sent a letter to Saudi Prince Sultan Bin Abdelaziz stating that Gabon was ready to purchase the six C-130 aircraft for $27.6 million, would begin by purchasing two for cash, and would purchase the remaining four aircraft soon after.[738] Three days later, Mr. Birrell sent a letter to Prince Bandar Bin Mohamed Bin Abdul Rahman Al Saud stating that he had met with President Omar Bongo on October 25th regarding the aircraft, and offered to "assist the Kingdom identify potential buyers for any [other] surplus items it may wish to sell and to obtain any and all required re-export approval from the United States Government."[739]

In November, Mr. Birrell once again prepared two cashiers checks related to the C-130 transaction. On November 10, 2006, he withdrew $9.2 million from the Grace Group Client Escrow Account and purchased two cashiers checks.[740] Each cashiers check was for $4.6 million, and each was made payable to the "Royal Saudi Air Force, Kingdom of Saudi Arabia."[741] Although difficult to read, the internal debit slip for the cashiers checks appears to state: "to purchase two official checks per Mr. Birrell request" and "for Grace Group LLC C-130 Purchase."[742]

On November 12, 2006, Mr. Birrell sent a letter to the RSAF stating: "At the request of the Gabonese Republic, I am providing to the Royal Saudi Air Force with two 'Official Bank Checks' in the amount of $4,600,000 USD each. These checks are for payment of two C-130 aircraft … to be counted against the total transaction cost for all six

[737] 9/18/06 email from Mr. Birrell to "avocatfm," Grace 0748.
[738] 10/24/06 letter from President Omar Bongo to Saudi Prince Sultan Bin Abdelaziz, Grace 0554-55.
[739] 10/27/06 letter from Mr. Birrell to the Prince, Grace 0725.
[740] United Bank debit slip, Grace 0354; October 2006 United Bank statement, Psi-ub-000261.
[741] 11/10/06 cashiers checks, Grace 0355.
[742] United Bank debit slip, Grace 0354.

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aircraft."[743] A few days later, on November 18, 2006, Mr. Birrell sent a letter to the RSAF stating: "The Gabonese Government is fully committed to buying all six C130 aircraft."[744] The letter also stated, however, that President Omar Bongo would like to proceed by immediately purchasing two of the aircraft with "the next four aircraft with some delay, but as soon as possible." The letter asked to meet that day "to conclude this matter."

A month later, on December 14, 2006, Mr. Birrell sent another letter to the RSAF proposing that Gabon pay $9.2 million in cash for the two C-130 aircraft and $18.4 million for the remaining four aircraft within 30 to 45 days.[745] The letter noted that Mr. Haidara, representing Gabon, "has been in Riyadh for several weeks" and "has $9.2 million in hand." It stated that Mr. Haidara "is urgently needed by President Omar Bongo in India on very pressing matters" and asks to complete "the first part of this transaction as soon as possible." On December 16, 2006, Mr. Birrell wire transferred $50,000 to General Hakhsh in Saudi Arabia as a "Consultant Fee: Aircraft Purchase."[746]

Another month passed with no apparent progress. It is not clear why the sale was not consummated by Saudi Arabia at this time.

On January 30, 2007, Mr. Birrell sent a letter to Francois Meyer, President Omar Bongo's legal counsel, about the C-130 transaction:

> "It was my pleasure to meet you again in Riyadh, Saudi Arabia. … I trust … you can now offer a briefing to [President Omar Bongo] that will result in a definitive course of action. Any decision taken by His Excellency regarding [sic] will have my complete support."[747]

Mr. Birrell provided him with a summary of the expenses associated with the C-130 transaction over the 18-month period from June 2005 to the end of 2006. He indicated that of the $17 million he had received in connection with the transaction, he had allocated $6.8 million to Mr. Haidara, $304,000 to "Consultants," and $253,299 to The Grace

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[743] 11/12/06 letter from Mr. Birrell to the Saudi Government, Grace 0714.

[744] 11/18/06 fax copy of the letter sent by The Grace Group to the RSAF, Grace 0712. Also on November 18, 2006, Sofab Aerospace sent an invoice for $254,360 to Delta Synergie for the cost of moving two C-130 aircraft to Gabon. Grace 0705. The invoice notes that payment may be made to Al Ahnaf Trading. According to a 7/14/06, United Bank email, "Mr. Birrell just stopped by and told me that he is expecting $10,600,000.00 incoming wire from his client, when I asked him about the wire, he told me that this [sic] funds is for purchasing of the C130 plan[e]." PSI-United_Bank-05-000028.

[745] 12/14/06 letter from Mr. Birrell to Lt. General Abdul Rahman Bin Fahad Al Faisal, Royal Saudi Air Force Commander, Grace 0685.

[746] 12/16/06 United Bank International Wire Transfer Authorization, Grace 0283.

[747] 1/30/07 letter from Mr. Birrell to Mr. Meyer, Grace 0374-75.

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Group for expenses. He had also prepared two $4.6 million checks for the RSAF, though the RSAF had yet to accept or cash them.

By early February 2007, the C-130 aircraft sale had been cancelled. On February 3, 2007, Mr. Birrell sent an email to Mr. Meyer stating:

> "Thank you for your letter of February 2, 2007. As noted, I will need you to return to me the two certified checks which are payable to the Kingdom of Saudi Arabia. Please send these checks to my office. ... I will redeposit these in the account and wire these funds to you without any delay. You may write on the back of each check, 'Not Used for Intended Purpose.'"[748]

On the same day, Mr. Birrell sent an email to Sofab Aerospace stating: "I am very sorry to report that after months of trying, our efforts to buy the six C-130 aircraft have concluded without a purchase agreement. I, therefore, must ask you to reconcile our account with SOFAB. ... I deeply regret the termination of this particular project."[749]

$9.2 Million to Malta. On February 8, 2007, Mr. Birrell re-deposited the two cashiers checks, explaining to United Bank that the checks had not been used as intended.[750] Mr. Birrell deposited the $9.2 million into the Grace Group Client Escrow Account. Written on the back of each cashiers check was: "Not Used for Intended Purpose."[751] According to United Bank, Birrell "said that the embassy gave him the wrong amount."[752]

On the same day, February 8, 2007, Mr. Birrell authorized a wire transfer of $9.2 million to an account in the name of "The Gabonese Republic (H. E. Omar Bongo Ondimba)."[753] That account was not at a bank in Gabon, however, but at a bank in the country of Malta.

The wire transfer had to be processed twice, because it was rejected the first time. The wire transfer authorization provided by Mr. Birrell had specified sending the $9.2 million from The Grace Group Client Escrow Account to "The Gabonese Republic (H. E. Omar Bongo Ondimba)" at "BDFI Bank SA" located at "FimBank" in Sliema, Malta.[754] The purpose of the transfer was listed as the "return of escrow funds" and identified "Francios [sic] Meyer" as the contact. When

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[748] 2/3/07 email from Mr. Birrell to Mr. Meyer, Grace 0360.
[749] 2/3/07 email from Mr. Birrell to Sofab, Grace 0227.
[750] Subcommittee interview of United Bank officials, 5/5/07.
[751] 2/8/07 United Bank documents, Psi-ub-000289.
[752] 9/13/06 internal United Bank email, PSI United Bank 05-000030.
[753] January 2007 United Bank statement, Psi-ub-000265.
[754] 2/8/07 United Bank International Wire Transfer Authorization, Grace 0357; 2/8/07 United Bank transaction records, Psi-ub-000289-90.

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United Bank entered the transaction into its wire transfer system, the receiving bank was listed as "BGFI Bank for further credit BDFI Bank" and used "Fim Bank" in the address line.[755]

Wells Fargo, acting as an intermediary bank for this transaction, reported that the transfer was rejected, because Wells Fargo could not identify either BGFI Bank or BDFI Bank.[756] In addition, Wells reported that "FIM Bank" had a "cross match to First Merchants Bank which is on OFAC block list." Wells Fargo told the Subcommittee that it processed the $9.2 million wire transfer again on February 9, 2007, and that the transfer was successful that time, because after speaking with United Bank, it entered the beneficiary as "HE Omar Bongo Ondimba the Gabonese Republic," identified the proper bank in Malta, and confirmed that FIM Bank was unrelated to the bank on the OFAC list.[757]

Also on February 8, 2005, The Grace Group sent an additional sum of $65,061 to the same Bongo account at the same bank in Malta.[758] The purpose of the wire was also listed as "return of escrow funds" and identified Mr. Meyer as the contact. After the completion of these wire transfers, the funds remaining in The Grace Group Client Escrow Account totaled about $491,000.[759]

Private Equity Alternative. Even after aircraft purchase was canceled and President Omar Bongo took possession of the $9.2 million once set aside for the C-130 aircraft, Mr. Birrell did not cease his efforts to make use of the export license that he had spent a year to obtain. For more than six months, from March to October 2007, Mr. Birrell continued to attempt to arrange the purchase of the aircraft, by enlisting a consortium of private firms to provide the financing and negotiating with them to design a transaction that would meet the export license requirements.

On March 19, 2007, Mr. Birrell sent a three-page memorandum to Mr. Meyer, President Omar Bongo's legal counsel, with a detailed proposal for the purchase of the six C-130 aircraft.[760] He wrote that he had met with four corporate representatives in South Africa "regarding the financing and use of the proposed Gabonese C-130 fleet." He stated that, as a result, he had secured a "private equity placement for 85

[755] Wells Fargo item No. 021562, no bates number.
[756] Id.
[757] Subcommittee interview of Wells Fargo Bank officials, 10/5/07 and 12/21/09. See also Wells Fargo spreadsheet on transactions from 2/1/07 to 6/1/07, no bates number; and 2/8/07 Wells Fargo wire transfer records, no bates number, which note that the wire was processed on February 9, 2007.
[758] See also 2/8/07 United Bank WireHouse Message Details, Psi-ub-000462-63; January 2007 United Bank statement, Psi-ub-000265.
[759] January 2007 United Bank statement, Psi-ub-000265.
[760] 3/19/07 memorandum from Mr. Birrell to Mr. Meyer, Grace 0560-62.

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percent or more of the funds" required to purchase the six aircraft and was seeking a second equity placement to cover the remaining 15 percent. He wrote that one of the private firms, Norse Air, was interested in operating the aircraft and had tentatively agreed to base the airplanes in Gabon, with possible "exclusive use" of two of the aircraft by the Gabon Government. Mr. Birrell suggested an "equity split" between Norse Air and the Gabon Government regarding use of the aircraft for "commercial cargo use and United Nations leasing (and other uses outlined in the approved reexport license.)." He also seemed to suggest that Gabon lend the funds to the private firms to purchase the aircraft, to be repaid over five years, with the expectation that the fees generated by the aircraft would likely offset the purchase price in three years.

In May 2007, after a round of meetings with U.S. Government officials, Mr. Birrell sent an email announcing that the U.S. Government had agreed the C-130 transaction under consideration could take place under the existing export license. On May 16, 2005, Mr. Birrell sent this email to Norse Air and several others:

> "After some considerable discussion with the concerned parties here in Washington, D.C., we have struck an agreement on the re-notification to the USG regarding the price change for the six C-130s. It has been agreed that because the material aspects of the transaction remains unchanged (to wit: the actual aircraft, physical characteristics of the aircraft i.e. no offensive capabilities such as fixed gun mounts, etc, the end-user, scope of use, etc.) that a re-notification is not required by the Arms Control Export Act."[761]

Mr. Birrell described "the officials at the Department of State as EXTREMELY supportive and up-beat about the prospects of the 130 lift capacity in the region and believe that there will be many opportunities to utilize the A/C [aircraft] for governmental and NGO [nongovernmental organization] uses. It was also noted that the addition of the USMIL in the region could add value to the service center in LBV [Libreville, the capital of Gabon]." He wrote: "[We're] all green-lighted here in WDC [Washington, D.C.]. As soon as the agreement has been signed with the GoG [Government of Gabon], I will be at the UN and State [to] propose a cargo lease, as per the terms of the re-export license."

In June 2007, the transaction seemed to be moving forward. In a June 3 letter to the RSAF Commander, Mr. Birrell wrote: "This letter follows our meeting in your office today. This letter reiterates, in writing, and delivered by hand, the firm offer to purchase the six C-130

[761] 5/16/07 email from Mr. Birrell to Norse Air and others, Grace 0434.

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aircraft offered for sale by the Royal Saudi Air Force."[762] In a June 24 letter, Mr. Birrell stated: "It is my understanding that steps are now being taken for Norse Air to inspect the six C130 aircraft. Pending the outcome of that inspection, I believe that it will be acceptable to purchase the aircraft in, 'AS IS' condition."[763]

Throughout July 2007, Mr. Birrell and his legal counsel negotiated with the private firms over a proposed memorandum of understanding (MOU) to govern financing and use of the aircraft. Mr. Birrell's legal counsel raised multiple concerns about the structure of the transaction to ensure that it met the terms of the U.S. export license, criticizing in particular proposals to sell or lease the aircraft to a special purpose vehicle (SPV). In a July 10, 2007 email, Mr. Birrell wrote: "Upon my representation today of the proposed agreement between the SPVs and the Gabonese government, there is some concern that the structure would be contrary to the terms agreed to by the U.S. Government. It is essential that the Gabonese Government maintain ownership of the aircraft and that the terms of the re-export license is respected w/o exception."[764] In a July 11, 2007 email Mr. Birrell wrote: "The issue of concern among the lawyers here is the 'leasing' of the aircraft by the GOG to the SPV. The lawyers believe that the SPVs and/or Norse, etc., need to be identified as 'contractors' to the GOG. As such there would be no question as to the ownership of the aircraft."[765] On July 20, he wrote: "According to counsel, the 'leasing' aspects of the agreement are not consistent with the re-export license."[766]

The key SPV contemplated for the transaction was apparently Singpart Ltd., a shell corporation formed under the laws of Mauritius.[767] An undated agreement entitled, "Heads of Agreement between the Government of the Gabonese Republic and Singpart Ltd," which was reviewed by the Subcommittee, essentially proposed that Singpart lend $56 million to the Government of Gabon as a prepayment of the maintenance and services which the government would derive from Singpart's operation of the aircraft. Gabon would then lend back $20 million to Singpart and use the remaining $36 million to purchase the aircraft.[768] After reviewing this proposal, Mr. Birrell's legal counsel wrote: "[I]t's not clear why it makes sense to have Singpart loan the $20

[762] 6/3/07 letter from Mr. Birrell to Lt. General Abdul Rahman Bin Fahad Al Faisal, Royal Saudi Air Force Commander, Grace 0433.
[763] 6/24/07 letter from Mr. Birrell to Lt. General Abdul Rahman Bin Fahad Al Faisal, Royal Saudi Air Force Commander, Grace 0430-31.
[764] 7/10/07 email from Mr. Birrell to Norse Air and others, Grace 0542.
[765] 7/11/07 email from Mr. Birrell to Norse Air, Grace 0541.
[766] 7/20/07 email from Mr. Birrell to Norse Air and others, Grace 0538.
[767] See 8/3/07 email from Norse Air to Mr. Birrell and others, Grace 0513-16 (describing Singpart as "a Mauritian shell used to contract for the MOU [Memorandum of Understanding]"). Singpart was apparently represented by Maxime Grandzion, an individual who earlier received a $250,000 "consulting fee" from The Grace Group.
[768] Undated draft agreement, Grace 0466-86.

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million to GovCo, which lends it back to Singpart – what is the purpose of that?"[769]

On July 24, 2007, Mr. Birrell informed his legal counsel: "The RSAF has formally accepted the Gabonese bid on the six AC. We are going to need the new MOU awfully quick."[770] A 17-page draft contract, emailed on July 24, 2007, had been drawn up for Saudi Arabia to sell the six C-130 aircraft to Gabon for $36 million.[771] This contract was in addition to the MOU that was still under negotiation with the consortium of private firms.[772]

On August 13, 2007, Norse Air sent an email stating that it had a successful meeting with Cameroon Bank which "will be drawing up a loan agreement."[773] The email noted, however, that the purchase agreement required payment within 7 days of the signing of the contract, but that at least three weeks would be needed to provide the funds. On August 14, 2007, Mr. Birrell sent a letter to the RSAF stating: "Please be advised that the final legal review of the sale of the C-130 aircraft has been completed."[774] Arrangements were made for all parties to meet in Riyadh, Saudi Arabia, on October 20, 2007, to complete the purchase of the six C-130 aircraft.[775]

Two days before the meeting was to take place, however, on October 18, 2007, Mr. Birrell sent a letter to the RSAF stating that President Omar Bongo had instructed his representative, Mr. Haidara, "to continue with other immediate matters of State" and that Mr. Haidara would not be able to attend the meeting. Although Mr. Birrell proposed an alternative date of November 10th, it appears that the meeting never took place, and the C-130 transaction was never finalized.

Three years later, as of January 11, 2010, the C-130 aircraft was listed in Saudi Air Force maintenance records as "for sale."[776] The State Department told the Subcommittee that, in June 2008, The Grace Group LLC submitted an application to re-register as a broker, but the application was incomplete and therefore not approved. The State Department indicated that, aside from the C-130 aircraft transaction, The

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[769] 8/7/07 email from Mr. Birrell's legal counsel to him, Grace 1140.
[770] 7/24/07 email from Mr. Birrell to his legal counsel, Grace 0535.
[771] 7/24/07 Draft Contract on the Sale of Six (6) C-130 Aircraft, Grace 0492-508.
[772] See, e.g., emails exchanged on August 3 and 4, 2007 regarding the MOU, Grace 0513-16; 8/7/07 email, Grace 0510; 8/7/07 email, Grace 1146; 8/7/07 email, Grace 0510; 8/7/07 and 8/8/07 emails, Grace 1139-41; 8/8/07 email, Grace 0445.
[773] 8/13/07 email from Norse Air to Mr. Birrell, Grace 0437; Grace 0445.
[774] 8/14/07 letter from Mr. Birrell to RSAF, Grace 0436.
[775] 10/18/07 letter from Mr. Birrell to Lt. General Abdul Rahman Bin Fahad Al Faisal, Royal Saudi Air Force Commander, Grace 0683.
[776] Subcommittee interview of State Department officials, January 13, 2010.

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Grace Group had not been involved in other activities requiring State Department approval.[777]

Compensation. Mr. Birrell began work on the C-130 transaction in or around June 2005, and continued that work until at least October 2007, a period of nearly two and a half years. He expended considerable effort to complete the acquisition of the C-130 aircraft for Gabon, but was unsuccessful. The compensation paid to Mr. Birrell for his efforts is unclear.

Among the documents produced by Mr. Birrell to the Subcommittee was a draft "Brokerage Agreement" dated September 21, 2006 – more than a year after he began work on the C-130 transaction – which requests that The Grace Group be paid $850,000 plus expenses for its work on the C-130 transaction. This draft agreement "confirms" Gabon's "engagement of The Grace Group LLC … to serve as its broker" in the purchase of six C-130 aircraft, and states that The Grace Group "will receive a fee of $850,000, plus normal and documented expenses."[778] The document reviewed by the Subcommittee, however, is unsigned, and Mr. Birrell declined to disclose whether The Grace Group actually received the $850,000.

On April 18, 2006, Mr. Birrell withdrew $57,392.57 from The Grace Group Client Escrow Account and deposited it into The Grace Group LLC Account, with a notation "Feb & March interest … per Mr. Birrell request."[779] It is unclear whether this transfer related to the firm's work on the C-130 transaction. On January 30, 2007, Mr. Birrell sent President Omar Bongo's representative, Mr. Meyer, a memorandum which stated that, as of that date, The Grace Group had incurred expenses in connection with the C-130 transaction totaling more than $253,000.[780] It is unclear whether all of those expenses had been or were later reimbursed.

On January 31, 2007, Mr. Birrell withdrew $125,000 from The Grace Group Client Escrow Account and deposited it into his personal joint account with his wife at United Bank.[781] The check contained the notation: "Grace Gp 2006 P. Sharing." It is unclear whether this transfer represented compensation for his work on the C-130 transaction.

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[777] Id., November 30, 2009.
[778] 9/21/06 unsigned Brokerage Agreement, Grace 1087-88.
[779] 4/18/06 United Bank transaction receipt, Grace 0083.
[780] 1/30/07 memorandum from Mr. Birrell to President Omar Bongo, Grace 0374-75.
[781] 1/31/07 United Bank check, Psi-ub-000237.

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(3) Conduit for Suspect Funds

Throughout the course of the armed car and C-130 aircraft transactions, Mr. Birrell allowed his Grace Group accounts to act as a conduit for millions of dollars in suspect funds from Gabon. In March and April 2005, for example, The Grace Group accepted more than $850,000 wire transferred from President Omar Bongo's account in Gabon, and later used funds from Gabon that had been wired into The Grace Group Client account to complete the armored car transaction. In addition, in June and July 2005, The Grace Group received wire transfers totaling $17 million from Gabon sent by Ayira to complete the C-130 aircraft transaction.

From 2005 until February 2007, Mr. Birrell disbursed most of the funds he had received. He spent nearly $1.2 million to purchase, armor, and ship six vehicles to Gabon, enabling President Omar Bongo to obtain U.S.-built vehicles to support his regime. With respect to the C-130 aircraft transaction, the biggest disbursement made by Mr. Birrell was to send $9.2 million to an account in President Omar Bongo's name in Malta. Mr. Birrell declined to explain why he did not return the $9.2 million to Ayira, and why the President of Gabon maintained an account in Malta or had substantial funds sent there. By sending the $9.2 million to Malta as directed, Mr. Birrell participated in a suspicious transaction.

The next largest disbursement made by Mr. Birrell from the Grace Group accounts involved sending substantial funds to Mr. Haidara, President Omar Bongo's adviser, at accounts in Mr. Haidara's name at banks outside of Gabon.[782] A January 2007 accounting by Mr. Birrell indicates that, in connection with the C-130 transaction, he had allocated $6.8 million of the Ayira funds to Mr. Haidara.[783] The Subcommittee was able to document the transfer of about $4.2 million in payments as follows.

- On July 22, 2005, the Grace Group Client Escrow Account wired $1 million to Mr. Haidara at KBC Bank in Brussels, with a notation that indicated the transfer was at the "request of the head of state."[784] The purpose of this transfer and whether or how it related to the C-130 transaction was not explained.

- On August 31, 2005, the same Grace Group account wired $200,000 to "Baba A Haidara" at Societe Generale Agency

[782] The Subcommittee attempted to contact Mr. Haidara to discuss these transactions, but was unsuccessful in reaching him. Mr. Birrell declined to provide contact information for Mr. Haidara.
[783] 1/30/07 letter from Mr. Birrell to Mr. Meyer, Grace 0374-75.
[784] 7/22/05 United Bank WireHouse Message Details, Psi-ub-000428-29. See also 7/22/05 United Bank International Wire Transfer Authorization, Grace 0279.

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Fontenoy in Paris; the stated purpose of the transfer was to "Feed starving refugees in Mali and Niger."[785] Why these funds were sent to Paris, why they were deposited in an account in the name of Mr. Haidara, and what happened to them next remain unclear.

- On October 20, 2005, the same Grace Group account wired $3,061,809 to Mr. Haidara at KBC Bank in Brussels, with the notation that the transfer was at the "request of the head of the state-president."[786] The purpose of this $3 million transfer, whether and how it related to the C-130 aircraft transaction, and why the funds were sent to Brussels in an account in the name of Mr. Haidara were not explained.

In each case, at the direction of President Omar Bongo or his adviser, Mr. Birrell transferred substantial funds to banks outside of Gabon, using funds that had been supplied by Ayira and depositing those funds into accounts in the name of Mr. Haidara, rather than President Omar Bongo or Gabon. Such transactions must be viewed as suspicious, since they enabled President Omar Bongo to divert substantial funds from Gabon, move the funds through the international wire transfer system to accounts not openly associated with him, and make it difficult to trace the movement of such funds from Gabon through the United States to their final destination.

The final group of large disbursements made by Mr. Birrell from The Grace Group accounts went to "consultants" associated with the ultimately unsuccessful C-130 transaction. In January 2007, Mr. Birrell told Mr. Haidara that the "consultants" in the C-130 transaction were owed a total of $304,000,[787] but bank records show these consultants actually received in excess of $1 million.

- In 2005, The Grace Group entered into a contract with retired RSAF Brigadier General Hamid Bakhsh, Executive Manager of Bekhsh Aviation Consultant Services, promising him a fee equal to 8% of the purchase price of the C-130 aircraft.[788] The Subcommittee was able to document payments to him totaling $289,000. When he was hired on or around September 23, 2005, the Grace Group Client Escrow Account wrote him a check for $5,000, with a notation: "advance commission c-130 project."[789] On December 16, 2005, the same Grace Group account sent him a wire transfer for $184,000, with a notation, "consultant fee air craft

[785] 8/31/06 United Bank WireHouse Message Details, Psi-ub-000430.
[786] 10/20/05 United Bank WireHouse Message Details, Psi-ub-000438-39.
[787] 1/30/07 letter from Mr. Birrell to Mr. Meyer, Grace 0374-75.
[788] 9/4/05 Agreement for Services, Grace 0280-81 and Grace 0575-76.
[789] 9/23/05 check from the Grace Group LLC to Mr. Baksh, Grace 0056.

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purchase."[790] On February 19, 2006, the same Grace Group account issued him a check for $50,000.[791] On December 16, 2006, the same Grace Group account wire transferred to him another $50,000 as a "Consultant Fee: Aircraft Purchase."[792] These documents indicate that over the course of over one year, General Bakhsh was paid fees in connection with the unsuccessful C-130 transaction totaling $289,000. The Subcommittee contacted Mr. Bakhsh who confirmed his contract with The Grace Group, confirmed that the payments were for his consulting work on the C-130 transaction, and claimed that The Grace Group owed him still more money for his efforts.[793]

- On November 16, 2005, the Grace Group Client Escrow Account wired $496,500 to Michael Moussa at Rothschild Bank in Monaco with a notation, "Business Consultant Agreement."[794] The Subcommittee attempted to contact Mr. Moussa to discuss his work on the C-130 transaction and this payment, but was unable to reach him. Mr. Birrell declined to provide contact information for Mr. Moussa.

- On November 18, 2005, Grace Group Client Escrow Account wired $250,000 to Maxime Gandzion at KBC Bank in Belgium as a "consulting fee."[795] It is unclear what role he played in the C-130 transaction during 2005. Two years later, he represented the Mauritian shell company, Singpart Ltd. The Subcommittee also attempted to contact Mr. Gandzion to discuss his work on the C-130 transaction and this payment, but was unable to reach him. Mr. Birrell declined to provide contact information for Mr. Gandzion.

Altogether, these consulting fees added up to $1,035,500, all of which were paid by The Grace Group using suspect funds from Gabon.

Mr. Birrell also used funds from Gabon for his own compensation. While the Subcommittee was unable to determine the total amount of compensation that President Omar Bongo provided to Mr. Birrell during the course of the armored car and C-130 aircraft transactions, an October 2006 check for $600,000 and a January 2007 check for $125,000, both deposited into Mr. Birrell's personal joint account at United Bank, suggest that he too was a significant beneficiary of the suspect funds sent from Gabon.

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[790] 12/16/05 United Bank WireHouse Message Details, Psi-ub-000449.
[791] 2/19/06 check from the Grace Group LLC to Mr. Baksh, Grace 0080.
[792] 12/16/06 United Bank International Wire Transfer Authorization, Grace 0283.
[793] Undated letter from Mr. Bakhsh to the Subcommittee, received on 10/23/09, no bates number.
[794] 11/16/05 United Bank WireHouse Message Details, Psi-ub-000440 -41.
[795] 11/18/05 United Bank WireHouse Message Details, Psi-ub-000442.

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(4) Analysis

President Omar Bongo employed the services of Mr. Birrell to obtain, not only U.S.-built armored cars and U.S. Government permission to purchase U.S.-built military transport aircraft to support his regime, but also use of Mr. Birrell's U.S. bank accounts. President Omar Bongo sent Mr. Birrell nearly $850,000 from the President's own account in Gabon; another $17 million was sent from "Ayira" in Gabon. President Omar Bongo and his advisers then instructed Mr. Birrell to spend over $1 million in the United States to obtain and ship the vehicles, and wire transfer additional, substantial amounts to a variety of foreign bank accounts. Mr. Birrell participated in several suspicious transactions, including sending $9.2 million to a President Omar Bongo account in the country of Malta, sending millions more to a Belgium bank account in the name of his senior advisor, and sending another $1 million to various "consultants." This case history shows how a politically powerful PEP can take advantage of the U.S. financial system by using a U.S. lobbyist's bank account as a conduit for his funds. If the United States is to keep foreign corruption outside of its borders, lobbyists representing foreign officials and governments will have to exercise greater due diligence before accepting foreign funds into their U.S. bank accounts and paying bills and expenses as directed by a foreign client.

C. Bongo Use of a Daughter's U.S. Bank Accounts To Move Suspect Funds Into the United States

President Omar Bongo brought substantial amounts of suspect funds into the United States, not only through the bank accounts of a U.S. lobbyist, but also by using U.S. bank accounts and safe deposit boxes opened by one of his daughters, Yamilee Bongo-Astier.

Yamilee Bongo-Astier is the daughter of President Omar Bongo and Marie-Yva Astier. She is a Canadian citizen who has lived at times in the United States. From 2000 to 2003, Ms. Bongo-Astier reportedly was a full-time student at New York University, and later at the Parsons School of Design. In 2000, she opened a checking account at HSBC Bank in New York City. Over the next three years, she made repeated large cash deposits into her account, totaling about $315,000, and on occasion used her accounts to purchase automobiles for her father or other Gabon officials. In 2003, she received a $183,500 wire transfer from the "Republic of Gabon Casier" which triggered an HSBC review of her account. When the bank conducted the review, it learned for the first time, three years after the account opening, that Ms. Bongo-Astier was the daughter of President Omar Bongo and qualified as a PEP.

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After the bank reviewed her transactions, it closed her account due to "concerns about Omar Bongo."

Two months later, Ms. Bongo-Astier opened an account at Commerce Bank in New York City without disclosing her PEP status or relationship to President Omar Bongo. The vendor that provides PEP screening services for Commerce Bank failed to identify her as a PEP due to an incomplete list of President Omar Bongo's family members and a policy of requiring publicly available information before adding a PEP to its PEP list. Commerce Bank maintained accounts for Mr. Bongo-Astier for four years, from 2003 to 2007. Over that time period, she made multiple large cash deposits into her account, totaling $1.6 million, and continued on occasion to purchase vehicles requested by her father. In 2005, after two large cash deposits triggered a review of her account, Commerce Bank learned that President Omar Bongo was the primary source of the funds in her accounts. The bank immediately designated her a PEP and began enhanced monitoring of her accounts. In 2007, Ms. Bongo-Astier asked the bank to count certain cash she had stored in safe deposit boxes at the bank. The bank found she had stored in her safe deposit boxes $100 bills wrapped in plastic totaling $1 million. Ms. Bongo-Astier explained that President Omar Bongo had provided the funds when he came to New York City and often brought cash into the country. President Omar Bongo did not declare his transport of the $1 million into the United States as required by law. The bank learned that Ms. Bongo-Astier expected additional funds from him to help her purchase a $2.2 million condominium in New York City. Commerce Bank deposited the $1 million into a new money market account, but a few weeks later decided to close her accounts. The bank also blocked her receipt of an additional $1 million wire transfer from Gabon.

In 2007, Ms. Bongo-Astier moved her funds to JPMorgan Chase, without disclosing her relationship to President Omar Bongo or her PEP status. She deposited over $800,000 at the account opening, and over the next two years, withdrew the funds to pay for living expenses. She made no additional deposits. JPMorgan Chase told the Subcommittee that the bank was unaware of her PEP status until the Subcommittee disclosed her relationship with President Omar Bongo in 2009.

Ms. Bongo-Astier spoke with Subcommittee staff in a brief telephone conversation, but declined through her legal counsel to participate in an interview to answer questions about her account activity at HSBC, Commerce Bank, and JPMorgan Chase.

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(1) HSBC Bank

Yamilee Bongo-Astier began banking with HSBC Bank in New York City in 2000, and maintained an account there for about three years. She first opened a personal checking account in 2000, Account No. 031305202. HSBC was unable to locate any account opening documentation, but other bank documents indicate it was opened on September 28, 2000, with an initial deposit of $48,180.[796] HSBC told the Subcommittee that it believed Ms. Bongo-Astier was then a student at New York University.[797] Two years later, Ms. Bongo-Astier closed that account and, on September 12, 2002, opened a premier checking account, Account No. 03132254, with a deposit of over $118,000.[798] In connection with opening this account, HSBC obtained a copy of her passport which indicated she was a Canadian citizen. The 2002 account opening documentation also listed her occupation as "full time student" at the Parsons School of Design.[799]

Ms. Bongo-Astier's account opening documentation did not include any indication as to the source of her wealth. HSBC told the Subcommittee that its records did not show that anyone at the bank questioned why an unemployed university student had over $100,000 in her account. The bank told the Subcommittee that, because Ms. Bongo-Astier was a Canadian citizen, her middle name did not suggest to the bank a tie to either President Omar Bongo or Gabon.[800] HSBC said that it did not realize that Ms. Bongo-Astier was related to the Gabon family until 2003.[801]

Cash Deposits and Car Purchases. The bank account statements show that Ms. Bongo-Astier used her checking account primarily to pay for living expenses. They also show that, beginning in 2002, she began making large cash deposits into her account. These deposits included the following.

- On January 23, 2002, Ms. Bongo-Astier made a cash deposit of $58,000.[802]
- On June 18, 2002, she made a cash deposit of $49,900.[803]
- On September 20, 2002, she made a cash deposit of $50,000.[804]

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[796] October 2000 HSBC Bank statement, HSBC-PSI 036987. At the time HSBC opened the account, the 2001 Patriot Act, which required banks to establish AML programs, customer identification programs, and enhanced due diligence for accounts opened for senior foreign political figures, their relatives, and close associates was not yet enacted into law.
[797] Subcommittee interview of HSBC officials, August 11, 2008.
[798] September 2002 HSBC Bank statement, HSBC-PSI 037061.
[799] 9/12/02 HSBC account opening documentation, HSBC-PSI 037060.
[800] Subcommittee interview of HSBC officials, August 11, 2008.
[801] Id.
[802] 7/29/03 HSBC transaction report, HSBC-PSI 037413.
[803] Id., at 037408.
[804] Id., at 037409.

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- On February 27, 2003, she made a cash deposit of $107,649.[805]
- On May 9, 2003, she made a cash deposit of $50,000.[806]

These five deposits show that, over an 18-month period, Ms. Bongo-Astier brought over $315,000 in cash into the bank.

According to HSBC, its account monitoring system "detected a change in activity in the last year of the relationship, prompting the bank to file five Currency Transaction Reports on large cash deposits" into Ms. Bongo-Astier's account.[807] But HSBC told the Subcommittee that it did not know whether anyone from the bank actually spoke to Ms. Bongo-Astier concerning these cash transactions or asked her about the source of the cash or what she did with the funds.[808]

On May 7, 2003, a wire transfer for $183,500 from a "Republic of Gabon Casier" account at Citibank in Gabon was sent to Ms. Bongo-Astier's account.[809] HSBC told the Subcommittee that this large wire transfer from Gabon triggered a review of her account activity. According to HSBC, HSBC's compliance department contacted the branch where the transfer occurred and quickly determined that Ms. Bongo-Astier was the daughter of the President of Gabon.[810] HSBC told the Subcommittee that, prior to this review, it had been unaware of her relationship to President Omar Bongo. HSBC said that, in 2003, the bank re-classified Ms. Bongo-Astier as a "special category of client connected to a public official."[811]

On May 9, 2003, Ms. Bongo-Astier purchased a cashiers check from the bank for $172,888 payable to a Lincoln Mercury car dealer.[812] When asked about this check, HSBC told the Subcommittee that Ms. Bongo-Astier had indicated that she sometimes purchased cars for her father, step father, and delegates from Gabon.[813] Additional evidence of this activity is a December 20, 2002 check for $66,085 from Manhattan Ford to Ms. Bongo-Astier, containing a notation that the funds represented a "refund of dep[osit]."[814]

About two and a half months later, on July 31, 2003, HSBC sent a letter to Ms. Bongo-Astier informing her that her account would be

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[805] 2/27/03 HSBC transaction report, HSBC-PSI 037412.
[806] 5/9/03 HSBC transaction report, HSBC-PSI 037414.
[807] 5/6/08 HSBC's written responses to Subcommittee questions, PSI HSBC-36-0009.
[808] Subcommittee interview of HSBC officials, August 11, 2008.
[809] HSBC History/Trend Analysis Report from 06/2002 to 05/2003, HSBC-PSI 037444-46.
[810] Subcommittee interview of HSBC officials, August 11, 2008.
[811] Id.
[812] 5/9/03 HSBC cashiers check, HSBC-PSI 037473.
[813] Subcommittee interview of HSBC officials, May 2, 2008.
[814] 12/20/02 check to Ms. Bongo-Astier, HSBC-PSI 037588.

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closed "based upon our Know Your Customer Rule."[815] HSBC told the Subcommittee that it had closed the account "in light of concerns about Omar Bongo."[816]

(2) Commerce Bank

Two months after HSBC closed her account in July 2003, Ms. Bongo-Astier opened a new account at Commerce Bank in New York City without revealing her PEP status or relationship to President Omar Bongo.[817] For over four years, from 2003 to 2007, she maintained three accounts and three safe deposit boxes at Commerce Bank.

Ms. Bongo-Astier began her relationship with Commerce Bank on September 11, 2003, when she walked into the bank's Manhattan South Branch with $53,000 in cash, two HSBC cashiers checks for $40,000 from her closed account, and several smaller checks.[818] Her total initial deposit exceeded $98,000.

A Commerce employee opened the account, with the approval of the branch manager.[819] As part of the account opening process, Commerce obtained a copy of Ms. Bongo-Astier's Canadian passport and U.S. visa.[820] The account opening documentation showed that she said she was residing in New York City and attending graduate school at the Parsons School of Design.[821] Commerce Bank filed a CTR regarding her $53,000 cash deposit, but apparently did not inquire into the source of the funds other than to learn they came from a closed account at HSBC.

At the time of the account opening, Commerce Bank conducted a due diligence review which included conducting a "Prime" search, an OFAC screening, and a Lexis-Nexis search to identify information related to Ms. Bongo-Astier.[822] According to Commerce, "Prime

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[815] 7/31/03 letter from HSBC to Ms. Bongo-Astier, HSBC-PSI 037418.
[816] Subcommittee interview of HSBC officials, August 11, 2008.
[817] Commerce Bank is a federally chartered bank which, as of December 31, 2007, had about $50 billion in assets, 475 branches, and 14,000 employees. 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0001.
[818] Her initial deposit was $98,563.54, which included a cash deposit of $53,500; two cashiers check from HSBC made out to Yamilee Bongo Astier, one for $7,505.14 and one for $37,478.40; a check from Submarine Communications Corp. for $7505.14; and a check from Lionfish Design LLC for $80.00. Commerce 284.
[819] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0003.
[820] On May 5, 2004, Ms. Bongo filed a W-8 form, Certificate of Foreign Status, Commerce 2. Commerce Bank copy of Ms. Bongo-Astier's American Visa, Commerce 3; Commerce Bank copy of Ms. Bongo-Asteir's Canadian passport, Commerce Bank 4.
[821] 9/11/03 Commerce Bank account opening documentation, Commerce Bank 115.
[822] Commerce_Bank-03-0002. The U.S. Office of Foreign Assets Control (OFAC) maintains lists of persons and entities with which U.S. financial institutions are prohibited from doing

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Associates is a private vendor that provides financial institutions with various software programs to assist in discharging the institution's responsibilities under the Bank Secrecy Act. Initially, the Bank obtained the software necessary to perform OFAC screening. Subsequently, in 2005, the Bank purchased software to identify so-called Politically Exposed Persons."[823]

According to Commerce Bank, at no time did Ms. Bongo identify herself as the daughter of President Omar Bongo, nor did her name come up in the Prime, OFAC, or Lexis-Nexis reviews as a PEP. Commerce Bank told the Subcommittee that very few of President Omar Bongo's children are listed in PEP databases maintained by vendors like Prime Associates.[824] The bank said that it did not learn of her PEP status for two more years, until 2005.

On September 11, 2003, Ms. Bongo-Astier opened a personal checking account at the bank, Account No. 7916245777.[825] A year later, on November 24, 2004, she opened a joint account with another individual, Account No. 7918918561, with $1,000 in cash.[826] Commerce Bank told the Subcommittee that it believed this individual was a friend of Ms. Bongo-Astier. The branch manager approved the account opening, which subsequently showed minimal account activity.[827] A year after that, on October 2, 2007, Ms. Bongo-Astier opened a money market account, Account No. 7924332914, at another Commerce Bank branch in Manhattan in which she deposited a substantial sum, as described below.[828] This account opening was also approved by the branch manager.[829]

In addition, Ms. Bongo-Astier paid for three safe deposit boxes at the bank. On August 21, 2007, she was given a key to Box 637.[830] The next month, on September 26, 2007, she was given keys to Boxes 53 and 54.[831]

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business. U.S. banks are required to check these lists prior to accepting any funds or wire transfers.

[823] Commerce_Bank-03-0002. Prime Associates, now known as Fidelity National Information Services, Inc. or FIS, maintains a wide range of lists for screening the clients of its subscribers, including lists prepared by OFAC, the European Union, and other government bodies, a PEP database, FBI Ten Most Wanted List, lists of government officials of sanctioned countries, lists of persons suspected of involvement with financial fraud, and others. See "Prime Compliance Databank Overview," at 2-3, attachment to 1/22/10 letter from FIS to the Subcommittee, no bates number.

[824] Subcommittee interview of Commerce Bank officials, June 18, 2008.

[825] 9/11/03 Commerce Bank account opening documentation, Commerce Bank 115.

[826] 12/2/04 Commerce Bank Customer Account Setup forms, Commerce Bank 112-13.

[827] Subcommittee interview of Commerce Bank officials, June 18, 2008.

[828] 10/2/07 Commerce Bank account opening documentation, Commerce Bank 114.

[829] Subcommittee interview of Commerce Bank officials, June 18, 2008.

[830] 8/21/07 Commerce Bank safe deposit box opening record, Commerce Bank 120-21.

[831] 9/26/07 Commerce Bank safe deposit box opening records, Commerce Bank 116-17.

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Cash Deposits. From the opening of her Commerce Bank checking account in 2003 until its closure in 2007, Ms. Bongo-Astier made multiple large cash deposits into the account. Over the four-year account relationship, her cash deposits totaled more than $1.6 million. The cash deposits involving more than $10,000 included the following.

- On September 11, 2003, she made an initial cash deposit of $53,000.
- On February 9, 2004, she made a cash deposit of $34,431.30.
- On September 21, 2004, she made a cash deposit of $150,000.
- On September 23, 2004, she made a cash deposit of $79,600.
- On August 24, 2005, she made a cash deposit of $90,000.
- On September 26, 2005, she made a cash deposit of $40,000.
- On October 26, 2005, she made a cash deposit of $70,000.
- On December 21, 2005, she made a cash deposit of $65,000.
- On September 10, 2007, she made a cash deposit of $11,000.
- On October 2, 2007, she made a cash deposit of $1 million.
- On October 31, 2007, she made a cash deposit of $44,100.[832]

For the first two years her account was open, there is no evidence that any Commerce Bank personnel asked Ms. Bongo-Astier about the source of these funds or how an unemployed student was able to make such large cash deposits.

On December 11, 2005, Commerce Bank's account monitoring system flagged two cash deposits to Ms. Bongo-Astier's checking account, in September for $40,000 and in October for $70,000. After receiving the system alert, on December 12, 2005, a Commerce Bank anti-money laundering (AML) investigator sent an email to the branch manager asking about Ms. Bongo-Astier's account. The email noted that the account "appears to have been transacting large currency deposits recently," commented that the "usual balance is not this high," and asked about cashiers checks that had been written to a management company by Ms. Bongo-Astier.[833] The email asked, "do you happen to know where the money is coming from." The branch manager responded that "as much as we try, we can't know everyone and every transaction," but also asked the weekend supervisor to make inquiries into the account.[834]

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[832] Commerce Bank internal account record, Commerce Bank 0547. Commerce filed CTRs for each of these cash deposits. See 7/23/08 Commerce letter to the Subcommittee, Commerce_Bank-03-0002.

[833] 12/12/05 Commerce Bank internal email, Commerce Bank 47. On 10/26/05, Ms. Bongo-Astier wrote a cashiers check to Orb Management for $33,600, ultimately cashed on 11/07/05. On 11/2/05, she wrote a cashiers check to Orin Management for $21,600. Commerce later determined that Orin and Orb were management companies for rental properties, and that Ms. Bongo was paying rent in advance for certain periods of time, such as six months.

[834] 12/12/05 Commerce Bank internal email, Commerce Bank 49.

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That same day, December 12, 2005, the branch manager sent an email to the AML investigator and weekend supervisor stating:

> "Yes, I know her[.] She is the Princess of 2 African Royalty. They are citizens of Canada.
>
> She is ok. The monies come when her parents … visit the United Nations for Pres. Bush's meetings. The monies are directly from the Federal Reserve."[835]

The branch manager also forwarded a message from the weekend supervisor who said that he'd recently spoken with the branch's head teller about Ms. Bongo-Astier, and was told "she is a princess or something from some African country, and the money she gets is from her father."[836] The branch manager wrote: "Let me know if you need anything else."[837] The Commerce AML investigator responded: "No that is all I needed thank you so much."[838]

The next day, December 13, 2005, the AML investigator referred the account to the bank's Enhanced Due Diligence Oversight (EDDO) unit for additional research.[839] That same day, the EDDO director telephoned Ms. Bongo-Astier to ask about her account.[840] Commerce Bank told the Subcommittee that the EDDO director handled the telephone call, because he thought that Ms. Bongo-Astier was potentially a PEP.

Commerce Bank told the Subcommittee that, during the course of the telephone call, Ms. Bongo-Astier readily disclosed that her funds came from her father, President Omar Bongo. According to the bank, she also stated that she often made purchases at the request of her father, such as a 2004 purchase of two Cadillacs.[841]

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[835] 12/12/05 Commerce Bank internal email, Commerce Bank 48. Commerce personnel did not know the basis for the statement that "the monies are directly from the Federal Reserve," since to their knowledge the monies were not from the Federal Reserve. They speculated that the reference could have been to the way that the cash was shrink wrapped, in the same manner as funds from the Federal Reserve. Subcommittee interview of Commerce Bank officials, June 18, 2008.

[836] 12/12/05 Commerce Bank internal email, Commerce Bank 48.

[837] Id.

[838] Id.

[839] Subcommittee interview of Commerce Bank officials, June 18, 2008. Commerce Bank's Anti Money Laundering (AML)/Bank Secrecy Act (BSA) Department was then divided into three units: (1) AML Investigations; (2) BSA; and (3) Enhanced Due Diligence Oversight (EDDO). According to Commerce, those units had "primary and overlapping responsibilities" to investigate suspicious transactions and possible money laundering.

[840] The EDDO director, a former FBI agent, had joined Commerce Bank in March 2005, as the head of the EDDO office.

[841] Subcommittee interview of Commerce Bank officials, June 18, 2008. See also 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0008.

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After the EDDO division head spoke with Ms. Bongo-Astier, he sent an email to the branch manager stating that Ms. Bongo-Astier had been "very forthcoming."[842] He then wrote a memorandum memorializing the telephone call and sent an email, with the memorandum attached, to the Commerce Bank AML director and director of AML Investigations. He wrote:

> "This individual is the daughter of a PEP. The PEP is [the] President of Gabon. Her only source of income is from her father. Other than the large cash deposits that are explained in attachment everything else is OK."[843]

His memorandum described his conversation with Ms. Bongo-Astier and the issues surrounding her account:

> "This communication is being generated to address high volume dollar account activity, which is outside the scope for a customer who has no apparent occupation or source of income. During the time span of 8/24/05 to 12/11/05 a total of over $86,000 in large withdrawals occurred. During this same period cash deposits were made aggregating to $235,000.00. ...
>
> Bongo-Astier advised that she is the daughter of El Hadj Omar Bongo who is currently the elected president of Gabon. Bongo has been the president of Gabon since 12/2/1967 and was recently re-elected on 11/27/2005. Gabon is a sub-sahara country on the western section of Africa. Bongo-Astier advised that she does not have a job and her only source of income is monies received from her father. The monies are received in the form of US currency and a CTR is immediately filed by her when the funds are deposited. The deposits coincide with the arrival of her father when he comes to the United States for official purposes. On other occasions cash is sent by her father through Gabon emissaries."[844]

A Subcommittee review of the bank documentation confirms that, on at least two occasions, Ms. Bongo-Astier appears to have used her account funds to purchase automobiles at her father's request. As she indicated during her conversation with the EDDO director, on November 24, 2004, Ms. Bongo-Astiers purchased a cashiers check from the bank for $127,000 and appears to have used it to pay for two

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[842] 12/13/05 internal Commerce Bank email, Commerce Bank 249.
[843] Id., at 248.
[844] 12/13/05 Commerce Bank Memorandum of Enhanced Due Diligence, Commerce Bank 158-9.

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Cadillac Escalades.[845] She told the EDDO director that the vehicles were for the Gabonese mission, and that she had purchased them at the request of her father, President Omar Bongo.[846] In addition, on June 17, 2004, Ms. Bongo-Astier deposited a $16,295 check into her checking account from a Lincoln Mercury car dealer.[847] It was the same dealership to which she sent a cashiers check while banking with HSBC.

PEP Designation. On December 13, 2005, the same day Commerce discovered Ms. Bongo-Astier's relationship to President Omar Bongo, the bank officially designated her as a PEP.[848] In addition, that same day, the EDDO director sent an email to the branch manager where her account was located stating that Commerce Bank policy required Ms. Bongo-Astier's account to be transferred to the bank's Private Banking Division:

> "The only thing is that it is Commerce policy that any PEP accounts are to be handled by Private Banking. Because she is a daughter of an elected political figure she is by definition a PEP."[849]

The branch manager suggested that her account be assigned to a private banker in Manhattan. The EDDO director replied: "That would be a help. Advise [the Commerce Private Banking head] that I will forward the interview memo to her for her records."[850] That afternoon, the branch manager sent an email to the Private Banking head, stating that "Yamilee is under Commerce policy a PEP account and needs to be handled by Private Banking."[851]

Despite Commerce Bank's PEP policy, in December 2005, the bank decided against assigning Ms. Bongo-Astier's account to a private banker. Commerce Bank told the Subcommittee that its Private Bank required a minimum of $500,000 in annual income and $1 million in investable liquid assets, and Ms. Bongo-Astier did not meet either requirement.[852] The bank decided instead to monitor Ms. Bongo-Astier as if she were a private banking client, but not officially to classify her as a private banking client since she did not meet the bank's criteria. Commerce Bank told the Subcommittee that, beginning in December

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[845] Commerce Bank 366. Cashiers check drawn on the Bongo-Astier checking account and made payable to ATX Leasing Corp. with the notation: "(2) 2005 Cadillac Escalade ESV." ATX Leasing Corp. is a company located on Long Island.
[846] Subcommittee interview of Commerce Bank officials, June 18, 2008.
[847] 2004 check from Lincoln Mercury, Commerce Bank 335.
[848] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0004.
[849] 12/13/05 internal Commerce Bank email, Commerce Bank 249.
[850] Id.
[851] 12/13/05 internal Commerce Bank email, Commerce Bank 248.
[852] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0005.

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2005, its computer and account monitoring systems clearly designated Ms. Bongo as a PEP so that all Commerce employees would know of her PEP status.

Concerned that the bank had been unaware of Ms. Bongo-Astier's PEP status for two years, the EDDO director instructed his staff to contact its AML vendor, Prime Associates, and find out why her name hadn't been flagged as a PEP during the account opening process. On December 15, 2005, Commerce Bank wrote to Prime Associates, and noted that while President Omar Bongo was included in the vendor's PEP list, Yamilee Bongo-Astier was not, and asked for the criterion by which a name would be placed on the PEP list.[853] The email commented: "I would think that the daughter of the president of a country would be considered a PEP."[854] On December 20, 2005, Prime Associates responded that it was unable to find "any publicly accessible information that confirms" the information regarding Yamilee Bongo-Astier, and stated: "[O]ur data researches continue to work on expanding the PEP list. In a future distribution, if there is publicly accessible confirmation of this person, it will be added to the list."[855]

Prime Associates did not consider Ms. Bongo-Astier's admission of her relationship to President Omar Bongo and her receipt of large sums of cash from him to be sufficient evidence to add her to its PEP list, without "publicly accessible information" confirming her admission. Commerce Bank told the Subcommittee that even today, Yamilee Bongo-Astier is not included in the Prime PEP list, which identifies only two of President Omar Bongo's children, Ali Ben Bongo and Pascaline Bongo.[856] The bank noted that the law was clear that the children of a senior foreign political figure are also to be treated as PEPs requiring enhanced due diligence.[857]

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[853] See 12/15/05 email from Commerce Bank to Prime Associates, Commerce Bank 51.
[854] Id.
[855] 12/20/05 email from Prime Associates to Commerce Bank, Commerce Bank 50.
[856] Id.
[857] Section 312 of the Patriot Act requires U.S. financial institutions to exercise enhanced due diligence when opening or monitoring private banking accounts for a "senior foreign political figure." 31 CFR. § 103.175(r). Treasury regulations define the term "senior foreign political figure" as follows:

"(r) Senior foreign political figure.
(1) The term senior foreign political figure means:
(i) A current or former:
(A) Senior official in the executive, legislative, administrative, military, or judicial branches of a foreign government (whether elected or not);
(B) Senior official of a major foreign political party; or
(C) Senior executive of a foreign government-owned commercial enterprise;
(ii) A corporation, business, or other entity that has been formed by, or for the benefit of, any such individual;
(iii) An immediate family member of any such individual; and
(iv) A person who is widely and publicly known (or is actually known by the relevant covered financial institution) to be a close associate of such individual.
(2) For purposes of this definition:

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Commerce told the Subcommittee that, partly in response to this information from Prime Associates, in December 2006, the bank ran a PEP filter search of all 50,000 customers, but did not identify any new PEP clients.[858]

The Subcommittee contacted Prime Associates, now known as Fidelity National Information Services, Inc. (FIS), which confirmed that, as of January 2010, it still had not added Yamilee Bongo to its PEP list due to its policy of not adding a name to its list unless it is able to verify from a public source that the person or entity is a PEP.[859] In a subsequent letter to the Subcommittee, FIS expressed its interest in "assisting the United States government in its mission to prevent and detect illegal activity in our financial system ... with the most effective tools and data possible." FIS recommended that "a joint government and vendor committee be formed to develop standards" for PEP lists, including "the level of documentation required to list someone as a PEP, when that information is known exclusively to [a financial institution] but not to the vendor."[860]

Commerce Bank told the Subcommittee that, after first discovering Ms. Bongo-Astier's PEP status in December 2005, the bank conducted its own research into Ms. Bongo-Astier, President Omar Bongo, and Gabon.[861] Commerce Bank said that it was unable to find any indictment against President Omar Bongo, and took comfort from the fact that the White House's website contained a photograph of President George Bush meeting with President Omar Bongo.[862] Commerce Bank said that it also noted that the International Monetary Fund had provided funding to Gabon in recent years which it took as an encouraging sign of the country's international standing. Commerce Bank told the Subcommittee that it had also filed CTRs on each of Ms. Bongo-Astier's cash deposits, and had not heard any concerns from law enforcement.

Monitoring the Bongo Accounts. After December 2005, Commerce Bank initiated enhanced monitoring of Ms. Bongo-Astier's

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(i) Senior official or executive means an individual with substantial authority over policy, operations, or the use of government-owned resources; and

(ii) Immediate family member means spouses, parents, siblings, children and a spouse's parents and siblings."

31 CFR §103.175. PEP lists are intended to help U.S. financial institutions comply with this regulatory definition and the Patriot Act requirement.

[858] Subcommittee interview of Commerce Bank officials, June 18, 2008.

[859] Subcommittee interview of Prime Associates officials, now FIS, January 8, 2010. In 2005, Prime Associates was purchased by Metavente Technologies Inc. which four years later, in 2009, was purchased by Fidelity National Information Services, Inc. (FIS).

[860] 1/22/10 letter from FIS to the Subcommittee regarding "Filtering Data Committee Proposal," no bates number.

[861] Subcommittee interview of Commerce Bank officials, June 18, 2008.

[862] See photograph of President George W. Bush and President Omar Bongo in the Oval Office, Commerce 201.

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accounts due to her PEP status. Commerce Bank policy requires PEP accounts to be monitored on a day-to-day basis, reviewed every six months, and for a decision to be made every six months as to whether or not to keep the account open.[863]

During 2006, the account was relatively quiet, with no cash transactions and little account activity other than a few large wire transfers and the payment of normal living expenses. Commerce Bank told the Subcommittee that it was unable to locate a written document summarizing its six month review of the Bongo-Astier accounts from January to June 2006, but that it was "confident that a six month review was in fact performed with respect to Ms. Bongo-Astier's banking transactions and that such review did not reveal any transactions that were inconsistent with her historical activity."[864]

The next six month review did not encompass the six month period from July to December, but instead covered the time period October 2006 to March 2007. A memorandum written by a Commerce Bank AML investigator, dated March 5, 2007, summarized the account activity during that period. It stated:

> "This customer [has] maintained a relationship with Commerce Bank since September, 2003. She is the daughter to the Prime Minister of Gabon. She is the Princess of 2 [sic] African Royalty. She is a Citizen of Canada. She is listed as a PEP, Political Exposed Person, and a file can be found on her, located in EDDO. Funding is primary by Wire from Bongo Ondimba Astier Yamilee at the BGFI Bank, Boulevard De L'independence, Libreville, GA. Currency withdrawals (large amounts) are consistent to this account."[865]

The next review was completed on July 23, 2007, by a senior EDDO investigator. It reviewed the account for a four-month period, from April 7, 2007 to July 9, 2007. It stated the account "activity has remained consistent with past activity for this account relationship."[866]

Commerce Bank noted that, throughout the time they were open, Ms. Bongo-Astier's accounts received occasional wire transfers from individuals and entities outside the United States. Bank records show that her mother, Marie-Yva Astier, for example, sent her several wire

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[863] Commerce told the Subcommittee that it had initiated the six-month PEP review policy earlier in 2005. 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0005.
[864] Id., at 04.
[865] 3/5/07 Commerce Bank memorandum AML Hot List Daily Wire Review, Commerce Bank 100.
[866] 7/23/07 Commerce Bank memorandum re Yamilee Bongo-Astier, Commerce Bank 156.

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transfers from accounts in Haiti and Canada, and Mr. Seydou Kane sent her funds from Monaco. She also received wire transfers from an account in her name at BGFI Bank in Libreville, Gabon. The largest wire transfer she received was from an entity called "Imagine" which also had a BGFI Bank account in Gabon. For example, on February 27, 2006, Imagine wire transferred $171,732.29 from Gabon to Ms. Bongo's checking account at Commerce Bank.[867] When asked about Imagine, Commerce Bank told the Subcommittee that the "review that was conducted at the time did not reveal any information that would have suggested that the activity involving Imagine was suspicious."[868]

Commerce Bank provided the following information identifying large wire transfers into and out of Ms. Bongo-Astier's accounts from 2003 to 2007.[869]

LARGE WIRE TRANSFERS TO AND FROM BONGO-ASTIER ACCOUNT AT COMMERCE BANK			
Date	**Credit**	**Debit**	**Summary**
01/23/04	$ 11,200.00		Wire transfer from Marie-Yva Astier sender- Bank of America NYC instructing- Sogebank Port Au Prince, Haiti
05/27/04	$ 9,975.00		Wire Transfer from Monsieur Seydou Kane Credit Lyonnais NY – BERLMCMC Banque De Gestion Edmund Rothschild Monaco
06/16/04	$ 9,988.00		Wire transfer from Marie-Yva Astier sender- JPM Chase instructing- Royal Bank of Canada Toronto
03/24/05	$ 9,975.00		Wire transfer from Monsieur Seydou Kane
04/04/05	$ 10,000.00		Wire transfer from Marie-Yva Astier sender- Bank of America NYC instructing- Sogebank Port Au Prince, Haiti
02/27/06	$171,732.29		Wire transfer from Imagine Libreville Gabon- sender DBTCI Americas NY- instructing Banque Belgolaise Paris
03/01/06	$ 22,478.63		Wire transfer from Bongo Ondimba Astier Yamilee sender- C A Lyons- originating Bank- Bred Banque Populaire Paris France
02/01/07	$ 28,103.44		Wire transfer from Bongo Ondimba Astier Yamilee- orig bank BGFI Bank Libreville Gabon- instructing Standard Charter Bank London England
11/06/07		$ 15,000.00	Wire transfer to receiver Bank of America Sogebank, Port Au Prince NA in the name of Marie-Yva Astier
Total Credit:$ 273,452.36 **Total Debit: $ 15,000.00**			**Source – Commerce Bank**

Safe Deposit Box Cash. In the fall of 2007, in August and September, as previously mentioned, Ms. Bongo opened three Commerce safe deposit boxes, numbered 53, 54 and 637, at the Manhattan South Branch. Typically, Commerce personnel escort a customer to a room where the safe deposit boxes are kept and provide the customer with privacy while the customer opens his or her safe deposit box.

[867] 2/27/06 wire transfer record, Commerce Bank 89.
[868] See 7/23/08 Commerce Bank letter to the Subcommittee, Commerce_Bank-03-0005.
[869] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0012.

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On October 2, 2007, Ms. Bongo-Astier traveled to the Commerce Manhattan South branch and informed Commerce personnel that she had cash in two of her safe deposit boxes, Boxes 53 and 54, which she wanted to use to purchase a cashiers check.[870] The branch manager and head teller counted the cash in both boxes and determined that it totaled $1 million. Contemporaneous handwritten notes prepared at the time by a Commerce AML investigator indicate that the money was "all $100 bills in sealed/bar coded bags like would come in from the fed."[871]

A Commerce employee described the incident as follows:

> "Customer came in to purchase a[n] Official Check in the amount of $202,500 to purchase a condo. Customer explained that she had funds in her safe deposit box she needed to deposit for the check. We went to her safe deposit box where we took out 10 sealed stacks of $100 bills each totaling $100,000.00 for a grand total of $1,000,000.00. According to Yamilee the money was given to her by her father, who she explained is the President of Gabon. The money was counted and verified .... The deposit was made and a CTR was filled out. Official check #41515816 was purchased for $202,500.00 made payable to 'Martin Shaw, Esq. As Escrow Agent.' The remaining $797,500 was transferred to a new Ultra MM account #7924332914."[872]

Commerce Bank had immediately opened a new money market account for Ms. Bongo-Astier, deposited the $1 million, arranged for the cashiers check, and suggested she speak with one of the bank's private banking staff. The assistant branch manager sent an email to a private banker at Commerce Private Bank and alerted him to Ms. Bongo-Astier's large cash deposit and disclosed that her father was the President of Gabon. The private banker responded, "What is Gabon?"[873] The assistant branch manager replied:

> "Gabon is a country in Africa, right on the equator along the western coast. She just deposited $1 MM in cash and says she has approx $700M more she would like to set aside. She used some of the funds ($202M) to purchase a condo in the area. Existing relationship is a checking account (7916245777) that keeps anywhere from $1,000 to $30,000 in it."[874]

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[870] See 10/2/07 Commerce Bank internal email, Commerce Bank 254 as well as 10/27/07 handwritten notes by AML coordinator for private banking, Commerce Bank 25.
[871] 10/27/07 handwritten notes by AML coordinator for private banking, Commerce Bank 25.
[872] 10/3/07 Commerce Bank internal email at 12:30 p.m., Commerce Bank 258; 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0007.
[873] 10/2/07 Commerce Bank internal email, Commerce Bank 256.
[874] Id., at 255.

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The private banker replied, "Can you forward me emails with due diligence request? Given the nature of this transaction there should obviously be some searches."[875]

The same day, October 2, 2007, the matter was forwarded to the EDDO director. He assigned it to an EDDO senior investigator and, in an October 2, 2007 email to his staff, stated:

> "Either PB [Private Banking] or us may have to contact her to determine source of funds and ultimate usage. We have to be certain that the funds are not being derived from proceeds of illegal or unethical actions. Run her through OneSource … and use standard databases to determine current info. … [W]e review this account every 6 months. The last review was done on 7/23/07. At that time there were no significant deposits, the balance was about $33,000 and the majority of the activity was derived from check debits. There were charges made in France that her father, Gabon President Omar Bongo was involved with buying property in France with embezzled funds."[876]

In a subsequent email that day, the EDDO director stated that the bank needed to call Ms. Bongo-Astier directly to "determine the source of funds and how she obtained the physical cash."[877]

Two days later, on October 4, 2007, the EDDO director telephoned Ms. Bongo-Astier and asked her about the source of the cash in her safe deposit boxes. According to the EDDO director, Ms. Bongo responded that her father, President Omar Bongo, often visited New York to attend diplomatic meetings. He said she then provided the following explanation:

> "She stated that upon his most recent visit to the United Nations (9/27/2007) to give a speech he gave her a gift of $1MM to be used for the purchase of a condo in New York City. The condo is located at 344 Bowery, New York, N.Y. Bongo-Astier added that she often receives gifts from her father and will be anticipating an additional $700M to add to the purchase of the condo. Yamilee stated that the total price of the condo was $2.025 MM and the realtor handling the transaction was Sotheby realty.
>
> Bongo-Astier stated that it is her belief that her father brought the $1MM US currency in from Gabon and added that he most probably received the money at Citibank in Gabon. Bongo-Astier

[875] Id.
[876] 10/2/07 email from EDDO director to his colleagues, Commerce Bank 254.
[877] Id., at 253.

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> advised that because her father is a head of state he is not required to fill out any US paperwork when bringing in currency to the US over $10M. ...
>
> Commerce bank confirmed that President Omar Bongo did give a speech at the United Nations 62nd General Assembly on 9/27/2007. Research revealed that there is a preliminary investigation by French authorities into possible embezzlement of Gabon funds for the purchase of real estate in France. The probe specifically relates to Bongo's homes in Paris and the French coast. As of this writing the probe is ongoing by Paris prosecutor's offices. ...
>
> At this point absent of any definitive information to the contrary relating to the ownership of the condo, Commerce Bank will continue the account relationship with special PEP monitoring in place."[878]

The EDDO director did not express concerns about the source of the $1 million being deposited into Commerce Bank, despite his acknowledgement of ongoing criminal investigations in France "into possible embezzlement of Gabon funds." He noted that those criminal investigations were examining whether embezzled funds were used to purchase real estate in France, without any analysis of whether the same embezzled funds could be the source of the funds that Ms. Bongo-Astier intended to use to purchase real estate in the United States.

Two weeks later, on October 17, 2007, the EDDO director wrote in an email that he had been in contact with law enforcement who informed him that President Omar Bongo did not file a Report of International Transportation of Currency or Monetary Instruments (CMIR) when he visited the United States in September, as required by law.[879] Despite this development, in the same email, he stated that he continued to believe that the Commerce account should be kept open with ongoing monitoring.[880] He noted that a colleague leaned towards closing the account, but:

> "My opinion is that although there are numerous accusations and allegations concerning Bongo and possible embezzlement of Gabon funds there have been no indictments or criminal charges levied against him. We have researched both Bongo and Bongo-Astier, ad nauseam [sic], and have not definitely found anything solid that would preclude our continuing relationship. This

[878] 10/4/07 Commerce Bank memorandum from EDDO director re Yamilee Bongo Astier, Commerce Bank 260-61.
[879] 10/17/07 Commerce Bank internal email, Commerce Bank 268.
[880] Id.

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> specific transaction is the sole transaction in Bongo-Astier's account that would be considered inconsistent with this type." [881]

A Commerce Bank senior vice president responded:

> "I agree that we conducted all necessary research, completed appropriate due diligence and made the right conclusion in accepting Bongo-Astier as a customer. However, now whether we keep her as a customer depends [on] our determination on the source of the $1 million. I believe that she is purchasing a property. But considering the history on this family, we must absolutely make a determination of the source of funds. Her initial statement brings her father into the equation, which raises the red flags. If we can't get a full understanding, we need to discuss closing the account. Stop by, if you want to discuss. Thanks for dealing with this sensitive matter."[882]

On October 31, 2007, the EDDO director sent an email to the director of the New York High Intensity Financial Crime Area (HIFCA), U.S. Immigration and Customs Enforcement, regarding the Bongo-Astier accounts. He wrote:

> "As per our conversation we will keep this account in an active status and will assist whomever you assign this matter to … and can answer any specific questions you may have. This customer is the daughter of the President of Gabon, Omar Bongo, who has had and still has several alleged money laundering issues relating to public funds from Gabon. This specific transaction, although may be legitimate, [*Redacted by Commerce Bank*]." [883]

Commerce Bank told the Subcommittee that it asked HIFCA whether it wanted Commerce to keep the account open, but never heard back.

In response to a Subcommittee request, the Financial Crimes Enforcement Network of the U.S. Treasury Department performed a search, but could not locate a CMIR filed by or on behalf of President Omar Bongo declaring the $1 million that his daughter said he provided to her in September 2007.

Closing the Accounts. In November 2007, Commerce Bank decided to close Ms. Bongo-Astier's accounts. The bank told the Subcommittee that the $1 million cash deposit combined with the possible French indictment of President Omar Bongo had made the bank

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[881] Id.
[882] Id.
[883] 10/31/07 Commerce Bank email to HIFCA, Commerce Bank 266.

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reconsider the account. In addition, it had considered the reputational risk, the fact that the bank could lose money, and the need to file repetitive Suspicious Activity Reports.

On November 14, 2007, the EDDO director wrote an internal memorandum on closing the account. He wrote:

> "Recent activities by customer, in addition to potential overseas criminal and civil actions against Omar Bongo, [have] caused Commerce Bank to initiate this closing request and terminate the existing banking relationship.
>
> Bongo-Astier advised that because her father is a Head of State, he is allowed to enter the US with as much US currency that he desires and is exempt from having to file any US documents (CMIR). (The writer contacted US Customs and was advised that everyone, regardless of position, must file a Currency or Monetary Instruments Report when entering the US with more than $10,000 in cash or monetary instruments). Bongo-Astier also stated that she is expecting another 'gift' from her father for approximately $750,000 to pay for the remainder of the apartment.
>
> … [I]t has been learned that Omar Bongo is presently being investigated by the French government relating to multiple allegations that he has embezzled considerable funds from the Gabonese government and is purchasing real estate in France with the proceeds of the alleged criminal activities. President Omar Bongo has been investigated in the past relating to his relationship with Citibank and a US Congressional Sub-Committee has had testimony by Citibank officials that have advised that their KYC indicated that the primary source of wealth for Bongo is as Head of State for Gabon. Citibank officials were chastised by the subcommittee in not requiring a more exact determination in where the source of funds were derived from that were being deposited in Bongo's Citibank account. It was further explained that it was not reasonable to believe that the hundreds of millions of dollars in Citibank [sic] for accounts maintained by Bongo were funded from a Presidential salary.
>
> Commerce Bank has known about above issue and has monitored referenced accounts closely. Due to the most recent transaction and statement made by the customer to Commerce officials it has become necessary to re-evaluate the banking relationship. With the most recent deposit in US currency and the knowledge that Bongo-Astier's accounts are solely funded by monies she receives from her father, Omar Bongo, as stated by Bongo-Astier, and the

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ongoing investigation of possible money laundering relating to purchases of international real estate, it is in the best interest of Commerce Bank to fully terminate the relationship with Bongo-Astier."[884]

On November 15, 2007, Commerce sent Ms. Bongo-Astier a letter informing her that her accounts were being closed.[885] The decision to close the accounts had been made by the EDDO director and his supervisor, the AML director. The letter informed Ms. Bongo-Astier: "Based upon a review of the transaction history for the above referenced account(s), Commerce Bank has elected to discontinue this banking relationship." Because Commerce Bank considered Ms. Bongo-Astier to be a PEP, the Private Banking division officially closed the accounts.

On November 23, 2007, just before the accounts were officially closed, President Omar Bongo sent a wire transfer for nearly $1 million from his account at BGFI Bank in Gabon to Ms. Bongo-Astier's checking account. Commerce Bank had already frozen the account, and reversed the wire transfer on November 27, 2007.[886] On November 27, 2007, Commerce Bank closed Ms. Bongo-Astier's accounts by providing her with two checks for $802,542.14 and $18,327.30.

(3) JPMorgan Chase

Three weeks later, on December 18, 2007, Ms. Bongo-Astier deposited both of the Commerce Bank cashiers checks into two new accounts she had opened at JPMorgan Chase Bank in New York City.[887] As before, when she opened these accounts, she did not reveal her relationship with President Omar Bongo or PEP status.

On December 17, 2007, Ms. Bongo-Astier opened a personal checking account, Account No. [xxxx]55, and a personal savings account, Account No. [xxxx]61.[888] She deposited $18,327.30 into her checking account, and $802,542.14 into her savings account.[889] As part of the account opening process, she provided a copy of her Canadian passport, but did not identify any occupation.[890] JPMorgan told the Subcommittee that all of its accounts are run each night against a World

[884] 11/14/07 EDDO director memorandum, Request to Close Account, Commerce Bank 262-64.
[885] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0013.
[886] 7/23/08 Commerce Bank's written responses to Subcommittee questions, Commerce_Bank-03-0015-16.
[887] Commerce Bank copies of checks dated 11/27/07, Commerce Bank 278-79.
[888] See 12/17/07 JPMorgan Chase account opening documentation, PSI-JPMorgan_Chase-06-0015; copy of passport, PSI-JPMorgan_Chase 06-0047.
[889] December 2007 JPMorgan Chase account statement, PSI-JPMorgan_Chase 04-0005-8; PSI-JPMorgan_Chase-04-0045.
[890] JPMorgan Chase photocopy of Ms. Bongo-Astier's Canadian passport, PSI-JPMorgan_Chase-04-0004.

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Check PEP list, but Ms. Bongo-Astier's name was never flagged.[891] JPMorgan Chase told the Subcommittee that it was unaware of her PEP status until contacted as part of this investigation.[892]

Ms. Bongo Astier appeared to use the two accounts to pay for her living expenses. The bank statements reviewed by the Subcommittee indicate that from 2007 to November 2009, her savings account contained between $300,000 and $500,000 at a time. Funds were gradually transferred to her checking account to pay her bills and expenses. In July 2009, a wire transfer from Etude Maitre Anne Gey in Gabon provided an additional $341,000 to her savings account.[893]

(4) Analysis

For a nine-year period, from 2000 to 2009, Ms. Bongo-Astier opened accounts at three U.S. banks without revealing her relationship to President Omar Bongo or her PEP status. The banks that serviced the accounts were unaware of her PEP status for years, even though at least two banks checked her name against PEP lists provided by outside vendors. When one bank later told its vendor about Ms. Bongo-Astier's PEP status, that vendor declined to add her name to its PEP list, asserting it needed public confirmation of the private information provided by the bank before doing so. That vendor still has not added her name to its PEP list three years later.

For years, two of the banks allowed Ms. Bongo-Astier, with few questions asked and despite her self-portrayal as an unemployed student, to make repeated large cash deposits into her accounts, accept large wire transfers from foreign jurisdictions such as Gabon, Haiti, and Monaco, and purchase large cashiers checks. When two of the banks finally asked her about this account activity, she immediately disclosed her PEP status and the source of her funds, and it appears as if she would have been willing to have done so earlier if anyone had inquired. It is difficult to understand why no one did.

One bank, HSBC, responded by closing her account; the other, Commerce Bank, despite internal misgivings about accepting funds from the President of Gabon, allowed her accounts to remain active for nearly two additional years with enhanced monitoring. In October 2007, Ms. Bongo-Astier disclosed to Commerce that she had been keeping $1 million in cash given to her by her father in the bank's safe deposit boxes. Even after discovering this hidden cash, learning that her father

[891] Subcommittee interview of JPMorgan officials, February 9, 2009.
[892] Subcommittee interview of JPMorgan officials, October 27, 2008.
[893] See July 2009 Chase account statement for Ms. Bongo-Astier's checking account, PSI-JPMorgan_Chase-09-0124 (showing 7/10/09 wire transfer of $341,402.85 from Etude Maitre Anne Gey account at BGFI Bank in Gabon).

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had brought it into the United States without declaring it to government authorities as required by law, and acknowledging that the President was under investigation in France for possibly embezzling public funds and using those funds to purchase real estate, the bank's Enhanced Due Diligence Oversight director insisted that the bank had "not definitely found anything solid that would preclude our continuing [the] relationship." It is this reluctance to close accounts containing suspect funds that makes it so difficult to keep foreign corruption outside of the United States.

D. Bongo Use of U.S. Trust Account

Inge Collins Bongo is the wife of the current President of Gabon, Ali Ben Bongo, the eldest son of Omar Bongo. For ten years, from 1999 to 2009, her husband was the Minister of Defense in Gabon. On October 16, 2009, he was sworn in as the President of Gabon. As his wife, Ms. Collins Bongo qualifies as a PEP.

Born Inge Lynn Collins in the United States, Ms. Collins Bongo married her husband in 1994. Over the next decade, they lived at times in several locations in California, including a luxury residence rented from a Hollywood celebrity for $25,000 per month.[894] They also traveled extensively and lived at times in Gabon and France. In 2005, Ms. Collins Bongo became estranged from her husband and settled in California.[895] President Ali Bongo has married a second wife, a Gabonese citizen, Sylvia Ajma Valentin Bongo.

In December 1999, five years after her marriage to Ali Bongo, Ms. Collins Bongo used legal counsel to establish the Collins Revocable Trust, naming herself as the sole trustee.[896] The Collins Trust does not

[894] See Inge Bongo v. Sean Combs, Case No. CV-01-00980 (USDC CD California, July 2001). Mr. and Ms. Bongo were rumored to have purchased a residence in Malibu for $25 million, after Ms. Bongo was shown on a VH1 television show, Really Rich Real Estate, touring homes. See http://www.mamboundou2005.com/2006/12/inge_bongo_et_s.html. From VHI.com: "The premiere episode introduces L.A.'s Westside Estate Agency, which is owned by Stephen Shapiro and Kurt Rappaport. Dealing with the wealthiest clients in the city, WEA's combined business last year was close to $1 billion dollars, accounting for 40% of the high-end sales in Southern California. With an average sale of $5,500,000, WEA is one of the most successful agencies in the nation. ... Inge Bongo, the heiress to a very rich country in Central Africa, is in town to purchase a home. WEA co-owner Kurt Rappaport shows her a $25,000,000 property in Malibu's exclusive Broad Beach area, but she feels the home 'lacks grandeur.' Co-owner Stephen Shapiro shows her a stately $25,000,000 Beverly Hills mansion that turns out to be just what she's looking for. Will Kurt and Stephen close the deal?" On January 13, 2009, Kurt Rappaport told the Subcommittee that Inge Bongo did not purchase the $25 million house, or any similarly priced residence, featured on the VH1 show.

[895] See ABC News, "Gabon's First Lady Lives on Food Stamps in California: Inge Bongo Went From Luxury to Poverty, Now Wants to be First Lady," September 8, 2009.

[896] See undated application by the "Collins Trust" for an Employer Identification Number, a copy of which was included in the HSBC account opening documentation, HSBC-PSI 037121 ("Date business started or acquired ... 12-23-99"). See also 12/27/99 letter from legal counsel to Ms. Collins Bongo, HSBC-PSI 037120 ("we will complete your irrevocable trust").

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use her married surname "Bongo." By making the Trust "revocable," Ms. Collins Bongo retained access to and control over the trust funds. The trust was established one month after the Subcommittee's November 1999 hearing which examined a number of U.S. bank accounts used by President Omar Bongo and his relatives.

Ms. Collins Bongo opened several accounts under the name of the Collins Trust at U.S. financial institutions, including Fidelity Investments[897] and HSBC Bank. In December 1999, soon after the Trust was established, Ms. Collins Bongo opened a mutual fund account in the name of the Collins Trust at Fidelity Investments, a securities firm. Because, at the time, securities firms had no legal anti-money laundering obligations, Fidelity opened this account without exercising customer due diligence or evaluating the source of funds in the account, which was initially funded with nearly $3 million. Over the next two years, Ms. Collins Bongo treated this mutual fund account as if it were a checking account, using it to move nearly $2 million to a network of accounts she maintained at other banks, including $625,000 to Collins Trust accounts at HSBC Bank. The Fidelity mutual fund account balance dropped over time and, after the first two years, showed minimal activity. Fidelity told the Subcommittee that for nine years, from 1999 to 2008, it had been unaware of Ms. Collins Bongo's PEP status until contacted by the Subcommittee during this investigation. In April 2009, Fidelity designated Ms. Collins Bongo a PEP client; it continues to maintain her Collins Trust mutual fund account which has had minimal funds and account activity for several years.

In addition to the Fidelity mutual fund account, in April 2000, Ms. Collins Bongo opened checking and savings accounts in the name of the Collins Trust at Republic Bank California N.A., which merged with HSBC Bank in 2000. Neither Republic Bank nor HSBC was aware of her PEP status until two and a half years after the accounts were opened.[898] During those two and a half years, the Collins Trust accounts received over $650,000 in wire transfers from accounts in Gabon, Luxembourg, and Belgium, as well as hundreds of thousands of dollars from the Collins Trust account at Fidelity and from two California escrow agents. In November 2002, Ms. Bongo made a $70,000 cash deposit into the Trust checking account, which triggered a review of the accounts and ultimately led to their closure four months later. HSBC told the Subcommittee that it was "not terribly proud of the relationship."[899] The accounts were closed on April 8, 2003.

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[897] See 4/3/09 letter from Mintz Levin, acting as legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-001-04, at 02, which clarifies that Fidelity Investments is not a legal entity, but a trade name used to reference a group of companies associated with FMR LLC.
[898] Subcommittee interview of Fidelity officials, April 24, 2009.
[899] Subcommittee interview of HSBC officials, May 2, 2008.

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The two Collins Trust accounts examined in detail here were part of a larger network of U.S. accounts opened in the name of the Collins Trust or Inge Lynn Collins.[900] The Subcommittee did not attempt to trace all of these accounts or their interconnections. The document reviewed by the Subcommittee, however, indicate that many of the accounts and transactions did not reference the name "Bongo," raising the question of whether Ms. Collins Bongo was masking her connection to the Bongo family in Gabon when utilizing the U.S. financial system. The Collins Trust accounts appear to be part of that effort.

Ms. Collins Bongo was contacted by the Subcommittee and had several brief communications with Subcommittee staff, but declined to participate in an interview to answer questions about her account activity at Fidelity Investments, HSBC Bank, or other U.S. financial institutions.

(1) Fidelity Investments

On December 9, 1999, Fidelity Investments opened a mutual fund account for the Collins Revocable Trust, Fund Account No. [xxx/xxxx]97.[901] At that time, securities firms offering mutual fund accounts were under no legal obligation to obtain customer identification information, perform a customer due diligence review, or evaluate the source of funds provided to open an account.[902] Some large securities firms had voluntarily implemented AML controls before they were required to do so; however, the Fidelity mutual funds did not.[903]

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[900] See, e.g., 2006 wire transfer of over $950,000 from a Collins Trust escrow account at Fidelity National Title Company (which is unaffiliated with Fidelity Investments, 12/28/09 Fidelity letter to Subcommittee, no bates number) to a Collins Trust escrow account at First American Trust Company. The Collins Trust also had an account at Washington Mutual as shown in the chart below.

[901] 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-001-04, at 02. In addition, this letter clarified that Fidelity Investments is not a legal entity, but a trade name used to reference a group of companies associated with FMR LLC. The Collins Trust was also assigned Customer No. xxxxxxxx13. Fidelity later changed its account numbering system and assigned this account No. xxx-xxxx22. SIII 00277.

[902] Investment companies offering mutual fund accounts became legally obligated to establish anti-money laundering programs and identify their customers on June 9, 2003. See Treasury 31 CFR Part 103, Customer Identification Programs for Mutual Funds "...a regulation that, at a minimum, requires investment companies to implement procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable; to maintain records of the information used to verify the person's identity; and to determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to investment companies by any government agency. This final regulation applies to investment companies that are mutual funds." http://www.fincen.gov/statutes_regs/frn/pdf/326mffinal.pdf.

[903] In a December 28, 2009, letter to the Subcommittee, Fidelity stated: "[S]ome entities in the Fidelity organization – such as Fidelity Brokerage Services LLC, Fidelity Management Trust Company, and Fidelity Personal Trust Company, FSB – had certain anti–money laundering practices in place in 1999. The Fidelity mutual funds themselves did not, however, and were not required to do so until July 2002."

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Fidelity was unable to locate the 1999 account opening documentation for the Collins Trust account, but in a letter, its legal counsel provided the following information:

> "At the time the accounts were opened Ms. Collins identified herself as a United States citizen and provided a United States address to Fidelity. The accounts opened were money market mutual funds, and thus, based on Fidelity's policies and procedures in effect at that time, further due diligence was not required at that time."[904]

Two months earlier, on October 21, 1999, Ms. Collins Bongo had opened a similar mutual fund account at Fidelity in the name of "Inge Lynn Collins." It was designated Account No. 055/0662172337.[905] The account opening documentation indicated that she was a U.S. citizen, provided her address, date of birth, and social security number, and described her occupation as a "homemaker."[906] It made no mention of her husband or the Bongo family.

Over the course of the next year, Ms. Collins Bongo gradually expended the funds in her individual mutual fund account. On January 14, 2002, Ms. Collins Bongo closed her individual mutual fund account and transferred the remaining funds to the Fidelity account opened in the name of the Collins Trust.[907]

Although many investment accounts are fairly quiet, with annual statements that show a limited number of deposits and withdrawals, the first two years of annual statements for the Collins Trust mutual fund account include a long list of transactions, indicating that Ms. Collins Bongo used it more like a checking account than an investment account. She used checks imprinted with "Inge Collins, Trustee" and "Collins Revocable Trust" at the top, for example, and the Fidelity mutual fund account number at the bottom.[908] From 2000 to 2002, Ms. Collins Bongo used these checks to disburse nearly $900,000 from the Collins Trust account at Fidelity to other financial institution accounts held in

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[904] 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-0002.

[905] 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-0001-04, at 02. Ms. Collins Bongo was also assigned Customer No. T158452119.

[906] Fidelity Mutual Fund New Account Application, SIII 00001.

[907] 1/14/02 letter from "Inge Lynn Collins" to Fidelity closing her individual account and transferring the funds to the Collins Trust account, SIII 00267; 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-0002. See also SIII 00543-548 for account statement activity.

[908] See, e.g., 4/14/00 checks from Ms. Collins Bongo, HSBC-PSI 037122-23; 3/29/04 check from Ms. Collins Bongo, SIII 00153. According to Fidelity, it is common for money market mutual fund account holders to be issued a checkbook for check writing activities. See 12/28/09 Fidelity letter to the Subcommittee, PSI-Fidelity-03-0001-5.

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her name or the name of the Collins Trust.[909] By using her Fidelity mutual fund account as if it were a checking account, Ms. Collins Bongo was able to disburse funds outside of the anti-money laundering controls in place at U.S. banks.

The Collins Trust account was initially funded with two large deposits totaling nearly $3 million.[910] The first deposit, on December 29, 1999, was a check for about $406,000.[911] Documentation indicates those funds were proceeds from a house sale for $700,000.[912] On December 30, 1999, in excess of $2.5 million was deposited into the account via a wire transfer sent by Mara Escrow Company, a California escrow company that handles real estate transactions.[913] This $2.5 million transfer was the largest single transaction in the Collins Trust account at Fidelity and provided the majority of the funds in the account.

Moving Funds. Over the next two years, documentation shows that the Collins Trust account at Fidelity repeatedly sent large sums, ranging from $10,000 to $100,000 at a time, to a network of other financial institution accounts opened in the name of Inge Lynn Collins or the Collins Trust.[914] These transfers to other accounts, totaling nearly $2 million, were disbursed primarily from 2000 to 2002. In addition, the Collins Trust account issued numerous checks, often in rounded numbers ranging from $2,000 to $50,000, that appear to have been cashed. These transactions continued until late 2002. After that, the account showed increasingly less activity until 2005, after which only an occasional transaction took place.

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[909] See, e.g., 2000 Fidelity Account History, SIII 00011; 2001 Fidelity Account History, SIII 00014.

[910] 1999 Fidelity Account History, SIII 00010. The Account History indicates that Ms. Collins Bongo also attempted twice to make a $70,000 deposit on December 10, 1999, but that deposit was twice "canceled" the same day. Id. Fidelity does not have any information as to why the deposit was canceled. 12/28/09 Fidelity letter to Subcommittee, PSI-Fidelity-03-0001-5.

[911] 1999 Fidelity Account History, SIII 00010.

[912] See 12/27/99 letter from Joseph E. Mudd, legal counsel, to Ms. Collins Bongo, HSBC-PSI 037120. See also 12/27/99 cashier's check to the Collins Trust, SIII 00541; 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, PSI-Fidelity-02-0003.

[913] December 1999 Fidelity Investments Account History, SIII 00010. See also 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, PSI-Fidelity-02-0003. The Subcommittee contacted Mara Escrow Company to obtain records related to this transfer, but Mara informed the Subcommittee that it had destroyed the records in 2009 under its record retention policy. Subcommittee interview of Mara Escrow, January 12, 2010.

[914] The Fidelity account was also used to pay for certain living expenses.

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Key transactions involving transfers from the Collins Trust account at Fidelity to other accounts include the following:

SELECT TRANSFERS FROM COLLINS TRUST ACCOUNT AT FIDELITY INVESTMENTS					
Date	**Amount**	**Originator**	**Beneficiary Bank**	**Ultimate Beneficiary**	**Bates**
2/9/00	$ 75,000	Collins Trust	Union Bank of California	Check written to cash, cashed by Inge Collins	SIII 00286-87
2/22/00	$ 25,000	Collins Trust	Union Bank of California	Check written to cash, cashed by Inge Collins	SIII 00312
3/17/00	$ 20,000	Collins Trust	Union Bank of California	Check written to cash, cashed by Inge Collins	SIII 00318
4/14/00	$125,000	Collins Trust	HSBC	Two checks written to Collins Trust account	SIII 00308-09
5/19/00	$ 50,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00310-11, HSBC-PSI 032688
6/9/00	$100,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00315-16, HSBC-PSI 032691
7/3/00	$ 75,000	Collins Trust	HSBC	Check written to Republic Bank, deposited in Trust account	SIII 00336-37, HSBC-PSI 032698
11/9/00	$ 50,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00350-51, HSBC-PSI 032712
1/8/01	$ 50,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00382-83, HSBC-PSI 032719
1/24/01	$ 40,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00292-93, HSBC-PSI 032720
2/9/01	$ 30,000	Collins Trust	HSBC	Check written to Inge Collins, deposited in Trust account	SIII 00300-01, HSBC-PSI 032722
3/2/01	$ 75,000	Collins Trust	City National Bank	Check written to Inge Bongo, deposited in Trust account	SIII 00356-57,
4/10/01	$ 50,000	Collins Trust	City National Bank	Check written to Inge Collins, deposited in Trust account	SIII 00386-87, SIII 00143
4/27/01	$ 50,000	Collins Trust	Unknown	Check written to Inge Bongo, deposited in Trust account	SIII 00013, SII 00392-93
6/29/01	$520,167	Collins Trust	Unknown	Wire transfer to Mara Escrow Company* *Funds were ultimately returned to the Collins Trust and this was not included in the final amount.	PSI-JPMorganChase -07-0002, SIII 00014, PSI Fidelity-02-0003
9/25/01	$ 51,000	Collins Trust	Unknown	Check written to Mara Escrow Company	SIII 00419
10/26/01	$273,000	Collins Trust	Unknown	Wire transfer to Mara Escrow Company	SIII 00014, SIII 00249
2/1/02	$ 20,000	Collins Trust	Union Bank of California	Check written to BH Mercedes Benz Ltd.	SIII 00017, SIII 00433-34
2/14/02	$ 15,000	Collins Trust	Unknown	Check written to Inge Bongo	SIII 00437-38

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4/2/02	$ 20,000	Collins Trust	HSBC	Check written to Collins Trust	SIII 00140
5/30/02	$ 50,000	Collins Trust	HSBC	Check written to Collins Trust	SIII 00141-42, HSBC-PSI-021153
9/9/02	$ 12,000	Collins Trust	HSBC	Check written to Collins Trust	PSI-HSBC-42-0004
9/13/2002	$ 10,000	Collins Trust	HSBC	Check written to Collins Trust	PSI-HSBC-42-0004
3/24/04	$ 82,675	South Beverly Wilshire Jewelry and Loan	Fidelity	Check written to Inge Bongo Collins, deposited in Trust account	SIII 00149, SIII 00068
3/26/04	$ 50,000	Inge Collins Bongo	Fidelity	Cashiers check written to Collins Trust	SIII 00150-51, SIII 00068
3/29/04	$ 12,000	Collins Trust	Washington Mutual	Check written to Collins Revocable Trust	SIII 00153
4/30/04	$ 20,000	Collins Trust	Washington Mutual	Check written to Collins Revocable Trust	SIII 00177, SIII 00073
5/24/04	$ 14,995	Collins Trust	Washington Mutual	Wire transfer to Inge Lynn Collins, deposited in Collins Trust account	Collins Revocable Trust.xls (Deutsche Bank)
11/30/05	$ 30,000	Collins Trust	Fidelity	Check written to "Fidelity Cash Reserves, deposited in Collins Trust account	SIII 00152, SIII 00096
TOTAL: $1,995,837.00			**Sources - Multiple**		

Prepared by Subcommittee

Fidelity told the Subcommittee that, until contacted as part of this investigation in the fall of 2008, it had not been aware of Ms. Collins Bongo's PEP status.[915] It re-classified her as a PEP on April 15, 2009.[916] Fidelity told the Subcommittee that, as result of the Subcommittee's inquiry, it conducted an additional review of the Collins Trust account and found no significant account activity since 2007.[917] From 2007 to April 2009, the account held only a de minimus amount.[918]

(2) HSBC Bank

On April 14, 2000, four months after opening the mutual fund account for the Collins Trust at Fidelity, Ms. Collins Bongo also opened Checking Account No. 6030051848 and Savings Account No. 2030005263 in the name of the Collins Trust at Republic Bank California, which merged with HSBC that same year.[919] Almost a year

[915] Subcommittee interview of Fidelity officials, April 24, 2009.
[916] Id.
[917] Subcommittee interview of Fidelity officials, April 24, 2009; 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-0002.
[918] 4/3/09 letter from Mintz Levin, legal counsel to Fidelity Investments, to the Subcommittee, PSI-Fidelity-02-0002. See letter from Fidelity to Subcommittee dated December 28, 2009.
[919] 4/14/07 Republic Bank California account opening documentation, HSBC-PSI 037110. Lori Graf was the account officer when the account was opened. In November 2000, the account numbers changed as Republic Bank's systems were merged into the HSBC systems. Checking

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later, on February 20, 2001, Ms. Collins Bongo opened a second checking account in the name of the Collins Trust, No. 178-70827-5, and later transferred the funds from both of the earlier accounts into that new account.[920]

The April 2000 HSBC account opening documentation identified Ms. Collins Bongo as the sole trustee of the Collins Trust.[921] A "Know Your Customer Form" stated that the source of funds for the account was a "trust fund."[922] It also indicated that Ms. Collins Bongo had no employer. She was listed as the sole signatory on both the checking and savings accounts, and would be the sole signatory on the second checking account that would be opened the following year.

At the time of the account opening, Ms. Bongo provided the bank with a U.S. passport and a California driver's license.[923] Her passport listed her name as Inge Lynn Collins; it did not contain the name "Bongo." Her driver's license, in contrast, listed her name as "Inge Alia Bongo." In addition, an HSBC document containing a copy of her driver's license photograph included a handwritten inscription at the bottom: "Ali Bongo Circle" with an address, suggesting that the bank was aware at the time that she was married to Ali Bongo.[924] According to the bank, it did not know at the time that Mr. Bongo was the Gabon Minister of Defense.[925]

The two initial HSBC checking and savings accounts were funded with $125,000 from the Collins Trust account at Fidelity Investments. On the day the accounts were opened, April 14, 2000, Ms. Collins

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Account No. 6030051848 became Account No. 178-02673-5. November 2000 HSBC account statement, HSBC-PSI 032713. Savings Account No. 2030005263 became Account No. 178-45266-1. November 2000 HSBC account statement, HSBC-PSI 032741.

[920] See April 2001 HSBC account statement, HSBC-PSI 032727 ($1,343.98 was transferred on 4/25/01 from the old checking account into the new Collins Trust checking account); July 2001 HSBC account statement, HSBC-PSI 032749 ($4,522.65 was transferred on 7/5/01 from the savings account into the new Collins Trust checking account); April 2001 HSBC account statement, HSBC-PSI 021100; July 2001 HSBC account statement, HSBC-PSI 021110. This new checking account was apparently opened when Ms. Collins Bongo hired the Marie Ambrosino Management firm to handle her business affairs, including the Collins Trust accounts. In February 2001, all three Collins Trust accounts were re-designated as "The Collins Revocable Trust c/o Marie Ambrosino Mgmt." About seven months later, Ms. Collins Bongo stopped using that management company. See 9/18/01 letter from "Inge Collins-Bongo" to Fidelity Investments ("Effective immediately, I no longer retain the firm of Marie Ambrosino Management to handle my business affairs.") SIII 00273. See also 2/7/03 internal HSBC email, HSBC-PSI 037105.

[921] 4/14/00 Republic Bank California Trustee Declaration, HSBC-PSI 037125.

[922] 4/14/00 Republic Bank California account opening documentation, HSBC-PSI 037110.

[923] U.S. passport and California driver's license of Ms. Collins Bongo, HSBC-PSI 037111-12.

[924] Id.

[925] Subcommittee interview of HSBC officials, December 22, 2009. The Patriot Act, which imposed the first statutory obligations for banks to establish AML programs, customer identification programs, and enhanced due diligence for accounts opened for senior foreign political figures, their relatives, and close associates would not be enacted into law until October 2001, a year after this account was opened.

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Bongo deposited two checks, imprinted at the top with "Collins Revocable Trust," and drawn on the Fidelity Investments mutual fund account.[926] One check was for $100,000 and was deposited into the checking account; the second check was for $25,000, and deposited into the savings account.[927]

As part of the account opening documentation, Ms. Collins Bongo gave Republic Bank a letter from her legal counsel which noted that a check payable to Collins Trust for the amount of $406,099.87 was enclosed.[928] The letter noted that Ms. Collins Bongo had recently sold a house for $700,000.[929]

Wire Transfers. Over the course of the following two and a half years, the Collins Trust accounts received about $650,000 sent via large wire transfers from accounts in Gabon, Luxembourg, and Belgium. These wire transfer deposits typically arrived four to six weeks apart. The largest group of these wire transfer deposits, totaling about $350,000, was sent by an entity called "Sofinpar" from accounts in Luxembourg and Belgium. When asked about this entity, HSBC told the Subcommittee that "we believe that Sofinpar is a holding company located at Val ST. Andre 37, Luxembourg 1128. Georges Rocofford is listed as a partner."[930] When asked about the multiple transfers from that company to Ms. Collins Bongo, HSBC responded that the transfers should have received additional scrutiny.[931]

Another large wire transfer deposit, in April 2002, for over $307,000, came from "Accrombessi Maixent" in Gabon. When asked about this transfer, HSBC told the Subcommittee that "Accrombessi Maixent is either an individual or a company engaged in management consulting located in Paris, France at 83 Rue Michel Ange."[932] It did not have any additional information.

Two additional large deposits came from two California escrow agents. Over $367,000 was wire transferred into the account in September 2001, by Signature Escrow, and over $264,000 was wire transferred into the account in May 2002, from Star Escrow. Finally, over the same two and a half year period, the HSBC Collins Trust account received over $500,000 from the Collins Trust account at Fidelity Investments, later sending back about $70,000 to that Fidelity account.

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[926] 4/14/00 checks to the Collins Trust, HSBC-PSI 037122-23.
[927] April 2000 HSBC account statement, HSBC-PSI 032687; June 2000 HSBC account statement, HSBC-PSI 032734.
[928] 12/27/99 letter from Mr. Mudd to Ms. Bongo, HSBC-PSI 037120.
[929] Id.
[930] 5/6/08 HSBC's written response to Subcommittee questions, PSI-HSBC-36-0001-12.
[931] Subcommittee interview of HSBC officials, May 2, 2008.
[932] 8/12/08 HSBC's written response to Subcommittee questions, PSI HSBC 42-00004.

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The HSBC bank statements show multiple withdrawals each month from the Collins Trust account, primarily via checks written in round numbers for amounts that were often for less than $10,000, but on occasion reached as high as $100,000. The largest single withdrawal from the account was a $251,000 wire transfer in October 2001, sent to the Mara Escrow Company.

The key transactions involving the HSBC Collins Trust account include the following:

SELECT TRANSACTIONS INVOLVING COLLINS TRUST ACCOUNT AT HSBC

Date	Amount	Originator	Ordering Bank	Ultimate Beneficiary	Bates
4/14/00	$ 125,000	Fidelity		Two checks written to Collins Trust accounts at HSBC	HSBC-PSI 032687, 734
8/7/01	$ 19,978	Sofinpar		Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032610
9/14/01	$ 86,376	Signature Escrow		Wire transfers to Collins Trust account at HSBC	HSBC-PSI 032612, PSI-HSBC 42-0004-05
10/29/01	$ 250,959	Collins Trust		Wire transfer to Mara Escrow Company	HSBC-PSI 032614
11/2/01	$ 29,975	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust accounts at HSBC	HSBC-PSI 032616
1/2/02	$ 14,978	Sofinpar	KBC Bank Luxembourg	HSBC Collins Trust	HSBC-PSI 032620
1/31/02	$ 6,978	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032620
2/27/02	$ 29,978	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032622
4/3/02	$ 307,985	Accrombessi Maixent	Banque Internationale, Gabon	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032626
4/10/02	$ 50,000	Collins Trust		Check written to Inge Collins, deposited in Trust account at Fidelity	SIII 00142
4/15/02	$ 50,000	Collins Trust		Check illegible	HSBC-PSI 032626, 037939
4/24/02	$ 100,000	Collins Trust		Check written to South Beverly Wilshire Loan	HSBC-PSI 032626, 037940
5/10/02	$ 264,137	Star Escrow	Comerica Bank, South Gate, California	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032628
6/4/02	$ 50,000	Collins Trust		Check written to Collins Rev. Trust	HSBC-PSI 021153, 037941
6/11/02	$ 26,978	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032630

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7/20/02	$ 29,975	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032632
8/26/02	$ 79,978	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032634
9/15/02	$ 24,978	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032637
9/17/02	$ 22,000	South Wilshire Jewelry and Loan		Check written to Colllins Trust account at HSBC	PSI-HSBC 42-0004
10/16/02	$ 29,976	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032639
1/22/03	$ 19,976	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032646
2/10/03	$ 19,976	Sofinpar	KBC Bank Luxembourg	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032648
2/21/03	$ 14,976	Sofinpar	KBC Bank Belgium	Wire transfer to Collins Trust account at HSBC	HSBC-PSI 032649
TOTAL: $1,655,158			**Source - HSBC**		

Prepared by Subcommittee

$70,000 Cash Deposit. The evidence indicates that none of the large wire transfers from unusual jurisdictions and none of the $100,000 or $50,000 checks attracted the attention of HSBC anti-money laundering officials. On November 25, 2002, however, Ms. Collins Bongo made a cash deposit of $70,000 into the Collins Trust checking account. That cash deposit triggered a bank alert and a review of the account activity.

An HSBC compliance officer contacted the HSBC Beverly Hills branch manager for information about the Collins Trust and Ms. Collins Bongo. On 12/17/02, nearly three weeks after the cash deposit, the branch manager responded: "This account was transferred from private banking dept. I don't know anything about the client."[933] A few hours later the same day, the branch manager wrote: "I know nothing about the client. What should I do?"[934] Two weeks after that, on January 31, 2003, the HSBC compliance officer wrote:

> "I'm not getting anywhere on this. She deposited 70,000 in cash on 11/25 and I have to explain the source of funds. The CTR indicates homemaker in the occupation field, the KYC indicates trust fund as the source of funds and according to Linda and Vicki

[933] 12/17/02 internal HSBC email, HSBC-PSI 037132.
[934] Id., at 037130.

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she is a princess from a foreign country. I need your help. She is Inge Collins Bongo."[935]

Later the same day, the compliance officer sent an email to a senior vice president in the HSBC Private Bank, and asked for information on the customer.[936] A few days later, on February 3, 2003, the Beverly Hills branch manager sent an email to the compliance officer: "I don't know what to tell you, this client was transferred to the branch recently. Who was the account officer? Did you asked [sic] the account officer."[937]

The next day, February 4, 2003, the HSBC compliance officer again asked the Private Bank senior vice president for assistance.[938] He responded by sending an email to several HSBC employees, asking if any of them had the Collins Trust as a client and, if so, to respond to the compliance officer.[939] One private banker replied that Ms. Collins Bongo "used to be a client" of two other private bankers but had not been a client "for several years." She wrote that Ms. Collins Bongo was "a S. African princess – she travels extensively."[940] In response, the compliance officer sent an email to one of the private bankers who used to have Ms. Collins Bongo as a client and asked her: "[W]as this one of your clients? If so, please explain the source of cash and reason for the cash deposit. Also, please complete the $50,000 or more cash transaction report. The transaction occurred on November 25, 2002." [941]

When no response was received, the investigation was elevated to a senior HSBC compliance officer who, on February 7, 2003, sent an email to the private banker asking: "What is known about this client, the trustee and the $70,000 cash deposit. It is critical that this gets answered ASAP. Call me."[942] That same day, on February 7, 2003, the private banker responded:

"Inga Collins has been a client of Republic/HSBC for a few years now. She was originally with Lori Graf, when she was represented by a business manager that was a client of Lori's. She subsequently changed business mangers to Marie Ambrosino, whom I have had a relationship with for a number of years. As a result, she became my client. She has since left Marie and to the best of my knowledge, is not represented by a business manager. She is married to an African Diplomat. She says that is why she has

[935] 1/31/03 internal HSBC email, HSBC-PSI 037134.
[936] Id., at 037133.
[937] 2/3/03 internal HSBC email, HSBC-PSI 037131.
[938] 2/4/03 internal HSBC email, HSBC-PSI 037129.
[939] Id.
[940] Id., at 037133.
[941] Id., at 037106.
[942] 2/7/03 internal HSBC email, HSBC-PSI 037105.

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unusual cash activities/transactions. However, I don't personally know her that well. Whatever procedure we need to follow to feel comfortable with this, or not – should that be our decision – is fine with me. Please advise."[943]

While this AML review of the Collins Trust account was continuing, three more wire transfers from a Sofinpar account in Belgium, added about $55,000 to the Collins Trust account at HSBC, apparently with no questions asked.[944]

On February 10, 2003, the senior compliance officer wrote to the director of the HSBC USA Financial Intelligence Group:

> "I have come across a name that might be related (strong possibility) to the Bongo's in Gabon. Can you help out. We have an account The Collins Revocable Trust, and the Trustee is Inge Alia Bongo (CA drivers license – issued in 1999). Her passport has her a[s] Inge Lynn Collins (issued in 1991). … I understand her husband is a diplomat (getting more from account officer) and she has received wires from Gabon. Can you check if she has married into the Gabon President's family?"[945]

Within days, HSBC was able to confirm that Ms. Collins Bongo was married to Ali Bongo and related to President Omar Bongo's family in Gabon.

In mid-February 2003, three months after the $70,000 cash deposit, the HSBC compliance department recommended closing the account due to Ms. Collins Bongo's connection to the Bongo family in Gabon.[946] The account was not, however, immediately closed. On March 18, 2003, the senior compliance officer sent an email to the private banker noting that the Collins Trust account was still open, had an overdraft of $467, and must be closed "ASAP."[947] The next day, March 19, 2008, the senior compliance officer wrote to both the Beverly Hills branch manager and the private banker and requested that a restraint be placed

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[943] Id. See also 9/18/01 letter from Inge Collins Bongo to Fidelity Investments advising that she no longer retained the firm of Marie Ambrosino Management to handle her business affairs. SIII 00273.

[944] See 2003 HSBC statements, HSBC-PSI 032646 ($19,976 deposit from Sofinpar on 1/22/03), HSBC-PSI 021187 ($19,976 deposit from Sofinpar on 2/10/03), HSBC-PSI 021188 ($14,976 deposit from Sofinpar on 2/21/03).

[945] 2/10/03 internal HSBC email, HSBC-PSI 037137.

[946] 8/12/08 HSBC's written response to Subcommittee questions, PSI HSBC 42-0003, HSBC writes that "We believe the account was directed to be closed by compliance officials in accordance with HBUS procedure, and with the full support of the relevant business unit."

[947] 3/18/03 internal HSBC email, HSBC-PSI 037104.

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on the account so that no additional checks would be honored.[948] The restraint was imposed, Ms. Collins Bongo paid the overdraft, and a month later, HSBC closed the account on April 11, 2003.[949]

When asked why it took the bank nearly four months – from November to April – to close the account after the $70,000 cash deposit triggered a review of account activity, HSBC told the Subcommittee that once it discovered in February 2003, that the Collins Trust was associated with the Bongo family of Gabon, it acted quickly to close the Collins Trust accounts.[950]

On February 7, 2003, an HSBC compliance official sent an email to the senior compliance officer and wrote:

> "I would be grateful if you could arrange for searches to be made in your region in order to determine whether any member of the Group maintains any account or other relationship with" President Omar Bongo or "any other members of the Bongo family."[951]

The senior compliance officer responded the same day: "No match found in these names."[952] Yet that very month, at the HSBC Manhattan South Branch in New York City, Yamilee Bongo-Astier made a cash deposit into her checking account of more than $107,000. HSBC told the Subcommittee that its search had failed to identify her account because she used Bongo as her middle, rather than her last name.[953]

(3) Analysis

For ten years, from 1999 to 2009, Ms. Collins Bongo maintained a Collins Trust account at Fidelity Investments. In addition, for three years, from 2000 to 2003, she had Collins Trust accounts at HSBC. Both financial institutions were unaware for years of her PEP status, her marriage to the Gabon Minister of Defense, and her association with the Bongo family of Gabon. Their lack of awareness was due in part to her use of Collins, rather than Bongo, to open the accounts and carry out the transactions.

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[948] 3/19/03 internal HSBC email, HSBC-PSI 037102. See also 8/12/08 HSBC's written response to Subcommittee questions, PSI-HSBC 42-0003. According to HSBC, a restraint is used to freeze an account.
[949] 4/11/03 internal HSBC email, HSBC-PSI 037099.
[950] Subcommittee interview of HSBC officials, May 2, 2008. HSBC also noted that both the Collins Revocable Trust and the Yamilee Bongo accounts were opened prior to the passage of the Patriot Act.
[951] 2/7/03 internal HSBC email, HSBC-PSI 037108-09.
[952] Id.
[953] 2/2/10 letter from HSBC's legal counsel to the Subcommittee, at 13.

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Early on, from 2000 to 2002, Ms. Collins Bongo used her Fidelity mutual fund account like a checking account to move nearly $2 million among a network of accounts at other U.S. financial institutions. During the same period, she used her HSBC account to receive large wire transfers totaling nearly $650,000 from offshore locations, with no questions asked. When each financial institution finally took notice of an unusual transaction and examined the account activity, each quickly discovered Ms. Collins Bongo's PEP status. One bank, HSBC, reacted by closing her account; the other allowed the account to remain open in light of the minimal funds remaining and lack of recent activity.

The Collins-Bongo accounts demonstrate that PEPs have used securities accounts as well as bank accounts to gain access to the U.S. financial system, and have used a U.S. trust to open U.S. accounts, transfer funds, and avoid the enhanced monitoring that might have been applied to an account bearing the name of a widely known PEP.

E. Conclusion

This case history exposes a variety of tactics used by President Omar Bongo to exploit weak AML and PEP controls at U.S. financial institutions. In one instance, he transferred over $18 million to the bank accounts of a U.S. lobbyist and then directed that lobbyist to wire transfer millions of dollars to accounts across the United States and around the world on his behalf. In another, he brought undeclared cash into the United States, directed his daughter to deposit the cash in her U.S. bank accounts or safe deposit boxes, and used the cash not only to support her living expenses, but also on occasion to purchase vehicles and U.S. real estate. In the last instance, his daughter-in-law, wife of the current President of Gabon, made use of a U.S. trust and a U.S. securities account to receive and move more than $2 million through U.S. financial institutions. Like the Obiang case history before it, the tactics exposed in this case history demonstrate the importance of strengthening U.S. AML and PEP safeguards to keep foreign corruption outside of the United States.

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V. ABUBAKAR CASE STUDY: USING OFFSHORE COMPANIES TO BRING SUSPECT FUNDS INTO THE UNITED STATES

Jennifer Douglas Abubakar, a U.S. citizen, is the fourth wife of Atiku Abubakar, the former Vice President of Nigeria and a former candidate for the Presidency of Nigeria. This case history examines how, from 2000 to 2008, Ms. Douglas helped her husband bring over $40 million in suspect funds into the United States, including at least $1.7 million in bribe payments from Siemens AG, a German corporation, and over $38 million from little known offshore corporations, primarily LetsGo Ltd. Inc., Guernsey Trust Company Nigeria Ltd., and Sima Holding Ltd.

Over half of the suspect funds, nearly $25 million, were wire transferred by the offshore corporations into U.S. bank accounts opened by Ms. Douglas. For most of the time period examined, the U.S. banks with those accounts were unaware of Ms. Douglas' PEP status, and allowed multiple large wire transfers into her accounts from the offshore corporations. As, over time, each of the banks began to question the wire transfers into her accounts, Ms. Douglas indicated that all of the funds came from her husband and professed little familiarity with the offshore corporations actually sending her money.

Bank records indicate that Ms. Douglas used most of the funds placed into her accounts to support a lavish lifestyle in the United States, paying credit card bills and household expenses in the range of $10,000 to $90,000 per month, including substantial legal and accounting bills. She also transferred funds to accounts she opened for the Gede Foundation, a nonprofit corporation she established in 2002, and the American University of Nigeria (AUN), a university that Mr. Abubakar founded in 2003, and whose name reflects its association with American University in the United States.

An additional $14 million of the suspect funds were wire transferred by two of the offshore corporations, LetsGo and the Guernsey Trust Company, to American University to pay for consulting fees related to AUN. American University officials told the Subcommittee that they understood the funds came from Mr. Abubakar and never inquired why the wire transfers were sent by unfamiliar offshore corporations. At least another $2.1 million was wire transferred by the Guernsey Trust Corporation to accounts controlled by Edward Weidenfeld, a U.S. lawyer who provided legal services to Ms. Douglas, Mr. Abubakar, and AUN. Mr. Weidenfeld explained that the funds paid for the Abubakars' legal expenses and an account set up for AUN, and that he had assumed the funds came from Mr. Abubakar.

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Over the years, questions have been raised about the source of Mr. Abubakar's wealth. He spent twenty years in the Nigerian Customs Service, and then worked in the private sector for ten years, before serving as Vice President of Nigeria from 1999 to 2007. While Vice President, Mr. Abubakar was the subject of corruption allegations relating to the Nigerian Petroleum Technology Development Fund. In December 2008, the U.S. Securities and Exchange Commission alleged in a formal complaint against Siemens AG, a German company, that, among other actions, in 2001 and 2002, Siemens wire transferred $2.8 million in bribe payments to a U.S. bank account belonging to Ms. Douglas as part of a scheme to bribe Nigerian officials. In response to this and other legal actions, Siemens admitted to engaging in widespread bribery payments, pled guilty to criminal violations and settled civil violations of the U.S. Foreign Corrupt Practices Act, and agreed to pay over $1.6 billion in civil and criminal fines. Ms. Douglas has denied any wrongdoing, but the Subcommittee has obtained financial records showing the transfer of over $1.7 million from Siemens AG to Ms. Douglas' account at Citibank.

Mr. Abubakar has attributed his substantial wealth to fortunate investments. His wealth is attributable in part to a 16% ownership interest he held in Integrated Logistics Services Inc. (Intels), an oil services company formed in the 1980s, which has now become one of the largest Nigerian companies in the oil industry in Africa. When Mr. Abubakar took office in 1999, he placed his Intels shares in a blind trust. Instead of selecting an independent trustee from a financial firm, however, Mr. Abubakar appointed as trustee of the blind trust Orlean Invest Holding Ltd. (Orlean), a Panamanian corporation that is active in the oil industry in Africa, is closely associated with Intels, and is owned in part by Gabriele Volpi, Mr. Abubakar's trusted friend and business partner. Orlean served as trustee of the Abubakar Blind Trust from 1999 to 2003, when the trustees exchanged the Intels shares for shares in Orlean, thereby making the trust part owner of its own trustee. Orlean then resigned from the Abubakar Blind Trust and was replaced by Guernsey Trust Company Nigeria Ltd., a Nigerian shell company that was formed the day before the appointment. Mr. Volpi is one of three trustees of the Guernsey Trust Company whose sole activity is managing the Abubakar Blind Trust.

From 2003 to 2008, the Guernsey Trust Company wire transferred over $10 million into the United States, including about $7 million into Douglas and AUN accounts; $2.1 million into the Weidenfeld law firm and AUN accounts; and $900,000 into American University accounts. Two other offshore corporations, LetsGo Ltd. and Sima Holdings Ltd., both of which are private corporations beneficially owned by Mr. Volpi and his family members, wire transferred nearly $27 million into the

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United States, including about $8 million into Ms. Douglas' accounts; $5.5 million into AUN accounts; and $13.1 million into American University accounts. Mr. Volpi told the Subcommittee that LetsGo and Sima Holdings sent millions of dollars to Ms. Douglas in connection with Mr. Abubakar's ownership interest in Intels and a line of credit that LetsGo had extended to the Abubakar Blind Trust.

A. Background

Nigeria. Nigeria is located on the west coast of Africa, on the Gulf of Guinea. With more than 145 million citizens, it is the eighth most populous country in the world, and the most populous nation on the African continent.[954] Nigeria has a diverse ethnic make-up, with three major ethnic groups, the Hausa, Ibo, and Yoruba, comprising nearly 40% of the population.[955] The official language of Nigeria is English, and the official currency is the naira. The predominant religions are Christianity and Islam, with Islam predominant in the north of the country, and Christianity predominant in the south.[956]

Nigeria gained its independence from the United Kingdom on October 1, 1960,[957] and now operates as a federal republic of 36 states. Following years of military rule, Nigeria elected its first President in 1999, Olusegun Obasanjo, who was re-elected in 2003. Mr. Abubakar was his Vice President. In 2007, Umaru Yar'Adua won election as President over Mr. Abubakar and another candidate, marking the first peaceful civilian transfer of power in Nigeria. International observers nevertheless criticized the 2007 election, citing vote rigging and fraud. The European Union described the election as "not credible," and the United States described it as "deeply troubling."[958] The President of Nigeria holds a maximum of two, four-year terms. The country also has a bicameral legislature and 36 state governors.[959]

Nigeria ranks among the top ten nations in the world in proven oil reserves,[960] and is the second largest oil producer in Africa.[961] It is one

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[954] United Nations, Department of Economic and Social Affairs, 2008 Population Report http://www.un.org/esa/population/publications/wpp2008/wpp2008_text_tables.pdf.
[955] Embassy of Nigeria, http://www.nigeriaembassyusa.org/thisisnigeria.shtml.
[956] The New York Times, "Deadly Nigeria Clashes Subside," November 30, 2008; see online at http://www.nytimes.com/2008/12/01/world/africa/01nigeria.html?hp.
[957] CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html.
[958] The Guardian, "Ruling Party Named Winner in Disputed Nigerian Election," April 24, 2007; see online at http://www.guardian.co.uk/world/2007/apr/24/chrismcgreal.international.
[959] CIA World Factbook, http://www.nigeriaembassyusa.org/thisisnigeria.shtml.
[960] U.S. Department of Energy, Energy Information Administration, World Proved Reserves of Oil and Natural Gas, Most Recent Estimates, March 3, 2009; http://www.eia.doe.gov/emeu/international/reserves.html.
[961] Africa: The Good News, "Africa's Major Oil Producers," February 17, 2009, http://www.africagoodnews.com/energy/africas-major-oil-producers.html.

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of the world's largest exporters of oil, and its economy is highly reliant on oil revenues, which make up about 95% of generated revenues in the country.[962] Its oil production facilities are concentrated in the Niger Delta region, which is an impoverished area despite its oil reserves. Militants have staged numerous attacks against the area's oil production facilities, demanding that a greater share of oil proceeds be allocated to the region. A World Bank report notes that 80% of Nigeria's oil wealth benefits only 1% of the population,[963] and the United Nations currently ranks Nigeria as among the world's worst performing countries in life expectancy and infant mortality rate.[964] In addition, the 2008 U.S. State Department's Human Rights Report characterizes Nigeria's human rights record as "poor" and states that "government officials at all levels continued to commit serious abuses."[965]

Corruption. Nigeria has long had a problem with corruption. The U.S. State Department's most recent Human Rights Report provides the following description of the corruption problem in Nigeria during 2008:

- "Corruption was massive, widespread, and pervasive, at all levels of government and society. The constitution provides immunity from civil and criminal prosecution to the president, vice president, governors, and deputy governors while in office."
- "Police mistreated civilians regularly to extort money."
- "According to the Swiss-based Centre on Housing Rights and Evictions, authorities demolished more than 800,000 homes in the Abuja area since 2003. There was widespread opinion that the demolitions were primarily motivated by corruption and discrimination based on socioeconomic class, since mostly lower and middle class persons lost their homes and property, which was sold to wealthy persons with connections to government officials once vacated."
- "The EFCC's anticorruption efforts waned, with little progress on prosecutions of federal, state, and local officials accused of corruption."[966]

The latest Transparency International Corruption Perception Index ranks Nigeria 121 out of 180 countries.[967]

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[962] Embassy of Nigeria, http://www.nigeriaembassyusa.org/thisisnigeria.shtml.
[963] Frontline (PBS), "Nigeria: The Hidden Cost of Corruption," April 24, 2009; see online at http://www.pbs.org/frontlineworld/stories/bribe/2009/04/nigeria-the-hidden-cost-of-corruption.html.
[964] The United Nations World Population Prospects: The 2008 Revision.
[965] U.S. State Department, "2008 Human Rights Report: Nigeria" February 25, 2009; http://www.state.gov/g/drl/rls/hrrpt/2008/af/119018.htm.
[966] Id.
[967] See Transparency International, 2008 Corruption Perception Index, http://www.transparency.org/policy_research/surveys_indices/cpi/2008.

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In 2002, then-President Olusegun Obasanjo created the Economic and Financial Crimes Commission (EFCC) to investigate and prosecute corruption.[968] Nuhu Ribadu was appointed as the first EFCC chair and experienced significant success, including prosecutions of government officials and the recovery of over $5 billion in stolen assets.[969] During one investigation of the Governor of the Niger Delta state, Mr. Ribadu was offered a $15 million dollar bribe, seized the money, and brought criminal charges against the Governor.[970] Mr. Ribadu was removed from his post soon thereafter, and experienced two attempts on his life. In a recent interview, Mr. Ribadu estimated that more than $380 billion had been lost to corruption in Nigeria since its independence.[971]

Until recently, Nigeria was considered non cooperative in the battle against money laundering. In 2001, the Financial Action Task Force on Money Laundering (FATF) identified Nigeria as non-cooperative in the fight against money laundering.[972] The next year, in 2002, the U.S. Department of Treasury issued an advisory informing U.S. banks of the "serious deficiencies in the counter-money laundering systems of the Federal Republic of Nigeria" and warning that "banks and other financial institutions operating in the United States should carefully consider, when dealing with transactions (especially those involving large sums of money, whether in cash or by wire transfer), originating in or routed to or through Nigeria, or involving entities organized or domiciled, or persons maintaining accounts, in Nigeria, how the lack of adequate counter-money laundering controls in Nigeria affects the possibility that those transactions are being used for illegal purposes."[973] In 2006, due to Nigeria's enactment of AML laws, FATF removed Nigeria from its list of non-cooperative countries. In May 2007, Treasury withdrew its advisory to U.S. financial systems.[974]

Atiku Abubakar. For about twenty years, until 1989, Atiku Abubakar worked in the Nigerian Customs Service, rising to the rank of Deputy Director.[975] For the next ten years, he worked in the private sector with interests in oil, media, agriculture, pharmaceuticals, and

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[968] See Economic and Financial Crimes Commission (Nigeria) website, http://www.efccnigeria.org/.
[969] Washington Post, "Corruption Cop: A Conversation with Nuhu Ribadu, Anti-Corruption Crusader," May 24, 2009; see online at http://www.washingtonpost.com/wp-dyn/content/article/2009/05/22/AR2009052202025.html.
[970] Id.
[971] BBC News, "Nigerian Leaders 'Stole' $380bn," October 20, 2006, http://news.bbc.co.uk/2/hi/africa/6069230.stm.
[972] April 2002, FinCEN Advisory, Transactions Involving the Federal Republic of Nigeria.
[973] Id.
[974] May 2007, FinCEN Advisory Withdrawal re Transactions Involving Nigeria.
[975] See, e.g., Atiku: The Story of Atiku Abubakar, by Adinoyi Ojo Onukaba (African Legacy Press, 2006), available from the Library of Congress, No. DT 515.844.058 (hereinafter, "Atiku Biography"), at 155, 161-62. See also BBC News, "Profile: Atiku Abubakar," January 25, 2007, http://news.bbc.co.uk/2/hi/africa/6292141.stm.

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publishing.[976] Mr. Abubakar has been quoted in the media as stating that he became wealthy "through wise investments, hard work and sheer luck of being at the right place at the right time."[977]

In the 1980s, Mr. Abubakar entered into a business venture with Gabriele Volpi through a company formed to provide oil and natural gas services at African ports.[978] According to a biography of Mr. Abubakar, which was written with "his support and encouragement,"[979] Mr. Abubakar and Mr. Volpi formed this oil logistics company in the early 1980s, as a Nigerian corporation called Nigeria Container Services Inc. (NICOTES).[980] Mr. Volpi told the Subcommittee that he founded NICOTES in the early 1980s and invited Mr. Abubakar to become a director and shareholder in 1989.[981] Some sources indicate that the company had a third founder as well, the late General Shehu Musa Yar'Adua, a political mentor to Mr. Abubakar and the elder brother of the current President of Nigeria, Umaru Musa Yar'Adua.[982]

According to the Atiku Biography, in 1996, Sani Abacha, then President of Nigeria, seized control of the NICOTES shares belonging to

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[976] See Atiku Biography; BBC News, "Profile: Atiku Abubakar," January 25, 2007 http://news.bbc.co.uk/2/hi/africa/6292141.stm.

[977] BBC News, "Nigeria VP to run for president" November 25, 2006, http://news.bbc.co.uk/2/hi/africa/6184156.stm (quoting an Abubakar autobiography that has yet to be published). See also Atiku Biography at 136; BBC News, "Huge win for Nigeria's Yar'Adua," April 23, 2007, http://news.bbc.co.uk/2/hi/africa/6584393.stm.

[978] According to the Atiku Biography, Mr. Abubakar formed this company while he was a Customs official. While a 1991 Nigerian law bans public officers from engaging in private business activities (unless their public service employment is part time or the business relates to farming), that law was not in effect in the 1980s. See Code of Conduct Bureau and Tribunal Act, 2 Laws of the Federation of Nigeria (LexisNexis Butterworths) Cap. C15, § 6(b)(current through Mar. 2006)(official source).

[979] Atiku Biography, at viii. The author of the biography, Adinoyi Ojo Onukaba, was Mr. Abubakar's media adviser during his tenure as Vice President of Nigeria. In the book's acknowledgement, Mr. Onukaba wrote: "I would like to thank Vice President Atiku Abubakar for entrusting me with the story of his life and for his support and encouragement." He also thanked a number of Abubakar family members, friends, and associates for their assistance with the book. Id.

[980] Atiku Biography, at 136-37, 161, 187-88, 256-57, 302-303 ("Of all the businesses into which Atiku would venture, the most successful and the most lucrative would be a small oil servicing company he set up with an Italian business man in the early 1980s. … NICOTES would transform Atiku from a struggling civil servant and businessman to a fabulously wealthy man." Atiku Biography at 136-37).

[981] 1/29/10 letter from Mr. Volpi's legal counsel to the Subcommittee (hereinafter "1/29/10 Volpi letter"), at 4. According to Mr. Volpi's legal counsel, the correct name of the company is Nicotes Container Terminal Service Ltd.

[982] See, e.g., Africa Energy Intelligence, December 21, 2005, "Nigeria: Intels Hit by Political Squabbles" ("Intels was paying the price of being too closely connected to vice president Atiku Abubakar, who had a hand in setting up the group in 1988 with general Shehu Yar'Adua"), and June 27, 2007, "The Yar'Adua Family's Oil Holdings" (Shehu Yar'Adua … took part in founding the oil logistics and port concern Intels"); Point Blank News, "President Yar'Adua, Wife, Linked with Oil Smuggling, Bunkering," December 7, 2009, www.pointblanknews.com/os1057.html. According to the Atiku Biography, however, Shehu Yar'Adua was not a founder of the company, but was invited to become a 20% shareholder of NICOTES about a decade after the company was created. See Atiku Biography at 8, 156, 187-88, 195.

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Mr. Abubakar and Mr. Yar'Adua, and renamed the company Integrated Logistics Services Inc. (Intels).[983] After Mr. Abacha's death two years later in 1998, Mr. Volpi returned the shares to Mr. Abubakar.[984] Mr. Volpi confirmed this description of the company's development, stating through his legal counsel that Mr. Abubakar "was stripped of his financial interests in NICOTES" by General Abacha and that "Mr. Volpi made a moral agreement with Mr. Abubakar to restore Mr. Abubakar's forfeited financial interest as soon as the political circumstances would permit."[985] According to Mr. Volpi's legal counsel: "In 1999, Mr. Volpi and Mr. Abubakar agreed that Mr. Abubakar could reclaim a 16% holding of the issued share capital of Intel Services (Integrated Logistics Services) Limited, a Nigerian company and the successor NICOTES West Africa Services, Ltd. .... In 2003, Mr. Volpi and Mr. Abubakar agreed to reinstate Mr. Abubakar's full financial interest."[986]

Mr. Volpi is currently the managing director and chief executive officer of Intels. Gian Angelo Perruci of Italy and Daniel Sigaud of France are also reported to be senior managers of the company.[987] Intels is now one of the largest Nigerian companies in the African oil industry, operating oil terminals and oil services zones at ports in several countries including Nigeria, Angola, Equatorial Guinea, Gabon, and Sao Tome and Principe.[988] ExxonMobil told the Subcommittee, for example, that in less than three years, from 2006 to the fall of 2008, it paid more than $245 million to Intels West Africa Inc. and Intels Nigeria Inc., two Intels affiliates, for providing oil services in Nigeria.[989]

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[983] Atiku Biography, at 256-57, 302-03. See also, e.g., Africa Energy Intelligence, December 21, 2005, "Nigeria: Intels Hit by Political Squabbles" ("When general Sani Abacha seized power in 1993 he allowed cronies to take control of Intels. The company was returned to its founders on Abacha's death in 1998."); Point Blank News, "President Yar'Adua, Wife, Linked with Oil Smuggling, Bunkering," December 7, 2009, www.pointblanknews.com/os1057.html. According to Mr. Volpi's legal counsel, the company was renamed Intel Services (Integrated Logistic Services) Ltd.

[984] The biography states that Mr. Volpi secretly agreed to return the seized shares to the true owners "as soon as the situation was right." The biography quotes Mr. Abubakar as follows: "Volpi behaved honorably. ... For the two years that the Abacha and his men held the company and collected dividends worth millions of dollars, Volpi was still making secret payments to us." Atiku Biography at 257.

[985] 1/29/10 Volpi letter at 4.

[986] Id., at 4-5.

[987] See, e.g., Africa Energy Intelligence, "The Yar'Adua Family's Oil Holdings, "June 27, 2007, and "Angola: An Old Hand Back in Business," November 7, 2007, http://www.nigeriavillagesquare.com/articles/dr-gary-k.-busch/linza-mi-da-wu-ta-ma-ganin-mahaukacin-3.html.

[988] See, e.g., July 5, 2006 Africa Energy Intelligence "Nigeria: Intels in Charge Again," and "Nigeria: Intels," October 1, 2008 (describing Intels as having a "near monopoly ... in the oil logistics and ports sector in Nigeria"). See also Intels website, http://www.intelservices.com.

[989] 8/6/08 ExxonMobil written responses to Subcommittee questions, PSI-Exxon_Mobil-06-0001. Exxon told the Subcommittee that it made these payments through two Exxon subsidiaries: Mobil Producing Nigeria Unlimited (MPN) and Esso Exploration and Production Nigeria Limited (EEPN). Exxon-Mobil Attachment 5, (Nigeria) Payments to senior foreign

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After ten years in the private sector, in May 1999, Mr. Abubakar was elected Vice President of Nigeria under President Obasanjo. He held that position for eight years until May 2007. By the time he took office, Nigerian law banned full-time public officials from engaging in private business activities other than farming.[990] On July 22, 1999, Mr. Abubakar established a "Blind Trust" under Nigerian law.[991] According to the trustees, the Blind Trust was formed to hold and manage his "assets, business[es], and investments."[992] The sole asset placed in the trust was Mr. Abubakar's Intels shares, then representing "a 16% holding in the issued share capital of Intel Services (Integrated Logistic Services) Limited."[993]

Normally, blind trusts are managed by a trustee who is independent of both the grantor who places assets into the trust and the trust beneficiaries.[994] After appointment of the trustee, the trust grantor

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political figures, their relatives, or entity owned or controlled by such persons, PSI-Exxon-0118-19. Exxon identified these payments to Intels-related companies from 2006 to 2008:

Payee	2006 USD	2007 USD	2008 USD (through September)
Intel West Africa Lts.	$ 10,170,959.43	$ 9,460,437.42	$ 8,013,785.32
Intels Nigeria Ltd.	$ 98,768.72	$ 281,406.69	$ 813,084.78
Intel West Africa Ltd.	$ 37,429,643.95	$ 118,776,151.71	$ 29,862,791.83
Intels Nigeria Lts.	$ 406,472.15	$ 22,236,104.99	$ 7,898,653.11
Total	$ 48,105,844.25	$ 150,754,100.81	$ 46,588,315.04

[990] Nigerian law states that a public officer is not to "engage or participate in the management or running of any private business, profession or trade." See Code of Conduct Bureau and Tribunal Act, 2 Laws of the Federation of Nigeria Cap. C15 § 6(b)(current through Mar. 2006)(official source). Business is defined as "any profession, vocation, trade or any adventure or concern in the nature of trade, and excludes farming." In addition, the Nigerian Constitution states that public officers are "not to put themselves in a position where [their] personal interest[s] conflict with [their] duties and responsibilities." The Constitution of the Federation of Nigeria, 5th Schedule § 1 (enacted 1999). See also Law Library of Congress, "Nigeria: Restrictions on Business Activities of Public Officers," No. 2010-003703, January 2010.

[991] See 7/22/99 "Deed of Trust (Blind Trust)," PSI-Volpi-03-00007-16.

[992] See 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee, EW000001-03, at 01. The letter stated in part:

> "Our client is a Trust Corporation incorporated on the 9th of October 2003 and empowered pursuant to a Deed of Blind Trust dated 22nd July 1999 ('the Blind Trust') to hold as trustee and manage the assets, business and investments of Atiku Abubakar, a citizen of the federal Republic of Nigeria, and a former holder of the office of Vice-President of the Federal Republic of Nigeria. At the current time, the principal asset or investment held by our client as trustee for the said Atiku Abubakar is 16% of the shareholding equity in Orlean Invest Holdings Limited, ('Orlean') a company registered under the laws of Panama."

[993] Abubakar Blind Trust at 6. See also 11/11/09 letter from Guernsey Trust Company's legal counsel to the Subcommittee, EW000001-03, at 02; 1/29/10 Volpi letter at 2; 8/6/08 ExxonMobil written responses to Subcommittee questions, PSI-Exxon_Mobil-06-0001. The trust makes no reference to any other Abubakar business interests.

[994] According to the Congressional Research Service, a blind trust "is a device employed by a federal official to hold, administer and manage the private financial assets, investments and ownerships of the official, and his or her spouse and dependent children, as a method of conflict of interest avoidance. In establishing a qualified blind trust upon the approval of the appropriate

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and beneficiaries are typically unable to monitor the trust assets – hence the name "blind trust." In the case of the Abubakar Blind Trust, however, Mr. Abubakar did not appoint an independent trustee from a financial institution, but instead appointed corporations associated with Mr. Volpi, who has been described by Ms. Douglas and Mr. Abubakar's legal adviser, Edward Weidenfeld, as Mr. Abubakar's "trusted friend and business partner."[995]

The initial trustee of the Blind Trust, appointed in 1999, was a Panamanian corporation called Orlean Invest Holdings Ltd. (Orlean).[996] Orlean is another oil services company with offices in London, Nigeria, and several other west African countries, and closely associated with Intels.[997] Mr. Volpi has told the Subcommittee that he is the Chairman of Orlean, and that the Volpi Family Trust currently owns 63% of the company through Sima Holdings and a Liechtenstein trust called Adiana Stiftung.[998] The Subcommittee was told that, from 1999 to 2003, Orlean managed the Abubakar Blind Trust, including the Intels shares and "the profits generated thereby were utilised in developing new business initiatives and investments, particularly in Nigeria, Angola, Congo (Brazzaville) and the Ivory Coast."[999]

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supervisory ethics entity, the official transfers, without restriction, control and management of private assets to an independent trustee who may not communicate information about the identity of the holdings in the trust to the official. The trust is considered 'blind' because eventually, through the sale of transferred assets and the purchase of new ones, the public officer will be shielded from knowledge of the identity of the specific assets in the trust. Without such knowledge, conflict of interest issues would be avoided because no particular asset in the trust could act as an influence upon the official duties that the officer performs for the Government." Congressional Research Service, "The Use of Blind Trust by Federal Officials," September 23, 2005, No. Cod RS21656, September 23, 2005. See also, Business Dictionary, http://www.businessdictionary.com/definition/blind-trust.html, ("Blind trusts are created to avoid any potential conflict of interest between the duties of a public officeholder and his or her choice of investment portfolio. The trust funds are placed at the full discretion of a trustee (such as a trust company) independent of the trustor in name and reality.").

[995] 11/13/09 written response from Mr. Weidenfeld's legal counsel to Subcommittee questions, PSI-Abubakar_&_Weidenfeld-01-0031; 11/13/09 written response from Ms. Douglas Abubakar's legal counsel to Subcommittee queations, PSI-Abubakar_&_Weidenfeld-01-0020.

[996] 11/11/09 letter from Guernsey Trust Company's legal counsel to the Subcommittee, EW000001-03, at 01. Mr. Volpi told the Subcommittee that this company was incorporated in Panama in 1984 under the name Bivo Financial S.A., was renamed Orlean Invest Holding S.A. in 1985, was re-domiciled in 2004 in the British Virgin Islands, and was renamed again in 2004, as Orlean Invest Holdings Ltd.; 12/22/09 letter from Mr. Volpi's legal counsel, Venable LLP, to the Subcommittee, PSI-Volpi-02-0001-6.

[997] PSI-Volpi-02-0001-6.; www.orleaninvest.com (viewed 12-8-09); 2005 Business Week Special Advertising Section, "Africa's Energy Boom," at 1-2, 4 ("Another major operator in Nigeria is Orlean Invest Services Ltd. which through one of its subsidiaries, Intels (Integrated Logistics Services) plays a major role in an exciting project aimed at stimulating trade and export activities and attracting direct foreign investment. Intels is a worldwide leader in oilfield logistics with operational bases and service centers throughout the West African coast.").

[998] PSI-Volpi-02-0001-6.

[999] 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee at 2.

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According to the Guernsey Trust Company's legal counsel, in 2003, Orlean re-organized and "acquired Atiku Abubakar's beneficial interests in Intels Services Limited, for Orlean's benefit, and issued in consideration therefore, 16% of the shares in Orlean to the Blind Trust for the benefit of Atiku Abubakar."[1000] In other words, Mr. Abubakar exchanged his 16% ownership interest in Intels for an equivalent ownership interest in Orlean. His acquisition of the Orlean shares meant that he became a part owner of the trustee of his Blind Trust. Orlean also became a major shareholder of Intels.[1001]

The Subcommittee was told that, after this exchange of shares, Orlean retired as the trustee of the Abubakar Blind Trust and, on October 10, 2003, was replaced by Guernsey Trust Company Nigeria Ltd. (Guernsey Trust Company), a shell company formed one day earlier under the laws of Nigeria.[1002] Legal counsel to the Guernsey Trust Company told the Subcommittee that this company has three beneficial owners who provide the trustee services required by the Abubakar Blind Trust: Gabriele Volpi, Uyiekpen Giwa-Osagie, and Fati Akintola Kekere-Ekun.[1003] Mr. Giwa-Osagie is the managing partner in the Nigerian law firm, Giwa-Osagie & Associates, which provides legal advice to the Guernsey Trust Company.[1004] Mr. Kekere-Ekun is the chief executive officer and managing director of Habib National Bank Ltd. in Nigeria, a trustee on the AUN board of trustees, and was chosen in part due to "his reliability and relationship with Mr. Abubakar."[1005] The sole trust that is managed by the company is the Abubakar Blind Trust.

The Blind Trust states that it "shall operate for so long as the Beneficiary holds Government office in the Republic of Nigeria," and that upon his leaving office, "the Trustee shall transfer the ownership of record and management of the investment interest … to the Beneficiary

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[1000] Id. See also 8/6/08 ExxonMobil written responses to Subcommittee questions, PSI-Exxon_Mobil-06-0001, describing this exchange of shares.

[1001] Mr. Volpi told the Subcommittee that Orlean currently owns 70% of Intels Nigeria Ltd. but did not disclose Orlean's ownership share in the parent company, Integrated Logistics Services Inc. PSI-Volpi-02-0001-6 at 3.

[1002] 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee, EW000001-03, at 01. Mr. Volpi told the Subcommittee that the name of the company did not refer to the island of Guernsey but was "merely a name" with "no special significance." 1/29/10 Volpi letter at 2.

[1003] 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee, EW000001-03, at 03. Mr. Volpi, however, described these three individuals as the directors of the corporation and the trustees of the Abubakar Blind Trust, and Mr. Abubakar as the sole beneficial owner of the Guernsey Trust Company. PSI-Volpi-02-0001-6 at 2 and 5.

[1004] See 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee, EW000001-03; PSI-Volpi-02-0001-6 at 5..

[1005] 1/29/10 Volpi letter at 5. See also PSI-Volpi-02-0001-6 at 5.

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or as the Beneficiary shall designate at that time."[1006] Despite this provision, the Blind Trust continued in existence after Mr. Abubakar left office in May 2007, continuing to send, for example, wire transfers to banks in the United States.

The Subcommittee has been told that the Abubakar Blind Trust has had a single asset over time – shares of stock. The Subcommittee has also been told that, through dividends, those shares generated millions of dollars in cash revenues that were then used to send a steady stream of wire transfers to bank accounts in the United States.

From 2003 to 2008, for example, the Guernsey Trust Company wire transferred at least $10 million into the United States, including at least $7 million to Douglas-related accounts at several U.S. banks, $2.1 million to the Weidenfeld law office and AUN accounts at Suntrust Bank, and $900,000 to American University accounts. Ms. Douglas, Mr. Weidenfeld, and American University each told the Subcommittee that they had no information about the Guernsey Trust Company, were unaware of its relation to the Abubakar Blind Trust, and did not deal with the Guernsey Trust Company trustees. Each indicated that they had simply assumed the funds sent by the Guernsey Trust Company belonged to Mr. Abubakar.

Two other companies beneficially owned by Mr. Volpi and his relatives as explained below, LetsGo and Sima Holding, sent nearly $27 million into the United States, including about $8 million to Ms. Douglas' accounts, $5.5 million to AUN accounts, and $13.1 million to American University accounts. When asked about these wire transfers, Mr. Volpi told the Subcommittee through legal counsel that the funds sent to Ms. Douglas "related to a moral agreement by Mr. Volpi with Mr. Abubakar to acknowledge Mr. Abubakar's financial interests" in Intels after General Abacha had seized Mr. Abubakar's shares.[1007] These payments, which are in addition to those generated by the shares held by the Abubakar Blind Trust, provided a separate revenue stream to Ms. Douglas outside of the trust that was supposed to separate Mr. Abubakar from his interests in the oil industry. Mr. Volpi's legal counsel also told the Subcommittee that LetsGo had provided a line of credit to the Abubakar Blind Trust, and that some of the payments made by LetsGo to Ms. Douglas reflected that credit extension.[1008] In addition, Mr. Volpi told the Subcommittee that he had made donations

[1006] Abubakar Blind Trust at 5. See also 11/11/09 letter from Giwa-Osagie & Associates, legal counsel for Guernsey Trust Company, to the Subcommittee, EW000001; 8/6/08 ExxonMobil written responses to Subcommittee questions, PSI-Exxon_Mobil-06-0001 (ExxonMobil states that the Abubakar Blind Trust was designed to end when Mr. Abubakar left office).
[1007] 1/29/10 Volpi letter at 4.
[1008] Id., at 4-5. This explanation suggests that Mr. Volpi directed LetsGo to send the borrowed funds directly to Ms. Douglas instead of providing them to the actual borrower, the Abubakar Blind Trust, and allowing the trustees to direct use of the Trust's funds.

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and extended a separate line of credit to AUN, and that some of the payments sent by LetsGo to AUN and American University accounts reflected those funding commitments.[1009]

Mr. Abubakar served as Vice President of Nigeria from 1999 to 2007. In 2006, President Obasanjo attempted to amend the Nigerian Constitution to allow him to run for a third term. Mr. Abubakar opposed that effort, leading to a falling out between the two.[1010] After President Obasanjo's effort failed, an election for a new President was scheduled, and Mr. Abubakar announced his candidacy. In response, the Nigerian Independent National Electoral Commission ruled that he was disqualified from running for President, because he was under investigation for corruption.[1011] A few months later, on March 12, 2007, the Federal High Court of Nigeria ruled that the Commission had no authority to disqualify candidates.[1012] Mr. Abubakar's name was added to the ballot at the last minute. The official results showed that he took third place behind two other candidates, with about seven percent of the vote.

During the presidential campaign, the Nigerian Economic Financial Crimes Commission (EFCC), under the leadership of Nuhu Ribadu, initiated a corruption investigation of several Nigerian government officials, including Mr. Abubakar.[1013] The EFCC issued a report which found that Mr. Abubakar had used his influence over Nigeria's Petroleum Technology Development Fund (PTDF) to disburse money from the Fund to promote business ventures for himself and his friends, and that he had engaged in fraudulent conversion of funds, corrupt practices, and money laundering.[1014] In February 2007, a Nigerian ad hoc Senate Committee was formed to examine the EFCC charges. Mr. Abubakar made a presentation to the Committee, asserting in part that the allegations were a bid to prevent him from running for

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[1009] Id., at 5-6.

[1010] See, e.g., Africa Energy Intelligence, "Nigeria: Campaign and Corruption," September 20, 2006 ("incumbent president Olusegun Obasanjo and his vice-president Atiku Abubakar have accused one another of stealing public funds").

[1011] See Action Congress v. Independent National Electoral Commission, Suit No: FHC/ABJ/CS/3/2007 (Federal High Court of Nigeria, Abuja Judicial Division), Judgment issued on March 12, 2007.

[1012] Id.

[1013] The EFCC is the leading anti-corruption investigative unit in the Nigerian government. According to its website, the EFCC is designed "to combat financial and economic crimes. The Commission is empowered to prevent, investigate, prosecute and penalize [sic] economic and financial crimes and is charged with the responsibility of enforcing the provisions of other laws and regulations relating to economic and financial crimes." http://www.efccnigeria.org/index.php?option=com_content&task=view&id=12&Itemid=30.

[1014] See Mr. Abubakar's defense of his actions, "PTDF: The Facts, The Fiction: Presentation to Senate Ad-Hoc Committee on Investigations into the Affairs of the Petroleum Technology Development Fund," (2006), at 3, available at the Library of Congress, HD 9577.N52 A85 (hereinafter "Abubakar PTDF Defense"). See also, e.g., BBC News, "Nigeria Senate urges action on VP," February 27, 2007, http://news.bbc.co.uk/2/hi/africa/6402241.stm.

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office.[1015] The Senate Committee subsequently called for Mr. Abubakar to be "sanctioned," because he had "abused his office by aiding and abetting the diversion of public funds in the sum of $145 million" as loans to his friends.[1016] The Subcommittee found no evidence, however, that the full Senate imposed such a sanction on Mr. Abubakar.

On August 5, 2009, U.S. Congressman William Jefferson was convicted by a Federal jury of soliciting bribes, money laundering, depriving citizens of honest services as a member of Congress, and operating his Congressional office as a racketeering enterprise.[1017] During his trial, a videotape was shown in which the Congressman made a reference to Mr. Abubakar when the Congressman was seeking money from another person, but no evidence was introduced showing that Mr. Abubakar had actually sought or accepted a bribe from the Congressman. Mr. Abubakar asserted his innocence, and that his name had been invoked in the matter to ruin his reputation and prevent him from winning the Presidency in Nigeria.[1018]

Currently, Mr. Abubakar does not hold political office in Nigeria, but has resumed his business career. The Subcommittee contacted him through his legal counsel, but he declined to participate in an interview.

Jennifer Douglas. Jennifer Elizabeth Douglas, who has also gone by the names Jennifer Iwenjiora, Jamila Abubakar, and Jennifer Douglas-Abubakar, is the fourth wife of Atiku Abubakar. According to the Atiku Biography, Ms. Douglas was born in Nigeria as Jennifer Iwenjiora, worked as a television journalist at the Nigerian Television Authority, and dated Mr. Abubakar in the early 1980s, before leaving for the United States.[1019] She lost touch with Mr. Abubakar while attending

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[1015] Abubakar PTDF Defense, at 3.

[1016] Nigerian Senate Committee report as quoted in BBC News, "Nigeria Senate urges action on VP," February 27, 2007, http://news.bbc.co.uk/2/hi/africa/6402241.stm. See also, e.g., BBC News, "Nigeria Senate urges action on VP," February 27, 2007, http://news.bbc.co.uk/2/hi/africa/6402241.stm; BBC, Profile: Atiku Abubakar, January 25, 2007, http://news.bbc.co.uk/2/hi/africa/6292141.stm ("In a probe ordered by Mr Obasanjo, the vice-president was accused of diverting $125m from a public development trust fund into his personal businesses."); Voice of America, "Nigerian Vice President Charged with Corruption," October 10, 2006, http://www1.voanews.com/english/news/a-13-2006-10-10-voa39.html.

[1017] See United States v. William J. Jefferson (USDC EDVA, June 4, 2007), Criminal No: 1:07CR209. See also Times Picayune, "William Jefferson's attorneys ask for 2-week sentencing delay," October 8, 2009, http://www.nola.com/politics/index.ssf/2009/10/post_37.html.

[1018] Press reports discussing the Jefferson videotape and the allegations involving Mr. Abubakar were published as early as 2005 and the matter was referenced during the 2007 Nigerian campaign. See, e.g., BBC News, "US probes Nigeria vice-president," August 29, 2005, http://news.bbc.co.uk/2/hi/africa/4192186.stm ; Washington Post, "FBI Says Jefferson Was Filmed Taking Cash - Affidavit Details Sting on Lawmaker," May, 22, 2006. See also internal emails and news stories collected by Chevy Chase Bank, JD_004176-4301.

[1019] Atiku Biography at 260-61.

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Howard University.[1020] She subsequently married in the United States, took the married name of Jennifer Douglas, and later divorced,[1021] becoming a naturalized U.S. citizen during this time period.[1022] Ms. Douglas eventually renewed her relationship with Mr. Abubakar who came to visit her in the United States. According to the Atiku Biography, from late 1995 to early 1998, while Sani Abacha was in power in Nigeria, Mr. Abubakar "spent most of his time in Maryland" with Ms. Douglas, making occasional visits to Nigeria.[1023] In or around 2000, Ms. Douglas became a doctoral student at American University[1024] and, in 2007, received her doctorate degree in international relations. According to the Atiku Biography, Ms. Douglas and Mr. Abubakar "married officially in 2003."[1025] In July 2003, Ms. Douglas made a $1 million donation to the American University School of International Service Building Fund.[1026]

Since 2000, Ms. Douglas has resided in a luxury home in Potomac, Maryland, a wealthy suburb of Washington, D.C.[1027] In bank account opening documents and tax documents, she has listed her occupation as "student," "homemaker," and "unemployed." She has consistently told the banks where she opened accounts that her husband, Mr. Abubakar, provided the funds for her accounts. For example, in a November 21, 2003 letter provided to Citibank, she stated that she received "a yearly maintenance income from spouse of $500,000."[1028] She also said that she received dividends and interest from various accounts and investments totaling about $1,600 per month. In addition, she had

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[1020] See 6/26/00 Citibank account opening application, B00007799-801 (2000 Citibank account opening documentation in which Ms. Douglas indicates she attended Howard University); Atiku Biography at 262.

[1021] Atiku Biography at 261.

[1022] See SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Complaint, at paragraph 50 (describing Ms. Douglas as a dual citizen of Nigeria and the United States).

[1023] Atiku Biography at 263. Sani Abacha unexpectedly died of a heart attack on June 8, 1998.

[1024] See 6/26/00 Citibank account opening application B00007799-801 (Ms. Douglas indicates she was then a PhD student at American University).

[1025] Atiku Biography at 263. The biography states that prior to the marriage, Ms. Douglas converted to Islam "and took the name, Jamila." Id.

[1026] 11/21/03 American University Gift Agreement to Jennifer Douglas Abubakar, PAU026519; 8/19/08 internal American University email, PAU0108929.

[1027] Maryland property records indicate that Ms. Douglas purchased the house in December 1999, for $1.75 million, and the deed was recorded in January 2000. See also 6/26/00 Citibank account opening application, B00007799-801 (Ms. Douglas indicates she has lived at her Maryland residence for 6 months). See also 3/19/09 Citibank's written responses to Subcommittee questions, PSI-Citi-34-0002; 2004 Residential Appraisal Report, B00007944-7954 (valued property at $2.7 million); November 2003 letter by Ms. Douglas in Citibank files, B00007910 (valued property at $3 million). See also Atiku Biography at 263 (indicating that Mr. Abubakar and Ms. Douglas purchased the house together).

[1028] 11/21/03 letter from Ms. Douglas "To Whom It May Concern RE: Explanation of Income," B00007910-11.

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access to $5 million in assets in a Jennifer Douglas Abubakar (JDA) Family Trust.[1029]

The letter also stated that Ms. Douglas received a salary of about $62,000 per year from the Gede Foundation, which Ms. Douglas had established in 2002, to advance various charitable causes, including health problems in Nigeria. Ms. Douglas told Citibank that she received "a minimal income" of about $1,000 per month and "an agreed yearly bonus" of $50,000 "paid in [a] lump [sum] yearly after every fundraising."[1030] Ms. Douglas also served as an unpaid trustee on the board of trustees of the American University of Nigeria (AUN), which was founded by Mr. Abubakar in 2003, to provide an American-style university in northern Nigeria where he was born. Documents indicate that Ms. Douglas helped convince American University to assist with the establishment of AUN and used her personal bank accounts to pay some AUN expenses.

Bank documents show that most of the funds in Ms. Douglas' U.S. bank accounts came from wire transfers provided by offshore corporations. When her banks asked about these corporations, Ms. Douglas consistently told them that she was unfamiliar with the nature of the offshore corporations sending her money. In 2009, when the Subcommittee asked her about the Guernsey Trust Company, LetsGo, Sima Holding, and China Castle Investments, Ms. Douglas responded through her legal counsel that she "has no personal knowledge of these entities. To the extent that any of these entities were the source of deposits into her accounts or the AUN account, she understood that all such deposits came from her husband."[1031]

In December 2008, the U.S. Department of Justice and the U.S. Securities and Exchange Commission (SEC) filed criminal and civil pleadings alleging that Siemens AG, a major German company traded on the New York Stock Exchange, violated the U.S. Foreign Corrupt Practices Act (FCPA) by making bribery payments to obtain business in multiple countries, including Nigeria.[1032] Siemens pleaded guilty to violating the books and recordkeeping provisions of the FCPA, and agreed to pay combined criminal and civil fines totaling more than $1.6

[1029] Ms. Douglas told Chevy Chase Bank that this trust had been funded with a financial gift from her husband. JD_000209.

[1030] 11/21/03 letter from Ms. Douglas "To Whom It May Concern RE: Explanation of Income," B00007910-11.

[1031] 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_ &_Weidenfeld-01-0003.

[1032] See United States v. Siemens Aktiengesellschaft, (USDC DC), Case No. Cr. 08-368 (Dec. 12, 2008); SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Complaint. German authorities also filed charges.

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billion.[1033] One of the allegations in the SEC civil complaint against Siemens was that "approximately $2.8 million of the bribe payments was routed through a bank account in Potomac, Maryland, in the name of the wife of a former Nigerian Vice President."[1034] The Subcommittee has obtained wire transfer documentation substantiating this allegation, as explained below. Through her legal counsel, however, Ms. Douglas denies any wrongdoing.[1035]

Ms. Douglas currently resides primarily in the United Arab Emirates, employed as a professor of political science at the American University of Sharjah. When contacted by the Subcommittee, Ms. Douglas voluntarily produced documents and answered written Subcommittee questions, but declined to participate in a Subcommittee interview. Mr. Abubakar, through his legal counsel, declined to answer any questions from the Subcommittee.

American University of Nigeria. In addition to opening U.S. bank accounts for her personal use, Ms. Douglas opened several U.S. bank accounts on behalf of American University of Nigeria (AUN), which was founded by Mr. Abubakar in 2003. Originally called ABTI University, the school changed its name in September 2004, to ABTI American University of Nigeria, and then changed its name again in May 2007, to American University of Nigeria.[1036] The university is located in Yola, which is the capital of Adamawa State in Northern Nigeria, where Mr. Abubakar was born. It opened its doors to at least 110 students in 2005, and saw its first graduates in 2009.[1037]

The AUN website describes the school in the following manner:

> "American University of Nigeria was created in response to the demand for high-quality, American-style higher education in West Africa. Each year, thousands of West African families send their sons and daughters to universities in the United States. Many of these students would prefer to study here, in Nigeria, if a

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[1033] See United States v. Siemens Aktiengesellschaft, (USDC DC), Case No. Cr. 08-368 (Dec. 12, 2008), Information, Plea Offer; SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Consent of Defendant Siemens Aktiengesellschaft; Department of Justice press release, "Siemens AG and Three Subsidiaries Plead Guilty to Foreign Corrupt Practices Act Violations and Agree to Pay $450 in Combined Criminal Fines," No. 08-1105 (Dec. 15, 2008).

[1034] SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Complaint, at paragraph 50.

[1035] Subcommittee interview of Ms. Douglas' legal counsel, April 1, 2009. See also The Times-Picayune, "Conspiracy figure in Rep. William Jefferson case took bribes, SEC says," January 1, 2009, http://www.nola.com/crime/index.ssf/2009/01/conspiracy_figure_in_rep_willi.html.

[1036] 5/28/07 Nigerian Corporate Affairs Commission, Certificate of Incorporation of a Company, JD F 00430; 9/29/04 letter from the Nigerian National Universities Commission to AUN, JD F 00431.

[1037] Subcommittee interview of American University officials, April 14, 2009.

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comparable education were available. Now these students do have a new option: AUN.

The mission of AUN is to offer an education that is in every way the equal of what a student would experience at the best universities in the United States. The majority of the distinguished faculty are American; the campus facilities are world class – superior even to those found at most American campuses. The academic programs are built on the American model and are consistent in every way with US accreditation standards.

The University was created in partnership with the American University in Washington, D.C., an institution with an international reputation for excellence."[1038]

Information reviewed by the Subcommittee indicates that Ms. Douglas played an active role in AUN's establishment and operation. She approached American University in 2002, where she was a doctoral student, for assistance in establishing the university and acted as a liaison between the university and her husband. Since the university's inception, she has served as an unpaid trustee on the AUN board of trustees. In addition, Ms. Douglas was tasked by her husband to help pay AUN bills, in particular the salaries of AUN professors who agreed to teach at AUN but requested payment in U.S. dollars.

Bank records obtained by the Subcommittee show that AUN utilized several accounts at U.S. financial institutions, including personal accounts opened by Ms. Douglas at Citibank and Wachovia, and an account opened by Mr. Weidenfeld's law firm at Suntrust Bank. Funding for those accounts came primarily from three offshore corporations, the Guernsey Trust Company, LetsGo, and Sima Holdings. In 2008, AUN also opened accounts at Standard Chartered Bank in London and apparently is now in the process of closing its remaining U.S. accounts in favor of its London accounts. Bank records show that AUN also has accounts at several banks in Nigeria.

From 2003 to 2007, American University accepted about $14 million in multiple wire transfers from LetsGo and the Guernsey Trust Company, to pay consulting fees for its work related to AUN. After receiving an inquiry from the Subcommittee about the source of these funds, American University negotiated a new consultancy agreement with AUN in 2008, in which AUN agreed to provide fees to AU directly from AUN's own bank accounts.

Edward Weidenfeld. Edward Weidenfeld is a U.S. lawyer who practices in the Washington, D.C. area, and has provided legal counsel

[1038] AUN website, http://www.aun.edu.ng/about.htm.

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to Ms. Douglas, Mr. Abubakar, and AUN.[1039] Mr. Weidenfeld first met Ms. Douglas in 2002, when he provided her with estate planning services. He then had infrequent contact with her until 2004, when he provided additional legal services.[1040] In August 2005, after her residence was searched in connection with the Congressman Jefferson investigation, he recommended a criminal defense attorney and worked as co-counsel in that matter.[1041] Mr. Weidenfeld also provided legal advice to Mr. Abubakar related to his 2006-2007 presidential campaign in Nigeria.[1042] At the request of Mr. Abubakar and Ms. Douglas, he has also provided legal advice related to their interactions with U.S. banks, helped advise AUN, and provided legal advice in connection with the Subcommittee's inquiry.[1043]

Documents reviewed by the Subcommittee show that when Citibank closed the Douglas-related accounts in 2007, Mr. Weidenfeld helped her open accounts at Wachovia Bank. Wachovia already provided banking services to American University and knew Mr. Weidenfeld. He provided a letter of recommendation for Ms. Douglas and served as a cosignatory on the AUN account she opened at that bank. When Wachovia indicated it planned to close the accounts, he persuaded the bank to grant Ms. Douglas additional time so that she could look for another bank. In 2008, he helped establish an AUN account at Suntrust Bank, opening it in connection with his law firm which already had accounts at the bank and agreeing to serve as the account signatory. During the first eight months of 2008, Mr. Weidenfeld accepted over $1.3 million in wire transfers into his law firm account from the Guernsey Trust Company to pay the Abubakars' legal bills, and has on occasion transferred funds to other accounts for them. He accepted another $2 million in offshore wire transfers into the AUN account for which he was a signatory. He told the Subcommittee that he never dealt directly with the Guernsey Trust Company and had no information about the company that sent him millions of dollars, but simply assumed it was providing funds supplied by Mr. Abubakar.

Mr. Weidenfeld cooperated with the Subcommittee's inquiry by voluntarily producing documents and answering written questions from the Subcommittee.

Gabriele Volpi. Gabriele Volpi, 63, is a citizen of Italy, a billionaire, and a businessman associated with numerous ventures,

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[1039] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0022-32, at 22.
[1040] Id. See also 9/11/02 email from Ms. Douglas to Chevy Chase Bank, Chevy Chase 4, JD_004302/004762 (changing her attorney to Mr. Weidenfeld).
[1041] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0022-32, at 22.
[1042] Id.
[1043] Id.

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including Orlean Invest Holdings Ltd. and Intels, which are active in the oil industry in western Africa. Mr. Volpi told the Subcommittee that he is currently the chairman of Orlean.[1044] He is also the managing director and chief executive officer of Intels, which owns oil terminals and oil services zones at multiple ports in Africa.[1045] He is known for his ownership of a luxurious 60-meter yacht and an internationally recognized water polo team in Italy.[1046]

Mr. Volpi is closely associated with the three offshore corporations, the Guernsey Trust Company, LetsGo, and Sima Holding, that collectively sent over $38 million to the United States in connection with this matter. He is one of the three directors and trustees of the Guernsey Trust Company, which is located in Nigeria.[1047] LetsGo is a Panamanian corporation which "receives and disburses funds for personal and business use from companies owned or controlled by Mr. Volpi," and it is beneficially owned by Mr. Volpi and his wife.[1048] Sima Holdings is a British Virgin Islands corporation that is beneficially owned by Mr. Volpi, his wife, and sons through a family trust.[1049]

Mr. Volpi cooperated with the Subcommittee investigation by voluntarily answering a number of questions through his legal counsel.

B. Using Offshore Corporations To Bring Suspect Funds Into the United States

From 2000 to 2008, Mr. Abubakar and Ms. Douglas used a network of accounts at U.S. financial institutions to bring over $40 million in suspect funds into the United States through multiple wire transfers supplied by offshore corporations located in Germany, Nigeria, Panama, the British Virgin Islands, and Switzerland. Nearly $25 million of those funds were wire transferred to more than 30 U.S. bank accounts opened by Ms. Douglas in her own name or in the name of the Jennifer Douglas Abubakar Family Trust, the Gede Foundation, or American University of Nigeria (AUN). She opened 18 of those accounts at Citibank, four at Chevy Chase Bank, six at Wachovia Bank, and three at Eagle Bank in Maryland, among other financial institutions. These four banks opened accounts for Ms. Douglas in most cases without being aware of her PEP status, at times relying on third party vendors using incomplete PEP databases or inadequate due diligence procedures. Over time, as each financial institution began to ask questions about the

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[1044] PSI-Volpi-02-0001-6 at 3.
[1045] Mr. Volpi's legal counsel, January 12, 2010.
[1046] See, e.g.,Visit-Montenegro.com, "The owners of 'Pro Recco' in the Bay of Kotor," June 17, 2009, www.visit-montenegro.com/article-mne-21720.htm.
[1047] PSI-Volpi-02-0001-6 at 2.
[1048] Id.
[1049] Id.

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offshore corporations sending her funds and decided to close her accounts, she opened new accounts at other financial institutions, at times with the assistance of her U.S. lawyer, Edward Weidenfeld. Mr. Weidenfeld also accepted $3.4 million from offshore entities to pay the Abubakars' legal bills and to fund an AUN account he opened at Suntrust Bank.

To analyze these accounts and transactions, the Subcommittee subpoenaed documents from a number of U.S. financial institutions. In most cases, the Subcommittee obtained bank documents covering a five-year period, from 2003 to 2008, although it obtained records for some earlier transactions as well. The Subcommittee did not attempt to trace all of the funds that went into or out of the accounts discussed below, nor did the Subcommittee examine every U.S. bank account opened by Ms. Douglas.[1050] Instead, the Subcommittee focused its analysis on more than 30 accounts at five U.S. banks, as detailed below. The resulting analysis, while limited, shows how Mr. Abubakar and Ms. Douglas used offshore corporations to bring suspect funds into the United States and provides a conservative estimate of the amount of funds they actually introduced into the U.S. financial system to advance their interests.

(1) Citibank

From 2000 to 2007, Mr. Abubakar and Ms. Douglas opened 18 different accounts at Citibank in Potomac, Maryland, and brought nearly $20 million in suspect funds into the United States through the bank. These accounts consisted of five personal checking accounts, five savings accounts, two brokerage accounts, a home equity account, three accounts in the name of the Gede Foundation, and two additional personal checking accounts that were later expanded to reference both Ms. Douglas and AUN.[1051] Ms. Douglas also maintained four Citibank credit card accounts, three of which were for herself or her husband, and one of which was for the Gede Foundation. Over the nearly seven years these accounts were open, Ms. Douglas received multiple wire transfers totaling nearly $20 million from Siemens AG, LetsGo, Guernsey Trust Company, Sima Holding, China Castle Investments, and a few unidentified "clients." For most of the seven years, Citibank was unaware of Ms. Douglas' PEP status. In 2007, Citibank learned of

[1050] For example, Ms. Douglas had two accounts at Riggs Bank from September 1999 through May 2005, Checking Account No. 24-776-946 and Money Market Account No. 64-838-355, which received over $5.2 million in deposits. When PNC purchased Riggs Bank, it provided Ms. Douglas with a new account, No. 53-0100-7567, from May 2005 to May 2008, which received deposits totaling nearly $1.1 million, including four $100,000 wire transfers from the Guernsey Trust Company in Nigeria. See list of Douglas accounts prepared by her legal counsel and related wire transfer documentation, no bates number. The Subcommittee did not attempt to trace these funds or determine how they related to the accounts examined in this Report.
[1051] See list of accounts, B00008784.

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Ms. Douglas' PEP status, and began closing her accounts. By August 2007, all of her accounts were closed.[1052]

Initial Personal Accounts. Ms. Douglas opened her first two accounts with Citigroup on June 28, 2000, Checking Account No. 52096374 and Savings Account No. 52096382.[1053] In the account opening documentation, Ms. Douglas identified herself as a U.S. citizen residing in Maryland, and supplied a Social Security number.[1054] Citibank told the Subcommittee: "Nothing in Ms. Douglas's initial application referenced or suggested that she had any connection to a foreign country or had a relationship with any foreign official. As a result, consistent with applicable law, Ms. Douglas was not considered to be a 'politically exposed person' or 'PEP.'"[1055] During her seven years with Citibank, this initial personal checking account was the one that received the bulk of the wire transfers from offshore corporations.

Credit Card Accounts. Also in 2000, Ms. Douglas opened two personal CitiCard credit card accounts.[1056] One credit card account, opened in June 2000, listed both her and Mr. Abubakar as authorized signatories and identified Mr. Abubakar as her husband, but did not identify him as a foreign official.[1057] A second credit card account, opened in July 2000, also listed both her and Mr. Abubakar as authorized users, and was linked to a third credit card account held solely in Ms. Douglas's name and for which Ms. Douglas was financially responsible.[1058] The first credit card account was closed in March 2005. The second remained open until all the Douglas-related accounts were closed in 2007. Citibank told the Subcommittee that these credit card accounts were "the only Citigroup accounts indentified to which Ms. Douglas's husband had a direct connection."[1059]

Smith Barney Account. In June 2000 and January 2001, Ms. Douglas opened two brokerage accounts at Citibank's affiliated broker-dealer, Smith Barney, Account No. 62H-07385 and Account No. 168-24253 (later renumbered 232-75087).[1060] The 2000 account was

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[1052] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0002. The Subcommittee's subpoena to Citibank concerning the Ms. Douglas accounts was sent on July 5, 2007.

[1053] See list of accounts, B00008784; 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0001.

[1054] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0002.

[1055] Id. The 2001 Patriot Act, which is the key statute requiring enhanced due diligence of PEP accounts, was enacted a year after the first Douglas account was opened.

[1056] See list of accounts prepared by Citibank, B00008785; 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004.

[1057] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004.

[1058] See list of accounts, B00008785; 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004

[1059] Id.

[1060] Id., at PSI-Citi-34-0003. The 2001 account was later renumbered 232-7508715. List of accounts, B00008784.

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apparently never funded; the 2001 account was initially funded with a $500,000 cashiers check and engaged in a number of investments, but did not grow substantially larger and essentially went dormant in September 2006.[1061]

Household Account. On August 8, 2001, Ms. Douglas opened a second personal checking account at Citibank, Checking Account No. 1209003581, which she deemed her "household account."[1062] At first, this checking account was linked to a high-yield savings account, IMMA No. 1208951651, which was initially funded with about $50,000, and a Certificate of Deposit No. 1679323897, which was initially funded with about $100,000.[1063] By late 2001, however, all the funds in the savings account and certificate of deposit, which then totaled about $300,000, were withdrawn, and the household checking account continued on its own.[1064] Over the six years this account was open, Ms. Douglas wrote numerous checks each month to pay a variety of household expenses, relying primarily on deposits from her other accounts for funds and, beginning in 2004, on loans from a home equity account described below. Altogether in a month, Ms. Douglas wrote checks that totaled anywhere from $10,000 to $90,000.[1065] This account remained open until all the Douglas-related accounts were closed in 2007.[1066]

Home Equity Account. In April 2004, Ms. Douglas opened a home equity account at Citibank, Equity Source Account No. 7707591587.[1067] She used this account to obtain a line of credit from Citibank, secured by her Maryland residence.[1068] Her borrowings rose from about $159,000 in April 2004, to more than $350,000 during 2006 and 2007. Ms. Douglas told the Subcommittee she used these funds to support her "household and charitable activities."[1069] Ms. Douglas made regular payments on the home equity loan from April 2004 until the account was closed in August 2007,[1070] paying a total of about $975,000.[1071] Ms. Douglas told the Subcommittee: "All monies used to make the repayments on the line of credit, as well as all monies used to pay her expenses, and to fund her contributions to AUN, GEDE

[1061] B00001920-21. Citigroup was unable to locate the cashiers check and believes it was kept at the World Trade Center and was destroyed on September 11, 2001. 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0003. Id., at 5.
[1062] See list of accounts, B00008784; August 2001 account statement, B00007762-64.
[1063] See August 2001 account statement, B00007762-64.
[1064] See October-November 2001 account statement, B00007748.
[1065] See account statements from 2001 to 2007, B00007468-764.
[1066] See list of accounts, B00008784.
[1067] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004.
[1068] 6/14/04 Citibank Deed of Trust, B 00007851-7860; see also 2/11/04 Citibank Account Agreement and Disclosure, B00008085-91.
[1069] 11/13/09 written response from Mr. Weidenfeld's legal counsel to Subcommittee questions, PSI-Abubakar & Weidenfeld-01-0030.
[1070] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004.
[1071] Subcommittee interview of Citibank officials, April 24, 2009. See B00008796-99 for complete list of advances received by Ms. Douglas and payments made by Ms. Douglas.

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Foundation, and American politicians and political groups, came from her husband."[1072]

Gede Foundation Accounts. In February and March 2002, Ms. Douglas opened three bank accounts in the name of the Gede Foundation Inc., Checking Account No. 17581251, Checking Account No. 17581366, and Savings Account No. 17581278.[1073] Six months later, in September 2002, the Foundation also received a Citicard credit card.[1074] The account opening documentation shows that Gede Foundation provided a copy of its certificate of incorporation, a W-8 BEN form, and a copy of Ms. Douglas' Maryland driver's license.[1075] Ms. Douglas provided "Abubakar" as her married name.[1076] Citibank told the Subcommittee that it later revised its policy towards nonprofit organizations to require more enhanced due diligence for organizations providing services outside of the United States.[1077]

AUN Accounts. On April 4, 2005, Ms. Douglas opened Checking Account No. 1209739556, initially under her own name, but later, on an unspecified date, changed the account name to "Jennifer Douglas/ABTI American University."[1078] "ABTI American University" refers to AUN by an earlier name. Citibank told the Subcommittee that when Ms. Douglas added the university to the account, it should have been re-categorized as a business account, and that its continuing to operate as a personal account was "inconsistent with [Citibank] practice."[1079]

Seven months later, on January 13, 2006, Ms. Douglas opened another personal checking account that was also used by AUN, Checking Account No. 1208993341.[1080] This account initially referred solely to Ms. Douglas who was the only signatory.[1081] Later, on an unspecified date, she changed the account name to: "Jennifer Douglas/ABTI-American University," which again refers to AUN by an

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[1072] 11/13/09 written response from Mr. Weidenfeld's legal counsel to Subcommittee questions, PSI-Abubakar_&_Weidenfeld-01-0019.
[1073] See list of accounts, B00008784.
[1074] Id; B00001440-42.
[1075] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0002.
[1076] Id.
[1077] Id., at PSI-Citi-34-0003 ("If the Gede Foundation accounts had been opened after 2006, they would have been required to provide information relating to its purpose, the exact geographical area it serves, its organizational structure, its funding criteria, its affiliation with other entities, governments or groups, as well as its financial information including internal controls and audits. In addition, the entity and its principals would have been subject to background checks in World Check or a comparable database, which may have revealed further information about Ms. Douglas's background.").
[1078] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0003. AUN opened its doors to students for the first time in September 2005.
[1079] Id.
[1080] See list of accounts prepared by Citibank, B00008784.
[1081] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0003.

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earlier name.[1082] On February 27, 2006, Buford George Peterson, AUN's Vice President of Finance and Administration,[1083] was added as a co-signatory on the account.[1084] In March 2006, the account name was changed a third time, to "Buford George Peterson/ABTI-American University."[1085] Citibank told the Subcommittee that, like the first AUN account, "this account remained incorrectly categorized as a personal checking account following the title change."[1086]

Additional Personal Accounts. In 2005, Ms. Douglas opened five more personal accounts, three of which were opened for only a short period. The short-term accounts were Checking Account No. 1209739572, which Ms. Douglas opened on April 5 and closed six months later on October 31, 2005; and a Checking Account No. 1209763257 and savings account bearing the same identifying number, both of which were opened on May 12 and closed four months later in September 2005.[1087] These accounts held minimal funds. The two longer term accounts were Checking Account No.1208896250 and Savings Account No. 1208896269, both of which were opened on September 22, 2005, and closed in 2007.[1088] The checking account held limited funds which were transferred over the course of six months to the Gede Foundation; the account then went dormant until it was closed. The savings account was opened in the name of Ms. Douglas and one of her sons. At times it had minimal funds, but from mid-2006 to mid-2007, a few large transfers went into and out of the account each month, involving $100,000 to $200,000 at a time.[1089]

Safe Deposit Boxes. In addition to her financial accounts at Citibank, in December 2001 and January 2004, Ms. Douglas opened two safe deposit boxes at the bank.[1090]

Citibank Account Activity. From 2000 to 2007, Ms. Douglas accepted multiple large wire transfers into her accounts, totaling nearly $20 million, from offshore corporations, including Siemens AG, LetsGo Ltd. Inc., Guernsey Trust Company Nigeria Ltd., Sima Holding Ltd., and China Castle Investments Ltd. Most of the incoming funds were

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[1082] Id.
[1083] See 9/21/06 internal American University memorandum, PAU0108924
[1084] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0003.
[1085] Id.
[1086] Id.
[1087] See list of accounts, B00008784. Citibank told the Subcommittee that the signature card for Account No. 1209763257 could not be located. 7/24/08 letter from Citibank to the Subcommittee, PSI-Citi-32-0001.
[1088] See list of accounts, B00008784.
[1089] See, e.g., May 2006 account statement, B00006085 ($100,000 deposit); June 2006 account statement, B00006083 ($100,000 deposit and $200,000 in withdrawals); October 2006 account statement, B00006077 ($130,000 in deposits); December 2006 account statement, B00006075 ($200,000 deposit and $75,000 in withdrawals).
[1090] See list of accounts, B00008784.

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wire transferred into her initial personal checking account. In 2001 and 2002, for example, Ms. Douglas accepted wire transfers totaling nearly $2 million in suspect payments from Siemens AG. On January 30, 2003, she received a single wire transfer for $500,000 from China Castle Investments. Citibank told the Subcommittee that it had no further information about this company and deemed the transfer "questionable."[1091] From 2003 to 2007, another $17 million was wire transferred into her account by LetsGo Ltd., the Guernsey Trust Company, and Sima Holdings Ltd. Banking and credit card records show that, over the years, Ms. Douglas spent much of the money she received to support a lavish lifestyle as well as supporting the Gede Foundation and AUN.

Siemens Payments. As explained earlier, in December 2008, the U.S. Department of Justice (DOJ) and U.S. Securities and Exchange Commission (SEC) filed criminal and civil pleadings alleging that Siemens AG had violated the U.S. Foreign Corrupt Practices Act (FCPA) and engaged in a wide-ranging pattern of paying bribes to foreign officials to advance its interests in several countries.[1092] Siemens pled guilty to violating the books and recordkeeping requirements of the FCPA.[1093] One provision in the SEC complaint alleged as follows:

> "[A]pproximately $2.8 million of the bribe payments was routed through a bank account in Potomac, Maryland, in the name of the wife of a former Nigerian Vice President. The Vice President's wife, a dual U.S.-Nigerian citizen living in the United States, served as the representative of a business consultant that entered into fictitious business consultant agreements ... but did no actual work for Siemens. The purpose of these payments was to bribe government officials. Other corrupt payments included the purchase of approximately $172,000 in watches for Nigerian officials designated

[1091] See B00007059; 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004. China Castle Investments did not appear again in the Douglas-related banking records.
[1092] See United States v. Siemens Aktiengesellschaft, (USDC DC), Case No. Cr. 08-368 (Dec. 12, 2008); SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Complaint. German authorities also filed charges. See also Department of Justice press release, "Siemens AG and Three Subsidiaries Plead Guilty to Foreign Corrupt Practices Act Violations and Agree to Pay $450 in Combined Criminal Fines," No. 08-1105 (Dec. 15, 2008) (DOJ Acting Assistant Attorney General said: "Today's filings make clear that for much of its operations across the globe, bribery was nothing less than standard operating procedure for Siemens." SEC Director of Enforcement said: "This pattern of bribery by Siemens was unprecedented in scale and geographic reach. The corruption involved more than $1.4 billion in bribes to government officials in Asia, Africa, Europe, the Middle East and the Americas.").
[1093] See United States v. Siemens Aktiengesellschaft, (USDC DC), Case No. Cr. 08-368 (Dec. 12, 2008), Information, Plea Offer; SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Consent of Defendant Siemens Aktiengesellschaft; Department of Justice press release, "Siemens AG and Three Subsidiaries Plead Guilty to Foreign Corrupt Practices Act Violations and Agree to Pay $450 in Combined Criminal Fines," No. 08-1105 (Dec. 15, 2008).

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in internal Siemens records as 'P.' and 'V.P.,' likely referring to the President and Vice President of Nigeria."[1094]

The Subcommittee contacted Siemens about this allegation and also reviewed the Citibank account records. The Subcommittee identified Citibank records showing three wire transfers from Siemens AG, in 2001 and 2002, that together provided over $1.7 million to Ms. Douglas' personal checking account at Citibank. This chart identifies those wire transfers.

Siemens Wire Transfers to Douglas Account at Citibank: 52096374 Using Citibank Wire Transfer Records			
Wire Transfer Directed To	**Date**	**Amount**	**Bates**
J.E. Douglas	4/12/01	$ 450,703.79	B00007975, B00007962-63, B00007972
J.E. Douglas	10/01/01	$ 461,440.92	B00007979, B00007965-66
J.E Douglas Steradian Co. UK	1/28/02	$ 860,500.00	B00007989, B00007968-69, B00007984
SOURCE: Citibank		**$1,772,644.71 - TOTAL**	

Chart prepared by Subcommittee

When contacted by the Subcommittee, Siemens confirmed the information in the SEC complaint and said that the allegations in the complaint referred to payments made by the company to Ms. Douglas and to wire transfers sent to her checking account at Citibank in Potomac, Maryland.[1095] Siemens told the Subcommittee that it had asked an outside law firm, Debevoise & Plimpton, to conduct an independent investigation into corruption allegations, which included a review of the payments made by Siemens related to Ms. Douglas. Siemens told the Subcommittee that the law firm confirmed not only that Siemens AG had sent wire transfers to Ms. Douglas' account at Citibank, but also that it had sent a wire transfer to her at another bank and made nearly $2 million in additional cash payments to her over a three-year period, from 2000 to 2003. Siemens told the Subcommittee that those wire and cash payments had been made to "J.E. Douglas" or two companies she beneficially owned, "J.E Douglas Steradian Co. UK L," or "Peniel Inc. UK Ltd."

The Subcommittee contacted the SEC for additional information related to its complaint, but the SEC declined to elaborate due to an ongoing investigation into individuals involved in the Siemens misconduct.[1096] The Subcommittee also showed the Citibank wire transfers to Ms. Douglas' legal counsel and requested an explanation of

[1094] SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (Dec. 12, 2008), Complaint, at paragraph 50.
[1095] Subcommittee interviews of Siemens AG officials, January 14 and 22, 2010.
[1096] Subcommittee interview of SEC officials, January 12, 2010.

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the $1.7 million in wire transfers from Siemens to her account. Her legal counsel did not provide an explanation.

Siemens Payment and Gede Foundation. According to Citibank records, one of the Siemens wire transfers for $860,500 was deposited into Ms. Douglas' personal checking account on January 28, 2002. Three days earlier, on January 25, 2002, Ms. Douglas had formed the Gede Foundation Inc. as a nonprofit corporation under the laws of the District of Columbia.[1097] The Foundation articles of incorporation provide it with wide authority to pursue charitable causes.[1098] The Gede Foundation website states:

> "Gede Foundation is a 501c (3) non-profit, non-governmental organization that works for the benefit of the people of Africa to restore to them the right to a sense of self worth, and a life of hope, health and happiness through programs that educate, promote healthy communities and help eliminate the stigma of illness."[1099]

Cynthia J. Ticao, a Phillipines national, is the Foundation's executive director and has been listed as an account signatory on the Gede Foundation accounts at Citibank.[1100]

On February 1, 2002, four days after receiving the $860,500 from Siemens, Ms. Douglas transferred $250,000 to a newly opened Gede Foundation account at Chevy Chase Bank, as described below. She also opened a Gede Foundation account at Citibank.

LetsGo, Guernsey Trust Company, and Sima Holding Payments. Over a four-year period from 2003 to 2007, Ms. Douglas also accepted nearly $17 million in wire transfers from LetsGo, Guernsey Trust Company, and Sima Holdings into her Citibank accounts. As explained earlier, the Guernsey Trust Company is a Nigerian shell corporation that manages the Abubakar Blind Trust, while LetsGo and Sima Holdings are offshore corporations beneficially owned by Mr. Volpi and his relatives.

[1097] See 1/25/02 D.C. Certificate of Incorporation, B00006886. See also Gede account opening documentation, B00006884, 6904. Ms. Douglas is the Foundation's "founder, CEO, and president." See Gede Foundation website, http://www.gedefoundation.org/.

[1098] Id., at B00006887-92. Ms. Douglas' legal counsel told the Subcommittee that she founded the Gede Foundation "to provide services to HIV patients in Africa and to implement developmental programs there," and provided information showing that the Foundation had partnered with U.S., Nigerian, and international organizations to provide training, research, and health services in Nigeria. 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0001-21, at 04-12.

[1099] Gede Foundation website, http://www.gedefoundation.org/.

[1100] 2/1/02 Citibank Business & Professional Account Opening Form, B00006893.

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Most of these funds, about $10.4 million, were deposited into Ms. Douglas' initial personal checking account by LetsGo and the Guernsey Trust Company. These wire transfers, which arrived every month or two, provided large sums varying from $50,000 to $450,000 per payment. The following chart identifies those wire transfers.[1101]

Wire Transfers from Offshore Corporations to Douglas Account at Citibank: 52096374

From LetsGo Accounts at Wegelin & Co. and Banca Del Gottardo			From Guernsey Trust Company Account at Wegelin & Co.		
Date	Amount	Bates	Date	Amount	Bates
04/09/03	$ 249,965	B 00007077	06/14/06	$ 100,000	B 00007283
04/25/03	$ 299,965	B 00007078	11/03/06	$ 349,980	B 00000812
07/02/03	$ 249,965	B 00007094	12/06/06	$ 349,980	B 00000813
10/14/03	$ 149,965	B 00007114	12/08/06	$ 50,000	B 00000814
11/03/03	$ 249,965	B 00007119	12/29/06	$ 350,000	B 00000820
02/12/04	$ 249,965	B 00007133	01/31/07	$ 350,000	B 00000819
09/08/04	$ 149,980	B 00007167	03/06/07	$ 350,000	B 00000818
11/12/04	$ 249,985	B 00007178	04/02/07	$ 350,000	B 00000815
12/09/04	$ 249,965	B 00007183	04/30/07	$ 449,980	B 00000817
01/06/05	$ 99,980	B 00007188	05/31/07	$ 350,000	B 00000816
02/08/05	$ 199,980	B 00007192	TOTAL: $3,049,940		
03/10/05	$ 199,980	B 00007197			
04/11/05	$ 100,000	B 00007202			
05/09/05	$ 275,000	B 00007207			
07/07/05	$ 150,000	B 00007218			
07/12/05	$ 100,000	B 00007219			
09/07/05	$ 200,000	B 00007228			
10/11/05	$ 250,000	B 00000978			
11/14/05	$ 250,000	B 00007239			
12/05/05	$ 450,000	B 00007245			
01/11/06	$ 299,980	B 00007251			
02/21/06	$ 300,000	B 00000979			
03/06/06	$ 300,000	B 00000966			
04/03/06	$ 300,000	B 00000958			
05/04/06	$ 299,980	B 00007277			
06/01/06	$ 300,000	B 00000957			
07/10/06	$ 300,000	B 00000965			
08/04/06	$ 300,000	B 00000975			
09/05/06	$ 300,000	B 00000962			
10/05/06	$ 50,000	B 00000956			
TOTAL: $7,424,620					

Chart prepared by Subcommittee

Another $5.5 million in wire transfers from LetsGo were deposited into the first Douglas/AUN checking account at Citibank. AUN first opened its doors to students in September 2005; these wire transfers began in mid-2005 and continued for the next two years, providing the account with a large sum every month or two, beginning with $100,000 and eventually increasing to $300,000 per payment. This chart identifies those wire transfers.

[1101] In some cases, the deposited amounts reflect the subtraction of wire transfer or other fees.

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Wire Transfers from LetsGo Ltd. to Douglas/AUN Account at Citibank: 1209739556		
From LetsGo Account at Wegelin & Co.		
Date	Amount	Bates
05/09/05	$ 100,000	B 00006533
06/07/05	$ 100,000	B 00006529
09/07/05	$ 150,000	B 00006520
10/06/05	$ 150,000	B 00006515
11/14/05	$ 150,000	B 00006510
01/11/06	$ 150,000	B 00006499
02/21/06	$ 150,000	B 00006496
03/07/06	$ 200,000	B 00006491
04/03/06	$ 200,000	B 00000959
05/04/06	$ 300,000	B 00000954
06/01/06	$ 300,000	B 00006481
07/10/06	$ 300,000	B 00000953
08/08/06	$ 300,000	B 00000967
09/05/06	$ 300,000	B 00000964
10/05/06	$ 300,000	B 00000955
11/03/06	$ 300,000	B 00000977
12/06/06	$ 300,000	B 00000974
12/29/06	$ 300,000	B 00000976
01/31/07	$ 300,000	B 00000972
03/05/07	$ 300,000	B 00000960
04/03/07	$ 300,000	B 00000970
05/03/07	$ 300,000	B 00000963
05/31/07	$ 300,000	B 00000969
SOURCE: Citibank	TOTAL: $ 5,550,000	

Chart prepared by Subcommittee

In addition, from 2004 to 2005, Sima Holdings sent four wire transfers totaling nearly $700,000 to Ms. Douglas. Most of these funds were deposited into her personal checking account, but also, on one occasion, provided funds to the Douglas/AUN account. This chart identifies those wire transfers.

Wire Transfers from Sima Holding Ltd. to Douglas and Douglas/AUN Accounts at Citibank			
Citibank Account No.	Date	Amount	Bates
52096374 (Douglas)	06/08/04	$ 249,965	B 00007152
52096374 (Douglas)	06/08/05	$ 100,000	B 00007213
52096374 (Douglas)	08/11/05	$ 200,000	B 00007223
1209739556 (Douglas/AUN)	08/11/05	$ 50,000	B 00006525
SOURCE: Citibank		$ 699,965 - TOTAL	

Chart prepared by Subcommittee

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In addition to the wire transfers from these five offshore corporations, Ms. Douglas received several large wire transfers in 2003, totaling nearly $500,000, from unidentified persons. This chart identifies those wire transfers.

Wire Transfers from Unidentified Originators to Douglas Account at Citibank: 52096374			
Originator of Wire	Date	Amount	Bates
"A Client"	02/06/03	$ 184, 970	B 00007064
"A Client"	02/14/03	$ 159,970	B 00007065
"A Client"	02/21/03	$ 154,970	B 00007065
SOURCE: Citibank		$ 499,610 - TOTAL	

Chart prepared by Subcommittee

Ms. Douglas used much of the offshore funds sent to her personal checking account to pay personal bills and expenses, including roughly $50,000 per month in credit card bills, and $20,000 to $30,000 per month to the Weidenfeld law firm and her accountants, Penn, Schoen, Berland Associates. In early 2002, she also transferred funds to the Gede Foundation accounts at Citibank and Chevy Chase Bank. In addition, over five years, from the university's inception to the closing of her Citibank accounts, Ms. Douglas transferred a total of about $763,000 to various American University and AUN accounts.

The following charts show the $763,000 that Ms. Douglas transferred on behalf of AUN, including about $330,000 that Ms. Douglas transferred from her Citibank personal checking account to an American University account at Chevy Chase Bank, and another $47,000 from her personal checking account to an AUN account at Guaranty Trust Bank in Nigeria. In addition, she transferred about $384,000 from the second Douglas/AUN account at Citibank to the AUN account at Guaranty Trust Bank in Nigeria.

Transfers from Douglas Personal Checking Account at Citibank: 52096374 to AUN Accounts					
To AU account at Chevy Chase Bank			To AUN account at Guaranty Trust Bank		
Date	Amount	Bates	Date	Amount	Bates
04/21/03	$ 100,000.00	B 00007078	08/07/06	$ 12,400.00	B 00007295
04/28/03	$ 100,000.00	B 00000906	08/07/06	$ 12,030.00	B 00007295
08/05/03	$ 100,000.00	B 00000858	08/07/06	$ 8,730.00	B 00007295
09/13/05	$ 1,045.00	B 00007229	01/17/07	$ 1,750.00	B 00007329
02/08/06	$ 2,000.00	B 00007257	05/03/07	$ 2,250.00	B 00007357
10/31/06	$ 221.36	B 00007309	05/03/07	$ 10,520.00	B 00007357
01/22/07	$ 2,186.00	B 00007329	Source: Citibank	TOTAL: $47,680.00	
05/04/07	$ 26,000.00	B 00007357			
Source: Citibank	TOTAL:$331,452.36				

Chart prepared by Subcommittee

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Wire Transfers from Douglas/AUN account at Citibank: 1208993341 to AUN account at Guaranty Trust Bank		
Date	Amount	Bates
04/03/06	$ 16,599.24	B 00006612
05/01/06	$ 6,244.43	B 00006607
06/01/06	$ 7,196.65	B 00006602
07/31/06	$ 5,853.62	B 00006598
10/31/06	$ 21,162.03	B 00006585
12/04/06	$ 1,000.00	B 00006574
12/28/06	$ 44,716.77	B 00006576
02/01/07	$ 45,957.00	B 00006565
03/13/07	$ 36,100.00	B 00006559
03/29/07	$ 54,435.64	B 00006561
04/30/07	$ 50,000.00	B 00000900
06/04/07	$ 2,030.82	B 00006543
06/04/07	$ 92,798.70	B 00000898
SOURCE: Citibank	**$ 384,094.90 - TOTAL**	

Chart prepared by Subcommittee

Account Concerns. Citigroup told the Subcommittee that it was aware of the offshore wire transfers going into the Douglas accounts and, at various points during the seven years the Douglas-related accounts were open, investigated specific transactions before deciding to close all the accounts in 2007.[1102]

One such account review took place in 2003, when LetsGo and China Castle Investments sent multiple wire transfers to Ms. Douglas' personal checking account totaling nearly $1.7 million. Citibank told the Subcommittee that it had deemed these transactions "questionable."[1103]

At one point, Ms. Douglas provided an explanation of the source of the funds in her accounts in a letter that was retained in her Citibank account files.[1104] In the letter dated November 21, 2003, addressed "To Whom It May Concern," Ms. Douglas wrote:

> "I am stating exactly how I get my income. From Gede, I accept a minimal income of 1076.23, with an agreed yearly bonus of $50,0000.00, [sic] paid in [a] lump [sum] yearly after every fundraising. I receive a yearly maintenance income from spouse of $500,000.00. Monthly dividends and interest from account excluding the Neuberger Berman account is $1,657.50. I also have

[1102] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004 (Citibank wrote: "Beginning in 2001 through 2007, Citigroup identified and investigated various issues in Ms. Douglas's accounts.").
[1103] Id.
[1104] 11/21/03 letter from Ms. Douglas addressed "To Whom It May Concern," B00007910.

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an investment trust fund with Neuberger Berman with a standing balance of 5 million dollars plus."[1105]

She also wrote that her home was valued at $3 million, with no outstanding mortgage.[1106] The Douglas letter did not provide any information, however, about the offshore corporations sending funds to her accounts or explain the source of the funds provided by her husband.

Three years later, in 2006, Citibank raised additional questions about the Douglas/AUN accounts. Citigroup told the Subcommittee that routine account monitoring had detected what appeared to be business activity in what was supposed to be Ms. Douglas' personal checking account, including wire transfers involving LetsGo and the Guernsey Trust Company.[1107] Citigroup told the Subcommittee: "[B]usiness activity in a personal account raises questions because it is inconsistent with the information the customer provided the bank at the time of account opening."[1108]

Citibank told the Subcommittee that it spoke with Ms. Douglas concerning the Douglas/AUN accounts and told her that she needed to open business accounts in order to continue conducting transactions involving AUN.[1109] Citibank said Ms. Douglas "responded that she had tried to open a business account but was unable to do so because she lacked the proper documentation."[1110]

According to Citibank, in early 2007, it learned for the first time that Ms. Douglas was married to a foreign official.[1111] Mr. Abubakar was then finishing his second term as Vice President of Nigeria. On April 2, 2007, Ms. Douglas wrote to two AUN and AU officials that "Citibank wrote to me requesting that I close the ABTI [AUN] account because it is a business account being run from an individual account. They requested the account be closed by April 17, but I am trying to get an extension to enable us [to] look elsewhere to open an account."[1112]

On April 9, 2007, a Citibank compliance officer wrote to the Citibank branch manager about the Douglas/AUN accounts as follows:

[1105] Id.
[1106] Id.
[1107] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0004. Citibank told the Subcommittee that it had not identified any transactions of concern involving Sima Holding Ltd. during investigations of Ms. Douglas' accounts.
[1108] Id.
[1109] Id., at PSI-Citi-34-0005.
[1110] Id.
[1111] Subcommittee interview of Citibank officials, April 24, 2009.
[1112] 4/2/07 email from Ms. Douglas to American University, PAU107446.

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> "[P]lease find out from customer what type of company/business is 'Letsgo Limited Inc' located in Panama and which has accounts with a bank in Switzerland. Also, what type of company is Guernsey Trust Company Nigeria. These two companies sent multiple large ($300,000-) wire transfers to our customer's account. We would like to thoroughly understand in what activities the customer is involved before we extend the close out and establish a new business account."[1113]

The Citibank branch manager replied:

> "I have spoken to Ms. Douglas and she has informed me that Letsgo Limited and Guernsey Trust are both oil services companies. Since her husband is the owner of both companies, and is a very public figure, the trust accounts run those businesses for him. In turn, the funds from both companies are used to pay the salaries for the teachers in the ABTI-American University account. Funds from those business[es] also go into her personal accounts as well. She has expressed a desire for her personal account to remain open, and has said she will move the ABTI-American University account elsewhere."[1114]

This Citibank email states that Ms. Douglas told the bank that LetsGo and Guernsey Trust Company were both owned by her husband. But LetsGo is beneficially owned by Mr. Volpi and his relatives, not by Mr. Abubakar. The Guernsey Trust Company manages the Abubakar Blind Trust, and the Subcommittee has been told that Mr. Abubakar was not and is not an owner of the company, although he is a beneficiary of the trust it manages.

In 2007, Citigroup decided to close not only the AUN accounts, but all of the accounts related to Ms. Douglas. It told the Subcommittee:

> "Because the business activity in her personal account continued after that discussion [in 2006], and because in early 2007, CB was aware of Ms. Douglas's status as the wife of the Vice President of Nigeria, as well as certain allegations surrounding Ms. Douglas and her husband, CB Compliance instructed the branch to close Ms. Douglas's accounts."[1115]

[1113] 4/9/07 internal Citibank email, B00008102.

[1114] 4/16/07 internal Citibank email, B00008535-56.

[1115] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0005. On March 30, 2007, a Citibank Compliance Office, expressed concern about the "...sensitive nature of this closeout and the reputational risk it may cause." See 3/30/07 internal Citibank email, B 00008106.

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In an undated internal document, Citibank expressed the following concerns with Ms. Douglas' accounts: "Wires that originate from businesses where relationships with the customer cannot be established, followed by transfers of the funds between accounts that ultimately end in the funds being sent to various individuals and businesses appears suspicious."[1116] In addition, an internal email dated August 10, 2007, from a Citibank fraud investigator stated:

> "Suspicious activity with advances from employer directly to Citibank accounts (to pay out bonus income). Still need to probe into documents received to review the 500k received yearly maintenance income from spouse. At this time have not been able to locate the documentation to verify the spousal maintenance. Highly suspect that someone claiming 30k in income to the IRS could obtain a 2.7 million dollar home with no mortgages. Lifestyle of the borrower is not reflected on the tax returns."[1117]

Edward Weidenfeld, Ms. Douglas' legal counsel, told the Subcommittee that, in the spring of 2007, he learned that the Citibank AUN accounts would be closed. He told the Subcommittee that he also learned at that time "that salaries of expatriate faculty and staff were paid by wire transfer" from the Douglas/AUN Citibank accounts, and "without this or a similar account, the ability of AUN to retain and recruit non-Nigerian staff would be severely limited."[1118] He said that on behalf of the Abubakars and AUN, he "engaged in intensive discussions urging AU to provide this payment facility for expatriate staff and faculty," but "American University's financial office would not open such an account because AU wanted to maintain the separate identities of each institution."

Citibank told the Subcommittee that it ultimately gave Ms. Douglas additional time before closing the Douglas/AUN accounts, because Ms. Douglas was out of the country, and granting an extension would permit all account closings to occur at the same time.[1119] Citibank closed her checking and savings accounts by the end of June, and closed all remaining accounts by the end of August 2007.[1120]

(2) Chevy Chase

A year after opening accounts at Citibank, Ms. Douglas also opened one account at Chevy Chase Bank in Potomac, Maryland, and

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[1116] Undated internal Citibank document, B 00008425.
[1117] 8/10/07 internal Citibank email, B 00008369.
[1118] 11/13/09 written response from Mr. Weidenfeld's legal counsel to Subcommittee questions, PSI-Abubakar_&_Weidenfeld-01-0023.
[1119] 3/19/09 Citibank's letter in response to Subcommittee questions, PSI-Citi-34-0005.
[1120] Id.

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three accounts at Chevy Chase Trust Company, then a subsidiary of Chevy Chase Bank. These accounts were active for about seven years, from 2001 to 2008. Three of the accounts were opened in July 2001, as investment accounts for the Jennifer Douglas Abubakar (JDA) Family Trust. The account at the bank was opened six months later, in February 2002, for the Gede Foundation which had been formed the prior week. Chevy Chase Bank told the Subcommittee that it did not realize for five years that the two sets of accounts were related, since the JDA Family Trust accounts listed "Jennifer Douglas-Abubakar" as the trust beneficiary, while the Gede Foundation listed "Jennifer Douglas" as one of two account signatories. In addition, Chevy Chase Bank opened all of these accounts without being aware of Ms. Douglas' PEP status.[1121] In 2004, after Chevy Chase Bank determined that Ms. Douglas qualified as a PEP client, it increased its monitoring of the JDA Family Trust account, but not the Gede Foundation account. It took another three years, until 2007, for the bank to realize that the Gede Foundation account was linked to the same Ms. Douglas.

None of the Chevy Chase accounts associated with Ms. Douglas received large wire transfers from offshore corporations as happened at other banks. The JDA Family Trust Account, for example, did not receive any new funds; it simply invested $5 million in pre-existing trust proceeds. While the Gede Foundation did receive new funds, they came primarily from the Gede Foundation account at Citibank, and Chevy Chase Bank had no reason to know the Citibank Gede account was receiving funds that came from offshore corporations and the suspect Siemens payments.

In 2006, after hearing Ms. Douglas and her husband Mr. Abubakar mentioned in connection with the investigation of U.S. Congressman Jefferson, Chevy Chase Bank grew concerned about the source of funds in the JDA Family Trust account and decided to resign as trustee. Chevy Chase Trust Company told Ms. Douglas that it intended to close the account, but was persuaded by her and her lawyer to continue to hold the trust funds as a custodian until a new trustee was found – a process that took two years until 2008. In 2007, Chevy Chase Bank learned as a result of a Subcommittee inquiry, that Ms. Douglas also controlled the Gede Foundation account. The bank and the trust company closed all four Douglas-related accounts in 2008.

[1121] At the time it opened the accounts in July 2001, Chevy Chase Bank verified that Ms. Douglas-Abubakar was a U.S. citizen and did not appear on the OFAC SDN list. 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0002. At that time, the Patriot Act of 2001 was not yet enacted into law, and its provisions calling for enhanced monitoring of PEP accounts would not become legal requirements until 2002.

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JDA Family Trust Accounts. According to a copy of the trust instrument in Chevy Chase Bank records, the JDA Family Trust was established in October 2000, by the Merrill Lynch Trust Company which served as the sole trustee and investment manager.[1122] The purpose of the trust was "to make gifts to Jennifer Douglas-Abubakar and her family, to promote the well being of those persons, to preserve and enhance their financial assets, and to offer a framework for family governance."[1123] Chevy Chase described the Trust internally as "designed to permanently move funds to a trust for the benefit of Ms. Douglas-Abubakar and her children" and to provide "a nest egg to protect Jennifer Douglas-Abubakar and her children from negative life events concerning Mr. Abubakar."[1124] According to Ms. Douglas, her husband provided the initial funding for the trust as a gift to her, and she used that money to fund the trust.[1125]

Ms. Douglas served as the Trust grantor, "protector," and one of its beneficiaries.[1126] The other beneficiaries were her children.[1127] In her role as Trust Protector, Ms. Douglas was given authority to remove or replace the trustee. The trustee was given discretion to invest the trust funds and make trust distributions.[1128] After Merrill Lynch apparently invested the trust funds aggressively and reduced the trust principal from $6 million to $5 million over six months, Ms. Douglas decided to find a new trustee, and to split the trustee and investment management functions.[1129] On July 20, 2001, she removed Merrill Lynch and appointed Chevy Chase Trust Company as the replacement trustee.[1130] Ms. Douglas had intended to appoint her brother, Francis Iwenjiora as a co-trustee along with Chevy Chase Trust Company, but he was apparently out of town, and was added as a co-trustee a year later on July 31, 2002.[1131] She also selected the Neuberger Berman Trust Company, which is associated with the Lehman Brothers, as the investment manager.[1132]

[1122] See 10/10/00 JDA Family Trust instrument, JD_000002-30; 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0002.
[1123] 10/10/00 JDA Family Trust instrument, JD_000003.
[1124] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0007.
[1125] 1/30/06 internal Chevy Chase Bank memorandum, JD_004360.
[1126] 5/8/07 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-CL000001-5, at 3.
[1127] 10/10/00 JDA Family Trust instrument, JD_000003.
[1128] Id.
[1129] See 8/18/04 internal Chevy Chase email discussing account, JD_004176.
[1130] See "Revocation of Prior Appointment and New Appointment of Successor Co-Trustees," JD_000218; "Removal of Trustee and Appointment of Successor Co-Trustees," JD_000031. 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0002; 8/18/04 internal Merrill Lynch email, JD_004176.
[1131] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0002.
[1132] See Chevy Chase memorandum about the JDA Family Trust, JD_000219; 10/26/01 letter from Neuberger Berman Trust Company to Ms. Douglas, JD_000221.

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On July 25, 2001, the JDA Family Trust opened three investment accounts at Chevy Chase Trust Company:[1133] Fixed Income Account No. CH200121; Value Equity Account No. CH200122; and Blend Equity Account No. CH200123.[1134] During the time the trust accounts were at Chevy Chase, no new funds were added; the bank simply accepted the trust funds transferred from Merrill Lynch and allowed the Neuberger Berman Trust Company to determine the specific investments.

Gede Foundation Account. About six months later, on February 1, 2002, Ms. Douglas opened a commercial checking account at Chevy Chase Bank for the Gede Foundation, Checking Account No. 196430326-5.[1135] The Gede Foundation had been formed the prior week under the laws of the District of Columbia. The account opening documentation listed two account signatories: Cynthia Ticao, the Gede Foundation executive director, and "Jennifer Douglas," the Gede Foundation president.[1136] Because Ms. Douglas did not use the name "Abubakar" when opening this account, Chevy Chase Bank apparently did not realize that she was the same person who had opened the JDA Family Trust account.

Ms. Douglas initially funded the Gede Foundation account with a $250,000 check from her personal checking account at Citibank.[1137] As shown in an earlier chart, three days earlier, on January 28, 2002, Ms. Douglas' checking account had received a wire transfer in excess of $860,000 from Siemens AG, a payment which was part of a pattern of bribery payments Siemens made to advance its business interests around the globe. The timing of this Siemens payment, followed by the wire transfer to the Gede Foundation account, suggests that the Foundation account was initially funded with suspect funds, but there would be no reason for Chevy Chase Bank to know the transfer was suspicious.

Over the next six years, from 2002 to 2008, Ms. Douglas provided a steady stream of wire transfers from her Gede Foundation account at Citibank, totaling at least $535,000 altogether, to the Gede Foundation account at Chevy Chase Bank. Chevy Chase told the Subcommittee: "During the course of the [Gede Foundation] relationship, the account has been funded through a regular pattern of incoming wires that have averaged approximately two per month. Wire instruction information

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[1133] 7/25/01 Chevy Chase Trust Account Acceptance Form, JD_000108-09.

[1134] 5/8/07 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-CL000003. Several Chevy Chase managers then handled these accounts. Chevy Case Box 1, JD_000227-28 and , 241-42. See also 8/18/04 internal Chevy Chase email discussing account, JD_004176.

[1135] See Chevy Chase Bank Signature Card, GF_000001.

[1136] Id.

[1137] Copy of Douglas personal check for $250,000, GF_000002-03; Chevy Chase account statement, GF_000006.

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indicates that all incoming wires originated from a Gede Foundation account at Citibank."[1138] Because the funds were wire transferred from an account at another U.S. bank, Chevy Chase Bank did not know the true source of the funds, which came either from offshore corporations or the suspect Siemens wire transfers. From 2002 to 2008, the account paid out a total of about $215,000, with the largest single expenditure, about $75,000, for a fundraising event at a hotel.

This chart identifies seven transactions involving $50,000 or more involving the Gede Foundation account at Chevy Chase Bank.[1139] After 2003, none of the wire transfers into or out of the account exceeded $50,000.

Gede Foundation Account at Chevy Chase Bank				
Date	Amount	Originator	Beneficiary	Bates
2/1/02	$ 250,000	Check from Douglas personal checking account at Citibank	Gede Foundation	GF_000002-03
9/15/03	$ 50,000	Wire from Gede Foundation Citibank 17581366	Gede Foundation Chevy Chase	GF_000016-17
9/17/03	$ 50,000	Wire from Gede Foundation Citibank 17581366	Gede Foundation Chevy Chase	GF_000018-19
9/18/03	$ 60,000	Wire from Gede Foundation Citibank 17581366	Gede Foundation Chevy Chase	GF_000020-21
9/29/03	$ 75,000	Check from Gede Foundation Chevy Chase	Marriott Wardman Park Hotel	GF_000026-27
10/08/03	$ 50,000	Wire from Gede Foundation Citibank 17581366	Gede Foundation Chevy Chase	GF_000022-23
TOTAL: $535,000		SOURCE: Chevy Chase Bank		

Chart created by Subcommittee

$400,000 Loan. In early 2004, Ms. Douglas transferred $400,000 from the JDA Family Trust account to her personal checking account at Citibank, describing it as a "loan" needed to fund charitable work in Nigeria. Ms. Douglas alerted the bank to her plans for the loan in a December 10, 2003 email sent to the Chevy Chase Trust Company:

> "Just want to alert you of a possible withdrawal on the account. I am trying to open a HIV/AIDs center (that would incorporate testing, counseling, and HIV/AIDS awareness education) in Nigeria. … I have applied to my bank for the loan. They have not turned me down but in the event they do, I will have to withdraw the sum of $400,000

[1138] 5/8/07 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-CL000001-05, at 05.
[1139] See 4/9/07 Chevy Chase wire transfer receipts, GF_000028-39; GF_000040-209.

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(four hundred thousand) to buy the equipments needed for the center. The monies will be returned as well." [1140]

At first, Chevy Chase Trust Company expressed concern that the loan would be contrary to the terms of the JDA Family Trust. In a December 12, 2003 email, Chevy Chase wrote to Ms. Douglas:

"There are some issues I believe we should discuss regarding this matter. As you know, the JDA Family Trust was established to provide benefits for you and your family. The purpose of the withdrawal, as I understand it, is to fund a foundation to help people in need outside of your family. As wonderful a goal as that is, there are legal restrictions on the use of trust funds that may prevent us from making such a distribution. I am reviewing the trust language now to see what it says in that regard."[1141]

Ms. Douglas responded: "The money is a loan to me and I have a right to request that. I could have equally said that I need it to make a purchase for something. ... Kindly send the money to the account that I have suggested and consider it a loan to be repaid back."[1142] She further stated that the money is for an "HIV/AIDS center (that would incorporate testing, counseling, and HIV/AIDS awareness education) in Nigeria. I need certain equipments for the center. While we have gotten over a million in funding, we need extra money to buy our equipments, until other promised funding comes in").[1143]

Chevy Chase ultimately allowed the loan and provided Ms. Douglas with the funds. Chevy Chase noted that "the terms of the JDA Family Trust entitle Ms. Douglas-Abubakar to request the distribution of funds that are in her best interest," and allow "a distribution 'to acquire, begin or operate a business or to engage in a profession.'"[1144] Chevy Chase reported that because Ms. Douglas-Abubakar's "stated purpose for borrowing from the trust was to support a center she was running … [a] loan for this purpose met the conditions of the trust."[1145]

On January 10, 2004, Chevy Chase authorized the $400,000 loan from the JDA Family Trust to Ms. Douglas.[1146] On January 12, 2004, Ms. Douglas signed a promissory note promising to repay the loan.[1147] On January 14, 2004, Chevy Chase sold funds from the trust

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[1140] 12/10/03 email from Ms. Douglas to Chevy Chase Trust, JD_000255.
[1141] 12/12/03 email from Chevy Chase Trust to Ms. Douglas, JD_000253.
[1142] 12/12/03 email from Ms. Douglas to Chevy Chase Trust, JD_000257.
[1143] 12/10/03 email from Ms. Douglas to Chevy Chase Trust, JD_000256.
[1144] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0006.
[1145] Id.
[1146] 1/10/04 Citibank loan authorization agreement from the JDA Family Trust, JD_000283.
[1147] 12/12/04 "Non Negotiable Promissory Note," JD_0000267-68.

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investments, and then wire transferred $400,000 from the JDA Family Trust account to Ms. Douglas' personal checking account at Citibank. The $400,000 was sent to her Citibank Account No. 52096374 in two installments, one transfer of $280,000 on January 14, 2004,[1148] and another for $120,000 on January 21, 2004.[1149] Ms. Douglas then transferred the funds from her account to the Gede Foundation account at Citibank, Account No. 17581366, with $260,000 on January 15,[1150] and $120,000 January 21.[1151] It is unclear why she failed to transfer the loan proceeds directly from the JDA Family Trust account to the Gede Foundation account, and instead routed the funds first through her personal account.

Soon after receiving the funds, the Gede Foundation account at Citibank subsequently dispersed them by international wire transfer and check. On January 16, 2004, the Gede Citibank account wired out $72,223, on January 22nd the account wired $63,985.85, on January 26th the account wired $81,208.07 and on January 26th the account wrote a check for $135,981.[1152]

Ten months later, in October 2004, Chevy Chase asked about the loan which had not been repaid. Ms. Douglas responded that she was "forcing to see about the repayment from the foundation for the loan they were given. Some of their grants didn't come through yet because the studies will start next year so the grants are still on hold by the funding organization. But, it will be paid back."[1153] As of 2008, the loan had not yet been repaid.[1154]

PEP Status. For the first three years her accounts were open, from 2001 to 2004, Chevy Chase did not know that Ms. Douglas was a PEP client and did not provide enhanced monitoring of her accounts, in part because the Patriot Act's PEP requirements were not in effect when the account was opened. When they did take effect in 2002, Chevy Chase initially rated the JDA Family Trust account as a "low risk account" that did not warrant enhanced monitoring, because the bank viewed irrevocable trusts as presenting few money laundering risks and no new funds were being added to the trust.[1155]

[1148] January 2004 Citibank account statement, B 00007129.
[1149] 1/21/04 Citibank transaction record, B00000853.
[1150] 1/15/04 Citibank transaction record, B00000854.
[1151] 1/21/04 Citibank transaction record, B00000853.
[1152] January 2004 Citibank Gede Account Statement, B00006040
[1153] 10/20/04 email from Ms. Douglas to Chevy Chase Bank, JD_000316.
[1154] Subcommittee interview of Chevy Chase Bank officials, 7/18/08.
[1155] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0002. Chevy Chase noted that the Patriot Act regulations on Customer Identification Procedures, including with respect to trusts, did not go into effect until October 2003.

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During the summer of 2004, a Chevy Chase associate general counsel asked several questions about the trust and requested biographical information for Mr. Abubakar.[1156] Apparently, the bank quickly learned that Mr. Abubakar was then Vice President of Nigeria. In an August 18, 2004 memorandum, a Chevy Chase compliance officer wrote: "The Abubakar's are PEPs, and with the exception of this account, no other account relationships exist with the Bank. This account is considered high risk."[1157] The memorandum did not mention the Gede Foundation account, because the bank had not realized at that point Ms. Douglas' connection to that account.[1158] The memorandum called for enhanced monitoring of the JDA Family Trust accounts "to ensure activity is normal and commensurate with the type of activity expected for the Trust. Source of funds should be clearly identified and evaluated for reasonableness."[1159] Later that same month, the bank officially designated Ms. Douglas, her children, and the JDA Family Trust as PEP clients due to their "association with a foreign political official,"[1160] and assigned a "high risk" rating to the trust accounts.[1161]

According to Chevy Chase, the accounts were then subjected to monthly monitoring to ensure the account activity was "normal and commensurate with that expected for the trust."[1162] The first review took place in September 2004, with monthly reviews and reports to the Chevy Chase Trust Committee thereafter.[1163]

Account Concerns. For the next year, from 2004 to 2005, Chevy Chase Bank conducted enhanced monitoring of the JDA Family Trust account without incident. In late 2005, however, media reports began mentioning Mr. Abubakar in connection with the ongoing criminal investigation of Congressman Jefferson. After learning of these media reports, the trust company decided to resign as trustee from the JDA Family Trust and close the trust accounts.

[1156] Id., at PSI-Chevy_Chase-06-0004.
[1157] 8/18/04 internal Chevy Chase Bank memorandum, JD_004350.
[1158] Chevy Chase told the Subcommittee: "The fact that Ms. Douglas-Abubakar used two different names prevented Chevy Chase Bank from tying the Gede Foundation account to the JDA Family Trust Account at Chevy Chase Trust." 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0004.
[1159] 8/18/04 internal Chevy Chase Bank memorandum, JD_004350.
[1160] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0003; see also PSI-Chevy_Chase-06-0001 ("Jennifer Douglas-Abubakar was identified as a PEP because she is the wife of Alhaji Atiku Abubakar, then Vice President of Nigeria.").
[1161] 5/8/07 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-CL000004.
[1162] Id.
[1163] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0003.

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An internal Chevy Chase Trust Company memorandum dated January 30, 2006, recommended resigning from the JDA Family Trust for the following reasons:

> " 1) Mr. Abubakar's source of wealth is impractical to verify. Under the US PATRIOT Act, Chevy Chase Trust is obligated to conduct enhanced due diligence on its high risk accounts. Since Politically Exposed Persons (PEPs) are high risk, Chevy Chase Trust must develop a reasonable belief that the source of funds is not derived from illegal activities. Obtaining sufficient proof in Mr. Abubakar's situation may not be possible. Failure to adequately document the source of funds for this relationship would increase the regulatory risk to the Trust Company.
>
> 2) The ongoing criminal investigation of Rep. William Jefferson could spread to Mr. Abubakar and his wife. If she were to be indicted, Chevy Chase Trust would be serving as co-trustee with person involved in suspected bribery of a US public official. Given the high degree of media that these cases are receiving currently, Chevy Chase Trust could be at increased reputation risk."[1164]

With regard to the source of the trust funds, Chevy Chase noted that it "understood that Abubakar family wealth, principally that of Alhaji Atiku Abubakar, was the source of funds for the JDA Family Trust when it was established at Merrill Lynch."[1165] Chevy Chase noted that the trust had been fully funded prior to its coming to the bank, and thus Chevy Chase "did not undertake additional efforts to identify the source of funds in the account."[1166] The memorandum also noted:

> "Prior to becoming Vice President, Mr. Abubakar was the chairman of seven Nigerian companies involved in oil services, insurance, pharmaceuticals, agriculture and the print media. From 1969 to 1989, he served in the Nigerian Customs and Excise service. Given the business practices that existed in Nigeria over this timeframe, the ability of the [Chevy Chase] Trust company to determine that his wealth was achieved through legal means is suspect."[1167]

On January 20, 2006, Chevy Chase sent a letter to Ms. Douglas' legal counsel, Edward Weidenfeld, resigning from the trust. The letter

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[1164] 1/30/06 internal Chevy Chase Trust memorandum, JD_004360-61; see also 5/8/07 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-CL000004; 1/30/06 internal Chevy Chase Trust memorandum, JD_000208-10.
[1165] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0003.
[1166] Id.
[1167] 1/30/06 internal Chevy Chase Trust memorandum, JD_004359.

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stated: "It is with sincere regret that I advise you, as we discussed on the phone this morning, that we must resign as Trustee of the JDA Family Trust. As I discussed the new regulatory obligations imposed on the Bank by the federal government are so onerous that the Bank has chosen not to continue the relationship." The letter offered "a reasonable time to you to locate a successor and work with the successor to effect a smooth transition" [1168]

Five months later, in May 2006, Chevy Chase Bank also became concerned about the Gede Foundation account. By then, the bank had made the connection between the Foundation and Ms. Douglas.[1169] Chevy Chase Bank told the Subcommittee that one of the Trust Department's compliance officers read news accounts of the FBI search of Congressman Jefferson's home and offices, found a copy of the search warrant, and noticed that it referenced possible use of a charitable foundation in the wrongdoing:

> "While Chevy Chase Trust's monthly monitoring continued to show no unusual activity in the JDA Family Trust accounts, the Trust Compliance Officer, through online searching was able to obtain a redacted copy of the search warrant. According to the search warrant, a confidential witness revealed that Representative Jefferson intended to funnel monetary bribes to the confidential witness, and ultimately to Nigerian officials through a charitable foundation. The Trust Compliance Officer became concerned that that [sic] the charitable foundation in question could have been the Gede Foundation and the JDA Family trust loan to Jennifer Douglas Abubakar could have been connected to the scheme. However, a review of account activity, monthly statements, and checks issued by the Gede Foundation showed no activity that indicated that the Gede Foundation was the recipient of the loan funds issued by the JDA Family Trust or that distributions were made from the Gede Foundation to Representative Jefferson or to other parties listed on the Subpoena. All disbursements and other transactions of $50,000 or more reflected in the JDA Trust Account records are associated with securities purchases or sales, or are consistent with Chevy Chase Trust's role under the Trust agreement."[1170]

Closing the Accounts. Chevy Chase told the Subcommittee that, even though the Gede Foundation account "did not trigger any alerts for unusual activity" and "had no indications of improper activity," the bank

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[1168] 1/20/06 letter from Chevy Chase Bank to Mr. Weidenfeld, JD_000205.
[1169] Chevy Chase Bank told the Subcommittee that it did not make this connection until receiving a Subcommittee inquiry about both the Foundation and Ms. Douglas in 2007, but the 2006 bank documents show that at least some bank officials had made the connection a year earlier.
[1170] 5/8/07 letter from Chevy Chase's legal counsel to the Subcommittee, PSI-Chevy_Chase-000003-05.

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decided to close the account in May 2007.[1171] Mr. Weidenfeld told the Subcommittee that he surmised the Gede Foundation account was closed due to its association with Ms. Douglas.[1172]

Chevy Chase told the Subcommittee that it tendered its resignation from the JDA Family Trust in January 2006, and intended to close the account soon after, but Mr. Weidenfeld had informed Chevy Chase that he was having a difficult time finding a replacement trustee.[1173] Mr. Weidenfeld told the Subcommittee that he contacted the following institutions which declined to take the trust: PNC Bank, Ashbridge Investments, J.P. Morgan Private Bank, Samson Capital in New York, Neville Rody and Shaw, and Papamarkou Asset Management in New York City, before finding a company that would take the trust.[1174] An internal Chevy Chase email noted: "At least five foreign financial institutions with no presence in the United States have refused to take this business."[1175] Chevy Chase told the Subcommittee: "Under principles of trust law, Chevy Chase Trust had a duty to continue as the corporate trustee until a replacement trustee was found or Jennifer Douglas Abubakar and Francis Iwenjiora exercised their powers under the trust to remove Chevy Chase Trust."[1176]

$500,000 Wire Transfer to Faibros Investments. More than a year and a half after Chevy Chase tendered its resignation from the JDA Family Trust and while the search for a new trustee continued, a JDA Family Trust request for a $500,000 wire transfer raised new concerns at the bank. In September 2007, the JDA Family Trust requested a wire transfer of $500,000 to Faibros Investments FZ-LLC in Dubai, one of the United Arab Emirates.[1177] In a September 17, 2007 letter to Ms.

[1171] 9/5/08 letter from Chevy Chase Bank's legal counsel, Mayer Brown, to the Subcommittee, PSI-Chevy_Chase-06-0004

[1172] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0030

[1173] 9/5/08 letter from Chevy Chase's legal counsel to the Subcommittee, PSI-Chevy_Chase-06-0001-07, at 05. Mr. Weidenfeld's legal counsel also told the Subcommittee: "With the Citibank account closing, a replacement facility was urgently required. At approximately the same time, Chevy Chase Bank gave notice it would no longer serve as trustee for the Jennifer Douglas Family Trust ('the JDA trust'), and the money manager for the JDA trust announced their intention to resign. The Abubakars requested that Mr. Weidenfeld find a new money manager, as well as a new trustee to replace Chevy Chase." 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0023.

[1174] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0024.

[1175] 11/29/07 email among Chevy Chase officials, JD_005785-86.

[1176] 9/5/08 letter from Chevy Chase's legal counsel to the Subcommittee, PSI-Chevy_Chase-06-0005; see also 5/8/07 letter from Chevy Chase's legal counsel to the Subcommittee, PSI-Chevy_Chase-CL000004; 10/10/00 JDA Family Trust instrument, JD_000012.

[1177] See JD_005474-75 for letter from Francis Iwonjora and Jennifer Ms. Douglas Abubakar requesting that $500,000 be transferred from the trust to Fabros Investments FZ LLC in Dubai UAE. Iwonjora is Douglas' brother. 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld -01-0019.

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Douglas' legal counsel, the Chevy Chase Trust Company declined to complete the wire transfer. The Trust Company wrote:

> "[O]ur primary business is the investment management of individual's wealth. We do have trust powers and serve as a fiduciary primarily for our clients for whom we manage their investments. In a few limited circumstances we serve as directed trustee where another entity, well known to us, is the investment manager."[1178]

In response, on September 18, 2007, Ms. Douglas and her brother, Mr. Iwenjiora, sent a letter to Chevy Chase removing it as trustee, appointing Mr. Iwenjiora as the sole trustee, and authorizing the $500,000 transfer to Faibros Investments.[1179] An internal email shows that Chevy Chase personnel considered the transfer suspicious:

> "a) The investment is to an offshore investment with no public information available, and b) The investment appears to be inconsistent with the purpose of the trust. The trust is designed to be a nest-egg to protect an American citizen and her children. To have an illiquid, offshore investment that makes up approximately 7% of the trust would be unusual for a relationship this size and it is not consistent with the prior history of this relationship."[1180]

Despite these concerns, on September 27, 2007, Chevy Chase wire transferred the $500,000 to Faibros Investments and continued to maintain the trust account.[1181]

When asked about this transfer, Ms. Douglas told the Subcommittee through legal counsel that she was the beneficial owner of Faibros Investments, that the company had been created to invest in property, and the $500,000 transfer was to fund an investment.[1182] Mr. Weidenfeld's legal counsel told the Subcommittee that "he understood that the transfer was for the purpose of funding an investment, and he believes, though he is not certain, that he understood that the investment was in Dubai. In general, he recalls strongly urging Chevy Chase to make the transfer because he believed Mrs. Abubakar was being unfairly treated as a result of the Jefferson investigation."[1183] The Subcommittee understands that Ms. Douglas now resides primarily in Sharjah, a UAE emirate adjoining Dubai, where she works as a professor at American University of Sharjah.

[1178] 9/14/07 letter from Chevy Chase Bank to Mr. Weidenfeld, JD_005476-77.
[1179] 9/18/07 letter from Ms. Douglas and Mr. Iwonjora to Chevy Chase Bank, JD_005483-84.
[1180] 9/25/07 internal Chevy Chase Bank email, JD_005703-06.
[1181] 9/27/07 email from Chevy Chase Bank to Mr. Weidenfeld, JD_005471, and 9/20/07 email from Chevy Chase Bank to Mr. Weidenfeld, JD_005473.
[1182] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0019.
[1183] Id., at 29.

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Six months later, in May of 2008, Lynx Investment Services in Washington D.C. apparently agreed to serve as a trustee of the JDA Family Trust.[1184] In June 2008, the JDA Family Trust was transferred to Fidelity Investments.[1185] Chevy Chase told the Subcommittee that, at the time of transfer, the $400,000 loan made four years earlier, in 2004, had still not been repaid.[1186]

(3) Wachovia Bank

After Chevy Chase Bank and Chevy Chase Trust Company indicated, in January 2006 and mid-2007, that they would close the JDA Family Trust and Gede Foundation accounts and, in the summer of 2007, Citibank indicated it would close all of its Douglas-related accounts, Ms. Douglas used the assistance of her legal counsel, Mr. Weidenfeld, to open six new accounts at Wachovia Bank in Potomac, Maryland. She went to Wachovia Bank in part because American University was a longstanding client at the bank, and Mr. Weidenfeld was well known to bank officials and willing to speak on her behalf. In July 2007, Ms. Douglas was able to open two personal checking accounts, two checking accounts for the Gede Foundation, one checking account for AUN, and a personal money market account.

Wachovia opened all of the Douglas-related accounts without designating her as a PEP client, even though Mr. Weidenfeld had described her husband as the recent vice president of Nigeria, and the bank itself had conducted multiple PEP screenings. Over a seven-month period from July 2007 to February 2008, Ms. Douglas used the Wachovia accounts to bring $4.2 million in suspect funds into the United States from the same offshore corporations that caused her accounts to be closed at Citibank. The Guernsey Trust Company, for example, wire transferred $2.4 million into Ms. Douglas' personal checking account at Wachovia, while LetsGo wire transferred $1.8 million into the AUN account at Wachovia. After detecting the wire transfers, raising concerns about the source of the funds, and concluding that the accounts were involved in suspicious transactions, Wachovia closed the accounts seven months after they were opened.

Weidenfeld Assistance. Mr. Weidenfeld, made the initial contact with Wachovia Bank regarding opening accounts for Ms. Douglas. In early May, he telephoned the head of Wachovia DC Wealth Management office and informed him that Ms. Douglas was seeking to

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[1184] Id., at 23.
[1185] Subcommittee interview of Chevy Chase Bank officials, July 18, 2008. See also PSI-Chevy_Chase-06-0005.
[1186] Subcommittee interview of Chevy Chase Bank officials, July 18, 2008.

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open accounts at the bank.[1187] Notes taken by the DC wealth manager regarding the conversation show that Mr. Weidenfeld explicitly disclosed that Ms. Douglas was married to Atiku Abubakar, who was then in the process of leaving office as Vice President of Nigeria.[1188] The notes also contain a reference to "money in the freezer." The Wachovia DC wealth manager indicated that he did not recall why he wrote that phrase,[1189] but it suggests that Mr. Weidenfeld discussed the ongoing criminal investigation of Congressman Jefferson, news reports indicating that cash had been found in his freezer, and news reports linking the Congressman to Mr. Abubakar and his wife. In addition, the notes indicate that Mr. Weidenfeld told the bank that Ms. Douglas would like to open an account for her family trust and move the trust's assets, then about $7 million, from Chevy Chase Bank to Wachovia.

After the conversation, Mr. Weidenfeld sent a letter to Wachovia on behalf of Ms. Douglas, attesting to her character and recommending that Wachovia open accounts for her.[1190] Mr. Weidenfeld wrote: "Mrs. Abubakar received her doctorate degree from American University two weeks ago and has received a fellowship at AU for the fall. She is a United States citizen married to a non-resident named Atiku Abubakar. Atiku Abubakar is also a friend. Until last month he was the Vice President of Nigeria."[1191]

Account Opening. Soon after speaking with Mr. Weidenfeld, the Wachovia DC wealth manager initiated the process of opening an account for Ms. Douglas. He assigned to an assistant the task of entering her information into the Wachovia record keeping system. He also contacted a Wachovia compliance officer about the account, relayed the fact that Ms. Douglas was married to former Vice-President Abubakar, and asked whether Wachovia would be able to open the account.[1192] He indicated that the compliance officer said she was unsure and would look into it. The compliance officer confirmed that she spoke with the DC wealth manager regarding whether or not the account should be opened, but undertook no additional due diligence prior to the opening of the account.[1193]

Although Mr. Weidenfeld told the bank orally and in writing that Ms. Douglas was married to the former vice president of Nigeria, the bank did not classify her as a PEP client in the account opening documentation. According to Wachovia, the DC wealth manager

[1187] Subcommittee interview of Wachovia officials, September 8, 2008; 6/8/07 email from Mr. Weidenfeld to Wachovia, JD-A-00026.
[1188] Subcommittee interview of Wachovia officials, September 8, 2008.
[1189] Id.
[1190] 6/8/07 letter from Mr. Weidenfeld to Wachovia, JD-A-00026-27.
[1191] Id.
[1192] Subcommittee interview Wachovia officials, September 8, 2008.
[1193] Undated JDA Family Trust Documentation, JD_000001.

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claimed that he had informed his assistant about her marriage to Mr. Abubakar, while the assistant claimed that he did not recall being told of any connection between Ms. Douglas and Mr. Abubakar.[1194] When completing the account opening documentation, the assistant checked "none of the above" in the PEP profile portion of the form, and checked "Medium Priority" rather than "High Risk" in the Risk Assessment portion of the form.[1195] Wachovia told the Subcommittee that the assistant should have entered Ms. Douglas into its system as a PEP client.[1196]

Once the account opening forms were completed, the next step in the process was for Wachovia to conduct a due diligence review of Ms. Douglas. According to Wachovia, the Wealth Management Group employed a third party vendor, CDC, to perform due diligence reviews of all its prospective clients. Among other steps, CDC screens potential clients against a Factiva database, which includes a list of political figures, to determine whether or not a potential customer is a PEP or PEP associate. On May 7, 2007, the assistant completed a Request for Enhanced Due Diligence form for Ms. Douglas,[1197] and CDC crosschecked her name against the Factiva database, but failed to identify her as a PEP.

Wachovia told the Subcommittee that when it later asked CDC why it had failed to identify Ms. Douglas as a PEP, CDC indicated that it had been identifying individuals as PEPs only if an individual was the primary focus of a press article, and Ms. Douglas had not met that criterion.[1198] As a result of the Douglas incident, Wachovia told the Subcommittee that CDC had changed its policy and is now identifying individuals as PEPs even if an individual is not the primary focus but is mentioned in a press article. In addition, according to Wachovia, CDC did not conduct a search for negative press articles with regard to Ms. Douglas when it performed its due diligence review and so did not find the articles linking her to the investigation of Congressman Jefferson. Wachovia told the Subcommittee that problem had been corrected, and such a search was now done on a routine basis for all clients undergoing a CDC due diligence review.

[1194] Subcommittee interview of Wachovia officials, September 8, 2008.
[1195] Contacts Rolodex screen, JD-A-00013.
[1196] Wachovia told the Subcommittee that, as a result of Ms. Douglas not being initially identified as a PEP by the Wachovia Wealth Management Group, the DC wealth manager was held responsible for the actions of the DC Wealth Management office, received a written warning, lost his position as head of the office, and may be penalized monetarily. Wachovia also reported that DC Wealth Management office personnel would be given additional training. Subcommittee interview of Wachovia officials, September 8, 2008.
[1197] 5/07/07 Wachovia Request for Enhanced Due Diligence, JD-A-00016.
[1198] Subcommittee interview of Wachovia officials, September 8, 2008.

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Personal Checking Accounts. On May 11, 2007, Ms. Douglas met in person with the DC wealth manager at a Wachovia branch in Potomac, Maryland.[1199] According to Wachovia, she indicated interest in opening several accounts, including a personal checking account, an account for a family trust with $3 to $6 million in assets, and a checking account for the Gede Foundation.

As a first step, in accordance with Ms. Douglas' request, Wachovia opened a personal checking account for her on that day, May 11, 2007, Account No. 1010122288618.[1200] Wachovia opened a second personal checking account for her a few days later on May 14, 2007, Account No. 1010122288621.[1201] Both accounts were opened through the General Bank Group (GBG) at Wachovia, which handles checking and savings accounts, rather than the Wealth Management Group which handles trust accounts.

When it opened the two accounts, the General Bank Group conducted an additional due diligence review of Ms. Douglas. It required Ms. Douglas to complete account opening documentation in which she described her employment as "housewife."[1202] The documentation did not identify her as a PEP client. Wachovia told the Subcommittee that the DC wealth manager claimed he had told the Potomac branch regional manager that Ms. Douglas was married to Mr. Abubakar, but the bank was unable to confirm that claim because the manager had left the bank.[1203] GBG also routinely subjected new accounts to a third party vendor, Bridger Insight, which screened client names against a Bridger Insight database that included FBI, CIA, and Interpol lists of foreign officials, but not lists of foreign officials' family members.[1204] That screening, like the Factiva screening by the DC Wealth Management office, failed to identify Ms. Douglas as a PEP. Her checking accounts were thus not subjected to any enhanced monitoring.

Ms. Douglas funded the first checking account with an initial cash deposit of $100.[1205] She opened the second with a zero balance and, two weeks later, deposited a Citibank cashiers check with the funds from several of her closed Citibank accounts totaling nearly $182,000.[1206] Over the next seven months, the Guernsey Trust Company wire

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[1199] Id.
[1200] 5/11/07 Wachovia Customer Access Agreement, GF-F-00026.
[1201] See 5/14/07-6/07/07 Wachovia Account Statement, JD-D-00022.
[1202] Contacts Rolodex screen, JD-A-00013.
[1203] Subcommittee interview of Wachovia officials, September 8, 2008.
[1204] Id.
[1205] 5/11/07-6/11/07 Wachovia Account Statement, JD-D-00001.
[1206] See 5/14/07-6/07/07 Wachovia Account Statement, JD-D-00022; copy of Citibank Official Check deposited into Douglas account on June 1, 2007, JD-F-00082.

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transferred about $1.8 million into the first personal checking account.[1207]

Gede Foundation. A month after opening her personal checking accounts, on June 11, 2007, Ms. Douglas opened two checking accounts in the name of the Gede Foundation with the DC Wachovia Wealth Management office. The first was designated Gede Foundation Expense Account No. 2000024527130, and the second as Gede Foundation Donation Account No. 2000024527143.[1208]

On the account opening documentation, Ms. Douglas was listed as the President, Cynthia J. Ticao was listed as the Executive Director, and Yoku Shaw-Taylor was listed as the Director.[1209] These three individuals were also signatories for the account.[1210] A 2007 Wachovia know-your-customer form estimated that the Gede Foundation then had total assets of $5 to $10 million, which came from "tax deductible contributions from individuals and businesses as well as corporate grants." It also stated that the account's initial funding came from a Gede Foundation account at Citibank.[1211]

On June 5, 2007, prior to opening the account, Wachovia's DC Wealth Management office submitted an Enhanced Due Diligence request to its third party vendor, CDC, for the Gede Foundation.[1212] The CDC crosschecked the names of the three signatories against its Factiva database but, once again, did not identify any as a PEP and did not report any negative news with regard to any of the three individuals or the Gede Foundation itself.[1213]

Wachovia opened the two checking accounts, and, on June 11, 2007, Ms. Douglas funded both accounts primarily using a Citibank cashiers check for $66,800.45, which deposited funds from the closed Gede Foundation account at Citibank. She deposited about $56,000 into the Expense Account and about $13,000 into the Donation Account.[1214]

AUN Account. A month after opening the Gede Foundation accounts, on July 23, 2007, Ms. Douglas opened a fifth account at

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[1207] See below for a chart that details these wire transfers.
[1208] See 6/11/07-6/29/07Gede Foundation Expense Account summary, GF-D-00001; 6/11/07-6/29/07 Gede Foundation Donation Account summary, GF-D-00017.
[1209] 6/1/07 Wachovia Deposit Account Application, GF-F-00054.
[1210] 6/1/07 Wachovia Depository Authorization and Agreement Certificate, GF A 00040.
[1211] Undated Wachovia form entitled, "Contact Source of Wealth," GF-A-00005.
[1212] 6/5/07 Request for Enhanced Due Diligence on Gede Foundation, GF-F-00282-85.
[1213] 6/6/07 Gede Foundation Enhanced Due Diligence results, GF-A-00008 (no negative news reported); 6/6/07 Gede Foundation EDD results for all associated contacts (Jennifer Douglas, Yoku Shaw-Taylor, Cynthia Ticao), GF-A-00042-44, (no PEP identified, no negative news).
[1214] See copy of Citibank Original Check, GF-A-00041; 6/11/07-6/29/07 Gede Foundation Expense Account summary, GF-D-00001; 6/11/07-6/29/07 Gede Foundation Donation Account summary, GF-D-00017.

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Wachovia, this one in the name of the American University of Nigeria (AUN), Checking Account No. 2000028808282.[1215] The account opening documentation listed two signatories: Ms. Douglas Abubakar and Edward Weidenfeld. The account address was that of the Weidenfeld law firm.[1216] By this point, Mr. Weidenfeld was providing legal representation to AUN as well as the Abubakars.[1217]

Prior to opening the account, Wachovia obtained information on both AUN and how the account would be used. A Wachovia banker, in an internal document, gave the following "business reason" for opening the account:

> "AU of Nigeria is affiliated through a management consultancy contract to American University in Washington DC[,] a long time client of Wachovia. AU/US provides curriculum[,] professors and senior management staff to AUN through the contract. The purpose of the account at Wachovia is for payment of salaries for AU professors who are US citizens, teaching at AUN. AUN is represented in the US by Ed Weidenfeld, a respected DC attorney, and a person well known to the bank." [1218]

On July 5, 2007, the DC wealth manager wrote to Mr. Weidenfeld requesting documentation to support the new AUN account: "Our compliance department is requesting a copy of the management consultancy agreement between American University, US, and ABTI American University of Nigeria."[1219] Mr. Weidenfeld provided the agreement which showed that, as of December 2003, AUN had entered into a five-year licensing agreement with American University, under which AU agreed to provide professionals to AUN and advise AUN on establishing AUN's academic and administrative infrastructure.[1220] On July 10, 2007, American University sent a letter to the Director of the Wachovia GBG International & High Risk Customer Governance, stating: "You asked how much funding is likely to pass through the AUN account. At the current moment, the amount is roughly $200,000 per month, largely for the salaries of expatriates who are teaching or working at AUN, or $2.4 million per year, but I can anticipate that it

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[1215] AUN Account Opening Application, JD-F-00426.
[1216] 7/25/07 Wachovia Deposit Account Application, JD-F-00426.
[1217] See 11/13/09 letter from Weidenfeld legal counsel to Subcommittee; 8/12/08 letter from American University to the Subcommittee, no bates. Mr. Weidenfeld also provided Wachovia with a copy of a June 2007 resolution by the AUN board of directors authorizing AUN to open a U.S. checking account, and authorizing Mr. Weidenfeld to act as a signatory on that account when directed to act by an officer or director of AUN in writing. See also June 2007 Consent of the Board of Directors of the American University of Nigeria, JD-F-00433; Authority to be Signatory between AUN and Mr. Weidenfeld, JD-F-00434.
[1218] 6/26/07 internal Wachovia document, JD-F-00439.
[1219] 7/5/07 email from Wachovia to Mr. Weidenfeld, PAU024525.
[1220] 3/31/03 Management Consultancy Agreement between AUN and American University. Washington D.C., PAU030660-72.

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might rise to $250,000 per month or roughly $3 million per year."[1221] On July 11, 2007, the Wachovia Director responded: "Wachovia will move forward with underwriting for ABTI-American University of Nigeria's requested deposit account. Please note that because of Bank Secrecy Act and USA Patriot Act obligations for which the bank is subject, account[s] owned by offshore entities must be underwritten prior to establishment. However, that process has now commenced."[1222]

Wachovia told the Subcommittee that, generally, it does not open accounts for foreign charitable organizations or foreign governmental entities, but has a process whereby an exception can be made if approved by the Wachovia exception committee.[1223] Wachovia told the Subcommittee that, in this case, its exception committee granted an exception for AUN, in part due to Wachovia's banking relationship with American University.

The Wachovia Deposit Account Underwriting International (DAU) group actually opened and handled the AUN account. Prior to opening the account, DAU asked CDC to perform a due diligence review of AUN, Ms. Douglas, and Mr. Weidenfeld. As in previous screenings, CDC's August 21, 2007 screening did not identify Ms. Douglas or Mr. Weidenfeld as a PEP client. Wachovia told the Subcommittee that it also spoke with CDC about this incident, and CDC has taken steps to strengthen its PEP screenings.

The AUN account was opened on July 23, 2007, and immediately began receiving and disbursing funds. Over the next few months, the Guernsey Trust Company wire transferred a total of about $1.8 million into the AUN account.[1224]

Money Market Account. A month after opening the AUN account, on August 21, 2007, Ms. Douglas opened a sixth and final account at Wachovia, this time a Personal High Performance Money Market Account No. 1010185917340.[1225] She initially funded the account by transferring $20,000 from her second personal checking account at Wachovia.[1226] This account saw little activity before all six Douglas-related accounts were closed.

Account Activity. Soon after opening the Wachovia accounts, Ms. Douglas began receiving substantial wire transfers from two

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[1221] 7/10/07 email from American University to Wachovia, PAU024453.
[1222] 7/11/07 email from Wachovia to American University, PAU024470.
[1223] Subcommittee interview of Wachovia officials, September 8, 2008.
[1224] See below for a chart detailing these wire transfers.
[1225] Undated internal Wachovia document "Jennifer Douglas Abubakar: Summary of Account Relationships," PSI-Wachovia-08-0001.
[1226] Id.

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offshore corporations, LetsGo and the Guernsey Trust Company, sent primarily through accounts at a small private bank in Switzerland called Wegelin & Co. Over a six-month period, the Guernsey Trust Company wire transfers sent $2.45 million to her personal checking account, while the LetsGo wire transfers sent $1.8 million to the AUN account.

The following chart lists the Guernsey Trust Company wire transfers to Ms. Douglas' first personal checking account at Wachovia, Account No. 1010122288618, totaling $2.45 million.

Wire Transfers from Guernsey Trust Company to Douglas Personal Checking Account at Wachovia: 1010122288618			
Date	Amount	Originator	Bates
7/5/07	$ 300,000	Wegelin & Co., Private Bankers, Switzerland	JD-D-00004
7/10/07	$ 350,000	Wegelin & Co., Private Bankers, Switzerland	JD-D-00004
7/26/07	$ 300,000	Wegelin & Co., Private Bankers, Switzerland	JD-D-00008
9/4/07	$ 300,000	Wegelin & Co., Private Bankers, Switzerland	JD-D-00013
9/27/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00017
10/29/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00059
12/3/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00074
12/21/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00074
TOTAL: $ 2,450,000		SOURCE: UBS	

Chart prepared by Subcommittee

Over the same six-month period, LetsGo Ltd. wire transferred $300,000 every few months into the AUN account at Wachovia for a total of $2 million. These wire transfers also came from a Swiss bank account. This chart shows the key wire transfers.

Wire Transfers from LetsGo Ltd. to AUN Account at Wachovia: 2000028808282			
Date	Amount	Originator	Bates
7/26/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00040
9/4/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00051
9/27/07	$ 200,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00051
10/29/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00059
12/3/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00074
12/21/07	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00074
1/22/08	$ 300,000	Wegelin & Co., Private Bankers,Switzerland	JD-D-00081
TOTAL: $ 2,000,000		SOURCE: Wachovia	

Chart prepared by Subcommittee

During the six months the Wachovia accounts were open, Ms. Douglas used the $2.45 million sent to her personal checking account to pay for living expenses, including large credit card bills. In addition, she transferred about $73,000 to AUN accounts at other banks.

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This chart lists the transfers she made to AUN accounts.

Wire transfers from Wachovia Douglas Account No. 1010122288618 to AUN Accounts		
Date	Amount	Bates
7/30/07	$13,029.50 sent to AUN account at Platinum Habib Bank Ltd.	JD-D-00010
8/7/07	$26,244.20 sent to AUN account at Platinum Habib Bank Ltd.	JD-D-00010
8/29/07	$26,244.20 sent to AUN account at Zenith International Bank Ltd.	JD-D-00014; JD-F-00076-77
10/31/07	$8,185.50 sent to AUN account at Guaranty Trust Bank	JD-F-00256-257
TOTAL: $73,713.40		SOURCE: Wachovia

Chart prepared by Subcommittee

Account Concerns. By September of 2007, Wachovia began to have concerns about the Douglas-related accounts. On September 5, 2007, a Wachovia banker filed a "suspicious internal referral" report concerning a $9,500 check drawn on Ms. Douglas' personal checking account which was presented for payment by an individual without signatory authority on the account.[1227] The banker wrote: "A non customer [redacted by the Subcommittee] presented a check to negotiate at the Pine Crest financial CTR. I reviewed our customer's account and [there are] frequent transfers between her three accounts that [were] opened four months ago. Also large auto debits to Neiman Marcus and American Express along with wires in and out. Most recent for 300K from Nigeria."[1228]

In response to the suspicious internal referral report, a senior anti-money laundering (AML) investigator at Wachovia was assigned to examine the Douglas accounts. The AML investigator examined account activity involving Ms. Douglas' personal checking accounts and the AUN account, but not the Gede accounts. He determined that some of the account activity appeared suspicious. With regard to Ms. Douglas' first personal checking account, he wrote:

> "[A] review of DDA#1010122288618 between dates of 07/01/07-10/11/07 revealed this account was opened on 05112007. The account is funded by wire transfers and account transfers. There were seven account transfers observed between August and September that ranged in amounts from $19,000 to $50,000. Four of those transfers were during the month of August (DDA#8621-totaling $190,000)[.] During this review period there were seven wire transfers credited to this account ranging in amounts from $13,029.50 to $300,000. It was also observed that five of seven

[1227] 9/5/07 check for $9,500 made out to individual by Ms. Douglas, JD-F-00053.
[1228] 9/5/07 Suspicious Internal Referral filed by Coralett James, JD-F-00005.

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wires were sent from Guernsey Trust Company out of Nigeria (High Risk Country)."[1229]

On October 11, 2007, the AML investigator contacted Ms. Douglas to obtain more information about the source of the funds in her accounts, and wrote the following:

"I spoke with Jennifer E Douglas who advised she receives monthly wires in the amounts of $300,000 from her husband. She said those funds were generated from his business, Oil Logistics, in Nigeria [Guernsey Trust Company Nigeria] Jennifer said during the month of July her husband was in the process of opening a new account for the American University of Nigeria. She said there were two $300,000 wires posted to her account to hold until the University establishes a Wachovia account. She referred [me to] the attorney over the University's account for further information [Edward Weidenfeld]. All outgoing funds were used to pay professors/instructors, school tuitions, and other living expenses. Jennifer also stated that wired funds in the amount of $26,224.20 and $100,000[1230] that were sent to Dubai Islamic Bank Limited were used for the purchase of a home in Dubai."[1231]

The AML investigator conducted additional research into the Guernsey Trust Company, LetsGo, and Oil Logistics. He described LetsGo as located in a "high risk country-Panama,"[1232] but said he was unable to find additional information about any of the three companies. He wrote: "The profile of the customer in question does not appear to substantiate the aggregated fund transfers wired in and out of the account."[1233]

In addition, on November, 6, 2007, a Wealth Management Group compliance officer wrote to the Group's regional supervisor as follows:

"Hi, need your assistance. Please order the last 3 months of banks statements for the DDAs (5 total) in the names of Jennifer E. Douglas RRN 069695366 and Gede Foundation RRN 054721695. Send those to me along with a copy of the KYC file for Gede. This request comes from the Corporate AML office so I would appreciate your immediate attention."[1234]

[1229] Wachovia internal review document, JD-F-00006.
[1230] See transfer summary of Douglas checking account #1010122288618, JD-F-00034, showing two wire transfers sent to Dubai Islamic Bank Limited for the purchase of a home in Dubai; 10/09/07 wire transfer form, JD-F-00066-67.
[1231] 9/5/07 Suspicious Internal Referral filed by Coralett James, JD-F-00007.
[1232] Id.
[1233] Id.
[1234] 11/06/07 internal Wachovia email, GF-A-00078-79.

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In November 2007, Wachovia received an inquiry from the Subcommittee regarding Ms. Douglas, Mr. Abubakar, and related entities. In response, on November 14, 2007, a Wachovia AML investigator began examining the Douglas-related accounts. He examined all six accounts, and reviewed the materials from the earlier AML investigator. This AML investigator quickly identified Ms. Douglas as a PEP and found several negative news articles about her. On November 19, 2007, six months after her first Wachovia account was opened, Ms. Douglas was officially added to the Wachovia PEP list. Mr. Weidenfeld was classified as a PEP Associate, and AUN was classified as a PEP Entity.[1235]

The AML investigator again looked at the offshore corporations sending funds to the Douglas-related accounts. He found that the LetsGo website was "under construction."[1236] He also compared AUN wire transfers naming specific AUN faculty members to an AUN payroll ledger, and found that the two contained corresponding amounts, but was unable to confirm that the payments were actually salary-related.[1237]

In December 2007, the AML investigator recommended closing the Douglas-related accounts due to the large volume of offshore transactions, discovery of negative news regarding Ms. Douglas, the Subcommittee's investigation, and Ms. Douglas' identification as a PEP. Wachovia told the Subcommittee there were no objections to that recommendation, and Wachovia decided to close all six Douglas-related accounts, even though it did not identify account activity that showed a definite Bank Secrecy Act violation.

Closing the Accounts. On December 14, 2007, Wachovia notified Mr. Weidenfeld that the Douglas-related accounts would be closed.[1238] On January 3, 2008, Mr. Weidenfeld telephoned the bank and asked whether the accounts were being closed based upon Ms. Douglas' husband or due to money laundering activities. Wachovia informed him that the bank had "made a business decision" to exit the relationship and that all accounts would be closed by January 28th.[1239] Wachovia notes indicate that Mr. Weidenfeld stated that, with respect to the AUN account, Ms. Douglas "was willing to remove her name from this

[1235] 11/19/07 internal Wachovia document, JD-F-00543-44.
[1236] Email screenshot of AML investigator's 12/10/07 internet search results for LetsGo Limited, Inc., JD-F-00468-69.
[1237] See undated Wachovia transaction record, JD-F-00440-43; 9/28/07 Wachovia Wire Detail Page, JD-F-00128.
[1238] See also December 14, 2007 letter from Wachovia to AUN advising that account 2000028808282 will be closed, JD-F-00452.
[1239] 11/19/07 internal Wachovia report, JD-F-00543-44. The Stassi investigation report cites explanation of account closure as well as screening results.

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account if there was the possibility of it being left open."[1240] The bank indicated that the account would not be kept open even without her name.

Mr. Weidenfeld told the Subcommittee that he believed the Wachovia accounts were closed, "because of their association with the Abubakars, and because the AUN accounts were transferring money abroad to accounts in the names of foreigners. ... The unfair allegations against the Abubakars from the Congressman Jefferson investigation, coupled with Mr. Abubakar's status as a Nigerian politician, caused the banks to close the accounts."[1241]

On January 31, 2008, the AUN and Gede Foundation accounts were closed. Wachovia provided AUN with a check for the remaining balance, and that check was later deposited into the Weidenfeld law firm account at Suntrust Bank.[1242] Wachovia provided a second check with the balance from the two Gede Foundation accounts, and that check was later deposited into a new Gede account at Eagle Bank.[1243] On February 7, 2008, Ms. Douglas' second personal checking account was closed with no balance owing. On February 11, 2008, her initial personal checking account was closed, and Wachovia provided a check with the remaining balance, which was mailed to Mr. Weidenfeld and later deposited into an account at PNC Bank.[1244] On February 20, 2008, Ms. Douglas' money market account was closed with a zero balance.

(4) Eagle Bank

Ms. Douglas did not wait for her accounts at Chevy Chase and Wachovia to close before opening another account at another U.S. bank. In July 2008, she opened a personal checking account at Eagle Bank; in 2009, she opened two more accounts: a money market account and a home equity line.[1245] Eagle Bank is a small state-chartered bank in

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[1240] Id. See also 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee , PSI-Abubakar_&_Weidenfeld-01-0024 (Mr. Weidenfeld told the Subcommittee that he "does not have a specific recollection of suggesting that Mrs. Abubakar could be removed as a signatory on this account. If he made that suggestion, he believes that he would have done so because he thought that her signatory authority created an issue for the bank as a result of her unfair association with the Congressman Jefferson investigation. It would have been logical for Mr. Weidenfeld to believe that because the account was maintained for the benefit of AUN, Jennifer did not have to be a signatory on the account, and that if her name was removed, the bank might retain the account.)

[1241] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0025.

[1242] Copy of the official check issued to American University of Nigeria in the amount of $33,570.90, dated 2/1/08, JD-A-00275.

[1243] Copy of the official check issued to Gede Foundation in the amount of $3616.07, dated 1/11/08, GF-A-00085.

[1244] Copy of the official check issued to Jennifer Douglas in the amount of $4036.78, dated 2/1/08, JD-A-00033.

[1245] Information provided by Ms. Douglas' legal counsel, January 18, 2010.

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Maryland with 14 offices in the Washington area. It caters to embassy accounts and promotes its international banking capability.

Soon after opening the initial account, as at prior banks, Ms. Douglas began to receive large wire transfers from offshore accounts belonging to the Guernsey Trust Company. Most of these wire transfers were for $100,000. Within one year, from October 2008 to September 2009, Ms. Douglas brought over $1 million in suspect funds into the United States from the Guernsey Trust Company. She also received about $189,000 in wire transfers from her brother, Francis Iwenjiora. This chart lists the key wire transfers into Ms. Douglas' account at Eagle Bank over the past year, which together exceed $1.2 million.

Select Wire Transfers into Douglas Account at Eagle Bank			
Date	Amount	Sender	Bates
10/10/08	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000009
11/03/08	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000012
12/1/08	$ 100,000	Guernsey Trust Company, Nigeria	PSI-JDA-000014
12/19/08	$ 100,000	Guernsey Trust Company, Nigeria	PSI-JDA-000017
1/30/09	$ 100,000	Guernsey Trust Company, Nigeria	PSI-JDA-000020
3/3/09	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000024
4/1/09	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000027
5/1/09	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000029
5/22/09	$ 161,000	Francis Iwenjiora Trustee	PSI-JDA-000032
5/28/09	$ 28,000	Francis Iwenjiora Trustee	PSI-JDA-000033
8/4/09	$ 99,950	Guernsey Trust Company, Nigeria	PSI-JDA-000039
8/28/09	$ 90,000	Guernsey Trust Company, Nigeria	PSI-JDA-000041
9/29/09	$ 100,000	Guernsey Trust Company, Nigeria	PSI-JDA-000044
TOTAL:	$1,278,700	SOURCE: Weidenfeld	

Chart prepared by Subcommittee

(5) Suntrust Bank

In 2008, AUN received assistance from Mr. Weidenfeld to open an additional U.S. bank account. On January 28, 2008, a new AUN account was opened at a Washington, D.C. branch of Suntrust Bank, a large U.S. bank with over 1,700 branches.[1246] Mr. Weidenfeld's legal counsel told the Subcommittee that he facilitated the opening of this account.[1247] The Subcommittee was told that Mr. Weidenfeld's law firm

[1246] 8/28/08 internal Weidenfeld office email, PAU100307.

[1247] See 11/13/09 letter from Weidenfeld's legal counsel to the Subcommittee, PSI-Abubakar & Weidenfeld-01-0024. That letter stated: "In January 2008, the Weidenfeld law firm and AUN entered into an escrow agreement, appointing the Weidenfeld law firm as escrow agent for the American University of Nigeria. To fulfill his role as escrow agent, Mr. Weidenfeld used a Weidenfeld law firm account with Sun Trust Bank. The account was named AUN Special Account, No. [xxxxxx]28. He believes that he informed … the branch manager of SunTrust at 17th & Eye Streets, N.W., that the purpose of the account was to pay obligations of the American University of Nigeria. On January 28, 2008, the funds remaining in the Wachovia American University of Nigeria account were transferred to the Weidenfeld law firm American University of Nigeria account at SunTrust. As escrow agent, Mr. Weidenfeld directed the payment of expatriate salaries and expenses out of the account at the direction of AUN."

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was a longstanding customer of Suntrust Bank, and he decided to use that bank after his law firm was hired by AUN in January 2008, to act as an escrow agent for its U.S. funds. His legal counsel told the Subcommittee that Mr. Weidenfeld spoke with the Suntrust branch manager where his law firm did its banking, told her AUN wished to open a checking account to pay its bills, and was able to open an account affiliated with his law firm, entitled AUN Special Account No. [xxxxxx]28.

Bank records indicate that Mr. Weidenfeld initially funded the AUN account by transferring funds from his law firm account at Suntrust. His legal counsel said the funds he used had come from the AUN account at Wachovia which, when it closed, had transferred its funds to his law firm account at Suntrust. Over the next eight months, bank records show that the Guernsey Trust Company made multiple large wire transfers from its Swiss account at Wegelin & Co. into both the AUN and Weidenfeld law firm accounts at Suntrust. From January to July 2008, the Weidenfeld law firm received about $1.3 million from the Guernsey Trust Company, while the AUN account received about $800,000. Another $1.2 million in wire transfers were sent to the AUN account with wire transfers that did not identify the originator, but likely came from the Guernsey Trust Company as well.

This chart shows the $3.4 million in offshore wire transfers sent to the AUN and Weidenfeld law firm accounts at Suntrust Bank. The chart includes four wire transfers totaling $1.2 million which were sent to the AUN account in documents that did not identify the originator, but were likely also sent by the Guernsey Trust Company.

Offshore Wire Transfers to Weidenfeld Law Firm and AUN Accounts at Suntrust Bank

Date	Recipient Account	Amount	Originator	Bates
2/5/08	Weidenfeld Law Firm Account	$ 150,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
2/29/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
3/31/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
4/30/08	Weidenfeld Law Firm Account	$ 100,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
6/26/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
7/25/08	Weidenfeld Law Firm Account	$ 49,980	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
8/25/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
9/29/08	Weidenfeld Law Firm Account	$ 100,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
10/31/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013

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11/28/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
12/22/08	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
1/27/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
2/26/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
3/23/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
4/27/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
5/27/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
6/19/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
7/31/09	Weidenfeld Law Firm Account	$ 100,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
8/28/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
9/28/09	Weidenfeld Law Firm Account	$ 50,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
10/30/09	Weidenfeld Law Firm Account	$ 100,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0013
WEIDENFELD LAW FIRM TOTAL		**$1,349,980**		
2/28/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Unknown	PSI-Abubakar& Weidenfeld-03-0010
3/31/08	Weidenfeld Law Firm Account -AUN Special Account	$ 275,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0010
4/30/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Unknown	PSI-Abubakar& Weidenfeld-03-0010
5/28/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0010
6/26/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Unknown	PSI-Abubakar& Weidenfeld-03-0010
7/25/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Unknown	PSI-Abubakar& Weidenfeld-03-0010
8/25/08	Weidenfeld Law Firm Account -AUN Special Account	$ 300,000	Guernsey Trust Co.	PSI-Abubakar& Weidenfeld-03-0010
AUN ACCOUNT TOTAL		**$2,075,000**		
TOTAL		**$3,424,980**	**SOURCE: Weidenfeld**	

Chart created by Subcommittee

When asked about these wire transfers, Mr. Weidenfeld's legal counsel told the Subcommittee that the offshore funds were being used

to pay the legal and consulting fees incurred by the Abubakars personally as well as AUN salaries and other expenses:

> "Mr. Weidenfeld maintained a separate AUN account for the purpose of disbursing money to pay AUN expatriate salaries and expenses. He continued to accept deposits into his law firm accounts after the AUN account was created to pay his fees and the fees of other counsel and consultants acting at Mr. Weidenfeld's direction or on behalf of the Abubakars. In sum, the purpose of accepting funds into the AUN account was to pay AUN expenses; the purpose of accepting funds into Weidenfeld law firm accounts was to pay Mr. Weidenfeld's fees and the fees of others. Mr. Weidenfeld understood that Jennifer and Atiku Abubakar were the source of all these funds, and that Atiku Abubakar was the source of Jennifer Abubakar's funds."[1248]

When asked what due diligence Mr. Weidenfeld or his law firm performed prior to accepting multiple large wire transfers from the Guernsey Trust Company, Mr. Weidenfeld's legal counsel responded as follows:

> "As a small firm lawyer, Mr. Weidenfeld did not perform formal due diligence, but he got to know his clients, there was public information in the press indicating a legitimate source of income, he understood that Atiku Abubakar had directed the payments, and it was not a surprise or a concern to him that Mr. Abubakar would have business relationships with various corporations. ... Mr. Weidenfeld does not believe that he paid any attention to the names of the corporate entities that transferred money to the accounts, because he understood that Mr. Abubakar was the ultimate source of the funds."[1249]

Mr. Weidenfeld's legal counsel continued:

> "As a result of his work related to Nigerian politics and Mr. Abubakar's candidacy for the Presidency, he became aware of press articles and other information indicating that it was known in Nigeria that Mr. Abubakar had an ownership interest in the Intels family of operating companies that performed oil logistics services in West Africa, and that Intels was a substantial company. He was also aware that the Abubakars were contributing millions of dollars to fund AUN. As a matter of common sense, it seems absurd to Mr. Weidenfeld that Mr. Abubakar would run proceeds of illegal

[1248] 11/13/09 letter from Mr. Weidenfeld's legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0028.
[1249] Id.

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activity through American banks in order to fund a charitable enterprise, though he does not recall even considering that possibility at the time. ...

Mr. Weidenfeld became personally convinced that Congressman Jefferson's statements about the Abubakars and the Gede Foundation were lies designed to get more money out of Lori Mody. Mr. Weidenfeld also knew the Abubakars personally. He liked and respected them. They did not conceal their involvement in AUN's affairs. Mr. Weidenfeld did not hide their involvement from AU or any banks. It never occurred to Mr. Weidenfeld that he should have any concern about accepting Atiku Abubakar's money to fund a U.S.-style university in the predominantly Muslim Northern region of Nigeria. Mr. Weidenfeld is the unpaid co-Chair of the Board of Visitors of the National Defense University. He considered AUN to be an institution that furthered the national interests of the United States, as well as the interests of Nigeria. ...

As a result of this investigation, Mr. Weidenfeld has come to understand the Subcommittee's ongoing concern with the use of shell corporations to conceal the ownership and source of funds in certain foreign transactions. That concern is entirely understandable and legitimate. Mr. Weidenfeld understands that legislation may be appropriate to address this issue. However, in these unique circumstances, Mr. Weidenfeld did not believe that Atiku Abubakar was concealing his role by using these corporations."[1250]

Mr. Weidenfeld told the Subcommittee that, on September 3, 2008, AUN opened additional accounts at Standard Chartered Bank in London.[1251] The Subcommittee was told that the Standard Chartered accounts would be used "to cover the expenses of ex Pat salary payments."[1252] Mr. Weidenfeld's legal counsel told the Subcommittee:

"In April 2008, AUN applied for an account with Standard Chartered Bank in the UK. Standard Chartered opened the account on August 23, 2008. ... AUN now pays all expatriate staff and faculty from this account. Mr. Weidenfeld remains a signatory, but an orderly transition to the AUN financial office in Yola is underway."[1253]

[1250] Id.
[1251] 9/3/08 email from Mr. Weidenfeld to Standard Chartered Bank, PAU100348.
[1252] 9/3/08 email from Mr. Weidenfeld, PAU100348.
[1253] 11/13/09 letter from Mr. Weidenfeld's legal counsel to PSI, PSI-Abubakar_&_Weidenfeld-01-0024.

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Still another AUN account appears to have been opened at Oceanic Bank in Yola, Nigeria where AUN is located; this account appears to have paid the AUN July 2008 payroll.[1254]

(6) Overview of Offshore Funds

During the eight-year period, 2000 to 2008, Ms. Douglas brought nearly $25 million in suspect funds into the United States through accounts she opened at Citibank, Chevy Chase Bank, Wachovia Bank, and Eagle Bank. In addition, during the first six months of 2008, another $3.4 million was deposited into AUN and Weidenfeld law firm accounts at Suntrust Bank. These funds, which exceed $27 million, were supplied primarily by five offshore corporations: Siemens AG, a major German firm which sent funds from a bank account in London; Guernsey Trust Company Nigeria Ltd., which is incorporated and has bank accounts in Nigeria; LetsGo Ltd. Inc., a Panamanian firm which sent funds from bank accounts in Switzerland; Sima Holding Ltd. which is incorporated in the British Virgin Islands and sent funds from a bank account in Switzerland; and China Castle Investments, Inc. which sent funds from a bank account in Switzerland, but whose base of incorporation is unknown.

To trace the flow of funds into and out of these accounts, the Subcommittee requested copies of monthly bank statements, generally going back five years for each account.[1255] In a few cases, the Subcommittee obtained records of earlier transactions and, in a few cases, the records did not stretch back five years. The bank records reviewed by the Subcommittee show that, for the period 2003 to 2008, LetsGo provided the most offshore funds, wire transferring a total of nearly $17 million to Douglas-related accounts from 2003 to 2008. The Guernsey Trust Company provided the next highest amount, $10 million, which includes nearly $7 million to Douglas-related accounts from 2006 to 2009. Siemens AG provided four wire transfers in 2001 and 2002, before the five-year time period generally examined by the Subcommittee, for a total of $1.7 million sent to the Douglas account at Citibank. Sima Holding sent four wire transfers in 2004 and 2005, for a total of nearly $700,000. Finally, China Castle Investments sent a single wire transfer in 2003, for a total of $500,000.

[1254] 9/6/08 email from Mr. Weidenfeld's counsel and himself, PAU100417.
[1255] The Subcommittee also obtained accounting opening and closing documentation for all of the accounts.

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This chart summarizes the total amounts of offshore wire transfers sent to the relevant accounts at Citibank, Wachovia, Eagle, and Suntrust banks.[1256]

Total Wire Transfers Sent By Offshore Corporations To U.S. Bank Accounts			
Originator	Dates Sent	Total Received	Recipient Account
Siemens AG	4//01-1/02	$ 1,772,644	Douglas personal account at Citi: 52096374
China Castle Investments	1/30/03	$ 500,000	Douglas personal account at Citi: 52096374
LetsGo Ltd. Inc.	4/03 - 10/06	$ 7,424,620	Douglas personal account at Citi: 52096374
LetsGo Ltd. Inc.	5/05 - 5/07	$ 5,550,000	Douglas/AUN account at Citi: 1209739556
Guernsey Trust Co.	6/06 - 5/07	$ 3,049,940	Douglas personal account at Citi: 52096374
Guernsey Trust Co.	7/07 - 12/07	$ 2,450,000	Douglas personal account at Wachovia: 1010122288618
Guernsey Trust Co.	10/08 - 9/09	$ 1,089,700	Douglas personal account at Eagle Bank
Sima Holding Ltd.	7/07- 12/07	$ 699,965	Douglas personal account and Douglas/AUN account at Citi: 52096374 and 1209739556
LetsGo Ltd. Inc.	7/07-1/08	$ 1,800,000	Douglas/AUN account at Wachovia: 2000028808282
Guernsey Trust Co.	1/08-7/08	$ 800,000[1257]	AUN account at Suntrust
Guernsey Trust Co.	1/08-7/08	$ 1,300,000	Weidenfeld law firm account at Suntrust
	TOTAL:	$26,436,869	SOURCE: Multiple

Chart prepared by Subcommittee

Ms. Douglas told bank officials that all of the funds sent to her accounts were supplied by her husband, Mr. Abubakar, and that she was unfamiliar with the particular offshore corporations that sent her wire transfers. She told one bank that she believed the funds were from "her husband's oil company, Oil Logistics."[1258] When the Subcommittee asked her about LetsGo, Guernsey Trust Company, Sima Holding, and China Castle Investments, Ms. Douglas responded through her legal counsel that she "has no personal knowledge of these entities. To the extent that any of these entities were the source of deposits into her accounts or the AUN account, she understood that all such deposits came from her husband."[1259]

Mr. Weidenfeld provided a similar response, through legal counsel, when asked about the funds sent to his law firm account and the AUN account he opened at Suntrust Bank – that he believed all the funds came from Mr. Abubakar and that he paid no attention to and

[1256] No wire transfers are shown for Chevy Chase Bank accounts, because no wire transfers added new funds to the $5 million transferred from Merrill Lynch for the JDA Family Trust accounts, and all of the funds sent to the Gede Foundation account came from the Douglas or Gede Foundation accounts already identified in the chart.

[1257] The AUN account at Suntrust received four additional wire transfers totaling $900,000 with documentation that did not identify the originator, but which may be the Guernsey Trust Company.

[1258] 10/11/07 report from Wachovia investigator, JD-F-00006-8.

[1259] 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI Abubakar_&_Weidenfeld-01-0003.

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performed no due diligence regarding the specific offshore corporations that actually sent the funds.

Information reviewed by the Subcommittee raise a number of questions about the source of the offshore funds. The $1.7 million in wire transfers supplied by Siemens AG is the most troubling, in light of the SEC's description of those transfers as "bribe payments" routed through Ms. Douglas' personal checking account for "[t]he purpose of … brib[ing] government officials" in Nigeria.[1260] The $500,000 from China Castle Investments is also troubling since the Subcommittee was unable to find out anything about this company, and Ms. Douglas says she has no personal knowledge about why it sent her half a million dollars.

The $10 million sent into the United States by the Guernsey Trust Company, including $7 million to Douglas-related accounts at Citibank, Wachovia and Eagle Bank; $900,000 to American University accounts; and $2.1 million to AUN and Weidenfeld accounts at Suntrust Bank, also raises questions. Concerns include why this company, formed in Nigeria, uses "Guernsey" in its name when it has no connection to that jurisdiction; why it did not inform Ms. Douglas in 2003, that it was the trustee of the Abubakar Blind Trust so that she could communicate that information to her U.S. banks; why the trustees of the Abubakar Blind Trust were not independent financial institutions but corporations beneficially owned in part by Mr. Abubakar's trusted friend and business partner, Gabriele Volpi; and why the trustees had no direct interactions with the recipients of its funds. Still another question is how the trust's sole asset – Intels shares from 1999 to 2003, and then Orlean shares from 2003 to the present – translated into the millions of dollars sent from the account to the United States.

In addition, Mr. Abubakar has been active in business ventures other than the oil industry, but it is not clear whether or to what extent revenues from those other business ventures were included within the Blind Trust. Moreover, as Chevy Chase Bank noted internally: "Mr. Abubakar's source of wealth is impractical to verify." That bank noted further:

> "Prior to becoming Vice President, Mr. Abubakar was the chairman of seven Nigerian companies involved in oil services, insurance, pharmaceuticals, agriculture and the print media. From 1969 to 1989, he served in the Nigerian Customs and Excise service. Given the business practices that existed in Nigeria over this timeframe, the ability of the [Chevy Chase] Trust company to

[1260] SEC v. Siemens Aktiengesellschaft, (USDC DC), Case No. 1:08-cv-02167-RJL (December 12, 2008), Complaint, at paragraph 50.

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determine that his wealth was achieved through legal means is suspect."[1261]

Still another set of questions involves LetsGo and Sima Holdings, which together sent more than $27 million in offshore funds into the United States, including $8 million to the Douglas-related accounts, $5.5 million to AUN accounts, and another $13.1 million to American University accounts, as discussed below. Ms. Douglas told the Subcommittee that she was not familiar with either corporation, but simply assumed they were sending funds supplied by her husband. She also told at least one bank that LetsGo was owned by her husband.[1262] Mr. Abubakar does not, however, have any ownership interest in either company, both of which are beneficially owned by members of the Volpi family. Mr. Volpi has told the Subcommittee that he sent funds to Ms. Douglas as part of a "moral agreement" acknowledging Mr. Abubakar's financial interest in Intels, after his shares were seized by General Abacha, and pursuant to lines of credit LetsGo had extended to the Abubakar Blind Trust. These revenues, however, provided her with funds outside of the very Blind Trust that was established by Mr. Abubakar to isolate his interests in the oil industry while he was in public office. How these payments were calculated and how they relate to the revenues generated by the shares held by the Blind Trust remain unclear.

The five U.S. banks that accepted substantial wire transfers from LetsGo or Sima Holdings for deposit into the Douglas-related accounts were unable to provide any information about either company to the Subcommittee. A bank that processed many of the wire transfers sent by those companies through its correspondent accounts, however, did have some information. The wire transfer documentation showed that both LetsGo and Sima Holdings sent funds to the United States from accounts at a small, private Swiss bank, Wegelin & Co., which routed the payments through its correspondent account at UBS. LetsGo also used an account at another Swiss bank, Banca Del Gottardo, which routed its wire transfers to the United States through its correspondent account at UBS. When the Subcommittee subpoenaed records from UBS regarding these wire transfers, it learned that on several occasions from 2005 to 2008, UBS had pressed Wegelin & Co. for more information about both companies.

UBS began asking questions about LetsGo when, on June 2, 2005, Sonangol, the state-owned oil company in Angola, wire transferred $30 million from an account at Banco Africano Investimentos to the LetsGo

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[1261] 1/30/06 internal Chevy Chase Bank memorandum, JD_004359-61, at 60.

[1262] See 4/16/07 internal Citibank email from Citibank compliance officer regarding "Account Close-out Extension-Jennifer Douglas," B00008535.

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account at Wegelin & Co., through Wegelin's UBS correspondent account.[1263] The LetsGo account had received funds from Sonangol on other occasions as well, as shown by this chart.

UBS Wire Transfers from Sonangol to LetsGo Ltd. 10/8/04 - 6/2/05			
Date	Amount	Ordering Bank	Beneficiary
10/08/04	$ 377,515.65	Barclays Bank PLC	LetsGo Ltd. Inc. account at Bipielle Bank-Suisse, Chile
03/14/05	$ 189,453.05	Barclays Bank PLC	LetsGo Ltd. Inc. account at Wegelin & Co., Switzerland
06/02/05	$ 30,000,000.00	Banco Africano Investimentos, in Angola	LetsGo Ltd. Inc. account at Wegelin & Co., Switzerland
TOTAL: $ 30,566,968.70			SOURCE: UBS[1264]

Chart prepared by Subcommittee

UBS also asked Wegelin & Co. questions about a number of 2005 wire transfers totaling $1.8 million that had been sent from a Sima Holding account at Wegelin & Co. through UBS to various other accounts, including $1.3 million in wire transfers later identified as paying for expenses related to AUN, as shown in the chart below.[1265]

On October 5, 2005, a UBS banker sent an email to Urs Buff at Wegelin & Co. requesting information about LetsGo, specifically "the nature of this company's business, the length of time which you have maintained a relationship with this company, that the transactions fit within your customer's profile, etc."[1266] The email requested "the same information" for Sima Holdings.

More than a month later, on November 17, 2005, Debora Sager from Wegelin & Co. replied: "The transfer of USD 30 mil in favor of Letsgo Limited Inc. Panama is due to the selling of a 20% participation in an oil services company."[1267] With regard to Sima, Ms. Sager wrote: "The father of the beneficial owners of Sima is the sponsor of an university in Africa. They got the aim and objective of being one of the finest universities in Africa. He became Member of the Board of Trustees to run the affairs of the university."[1268] Ms. Sager stated that the June 2005 transfers were related to the university project "either for material supply or consultancy fees." She identified other wire transfers from Sima Holding as $335,000 in payments related to the father's

[1263] UBS wire transfer records, UBS: LETSGO 00005.
[1264] UBS Spreadsheet, Guernsey Trust and Letsgo LTD.xls.
[1265] 11/17/05 email from UBS to Wegelin & Co., UBS: LETSGO 00003-04; 11/10/08 Subcommittee interview of UBS officials.
[1266] 10/5/05 email from UBS to Wegelin & Co., UBS: LETSGO 00004.
[1267] 11/17/05 email from Wegelin & Co. to UBS, UBS: LETSGO 00003.
[1268] Id.

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yacht, $65,000 for watches, and $100,000 for other personal expenses.[1269]

This chart identifies the $1.8 million in wire transfers from Sima Holdings to LetsGo as discussed in the Wegelin email, showing the Wegelin banker's explanation for each such transfer.

UBS Wire Transfers from Sima Holdings			
Date	Amount	Description	Bates
12/23/04	$ 80,000	Yacht Expenses	UBS: LETSGO 00003-04
1/25/05	$ 5,000	Yacht Expenses	UBS: LETSGO 00003-04
1/25/05	$ 100,000	Yacht Expenses	UBS: LETSGO 00003-04
1/25/05	$ 50,000	Yacht Expenses	UBS: LETSGO 00003-04
3/23/05	$ 65,000	Watch purchases	UBS: LETSGO 00003-04
5/11/05	$ 100,000	Yacht Expenses	UBS: LETSGO 00003-04
5/15/05	$ 100,000	Personal Expenses	UBS: LETSGO 00003-04
6/7/05	$ 500,000	AUN Expenses	UBS: LETSGO 00003-04
6/7/05	$ 200,000	AUN Expenses	UBS: LETSGO 00003-04
6/8/05	$ 100,000	AUN Expenses	UBS: LETSGO 00003-04
6/8/05	$ 250,000	AUN Expenses	UBS: LETSGO 00003-04
6/8/05	$ 250,000	AUN Expenses	UBS: LETSGO 00003-04
TOTAL: $1,800,000; AUN SUBTOTAL: $1,300,000		SOURCE: UBS	

Chart prepared by Subcommittee[1270]

Upon receiving the November 2005 email from the Wegelin banker, the UBS banker replied the same day, identifying additional LetsGo wire transfers that had raised questions and requesting additional information about the company.[1271] Ms. Sager at Wegelin & Co. responded, again more than one month later on January 3, 2006: "The concerned payments are in favor of an other company, which is in charge of all personal expenses of the beneficial owner of Letsgo Ltd.," including salaries, administrative costs, insurance and travel expenses.[1272] She also wrote: "Beneficiaries of the transferred money are in particular people working for the beneficial owner of Letsgo Ltd. and their names and bank details are known by the General Partner of Wegelin & Co. which is managing this relationship." The UBS banker forwarded the Wegelin response to her superiors the same day.[1273]

Two days later, on January 5, 2006, UBS assigned a compliance officer to review the LetsGo and Sima Holdings transactions.[1274] The

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[1269] Id.

[1270] One of the listed wire transfers, sending $100,000 for AUN expenses on June 8, 2005, corresponds to a wire transfer sent by Sima Holdings to Ms. Douglas' personal checking account at Citibank. The remaining wire transfers, totaling $1.2 million, were apparently sent to other AUN accounts for which the Subcommittee does not have records.

[1271] 11/17/05 email from UBS to Wegelin & Co., UBS: LETSGO 00003.

[1272] 1/3/06 email from Wegelin & Co. to UBS, UBS: LETSGO 00002-03.

[1273] Id.

[1274] 1/5/06 internal UBS email, UBS: LETSGO 00002.

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UBS compliance officer noted in an email to the UBS banker that, "although you asked twice, Wegelin has never answered the following questions: 'the nature of this company's business, the length of time which you have maintained a relationship with this company, that the transactions fit within your customer's profile, etc.'"[1275]

UBS continued to press Wegelin for information. As a result, on February 10, 2006, the UBS banker reported to the UBS compliance officer the following:

> "One of the partners of Wegelin called me yesterday to discuss this case. Apparently, both Letsgo and Sima are owned by a wealthy Italian family which is active in the oil business. In other words, the beneficial owners of Letsgo and Sima are the same family. The profits of their business activities go either into Letsgo which is owned by the parents or into Sima which is owned by the two sons. They then distribute their earnings as already explained in previous emails. Two partners of Wegelin personally know the beneficial owners for many years and have a complete understanding of their activities."[1276]

On February 14, 2006, the UBS compliance officer prepared an "AML Investigation Report" which included the information from the email exchanges and provided additional analysis.[1277] The AML Investigation Report stated:

> "The father of one of the beneficial owners of SIMA is on the Board of Trustees of a university in Africa and from the transactions I determined the name of the university is ABTI-American University. It is a joint venture with American University in DC .... The name of the father of the SIMA BO [Beneficial Owner] is not provided but I ran all trustees, as listed on the site for ABTI, and there were no significant hits on World-Check. ... What is the business of SIMA Holdings that they are transferring this amount of money to ABTI? Is it the father's money held in an account at SIMA? If so, shouldn't he be listed as the Order Party? Otherwise, the actual party to the transfer is disguised and we do not really know the parties with whom we are dealing in such a transaction. ... I think we are concerned that we are guessing they [Sima Holdings] manage the father's money. I am not sure anyone from Wegelin ever say[s] it."[1278]

[1275] 1/5/06 internal UBS email, UBS: LETSGO 00001-02.
[1276] 2/10/06 internal UBS email, UBS: LETGO 00001-02.
[1277] 2/13/06 AML Investigation Report, UBS: LETSGO 00041-44.
[1278] Id. at UBS: LETSGO 00043.

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Despite these concerns, the UBS AML Investigation Report concluded that its questions about LetsGo and Sima Holdings were satisfied, because: "Two partners of Wegelin personally know the beneficial owners for many years and have a complete understanding of their activities. All transactions are in line with their profiles."[1279] The AML Investigative Report concluded that no Suspicious Activity Report would be filed with respect to either company or any of the wire transfers.[1280]

The information in the UBS email exchanges with Wegelin & Co. and in the AML Investigation Report indicate that the key person associated with both LetsGo and Sima Holdings is the father of a family from Italy; has two sons; is involved with ABTI-American University, now known as American University of Nigeria (AUN); and sits on the AUN Board of Trustees. Together, that information confirms the information provided to the Subcommittee in a letter from Mr. Volpi's legal counsel, that Gabriele Volpi is the key beneficial owner of both LetsGo and Sima Holdings.[1281] Mr. Volpi is also a beneficial owner of Orlean Invest Holding Ltd.[1282] which served as the initial trustee of the Abubakar Blind Trust from 1999 to 2003, as well as one of the three beneficial owners of the Guernsey Trust Company which replaced Orlean as the trustee of the Abubakar Blind Trust from 2003 to the present. The documentation indicates that through his associations with LetsGo, Sima Holdings, Guernsey Trust Company, Orlean, Intels, and the Abubakar Blind Trust, Mr. Volpi was involved, directly or indirectly, with many, if not most, of the wire transfers of offshore funds into the Douglas-related accounts. Ms. Douglas and Mr. Abubakar's legal counsel, Edward Weidenfeld, have described Mr. Volpi as Mr. Abubakar's "trusted friend and business partner."[1283]

In 2008, UBS again contacted Wegelin & Co. for more information about LetsGo, Sima Holdings, and other entities associated with wire transfers sent to the Douglas accounts in the United States.[1284] Based upon its 2008 investigation, UBS told the Subcommittee that, in the fall of 2008, it determined that the reviewed wire transfers involved suspicious transactions, and that it would no longer facilitate wire

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[1279] Id.
[1280] Id.
[1281] The letter from Mr. Volpi's legal counsel indicates that LetsGo Ltd. Inc. is beneficially owned by Mr. Volpi and his wife, while Sima Holdings is beneficially owned by the Volpi Family Trust, and accordingly by Mr. Volpi, his wife, and their sons. PSI-Volpi-02-0001-6, at 2 and 5.
[1282] 12/22/09 Volpi letter at 3. As explained earlier, Orlean Invest Holding Ltd. is headquartered in London, is a shareholder of Intels, and provides oil services at ports in Nigeria, Angola, Ivory Coast, and the Congo. See Orlean Invest Holding Co. website, www.orlean-invest.com.
[1283] 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0031; 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0020.
[1284] Subcommittee interview of UBS officials, 4/22/09.

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transfers sent by LetsGo, the Guernsey Trust Company, or Mr. Abubakar, but would block their passage through the bank's wire transfer system.[1285]

C. American University and AUN

This case history has discussed the nearly $25 million in offshore funds sent to the Douglas-related accounts at Citibank, Wachovia, and Eagle Bank, and the $2.1 million sent to the AUN and Weidenfeld law firm accounts at Suntrust Bank. This section of the Report discusses the $14 million in offshore funds wire transferred to U.S. bank accounts belonging to American University to pay consulting fees related to American University of Nigeria (AUN).

When asked about these funds, American University told the Subcommittee that, over five years, wire transfers sent by LetsGo Ltd. Inc. totaled about $13.1 million, while wire transfers sent by the Guernsey Trust Company totaled about $900,000. American University told the Subcommittee that it "had no dealings with these companies" other than receipt of the funds and had no further information about them.[1286] AU indicated that it had understood Mr. Abubakar had supplied the funds and, prior to the Subcommittee's inquiry, saw no reason to question why the funds had been sent by particular offshore corporations.[1287] Under current law, American University has no legal obligation to examine the source of funds provided to the university and does not do so.

As mentioned earlier, AUN was founded by Mr. Abubakar in 2003, to bring a United States-style university to northern Nigeria where he was born. At the request of Mr. Abubakar and Ms. Douglas, American University became a partner in the AUN project, providing logistics and educational advice, and even linking its name and reputation to the new school. Originally called ABTI University, the school changed its name in September of 2004, to ABTI American University of Nigeria, and again in May 2007, to American University of Nigeria.[1288] The university is located in Yola, which is the capital of

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[1285] Id. UBS representatives noted that it did not officially block wire transfers from Sima Holding, because there had been so few wires coming from that company.
[1286] 7/22/08 letter from American University's legal counsel to the Subcommittee, PSI-American_University-01-0005.
[1287] Id.
[1288] 5/28/07 Nigerian Corporate Affairs Commission, Certificate of Incorporation of a Company, JD-F-00430; 9/29/04 letter from the Nigerian National Universities Commission to AUN, JD-F-00431. Mr. Abubakar had earlier established other schools in Nigeria under the name ABTI, including ABTI Nursery and Primary School and ABTI Academy in Yola, Nigeria. Atiku Biography, at 131. "ABTI" apparently referred to two of his children, Abba and Atiku Junior. Id.

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Adamawa State in Northern Nigeria. It opened its doors to 110 students in September 2005, and saw its first graduates in 2009.[1289]

Documents show that Ms. Douglas played an active role in encouraging American University to assist in the building, staffing, and operation of AUN. According to her legal counsel, Ms. Douglas was tasked by her husband to work with AU to provide management services for AUN.[1290] As part of that effort, she provided information to American University about AUN, and relayed messages from AU officials to her husband. Ms. Douglas' legal counsel told the Subcommittee that "Mr. Abubakar also tasked his wife with maintaining a U.S. bank account for convenience in paying certain expenses associated with AUN, including paying some employees of AUN who preferred to be paid in dollars," and that her husband "arranged to have money deposited into the account, and Mrs. Abubakar made payments out of the account to cover AUN expenses."[1291]

When the Subcommittee asked AU why Ms. Douglas was paying the salaries of AUN professors working at AUN out of her checking account at Citibank, AU officials expressed surprise and concern about an AUN trustee paying university salaries and expenses from her own bank account.[1292] Beginning in 2009, AU has instructed AUN that it will no longer accept funds from third parties, but only from AUN accounts.

American University cooperated with the Subcommitte's investigation by producing documents and participating in interviews.

Creation of AUN. Ms. Douglas was a doctoral student at American University from about 2000 to 2007. In 2002, she approached the AU Dean of the School of International Service about founding a private university in Nigeria, in part because American University had experience with opening a school in another country, the American University of Sharjah in the United Arab Emirates. According to AU, "Mr. Abubakar informed American that he was investing his personal funds into the creation of a private autonomous university in Yola, Nigeria. Given American's international expertise, Mr. Abubakar sought our advice on establishing a university."[1293]

The Dean brought the idea to the AU president, Benjamin Ladner. Robert Pastor, AU Vice President of International Affairs, agreed to

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[1289] 8/27/05 email from American University to AUN, PAU101922; Subcommittee interview of American University officials, July 13, 2009.
[1290] 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar_&_Weidenfeld-01-0001.
[1291] Id. at PSI-Abubakar_&_Weidenfeld-01-0002.
[1292] Subcommittee interview of American University officials, August 7, 2008.
[1293] 7/22/08 letter from American University's legal counsel to the Subcommittee, PSI-American_University-01-0001.

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spearhead the project and later, in 2007, served one term on the AUN Board of Trustees.[1294]

American University told the Subcommittee that it performed several site visits to Nigeria in 2002 and 2003, to determine the feasibility of the project. One of the team members then outlined a series of "positives" and "negatives" with regard to moving forward with the project.[1295] The "Positives" included: "Proprietor has deep pockets, is committed to the project, and appears willing to agree to AU stipulations."[1296] When asked what those stipulations were, Mr. Pastor stated that "the budget process must be completely transparent."[1297] In terms of "Negatives," the team member listed the following: "Political factor. Project is completely dependent on power, authority, commitment, financial support of one person with current political clout. What of the future? ... Khashoggi factor. Is there a risk to AU[']s reputation? Role of rampant corruption and graft in Nigeria is unclear."[1298]

Mr. Pastor told the Subcommittee that he was very sensitive to Nigeria's reputation for corruption and explicitly addressed that issue before AU agreed to partner with AUN. Before entering into the project, he said AU personnel consulted with a number of organizations and persons including the EFCC in Nigeria, and were encouraged to move forward. In an email dated June 11, 2007, Mr. Pastor wrote:

> "On the alleged corruption of Atiku. We were certainly aware of the different reports about Atiku when he first approached us about helping build the university. [We] sought out all sources, including the US Ambassador and the intelligence community. The US Ambassador said he had never seen anything beyond a rumor, and that was confirmed by other sources. Recently, there are two charges that have been made about his corruption – on Jefferson and by Obasanjo and the EFCC."[1299]

[1294] Mr. Pastor told the Subcommittee that he left the board of trustees in October 2008 after one term. He noted that the AU president thought he might have a conflict of interest in serving on the board, but when asked to describe that conflict, Mr. Pastor said that he didn't know. Subcommittee interview of Robert Pastor, April 14, 2009.

[1295] 6/11/03 internal American University report "ABTI University Project – Nigeria," PAU000839.

[1296] Id.

[1297] Subcommittee interview of Robert Pastor, April 14, 2009.

[1298] 6/11/03 internal American University report "ABTI University Project – Nigeria," PAU000839.

[1299] Atiku Abubakar profile, PAU024731. See also AU newspaper describing the AUN project: "In May, a committee comprised of top University administrators and faculty members traveled to Nigeria, skeptical that establishing a university would be in AU's best interest. Among their concerns was the country's history of instability and corruption as well as ethnic and religious violence, Pastor said. Upon their return to the United States, however, they unanimously recommended that AU proceed." The Eagle "AU May Establish in Nigeria," November 11, 2003. http://media.www.theeagleonline.com/media/storage/paper666/news/2003/11/10/News/

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In 2003, Mr. Pastor presented the project to the American University "cabinet," which consists of AU's various vice presidents, and recommended partnering with AUN to establish the new university in Yola, Nigeria. The AU cabinet approved the proposal, and the AU president made the final decision to support the project.[1300] AUN was established on May 21, 2003.[1301] In July 2003, Ms. Douglas-Abubakar gave $1 million to the American University School of International Service Building fund.[1302]

Consultancy Agreement. In December 2003, AU entered into a consultancy agreement with AUN to develop the new school. AU told the Subcommittee:

> "On December 31, 2003, American entered into a five year management consultancy agreement ('2003 Agreement') to provide assistance in recruiting AUN's management team and faculty, developing the curriculum, and advising on architectural drawings and design of the campus master plan."[1303]

The consultancy agreement included a fee schedule. The AU General Counsel told the Subcommittee that AU was concerned as to whether AUN could afford, not only the consulting fees, but also the costs of establishing a new university.[1304] According to AU, the capital costs over ten years to build AUN were estimated to be approximately $400 million.[1305] AU told the Subcommittee that, from the inception of the AUN project, it was understood that Mr. Abubakar would provide the needed funding for the school. Mr. Pastor told the Subcommittee that he personally asked Mr. Abubakar whether he had the approximately $75 - $400 million necessary to fund the school properly, and Mr. Abubakar responded that he could fund it.[1306] According to Mr. Abubakar's attorney, Mr. Abubakar has spent about $150 million in

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Au.May.Establish.In.Nigeria-553139.shtml.

[1300] Subcommittee interview of American University officials, August 7, 2008.

[1301] 6/15/05 internal American University email, PAU027604.

[1302] See 11/21/03 American University Gift Agreement, PAU02615-19 (gift was given on July 9, 2003, but the Gift Agreement to apply the funds to a new School of International Service was signed on November 21, 2003; the Agreement provided Ms. Abubakar with "a naming opportunity within the new School of International Service facility") American University told the Subcommittee that, from 1999 to 2004, the Abubakars donated $1,026,110 to American's School of International Service. See 10/10/08 American University's written responses to Subcommittee questions, PSI American University 05-0008.

[1303] 7/22/08 letter from American University's legal counsel to the Subcommittee, PSI-American University 01-0001-02.

[1304] Subcommittee interview of American University officials, August 7, 2008.

[1305] In addition, AUN has had the following benefactors: the International Food Policy Research Institute, the MacArthur Foundation, Mr. Kekere-Akum, and the Oracle Corporation. See 10/10/08 American University's written responses to Subcommittee questions, PSI American University 05-0007.

[1306] Subcommittee interview of Mr. Pastor, April 14, 2009.

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personal funds to establish and operate AUN from 2003 to the present.[1307]

Under current law, universities have no legal obligation to examine or inquire into the source of funds provided by a donor.[1308] AU told the Subcommittee that it did not know the source of Mr. Abubakar's personal funds and did not inquire. One university official told the Subcommittee that he knew Mr. Abubakar was a businessman with multiple businesses, including Intels Nigeria, a profitable oil services firm. Another told the Subcommittee that both the current and past presidents of AU also met with Mr. Abubakar to discuss the AUN project.[1309] Mr. Pastor told the Subcommittee that he felt the AUN undertaking was a bigger financial risk to Mr. Abubakar than to AU, due to the amount of funding required.[1310]

AU Services. Once the consultancy agreement was signed in December 2003, American University told the Subcommittee that AU's "involvement was continuous" with regard to AUN's development, and that AU advised AUN on "everything."[1311] American University provided the following examples of work it performed to assist AUN:

- AU helped AUN advertise for and hire university officials.
- AU helped AUN establish a governance structure and provided trustee recommendations.
- AU helped AUN create a budget and worked with AUN to show it what an appropriate budget should look like.
- AU helped AUN with IT issues like selecting software.
- AU helped AUN set up major academic units, student programs, and residence halls.
- AU helped AUN set up a human resources department and recruit staff.
- AU helped AUN hire faculty and provide them with on-site training.
- AU helped develop student marketing plans.
- AU helped AUN set up classrooms, buy textbooks, and purchase laboratory equipment.
- AU helped AUN set up its library.
- AU helped AUN monitor its academic collections to make sure AUN is accredited.

[1307] Subcommittee interview of Mr. Abubakar's legal counsel, April 1, 2009.
[1308] The American Council of Education told the Subcommittee that it was unaware of any law, regulation, or guidance regarding a university's responsibility to conduct due diligence of gifts or transfers of funds to the university. Subcommittee interview of American Council of Education officials, January 11, 2010.
[1309] Subcommittee interview of American University officials, August 7, 2008.
[1310] Subcommittee interview of Mr. Pastor, April 14, 2009.
[1311] Id.

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- AU helped AUN set up cultural programs.[1312]

American University told the Subcommittee that AU's role was to help AUN become a fully operating, accredited educational institution. More than one year after the consultancy agreement was signed, AUN opened its doors in September 2005, with 110 students.[1313]

Abubakar Control of AUN Funding. Documents reviewed by the Subcommittee indicate that, from the inception of the university, it has experienced problems establishing reliable funding and a transparent, accurate budget structure due to the level of control exercised by Mr. Abubakar over the university's funding, construction, and expenses. A 2006 audit commissioned by Mr. Abubakar found, for example, that AUN had "no good accounting and Internal Control Systems that would allow complete and accurate reporting of the financial transactions of the University."[1314]

One key issue was that Mr. Abubakar apparently insisted on providing funding to AUN on a month-to-month basis and did not deposit funds into AUN bank accounts under the control of university officials.[1315] Minutes from an October 2006 AUN board meeting described the situation as follows:

> "Up until this Board meeting, the Chief Financial Officer (CFO) of the University would seek funding from the Founder [Mr. Abubakar] on a month-by-month basis and also on special cases. At the same time, the Project Manager would work directly with the Founder on the major capital projects. Lately, this relationship had become dysfunctional both because of the strains that occurred because of a specific affair and because of the diminished capacity of the Founder to fund the institution at the same level as before."[1316]

A 2005 email from the AUN president also expressed concerns about diminishing funding for the university from Mr. Abubakar:

> "[T]here is a feeling among some that the flow of revenue to the University will slow dramatically if Atiku's political fortunes continue to wane. The concerns were not eased by the recent

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[1312] Subcommittee interview of American University officials, August 7, 2008.
[1313] 8/27/05 email from American University to AUN, PAU101922.
[1314] 9/14/06 Special Audit Report on Investigation of Financial Improprietary in the Accounts of the University, PAU017743. This audit was commissioned by Atiku Abubkar and performed by Tom Satimehin and Co., Mr. Pastor told the Subcommittee that the AUN President and Vice-President disputed this audit. Subcommittee interview of Robert Pastor, April 14, 2009.
[1315] Id.
[1316] 10/23/06 Robert Pastor's Memorandum "Results of the Board of Trustees Meeting, October 19-20, 2006 and Follow Up," PAU102137.

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effort to reduce the November transfer from the needed N28 million to N20 million, even though we are well under budget even with the larger figure. Construction deferrals/delays have also raised fears that the prospects for the University are inexorably linked to Atiku's political success."[1317]

Still another concern was that AUN funding for expenses often came from third party accounts unrelated to the university and outside of its control, making it difficult for AUN to track or control expenses. A February 2007 email from the AUN president to AU, when asked about its funding and expenses over the prior two years, is instructive:

"Most of the operating expense and almost all of the building capital expense did not pass through AAUN accounts. Management had no role in the tender process, the process of negotiation with contractors, or the approval of contracts, This was done by the Founder directly – or by Phil Osadtsuk, who reports directly to the Founder. Through a process he characterizes as 'forensic accounting,' George has done the best he can to reconstruct the spending so that the Board will have as complete a picture as we can present. As you know, we have had the discussion in the past with both the Board and the Founder about the advantages of having funds designated for AAUN pass through AAUN accounts. However, this is ultimately the Founder's decision. My understanding is that most of the construction funds did not come from Atiku himself, but from other donors. I have heard informally where some of the funds have originated, but I do not have full information regarding who contributed what. If the Board feels that it needs that information, I think that Chairman Joda should approach the Founder directly on that question."[1318]

Mr. Abubakar seems to have exercised the same level of control over the Douglas accounts used to pay AUN expenses, sending funds on a monthly basis to enable Ms. Douglas to pay a variety of AUN bills, including the latest payroll expenses for AU professors teaching on the AUN campus. In a December 15, 2006 email, for example, Ms. Douglas wrote to AU officials that her account:

"functions as a 'pay as you go account' in that monies are sent in as it is requested for paying either salaries or purchases the founder approved and asked me to pay. When he was putting together the budget last year, I gave him all the information for all expenditures that I handled up to the end of last year. The only outstanding

[1317] 11/11/06 internal American University email, PAU010272.
[1318] 2/13/07 email from AUN to American University, PAU033157. "George" refers to George Peterson was the Vice President of Finance and Administration for AUN. 9/21/06 internal American University memorandum, PAU0108924.

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information is this year's transactions which he at least has the salary information since he provided those. I paid the vendors, but that information too he should have since he negotiates the contracts."[1319]

Documents reviewed by the Subcommittee indicate that Mr. Abubakar was actively involved in funding and expenditure decisions involving AUN, including determining what expenses would be paid from Douglas and AUN accounts in the United States. The documents reviewed by the Subcommittee do not show any involvement by the trustees of the Abubakar Blind Trust in the decisionmaking process, even though they were nominally in control of disbursements from the Abubakar Blind Trust and the Guernsey Trust Company provided millions of dollars to pay AUN expenses. LetsGo provided additional millions of dollars, which Mr. Volpi told the Subcommittee reflected his personal donations and extensions of credit to AUN. Neither Ms. Douglas nor American University were aware of Mr. Volpi's role, however, instead insisting that all of the funds sent to AU and AUN had come from Mr. Abubakar.

AUN Accounts in the United States. For a four-year period, from 2003 to 2007, Ms. Douglas used her personal checking accounts at Citibank to pay AUN expenses, including, beginning in 2005, paying the salaries of AUN professors who were teaching at AUN in Nigeria but seeking to be paid in U.S. dollars. When the Subcommittee asked AU why Ms. Douglas was paying AUN expenses from her personal accounts, AU expressed concern about this arrangement, in particular because Ms. Douglas was also an AUN trustee. The AU General Counsel told the Subcommittee that "a trustee shouldn't have a role in the finances at all."[1320] AU summarized the issue as follows:

"In 2005, AUN made American aware that Mrs. Abubakar, on behalf of AUN, paid the salaries of AUN faculty from her U.S. bank account. American was aware that this continued for a two-year period ending in 2007. The reason explained to American as to why Mrs. Abubakar paid AUN faculty and staff from her personal bank account was that AUN was not at that time able to open its own account, yet expatriate staff and faculty still needed to have their salaries wired to their own foreign accounts outside Nigeria."[1321]

[1319] 12/15/06 email from Ms. Douglas to American University, PAU015995.

[1320] Subcommittee interview of AU General Counsel, August 7, 2008. Ms. Douglas was a trustee of AUN. 3/1/04 memorandum from AUN to American University, PAU033007. Other trustees of AUN as of 2004 were: Ambassador Andrew Young, Alhaji Ahmed Joda, Gabriele Volpi, Mike Adenuga, Manuel Vicente, Peter Okocha, Jackie Chanrai, Adamu Abubakar, Benjamin Lardner, Robert Pastor, and William Jacobs.

[1321] 10/10/08 American University's written responses to Subcommittee questions, PSI-American_University-05-0008.

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As early as 2005, AU knew AUN was unable to open accounts in its own name at U.S. banks due to questions about the source of its funding. On August 22, 2005, for example, an outside attorney from Gurne Porter & Baulig, which had been hired by AU, wrote to AU officials and the AUN president that she was unable to open an AUN account at Bank of America or Citibank, because:

> "They wanted to know where [AUN] was getting the money. My response that the money would likely come from student tuition and other traditional university funding sources did not satisfy them. They indicated that they would need to be able to prove that the money came from tuition or other legitimate sources."[1322]

Ms. Douglas also alerted AU officials in 2007, when Citibank informed her that it intended to close her accounts at the bank, including two accounts used to pay AUN expenses. On June 3, 2007, for example, Ms. Douglas sent AU officials an email stating: "Just a reminder again that Citibank AAUN salary account will be closed on June 23."[1323] Mr. Weidenfeld also told the Subcommittee that after learning that the Citibank AUN accounts would be closed and "without this or a similar account, the ability of AUN to retain and recruit non-Nigerian staff would be severely limited," he "engaged in intensive discussions urging AU to provide [a] payment facility for expatriate staff and faculty," but "American University's financial office would not open such an account because AU wanted to maintain the separate identities of each institution."[1324]

After the Citibank accounts closed, Ms. Douglas and Mr. Weidenfeld opened an AUN account at Wachovia Bank, where AU banked, but Wachovia closed that account after seven months due in part to incoming large wire transfers from unfamiliar offshore corporations. Mr. Weidenfeld then used his law firm to open an AUN account at Suntrust Bank. Despite the closure of the Citibank and Wachovia accounts, AU apparently did not have any concerns about the source of funding of the AUN accounts or how their accounts were functioning.

AU Receipt of Offshore Funds. Over the same time period from 2003 to 2007, AU itself was receiving wire transfers from two offshore corporations, LetsGo and Guernsey Trust Company, to pay for consulting fees incurred in connection with AUN. According to a July 22, 2008 letter from AU to the Subcommittee:

[1322] 8/22/05 email from Gurne Porter & Baulig to American University, PAU0109008.
[1323] 6/3/07 email from Ms. Douglas to American University, PAU026491.
[1324] 11/13/09 letter from Ms. Douglas' legal counsel, London & Mead, to the Subcommittee, PSI-Abubakar &Weidenfeld-01-0023; Subcommittee interview of American University officials, August 7, 2008.

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"Mr. Abubakar made payments, through Letsgo Ltd and Guernsey Trust Company, on behalf of AUN for the services American rendered pursuant to the 2003 Agreement. American received payments from Letsgo totaling $13,149,758 and the Guernsey Trust Company amounting to $900,000. American [University] has had no [other] dealings with these companies."[1325]

AU documents show that when some of these wire transfers arrived, the AU treasury operations office noted their unusual origin and had to research their purpose. In September 2004, for example, a member of the treasury operations office sent an internal email stating: "Received a wire today for $100K from Northern Int'l Bank [in] Lugano, Chile .... Originator is SIMA Holding Company LTD. Expecting a gift?" Two weeks later, his colleague asked: "did we ever find out what this was for ...?" Two weeks after that he was told: "The wire ... was sent by ABTI."[1326] In 2007, a treasury operations officer noted: "we recvd $499,980 incoming wire from Letsgo Ltd FBO ABTI." Her colleague asked: "where do these wires originate ....what country?" She responded: "This wire originated from Panama."[1327]

When asked if AU was concerned about receiving $14 million from unfamiliar offshore corporations, the AU General Counsel stated that we "weren't concerned until we got the letter from you and now we've put everything on hold."[1328] AU officials told the Subcommittee that the university knew LetsGo was a Panamanian company, but had no further details about the corporation, including why it was wire transferring the funds for the AUN consulting work to AU.[1329] AU officials also said they had no information about the Guernsey Trust Company. The documents also show no evidence that the trustees of the Blind Trust had any formal or informal involvement in releasing Abubakar trust funds to pay AU fees.

AU told the Subcommittee that the University had asked Mr. Abubakar or his assistant about the source of the payments for the consulting fees, and were informed that all of the funds provided to AU in connection with the AUN came from Mr. Abubakar.[1330] AU officials indicated that they were comfortable with that information and had no legal obligation to inquire into the source of Mr. Abubakar's wealth or the source of the specific funds sent to the university. American University indicated that it did not believe it was the recipient of suspect

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[1325] 7/22/08 letter from American University's legal counsel to the Subcommittee, PSI-American University 01-0005.
[1326] September and October 2004 internal AU emails, PAU020271-72.
[1327] July 2007 internal AU emails, PAU019408-09.
[1328] Subcommittee interview of American University officials, August 7, 2008.
[1329] Id., April 14, 2009.
[1330] Id., July 13, 2009.

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funds in the AUN matter. American University also expressed pride in having assisted in the creation of American University of Nigeria.

To prevent future concerns about receiving payments from unfamiliar third parties, American University told the Subcommittee that, in December 2008, it had entered into a new one year consultancy agreement with AUN and, as part of that agreement, required all future payments to AU to be made exclusively from AUN bank accounts.[1331]

Disclosure Reports. Although universities have no legal obligation to inquire into the source of funds provided through a gift or transfer, current law does require universities to publicly disclose gifts and contracts from a foreign source if the value is in excess of $250,000, by filing online disclosures with the U.S. Secretary of Education.[1332] American University told the Subcommittee that, although it had filed these disclosures in the past, and several had been filed with respect to its consulting work for AUN, it had not filed all of the required reports.[1333] When the Subcommittee requested copies of the public disclosures related to AU's consulting work for AUN, American University discovered that it had inadvertently failed to file the required disclosures since 2006. On January 25, 2010, American University filed the missing public disclosures required by law, reporting more than $11 million in additional foreign payments related to its consulting work for AUN.[1334] The public disclosures do not require American University to identify the source of the foreign payments, so the reports make no reference to Mr. Abubakar, Ms. Douglas, LetsGo, or the Guernsey Trust Company.

D. Conclusion

This case history demonstrates how, over an eight-year period from 2000 to 2008, Ms. Douglas and Mr. Abubakar were able to bring over $40 million in suspect funds into the United States, primarily through wire transfers sent by offshore corporations. Over this time

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[1331] Id. See also AU/AUN consultancy agreement, PSI-American_University-12-0007.

[1332] See Section 1209 of the Higher Education Act of 1965, codified at 20 U.S.C. §1011f. This disclosure requirement was first enacted in 1986, as part of a reauthorization of the Higher Education Act. The House Committee report on the legislation explains that the law was "intended to promote clarity of academic purpose by avoiding the distortion that may occur in an academic program when large gifts are given to the institution from a foreign entity without public knowledge of that gift." House Committee on Education and Labor Report on H.R. 3700, Higher Education Amendments of 1985, Rep. 99-383 (November 20, 1985), at 87.

[1333] American University had filed disclosures related to its consulting work for AUN from 2002 to 2005, disclosing a total of about $6.3 million in foreign payments related to Nigeria.

[1334] The AU disclosures now on file with the Department of Education cover all payments related to its consulting work for AUN from 2002 to 2009, totaling in excess of $17.5 million. This total is higher than the $14 million discussed in this Report, because it includes payments of more than $3.6 million made during 2008 and 2009, which occurred outside the scope of the information requests made by the Subcommittee.

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period, Ms. Douglas opened over 30 accounts at U.S. banks, most of which were unaware of her PEP status due to incomplete PEP lists maintained by third party vendors and inadequate due diligence procedures. In one case, a bank failed to document her PEP status even after being told of her marriage to the former Vice President of Nigeria. In two instances, Ms. Douglas used her U.S. legal counsel, Mr. Weidenfeld, to help convince a bank to open an account. At each bank where she opened an account, she described herself as unemployed or a student, soon began receiving large wire transfers from offshore corporations, and explained when asked that she had little or no information about the companies sending her money, but believed the funds were being sent by her husband. At first, U.S. banks accepted this explanation and allowed Ms. Douglas to bring nearly $25 million over eight years into the United States. Over the last year, Mr. Weidenfeld accepted at least another $2.1 million in wire transfers from an unfamiliar offshore corporation, with no questions asked. Over five years, American University accepted $14 million.

In each case, the bank, law firm, or university was told it was receiving funds from Mr. Abubakar. Mr. Abubakar is a complex figure in Nigerian politics. His 20-year career in the Nigerian Customs Service, 10-year stint as a private businessman, and 8-year tenure as Vice President of Nigeria, are difficult to evaluate, especially in a country plagued by corruption. His founding of Intels while a Customs official, the company's association with powerful government officials, and its increasing economic profile, raise questions about the basis for the company's success. Mr. Abubakar's quiet exchange of Intels shares for Orlean shares in 2003; his use of Orlean and then a shell company associated with Mr. Volpi to run his allegedly Blind Trust; and the millions of dollars sent by corporations associated with Mr. Volpi to Douglas-related accounts in the United States, raise a host of questions about the nature and source of Mr. Abubakar's wealth. An allegation by the SEC that Ms. Douglas received over $2 million in bribe payments from Siemens AG, intended in part for her husband, also cannot be dismissed.

Mr. Abubakar and Ms. Douglas convinced U.S. banks, a U.S. law firm, and even a university to accept millions of dollars from unfamiliar offshore corporations to advance their interests. U.S. AML and PEP safeguards require further strengthening to prevent offshore corporations from sending millions of dollars of suspect funds into the U.S. financial system.

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VI. ANGOLA CASE STUDY: EXPLOITING POOR PEP CONTROLS

Angola, an oil producing country on the coast of western Africa, is known for an ongoing corruption problem, weak anti-money laundering (AML) controls, and a cash-intensive banking system. This case history examines three Angolan PEP accounts, involving an Angolan arms dealer, an Angolan government official, and an Angolan private bank that caters to PEP clients, in which the accountholder gained access to the U.S. financial system and exploited poor U.S. AML and PEP controls.

Pierre Falcone is a notorious arms dealer, known for selling weapons to Angola during its civil war and for his close association with Angolan President Jose Eduardo dos Santos. He has long been the subject of criminal investigations in France, was imprisoned for one year beginning in 2000, was a fugitive from a 2004 French global arrest warrant, was convicted in France in 2007 and again in 2009 on charges of illegal arms dealing, tax fraud, and money laundering, and is now serving a six-year prison sentence. Yet for 18 years, from 1989 to 2007, he and his relatives were able to make use of nearly 30 accounts at Bank of America in Scottsdale, Arizona. Mr. Falcone used personal, family, and U.S. shell company accounts at the bank to bring millions of dollars in suspect funds into the United States and move those funds among a worldwide network of accounts. Although aware of his status as an arms dealer, Bank of America did not treat Mr. Falcone as a PEP, did not designate his accounts as high risk, and maintained the Falcone accounts with few questions asked. In 2007, after receiving a Subcommittee inquiry about the Falcone accounts, the bank conducted a new due diligence review, closed the accounts, and expressed regret at providing Mr. Falcone with banking services for years.

Dr. Aguinaldo Jaime, a senior Angolan government official, was head of Banco Nacional de Angola (BNA), the Angolan Central Bank, when he attempted, on two occasions in 2002, to transfer $50 million in state funds to a private account in the United States, only to have the transfers reversed by the U.S. financial institutions involved. Dr. Jaime invoked his authority as BNA Governor to wire transfer the funds to a private bank account during the first attempt and, during the second attempt, to purchase $50 million in U.S. Treasury bills for transfer to a private securities account. Both transfers were initially allowed, then reversed by bank or securities firm personnel who became suspicious of the transactions despite the reputation of the foreign official involved. Partly as a result of those transfers and the corruption concerns they raised, in 2003, Citibank closed not only the accounts it had maintained for BNA, but all other Citibank accounts for Angolan entities.

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Banco Africano de Investimentos (BAI) is a $7 billion private bank whose largest shareholder is Sonangol, the Angolan state-owned oil company, and which caters to Angolans in the oil and diamond industries and government. Over the last ten years, BAI gained entry to the U.S. financial system through accounts at HSBC in New York, using HSBC wire transfer services, foreign currency exchange, and U.S. dollar credit cards for BAI clients, despite refusing to fully disclose its owners or provide a copy of its AML procedures. BAI's resistance to HSBC oversight, weak AML controls, vulnerability to corruption, and PEP clientele, indicate that BAI ought to be subject to tough U.S. AML and PEP controls, but HSBC has failed even to designate BAI as a high risk client warranting enhanced monitoring.

Together, these accounts demonstrate, again, the need for U.S. financial institutions to strengthen their AML and PEP controls to keep foreign corruption out of the Unite States.

A. Background

Angola. Angola is located on the west coast of Africa, with a landmass slightly less than twice the size of Texas.[1335] Its official language is Portuguese, and it has a population of roughly 13 million.

Angola gained its independence from Portugal on November 11, 1975.[1336] From its inception, the country was engulfed in a civil war, initially among three factions, the Popular Movement for the Liberation of Angola (MPLA), the National Front for the Liberation of Angola (FNLA), and the National Union for Total Independence of Angola (UNITA). Under the 1991 Biscesse Accord, the MPLA and UNITA agreed to a ceasefire and to hold elections. When the MPLA won a plurality of the vote, UNITA rejected the results, and the country returned to war. The 1994 Lusaka Protocol brought about another ceasefire, but localized fighting spread, and war continued until 2002. The civil war resulted in the death of as many as 1.5 million Angolans and the displacement of 4 million.[1337]

Angola held its first presidential election in 1992, during the first ceasefire. Jose Eduardo dos Santos of the MPLA won a plurality of the vote and assumed the office of President of Angola. UNITA rejected the results and returned to war, while MPLA, by default, became the recognized government. UNITA's insurgency effort was condemned by the United Nations and United States. In 1993, President Clinton issued Executive Order 12865 which declared a national emergency related to

[1335] CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/ao.html.
[1336] Id.
[1337] Id.

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Angola and stated that UNITA constituted a "threat to international peace and security."[1338] The Executive Order prohibited the sale or supply from the United States of any arms, related material, petroleum, and petroleum products to Angola. The order also specifically prohibited the sale or supply of such commodities to UNITA.

Additional sanctions followed, further tightening United States-Angola trade and targeting UNITA. Executive Order 13069, issued December 12, 1997, closed all UNITA offices in the United States and restricted the sale or supply of aircraft or aircraft parts and related services. Executive Order 13098, issued August 18, 1998, prohibited the supply of equipment used in mining, motorized vehicles, watercraft, spare parts for motorized vehicles or watercraft, mining services, and ground or waterborne transportation services. Each Executive Order was issued in conjunction with U.N. resolutions.[1339]

In 1998, the United Nations took action to block trade in Angolan diamonds.[1340] These trade sanctions again targeted UNITA which controlled diamond producing territory and was using the proceeds from diamond sales to purchase arms and continue the armed conflict in Angola. The sanctions made it more difficult to trade in Angolan "conflict diamonds,"[1341] but smuggling schemes ensued, followed by high-profile scandals involving arms-for-diamonds trades.[1342]

In 2002, UNITA leader Joseph Savimbi was killed in action, effectively ending UNITA's insurgency and the civil war. On May 6, 2003, President George W. Bush issued Executive Order 13298 lifting the prior sanctions. President dos Santos was still in office then and remains in office today, nearly 18 years after his initial election. During those 18 years, he has not allowed any new election for the presidency, although a presidential election has tentatively been scheduled for 2012.

[1338] Executive Order 12865 of September 26, 1993: "Prohibiting Certain Transactions Involving UNITA," Federal Register Vol. 58, No. 18.

[1339] See, e.g., UN Security Council Resolutions 864 (September 15, 1993), 976 (February 8, 1995), 1064 (July 11, 1996), 1127 (August 28, 1997), 1130 (September 29, 1997), 1173 (June 12, 1998), and 1176 (June 24, 1998), http://www.un.org.

[1340] See UN Security Council Resolution 1173 (June 12, 1998), http://www.un.org; UN Security Council Press Resolution, "Council Decides Previously Specified Measures Against UNITA Shall Come Into Force on 1 July, Instead of 25 June," June 24, 1998, http://www.un.org/News/Press/docs/1998/19980624.sc6534.html.

[1341] "Conflict diamonds are diamonds that originate from areas controlled by forces or factions opposed to legitimate and internationally recognized governments, and are used to fund military action in opposition to those governments, or in contravention of the decisions of the Security Council." United Nations website, http://www.un.org/peace/africa/Diamond.html.

[1342] See, e.g., The Independent, "UN sanctions ineffective against UNITA rebels," April 19, 2001, http://www.independent.co.uk/news/world/africa/un-sanctions-ineffective-against-unita-rebels-753578.html; The Independent, "Angola Calls for UN Sanctions Over Arms Violation Nations," February 23, 2001, http://www.independent.co.uk/news/world/africa/angola-calls-for-un-sanctions-over-arms-violation-nations-692922.html.

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Angola's economy today is largely reliant on two extractive industries, oil and diamonds. Angola is currently one of Africa's largest oil producers,[1343] and oil accounts for over 90% of Angola's exports.[1344] Sonangol is the state-owned company that helps to produce and sell Angolan oil. Since 2004, China, through Sinopec and other companies, has become a key developer and purchaser of Angolan oil.[1345] Angola is now believed to be China's main supplier of oil.[1346] In addition to oil, Angola has major diamond reserves, located in its northeastern region, and is among the world's leading diamond producers.[1347] Diamonds are Angola's second largest export. Endiama is the state-owned company that helps produce and sell Angolan diamonds.

Despite its oil and diamond reserves, Angola ranks among the world's worst performing countries in life expectancy and infant mortality rates.[1348] The average Angola citizen can expect to live to only 41.7 years, one of the lowest rates in the world. Almost half of Angolans do not have access to safe drinking water.[1349] The country is also known for human rights abuses. The U.S. Department of State's 2008 Human Rights Report stated: "[T]he government's human rights record remained poor, and there were numerous, serious problems."[1350] The report cited the following problems:

- "Government security forces tortured, beat, and otherwise abused persons."
- "Police often extorted bribes."
- "The constitution provides for an independent judiciary; however, the judiciary remained understaffed, inefficient, corrupt, and subject to executive and political influence."
- "Authorities arrested, harassed, and intimidated journalists."

Corruption. Angola has long had a problem with corruption. In 2002, an International Monetary Fund (IMF) report found that nearly $1

[1343] See Embassy of Angola website, http://www.angola.org/economy.html ("As independence was proclaimed in 1975, Angola ranked third on the list of Africa's most important oil producing countries after Nigeria and Gabon. Angola is currently the second oil producer with 1 million b/d output, and it is expected that by next year it will overtake Nigeria, with a current output of 2.3 million b/d.").

[1344] Embassy of Angola: Economy; http://www.angola.org/economy.html ("Oil is the backbone of the Angola's economy. This sector makes up over 90% of the Country's exports.").

[1345] CNNMoney.com, "China's appetite for African oil grows," February 15, 2006, http://money.cnn.com/2006/02/08/news/international/africa_fortune/index.htm.

[1346] The Heritage Foundation, "Into Africa: China's Grab for Influence and Oil," February 9, 2007, http://www.heritage.org/research/africa/HL1006.CFM.

[1347] Embassy of Angola: Economy, http://www.angola.org/economy.html.

[1348] CIA World Fact Book, Country Comparisons – GDP Per Capita, https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html; The United Nations World Population Prospects: The 2008 Revision.

[1349] UNDP Human Development Index Statistics, http://hdrstats.undp.org/countries/country_fact_sheets/cty _fs_AGO.html.

[1350] U.S. Department of State, "2008 Human Rights Report: Angola," February 25, 2009, http://www.state.gov/g/drl/rls/hrrpt/2008/af/118985.htm.

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billion had disappeared from the Angolan treasury in 2001, and over the prior five years, more than $4 billion remained unaccounted for.[1351] On November 9, 2006, Angolan police arrested over 100 protestors who marched in the capital city of Luanda to protest corruption in government.[1352] The protestors handed out flyers accusing Angolan officials of siphoning funds from the Angola people to accounts in France. Shortly afterwards, on November 15, 2006, the IMF urged Angola "to tackle deep-rooted governance and corruption issues in the extractive sectors and expressed serious concern that progress on these issues is stalled."[1353]

In 2008, Transparency International ranked Angola 158th out of 180 countries on its annual Corruption Perceptions Index.[1354] The U.S. State Department's 2008 Human Rights Report characterized corruption in Angola as "widespread" yet noted "there were no public investigations or prosecutions of government officials during the year."[1355] The State Department also noted serious transparency concerns related to Angola's two major state entities, Sonangol and Endiama.[1356]

In addition, Angola has long been known for weak anti-money laundering and anti-corruption controls. In 2008, the U.S. State Department's International Narcotics Control Strategy Report described the country as follows:

> "Angola currently has no comprehensive laws, regulations, or other procedures to detect money laundering and financial crimes. Other provisions of the criminal code do address some related crimes. The various ministries with responsibility for detection and enforcement are revising a draft anti-money laundering law drawn up with help from the World Bank. … The Central Bank has the authority to freeze assets, but Angola does not presently have an effective system for identifying, tracing, or seizing assets. … Angola's high rate of cash flow makes its financial system an attractive site for money laundering. … These massive cash flows occur in a banking system ill-equipped to detect and report

[1351] International Monetary Fund, "IMF Report: Angola Staff Report for the 2002 Article IV Consultation," March 18, 2002, at 9.
[1352] Human Rights Watch, "Angola: New OPEC Member Should Tackle Corruption Not Critics," December 14, 2006, http://www.hrw.org/en/news/2006/12/14/angola-new-opec-member-should-tackle-corruption-not-critics.
[1353] IMF press release, "IMF Executive Board Concludes 2006 Article IV Consultation with Angola," Public Information Notice No. 06/133, November 15, 2006, http://www.imf.org/external/np/sec/pn/2006/pn06133.htm .
[1354] Transparency International, 2008 Corruption Perception Index, http://www.transparency.org/policy_research/surveys_indices/cpi/2008.
[1355] U.S. Department of State, "2008 Human Rights Report: Angola," February 25, 2009, http://www.state.gov/g/drl/rls/hrrpt/2008/af/118985.htm.
[1356] Id.

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suspicious activity. The Central Bank has no workable data management system and only rudimentary analytic capability. Corruption pervades Angolan society and commerce and extends across all levels of government."[1357]

Given Angola's turbulent history, corruption problem, and weak AML and anti-corruption controls, some U.S. financial institutions have decided to subject Angolan accounts to enhanced due diligence and monitoring; some have decided not to open such accounts at all.

B. An Angolan PEP: Moving Millions of Dollars For An Arms Dealer

Pierre Joseph Falcone is a notorious arms dealer, known for selling weapons to Angola during its civil war and for his close association with Angolan President Jose Eduardo dos Santos. He has long been the subject of criminal investigations in France, was imprisoned for one year beginning in 2000, became a fugitive from a 2004 French global arrest warrant, was convicted in France in 2007 and in 2009, on charges of illegal arms dealing, tax fraud, and other financial crimes, and is now serving a six-year prison sentence. Yet for 18 years, from 1989 to 2007, Mr. Falcone and his relatives used 29 accounts at Bank of America in Scottsdale, Arizona, to bring millions of dollars in suspect funds into the United States to advance their business interests. In the last eight years the Falcone accounts were open, from 1999 to 2007, the Subcommittee was able to trace over $60 million in suspect account activity that either passed through U.S. correspondent accounts or ended up in U.S. bank accounts.

When the accounts were initially opened in 1989, U.S. anti-money laundering laws were limited, and the Falcones had to provide only minimal information to gain entry to a U.S. bank. In 2001, enactment of the Patriot Act tightened AML requirements for accounts held by foreign senior political figures, their relatives, and close associates, a group of persons now known as Politically Exposed Persons (PEPs), and made handling foreign corruption proceeds a U.S. money laundering offense. Despite those new legal requirements, and a burst of publicity about Mr. Falcone after his imprisonment in France, Bank of America failed to identify him as a PEP due either to his close association with President dos Santos or his own 2003 appointment as an Ambassador of Angola to UNESCO. In 2005, when routine monitoring did flag certain transactions, Bank of America conducted a special review of the accounts and identified Mr. Falcone as an arms dealer, but failed to identify him as a PEP, determined that his account activity was "normal"

[1357] U.S. Department of State, "2008 International Narcotics Control Strategy Report, Volume II, Money Laundering and Financial Crimes," March 2008, at 83-84.

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despite multiple high-dollar international wire transfers, and failed even to designate the accounts as high risk.

Bank records reviewed by the Subcommittee showed that the Falcone accounts at Bank of America engaged in numerous suspicious transactions over the last eight years they were open. For example, from 1999 to 2003, the accounts received multiple wire transfers totaling in excess of $6 million from unidentified "clients" in known secrecy jurisdictions such as the Cayman Islands, Luxembourg, Singapore, and Switzerland. From 2001 to 2003, an account opened by Mr. Falcone's wife in the name of Monthigne Corp., an apparent shell company formed under the laws of Arizona, received numerous large wire transfers from obscure offshore corporations, including $2.46 million sent by AALL Trust and Banking Corp. Ltd., a bank in the Cayman Islands; nearly $855,000 from Culmen Investments using accounts in Israel; nearly $200,000 from Rego Holdings Ltd. using accounts in Israel; and nearly $250,000 from Valley Marketing Ltd. using Cayman accounts. After receipt of the funds, Ms. Falcone transferred large amounts to other Falcone-related accounts.

The Falcone accounts also showed frequent large-dollar transfers from one Falcone-related account to another, at times across international lines. For example, from 2004 to 2007, Mr. Falcone sent wire transfers from bank accounts in South Africa, Angola, Portugal, and China, in amounts ranging from $100,000 to $550,000, to Falcone accounts at Bank of America in Arizona. From 2000 to 2002, Bank of America accounts belonging to Mr. Falcone's wife, his mother, another apparent relative, Iris Montero Mendez, and Monthigne sent multiple wire transfers totaling nearly $1.2 million to a Utah bank account belonging to Essante Inc., a health and beauty business associated with Ms. Falcone. In addition, from 2001 to 2002, Ms. Mendez made multiple high-dollar transfers from her account to Ms. Falcone's account at Bank of America, sending $100,000 to $175,000 at a time for a total of about $950,000. These frequent, high-dollar, offshore transactions failed to trigger any review.

Another set of questionable transactions involves large wire transfers from Companhia Angolana de Distribuicao Alimentar Inc. or CADA, an Angolan company controlled in part by Mr. Falcone. From 2000 to 2001, CADA wire transferred a total of $1.4 million to a joint Falcone account at Bank of America, as well as $9 million to a Swiss account in the name of Brenco International, another company beneficially owned by Mr. Falcone and involved in his illegal arms trade. Bank records from HSBC also show that, in July 2001, the CADA account at HSBC Equator Bank received over $20 million from the Angolan state oil company, Sonangol. HSBC records also show

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that, from 1997 to 2004, HSBC itself conducted a joint business venture in Angola with Mr. Falcone through joint ownership of Triang Ltd., a trucking operation that transported fuel for the Angolan diamond industry.

Still another set of transactions raising red flags are numerous high-dollar transfers, involving from $50,000 to $549,000 at a time, between the Falcone accounts at Bank of America and the Beverly Loan Company, an upscale pawn shop in Beverly Hills, California. The Subcommittee learned that the Beverly Loan Company issues loans secured by fine jewelry, and since 2001, Ms. Falcone had obtained over $7.3 million in loans in her own name and the name of her assistant. These loans were a frequent source of funds for the Falcone accounts from 2001 to 2007.

Many of these transactions occurred prior to the special review of the Falcone accounts conducted by Bank of America in June 2005, yet the bank deemed the account activity as "normal," and failed to designate the Falcone accounts as high risk or to require enhanced monitoring, even after learning he was an international arms dealer. The documents indicate that the bank also failed even to consider designating Mr. Falcone a PEP client. When asked about specific transactions, Bank of America told the Subcommittee that its 2005 review had looked at only 19 months of account activity and did not examine the wire transfers sent by unidentified clients. The bank also said that it did not collect specific information about the AALL Trust and Banking Corp., Cullen Investments, Rego Holdings, Valley Marketing, CADA, or Beverly Loan Company, and had not viewed the high-dollar transfers among Falcone accounts to be of concern. The bank also told the Subcommittee that it did not know Ms. Mendez's relationship to the Falcones, despite her years as a banking customer and the high volume of transfers between the accounts belonging to her and the Falcones. In an interview with the Subcommittee, Bank of America expressed regret for providing years of banking services to a notorious arms dealer. In 2007, Bank of America closed the Falcone accounts.

(1) Background

For many years, Pierre Falcone has been publicly associated with illegal arms trafficking, tax evasion, bribery, and other misconduct. He is most frequently associated with a massive scandal that broke in France in 2000, dubbed "Angolagate" by the media, involving illegal arms sales in Angola at exorbitant prices facilitated by millions of dollars in bribes paid to government officials.[1358]

[1358] See, e.g., The Telegraph, "Angolagate 'Arms for Oil' Trial Pens in Paris," October 6, 2008, http://www.telegraph.co.uk/news/worldnews/europe/france/3146113/Angolagate-arms-for-oil--

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During the 1990s, Mr. Falcone worked as a consultant to the French government agency, SOFREMI, which handles foreign arms sales. He helped arrange numerous arms sales to foreign countries, including Angola which was then in the midst of its civil war and subject to a UN arms embargo. Over the years, allegations mounted about his role in conducting illegal arms sales in Angola in violation of the embargo, as well as his alleged involvement with bribes paid to French and Angolan officials. He became the subject of multiple criminal investigations.

In December 2000, Mr. Falcone was detained in a French jail pending an investigation into allegations of his involvement with tax fraud, influence peddling, and corruption of public officials associated with arms sales in Angola.[1359] One year later, in December 2001, he was released from prison, after posting more than 100 million French francs (about $14 million) in bail, surrendering his passport, and agreeing to other travel restrictions.[1360] In 2002, French authorities initiated a new round of investigations into allegations of wrongdoing involving Mr. Falcone.[1361] In June 2003, the Angolan government, under President dos Santos, appointed Mr. Falcone as the Angolan ambassador to UNESCO, and Mr. Falcone asserted diplomatic immunity from criminal prosecution.[1362] He then left the country in September 2003, in violation of his bail restrictions.[1363] French authorities eventually denied his claim on the ground that his arms trafficking activities were not a function of his diplomatic status.[1364] In the meantime, a French

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trial-opens-in-Paris.html.; Third World Traveler, "The Influence Peddlers," 2002, http://www.thirdworldtraveler.com/Weapons/Influence_Peddlers_MAK.html.

[1359] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 4. See also In These Times, "The Arms Dealer Next Door," December 22, 2001, http://www.inthesetimes.com/issue/26/04/feature4.shtml.

[1360] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 4. See also In These Times, "The Arms Dealer Next Door," December 22, 2001, http://www.inthesetimes.com/issue/26/04/feature4.shtml; see also, Le Monde, "Pierre-Joseph Falcone a été remis en liberté après un an de détention," December 4, 2001; Third World Traveler, "The Influence Peddlers," 2002, http://www.thirdworldtraveler.com/Weapons/Influence_Peddlers_MAK.html.

[1361] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 4. See also Amnesty International, "Undermining Global Security: the European Union's arms exports," International Action Network on Small Arms website, http://www.iansa.org/regions/europe/documents/undermining_security/brokering_transport.htm.

[1362] See, e.g., Le Monde, "Un mandat d'arrêt international a été délivré contre Pierre Falcone," January 17, 2004; Amnesty International, "Undermining Global Security: the European Union's arms exports," International Action Network on Small Arms website, http://www.iansa.org/regions/europe/documents/undermining_security/brokering_transport.htm.

[1363] See, e.g., Le Monde, "Un mandat d'arrêt international a été délivré contre Pierre Falcone," January 17, 2004; Le Monde, "Pierre Falcone a quitté la France grâce à son passeport diplomatique angolais, September 23, 2003.

[1364] See Ordonnance De Soit Communique, Tribunal de Grande Instance de Paris, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (11/18/2003). See also, Amnesty International, "Undermining Global Security: the European Union's arms exports," International

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magistrate issued two summons for Mr. Falcone to appear in October and November 2003.[1365] When Mr. Falcone did not appear in response to either summons, on January 14, 2004, the magistrate issued a global warrant for his arrest.[1366] That arrest warrant remained outstanding for several years.

In addition to the French proceedings, in 2002, Swiss authorities also initiated an investigation into Mr. Falcone and the Angolagate scandal.[1367] That investigation was suspended in 2004, however, by the Public Prosecutor of Geneva, Daniel Zappelli.[1368]

About three years after he left, Mr. Falcone returned to France to face multiple charges related to his work for SOFREMI. In March 2007, he was one of 42 people indicted on charges related to illegal arms trafficking in Angola, including Jean-Christophe Mitterrand, son of the former French President, and Charles Pasqua, former French interior minister.[1369] Among other charges, Mr. Falcone and his business partner, Arkadi Gaydamak, were alleged to have sold 170,000 land mines, 420 tanks, 12 helicopters, six warships, and other weapons to the dos Santos Administration during the Angolan civil war in violation of the UN arms embargo.[1370] Brenco International, a company beneficially owned by Mr. Falcone and Mr. Gaydamak, allegedly brokered the arms sales, which were valued at $790 million.[1371] In addition, Mr. Falcone was alleged to have ordered bank transfers in favor of Angolan officials that,

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Action Network on Small Arms website, http://www.iansa.org/regions/europe/documents/undermining_security/brokering_transport.htm.

[1365] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 7. See also Le Monde, "Un mandat d'arrêt international a été délivré contre Pierre Falcone," January 17, 2004.

[1366] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 6. See also Le Monde, "Un mandat d'arrêt international a été délivré contre Pierre Falcone," January 17, 2004.

[1367] See, e.g., Le Monde, "Le volet suisse de l'enquête sur l'affaire Falcone pourrait être menace," November 21, 2002; Global Witness, "Time for Transparency: Coming clean on oil, mining and gas revenues", March 2004, at 42-45 (citing a February 2002 "Geneva-based investigation into the possible involvement of Pierre Falcone in 'money laundering, support for a criminal organisation' and 'corruption of foreign public officials'").

[1368] See, e.g., Aktion Finanzplatz Schweiz, the Berne Declaration, and Global Witness, press release, "Geneva Prosecutor must revive Angola Oil Corruption Probe," February 15, 2008.

[1369] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007). See also "Undue Diligence," Global Witness, March 2009, at 94, citing Angolagate indictment, 5 April 2007.

[1370] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 49-50. See also IPS News, "No Angolans at 'Angolagate' Trial," October 15, 2009, http://ipsnews.net/news.asp?idnews=44276.

[1371] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 29, 80. See also Wall Street Journal, "French Businessmen Are Sentenced for Arms Trade," October 28, 2009; The Guardian, "French elite on trial in $791m Angola arms case," October 7, 2007.

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between 1993 and 2000, totaled at least $54 million.[1372] In October 2009, Mr. Falcone was convicted of illegal arms sales, tax fraud, money laundering, and embezzlement, and sentenced to six years in prison.[1373] Earlier, he had been convicted in two other cases on charges of tax fraud and misappropriation of public funds, and received prison terms of one and four years.[1374] He is currently incarcerated in France.

Despite Mr. Falcone's notorious reputation and involvement in ongoing criminal investigations, he and his family were able to maintain a lavish lifestyle in Arizona since the 1980s.[1375] In 2000, Mr. Falcone purchased a mansion in Paradise Valley, Arizona, for a reputed $9.6 million, then the highest-value residential purchase in Arizona history.[1376] The house is currently on sale for $14.5 million, and is described in a Southeby's advertisement as having over 16,000 square feet of space, seven bedrooms, ten bathrooms, a pool, tennis court, and five-car garage.

Mr. Falcone is married to Sonia Montero Falcone, a former Miss Bolivia International and president of Essante Inc., a Utah company specializing in health and beauty products.[1377] On March 15, 2000, Ms. Falcone formed an Arizona company, Monthigne, Corp., and opened an account in the company's name at Bank of America.[1378] Publicly available information from the Arizona Corporation Commission describes the company as a "legal services" business.[1379] Arizona State corporation documents also indicate that it was dissolved in 2005.[1380]

[1372] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 58-59.
[1373] See New York Times, "French Power Elite Face a Fall From Grace," October 27, 2009, http://www.nytimes.com/2009/10/28/world/europe/28iht-paris.html; see also Wall Street Journal, "French Businessmen Are Sentenced for Arms Trade," October 28, 2009.
[1374] See, e.g., "Pierre Fralcone condamne a quatre ans de prison ferme pour fraude fiscale," Le Monde, January 18, 2008; Le Monde, "Pierre Falcone: quatre ans ferme pour fraude fiscal," January 20, 2008; AFP, "Prison ferme pour le fils Pasqua et Pierre Falcone dans le dossier Sofremi," December 11, 2007.
[1375] See The Arizona Republic, "Jet-Setter's Life Marked by Intrigue Arms-Deal Allegations Don't Fit, Many Say," January 12, 2001 ("Friends say Falcone, who has lived in the Valley for about 15 years, is the consummate internationalist. He is described as multilingual, constantly on his cell phone, circling the globe, hobnobbing with corporate kings and heads of state.").
[1376] See undated BOA Global AML Operations report on Falcone accounts, BOA-PSI-04698-700; Arizona Republic, "Valley Socialite Jailed in African Weapons Case," October. 27, 2009, and "Jet-Setter's Life Larked by Intrigue," January 12, 2001; "Angolan Can of Worms," February 22, 2002.
[1377] See, e.g., Business Wire HealthWire, "From Beauty Queen to Beauty Empire: Former Miss Bolivia Launches International Health and Beauty...," September 28, 2000.
[1378] Arizona Corporation Commission State of Arizona Public Access System, annual reports for Monthigne, Corp. See also 8/15/02 BOA Corporate Signature Card and Certified Copy of Corporate Resolutions, BOA-PSI-03422-24 (identifying Ms. Falcone as the president of Monthigne Corp.).
[1379] Arizona Corporation Commission State of Arizona Public Access System, annual reports for Monthigne, Corp.
[1380] 1/5/05 Arizona Corporation Commission Corporations Division, Certificate of Dissolution for Monthigne, Corp.

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Bank of America was unable to tell the Subcommittee anything about this company which appears to have functioned as a shell corporation.

In January 2006, U.S. prosecutors indicted Ms. Falcone for immigration fraud, which was uncovered when she applied to become a U.S. citizen.[1381] In March 2007, in an arrangement reached with prosecutors, she pled guilty to illegally hiring foreign workers at her Arizona residence and agreed to leave the country. In August 2007, the U.S. Government deported Ms. Falcone from the United States, and she reportedly left for China.[1382] In March 2009, the Subcommittee attempted to contact Mr. Falcone, but received no response.

(2) Falcone Accounts at Bank of America

Mr. Falcone first opened an account at Bank of America in Scottsdale, Arizona in 1989. At the time, U.S. anti-money laundering laws were limited, and the bank opened the accounts with virtually no personal information about the Falcones other than their U.S. address.

Falcone Accounts. From 1989 to 2005, Bank of America opened 29 accounts for the Falcones at its Scottsdale branch, including four for Mr. Falcone;[1383] seven for Ms. Falcone;[1384] ten for Mr. Falcone's mother, Vincente Falcone, who lives in Canada;[1385] one for Mr. Falcone's father, Pierre Falcone Sr;[1386] six for Iris Mendez de

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[1381] United States v. Falcone, Case No. CR06-0015 PHX (USDC AZ), Indictment, January 10, 2006. See also Arizona Daily Sun, "Wife of Ambassador to UNESCO Arrested on Fraud Charges," February 17, 2006.

[1382] See East Valley Tribune, "East Valley Philanthropist Deported in Plea Deal," August 29, 2007, http://www.eastvalleytribune.com/story/96157.

[1383] Account Nos. 7676-1391 (opened 3/89 and closed 7/07); 2-3951-3328 (opened 1/98 and closed 7/07); 2-7220-7365 (opened 2/98 and closed 7/07); and 2-7220-7883 (opened 3/98 and closed 4/01). The final two accounts were joint accounts between Mr. Falcone and his business associate, Gasper Devita. Ms. Falcone was also a signatory on the 2-7220-7365 account. See account signature forms, BOA-PSI-00010, 12, 18-29. Mr. Devita had four other accounts at Bank of America as well. Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505.

[1384] Account Nos. 8-4603-5538 (opened 9/94 and closed 7/07); 2-7245-0445 (opened 6/98 and closed 2/01); 2-5492-3451 (opened 12/98 and closed 7/07); 2-5492-3478 (opened 12/98 and closed 4/00); 2-5492-3397 (opened 12/98 and closed 7/07); 2-7392-8383 (opened 1/99 and closed 1/03); and 2-5773-3203 (opened 7/99 and closed 7/07). Two of the accounts were joint accounts, one with Ms. Falcone and Perrine Falcone, and the other with Ms. Falcone and Eugenia Falcone. Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505.

[1385] Account Nos. 7676-1391 (opened 3/89 and closed 7/07); 2-7477-6027 (opened 3/99 and closed 5/04); 2-7477-6027 (opened 3/99 and closed 5/04); 46-7427-0385 (opened 1/01 and closed 10/03); 46-7076-9382 (opened 4/01 and closed 5/04); 4024-2120-1476-7987 (opened 4/01 and closed 8/07); 46-7748-2837 (opened 2/02 and closed 4/02); 46-5167-0047 (opened 8/02 and closed 3/07); 4356-8800-1453-2789 (opened 5/04 and closed 7/07); and 46-5902-3450 (opened 5/05 and closed 7/07). Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505.

[1386] Account No. 2-7220-7883 (opened 3/98 and closed 4/01). Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505. See also 3/31/98 BOA account opening form, BOA-PSI-00022-23.

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Montero, a relative of Ms. Falcone;[1387] and one for Monthigne Corp., the Arizona corporation formed by Ms. Falcone.[1388] The Falcones also maintained four safe deposit boxes at the bank[1389] and several credit card accounts.[1390] The first two Falcone accounts were opened in March 1989; the last was opened in May 2005.[1391]

Eight of these accounts saw much of the activity reviewed below. They include a joint account for Mr. and Ms. Falcone, Checking Account No. 2-7220-7365, sometimes referred to as the "household account" and used to pay expenses related to the Arizona residence;[1392] two accounts used by Mr. Falcone, Checking Account No. 2-7220-6530 and Savings Account No. 76761391;[1393] an account used by Ms. Falcone, Checking Account No. 8-4603-5538;[1394] a corporate checking account used by Monthigne Corp., Account No. 4671882187;[1395] two accounts used by Mr. Falcone's mother, Vincente Falcone, Account No. 2-7477-6027 and Account No. 46-5902-3450; [1396] and the account primarily used by Ms. Mendez, Account No. 46-7426-9956.

2005 Account Review. For the first fifteen years they were open, the Falcone accounts were subjected solely to routine account monitoring and did not attract any detailed examination by Bank of America, even after enactment of the 2001 Patriot Act which tightened AML controls.

[1387] Account Nos. 2-7245-0445 (opened 6/98 and closed 2/01); 65-2002-6080-0065 (opened 8/98 and closed 11/02);46-7426-9956 (opened 12/00 and closed 4/09); 46-7509-4560 (opened 12/00 and closed 1/01); 91-0000-3332-1545 (opened 1/01 and closed 2/01) and 46-7077-1642 (opened 2/01 and closed 3/01). Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505. Bank of America told the Subcommittee that it did not know the precise familial relationship between Iris Montero and Ms. Falcone.

[1388] Account No. 46-7188-2187 (opened 4/00 and closed 6/06). Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505.

[1389] Mr. and Ms. Falcone had one joint safe deposit box, 82-5643-2084. Safe Deposit Box Lease Agreement, BOA-PSI-00038-39; AML Case No. 2007014988 report, BAC-PSI 07620-21. Ms. Falcone had two additional safe deposit boxes, Box Nos. 82-5602-8151 and 82-5643-2084. Vincente Falcone also had a safe deposit box, Box No. 83-3701-3122. It is unclear whether she shared this box with Mr. Falcone or his father. Compare Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505, with AML Case No. 2007014988 report, BAC-PSI 07620-21.

[1390] See undated BOA AML Case No. 2007025689, BAC-PSI 07624 (identifying two credit card accounts for Ms. Falcone).

[1391] See Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505. One of the Falcone accounts for Iris Mendez was closed in April 2009. Id.

[1392] See 1998 BOA account opening form, BOA-PSI-00020-21; 1998 BOA Master Agreement and IRS Certification Statement, BOA-PSI-00010-13. Mr. Falcone and his business associate, Gasper Devita, appear to have been added as signatories to this account about a month after it was opened. BOA Master Agreement and IRS Certification Statement, BOA-PSI-00018-19.

[1393] See 1997 BOA Master Agreement and IRS Certification Statement, BOA-PSI-00004-05.

[1394] See 1994 BOA account opening form, BOA-PSI-00028-29.

[1395] See 2002 BOA account opening form, BOA-PSI-03422-23.

[1396] See 4/27/01 BOA account opening form, BOA-PSI-05705-06; 6/17/04 Bank of New York Details of Payment, BNY 009108.

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In October 2004, a Bank of America branch banking center noticed that a Falcone family member went to two different branches and made four cash withdrawals on the same day that together totaled $10,800, and expressed concern about an attempt to avoid a Currency Transaction Report that must be filed when cash withdrawals reach $10,000.[1397] As a result, Bank of America decided to conduct a review of the Falcone accounts.

The review was not initiated until November 2004, a month after the initial allegations.[1398] The review was conducted by a Bank of America AML investigator who summarized her findings in an internal memorandum.[1399] The memorandum appears to have been completed in August 2005, ten months after the October 2004 incident that triggered the review.

The memorandum began by noting that an Internet search located many listings for Mr. and Ms. Falcone. With respect to Mr. Falcone, the memorandum stated:

> "Mr. Falone [is] a recognized billionaire arms dealer with strong French connections. Falcone served as a consultant to the French agency SOFREMI that is in charge of exporting military equipment under … the French Interior Ministry. … Falcone reportedly brokered numerous deals with Africa and South America through a company named Gaydamark, a company owned by a wealthy Russian billionaire and Falcone's business partner. … Falcone developed a very close and tight relationship with the government of Angola, so much, that he was even granted citizenship. … Falcone was brought before a French court on charges of corruption for which he was indicted and sentenced to one year in jail. Additional charges were brought against Falcone but none could be substantiated or proven. Falcone was released and now lives with his wife in the most expensive home ever sold in the state of Arizona."[1400]

The memorandum implied that Mr. Falcone's criminal proceedings were over, but at the time it was written, the 2004 French arrest warrant for Mr. Falcone remained outstanding. With respect to Ms. Falcone, the memorandum described her as a "former beauty queen" and "one of the most sought out socialites in Arizona."[1401]

[1397] See undated BOA Global AML Operations report on Falcone accounts, BOA-PSI-04698-701; Subcommittee interview of Bank of America officials, March 25, 2009. Bank of America officials did not recall which Falcone family member made the cash withdrawals.
[1398] Id.
[1399] Id.
[1400] Id.
[1401] Id.

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The memorandum said that the accounts for Mr. and Ms. Falcone and Monthigne Corp. had been reviewed for a 19-month period from December 17, 2003 to July 13, 2005, and the Falcone account activity during that period, including credits and debits, totaled about $17 million.[1402] The memorandum also noted numerous, large, incoming and outgoing wire transfers affecting the accounts:

> "The account reflects numerous incoming wires originated in France from entities that are directly related to the Falcone's. Incoming wires are also evident in what appears to be proceeds of real estate sales and from loans obtained through other financial institutions. Debits to the account also show outgoing wires, they were conducted to benefit the Beverly Loan Company, as well as individuals sharing the same last name as the Falcone's. Checks from the account show numerous inter-account transfers that reference 'house account' or 'expenses'."

The memorandum concluded:

> "The activity for the accounts of the Falcone's is not unusual. Although Mr. Falcone appears to have been involved in the dealing and sale of Arms, the activity for the accounts at Bank of America shows activity that is normal for this type of high profile customer. The transaction reported by the branch banking center appears to have been a one-time event."[1403]

The memorandum did not express any concern about the large-dollar transfers into the Falcone accounts from offshore jurisdictions or from unfamiliar entities such as AALL Trust and Banking Corp. in the Cayman Islands. It did not view $17 million in account activity within a year and a half as unusual. It characterized the accounts' movement of hundreds of thousands of dollars at a time among a network of Falcone related accounts as "normal," "not unusual," and related to house expenses. The memorandum did not express any concerns about Mr. Falcone's conviction on corruption charges, imprisonment, illegal arms dealing, or the sources of his wealth.

The AML investigator forwarded her report to her supervisor. Together, the two determined that none of the transactions was

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[1402] Id. According to Bank of America, the bank's review process at the time was to look at only 13 months of past account activity, even though this memorandum reviewed 19 months. The bank reported that it had since changed its policy to require reviews to look at account records for the past 4-5 years. Bank of America officials also noted that the $17 million figure in the memorandum was approximately double the amount moving through the Falcone accounts because it took into consideration both credits and debits to the accounts. Subcommittee interview of Bank of America officials, March 25, 2009.

[1403] Undated BOA Global AML Operations report on Falcone accounts, BOA-PSI-04699.

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suspicious.[1404] In addition, despite Mr. Falcone's involvement in arms trafficking, the large volume of account activity, and numerous foreign wire transfers, the two Bank of America officials did not designate the account as high risk or call for enhanced monitoring. They apparently never considered whether Mr. Falcone should be designated as a PEP client due to his close association with the French Interior Ministry, close association with Angolan President dos Santos, or his 2003 appointment as an Angolan Ambassador to UNESCO.

When asked about the 2005 special review, Bank of America told the Subcommittee that the decision not to treat any of the transactions as suspicious was likely due to a number of factors, including that the Falcones were longstanding customers and a prominent family; the accounts did not involve extensive cash transactions; and large account transactions were not unusual for that type of client.[1405] Bank of America also said that the memorandum "probably should have been escalated" to more senior personnel, but bringing in more senior personnel was a "judgment call."[1406] The internal investigation was closed on August 9, 2005, with no recommendation for any action to be taken with respect to the Falcone accounts.[1407]

Two years later, in 2007, after the Subcommittee inquired about the Falcone accounts, Bank of America initiated another review of the accounts.[1408] The resulting AML Case report described the Falcone accounts as held by persons "that have been named in various news articles as being involved in: arms sales; diamond smuggling and other illegal activities." It discussed Mr. Falcone's involvement in the Angolagate scandal. The report also analyzed specific Falcone account transactions stretching over a number of years, such as: "from 03/13/2003 to 04/04/2007 Sonia Falcone has received 22 wires that totaled $4,950,794.67"; "Monthigne Corporation … a dissolved corporation … [received] 20 incoming wires that totaled $4,424,750.00 from 03/04/2003 to 02/10/2005"; and "63 wire transfers that totaled $10,040,463.01 from 03/03/2003 to 04/04/2007 [went] to account owned and/or controlled by members of the Falcone family."

In July 2007, Bank of America decided to close the Falcone accounts.[1409] Bank of America expressed regret to the Subcommittee at

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[1404] Id.; Subcommittee interview of Bank of America officials, March 25, 2009.
[1405] Subcommittee interview of Bank of America officials, March 25, 2009.
[1406] Id.
[1407] BOA Master Case Information, BOA-PSI-07697.
[1408] Undated BOA AML Case No. 2007014988 report and undated BOA AML Case No. 2007025689, BAC-PSI 07620-26.
[1409] See Chart of Falcone-related accounts prepared by Bank of America for the Subcommittee investigation, BAC-PSI 07505.

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having maintained accounts for a known arms dealer who, by July 2007, was under multiple criminal indictments in France.[1410]

Suspicious Transactions. To conduct its own review of the Falcone accounts, the Subcommittee subpoenaed Bank of America records for the accounts covering an eight-year period, 1999 to 2007. These records disclosed a high level of account activity, including a number of suspicious transactions involving high dollar amounts, transfers to or from offshore secrecy jurisdictions, or the quick movement of funds through multiple accounts in a classic money laundering tactic designed to make it difficult for investigators to follow a money trail. Because a number of the transactions referenced wire transfers at other banks, the Subcommittee also initiated a limited review of some of those wire transfers, in particular at HSBC Equator Bank. A number of the transactions reviewed by the Subcommittee, detailed in a chart below, raised concerns.

One of Our Clients. One striking set of transactions involves wire transfers from foreign bank accounts sending large sums of money into the Falcone accounts in which the party who sent the funds is identified in the wire transfer documentation solely as "one of our clients" or "un client." Federal law requires U.S. financial institutions to identify the name and address of the originator of each wire transfer, in part as an AML safeguard.[1411] Yet from 1999 to 2003, Bank of America allowed accounts for Pierre, Sonia, and Vincente Falcone to receive over $3.6 million in wire transfers from unnamed clients using accounts in such known secrecy jurisdictions as the Cayman Islands, Luxembourg, and Switzerland.[1412] From September 2001 to December 2003, the Monthigne account also received a series of payments from hidden "clients," ranging from $100,000 to $400,000 at a time, most often from "one of our clients" using a UBS account in Singapore. In just over two years, the payments to Monthigne added up to nearly $2.5 million.[1413]

After Monthigne received one of the UBS Singapore payments, Ms. Falcone, who opened the Monthigne account and was its sole signatory, typically transferred the funds within a day or two to another Falcone account which, at times, transferred it within Bank of America to still another Falcone account, in what appears to be a classic money laundering pattern designed to make it difficult to trace a money trail. For example, as shown on the chart below, on February 15, 2002, the

[1410] Subcommittee interview of Bank of America officials, March 25, 2009.
[1411] See funds transfer rule and travel rule at 31 CFR 103.33. See also 1/17/07 FinCEN Report to Congress, "Feasibility of a Cross-Border Electronic Funds Transfer Reporting System," at 8 ("these rules require U.S. financial institutions to obtain and maintain information about certain funds transfers that identifies, at a minimum: the name and address of the originator ....").
[1412] See Subcommittee chart below, Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007.
[1413] Id.

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hidden client at UBS in Singapore sent $299,985 to the Monthigne account, which on the same day transferred the same amount to an Iris Mendez account within the branch, and that account, in turn, transferred $211,000 to a Sonia Falcone account within the branch.[1414] This pattern of internal bank transfers could have been used to conceal from persons outside of the bank which Falcone account ultimately received the incoming wire transfer.

Altogether, from 1999 to 2003, the Falcone accounts received about $6.1 million in foreign wire transfers from unidentified "clients." When asked about these transactions, Bank of America told the Subcommittee that transactions involving unidentified "clients" could be seen as a "red flag," but that each transaction would have to be examined in detail to determine whether it should be deemed suspicious.[1415]

Offshore Wire Transfers. A second set of troubling transactions involves high-dollar wire transfers from unfamiliar offshore entities into the Monthigne account. These transfers were made by the AALL Trust and Banking Corp. Ltd. which sent funds from the Cayman Islands; Culmen Investments which sent funds from Israel; Rego Holdings Inc. which sent funds from Israel; and Valley Marketing Ltd. which sent funds from the Cayman Islands.[1416] Moreover, the AALL Trust and Banking Corp. Ltd., which is a Cayman Island bank, was sending money to the Monthigne account on behalf of still other entities, which usually were not named but on two occasions were referred to as Apollo LLC, the Valley Trust, and the Alley Trust.[1417] In most cases, the funds deposited into the Monthigne account remained there for only a day or two, and were then transferred by Ms. Falcone into another Falcone related account. For example, on October 8, 2004, as shown in the chart below, the AALL Trust and Banking Corp. wire transferred $315,000 to the Monthigne account; and later on the same day, Ms. Falcone wrote a $275,000 check sending the funds to her Checking Account No. 2-7220-7365. The check contained a notation that the funds were for "household expenses."[1418]

Altogether, from 2002 to 2005, the Monthigne account received over $2.46 million in wire transfers from the AALL Trust and Banking Corp.; nearly $950,000 from Culmen Investment; nearly $200,000 from

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[1414] Id.
[1415] Subcommittee interview of Bank of America officials, March 25, 2009.
[1416] See Subcommittee chart below, Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007.
[1417] See, e.g., 10/4/08 wire transfer for $315,000 from AALL Trust and Banking Corp. through correspondent accounts at Bank of Butterfield in the Caymans and Bank of New York, to the Monthigne account at Bank of America, with references to "Apollo, LLC" and "Valley Trust," BOA-PSI-04054-56.
[1418] 10/8/04 Monthigne check for $275,000, BOA-PSI-03828.

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Rego Holdings; and nearly $250,000 from Valley Marketing, for a grand total of nearly $3.77 million.[1419] When asked, Bank of America told the Subcommittee that it did not have any additional information about these entities or the specific wire transfers they sent to the Falcone accounts.

Falcone Transfers. A third set of transactions that raised concerns involves large transfers of funds from one Falcone-related account to another, often across international lines. For example, as shown in the chart below, from 2004 to 2007, Mr. Falcone, at times sending wire transfers using his initials PJF, sent funds ranging from $100,000 to $550,000 from accounts he held at banks in South Africa, Portugal, and China, to Falcone accounts at Bank of America in Arizona.[1420] On July 8, 2004, for instance, he sent $255,000 from a Falcone account at Coutts & Co. in the United Kingdom to one of his accounts at Bank of America in Arizona. On November 17, 2005, he sent $300,000 from an account he held at Banco Sol in Angola to an account held by Ms. Falcone at Bank of America. On November 10, 2006, he sent $550,000 from his account at Banco BPI in Lisbon to that same account at Bank of America. On August 20, 2007, Mr. Falcone sent $250,000 from his account at Citic ka wah Bank Ltd. in Hong Kong to an Iris Mendez account at Bank of America. The reasons for these transfers are unclear.

Similar questions apply to a series of wire transfers from the Falcone accounts in Arizona to a U.S. bank account in Utah opened in the name of Essante Inc., the health and beauty business associated with Ms. Falcone. From 2000 to 2002, Bank of America accounts belonging to Ms. Falcone, Vincente Falcone, Iris Mendez, and Monthigne sent multiple wire transfers to an Essante account at Zion's First National Bank in Salt Lake City, Utah, together providing nearly $1.2 million to that account.[1421] Bank of America was unable to explain why the Falcones sent those funds to the Utah company.

Also raising questions are multiple high-dollar funding transfers between the Iris Mendez and Sonia Falcone accounts at Bank of America. As shown in the chart below, from January 2001 to February 2002, Ms. Mendez made multiple high-dollar transfers from her account to Ms. Falcone's account, in amounts ranging from $50,000 to $211,000.[1422] For example, on January 24, 2001, the Mendez account sent $100,000 to the account belonging to Ms. Falcone. On May 25, 2001, the Mendez account sent her another $175,000. On February 15,

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[1419] Undated BOA AML Case No. 2007014988 report, BAC-PSI 07621; Subcommittee chart below, Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007.
[1420] See Subcommittee chart below, Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007.
[1421] Id.
[1422] Id.

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2002, she sent $211,000. Then these transfers stopped. Altogether, Ms. Mendez transferred about $950,000 to Ms. Falcone in just over a year. Bank of America told the Subcommittee that it could not explain why these transfers took place.

These transactions make it clear that the Falcones have an extensive network of bank accounts in the United States and around the world. Their Bank of America records show that they actively moved money throughout this network. The reasons for the high volume of funding transfers are unclear, and Bank of America did not ask or acquire an understanding of them.

CADA Wire Transfers. A fourth set of troubling transactions involves large wire transfers to and from Companhia Angolana de Distribuicao Alimentar Inc., or CADA, an Angolan corporation which, according to the 2007 French Angolagate indictment, was an affiliate of the Brenco Group controlled by Mr. Falcone and Mr. Gaydamak and was involved in their wrongdoing.[1423]

CADA had an account at HSBC Equator Bank until 2001.[1424] HSBC told the Subcommittee that the CADA account signatories were Mr. Falcone, Mr. Gaydamak, and Andre de Fiori, one of their business associates.[1425] Bank of America records show that, in 2000, CADA wire transferred a total of $1,410,000 from its HSBC Equator Bank account to a Falcone account at Bank of America.[1426] In addition, in November 2000, CADA wire transferred $9,030,000, in two installments, from its HSBC Equator Bank account to a Brenco account at Discount Bank and Trust account in Geneva, Switzerland.[1427] In July 2001, the CADA account at HSBC Equator Bank received a wire transfer for more than $20.8 million from Sonangol, the Angolan state oil company, using an account at Lloyds Bank in London.[1428]

[1423] See Ordonnance De Renvor Devant le Tribunal Correctionnel Non-Lieu Partiel et Requalification, No. du Parquet: 0019292016, No. Instruction: 2076/00/40 (2007), at 101. HSBC told the Subcommittee that Brenco International was owned by the Atlantic Transangolan Corporation which, in turn, was owned by Pierre Falcone and Arcadi Gaydamak. Subcommittee interview of HSBC officials, June 13, 2007.

[1424] Subcommittee interview of HSBC officials, May 7, 2008. HSBC purchased Equator Bank plc in London and for many years provided it with a correspondent account in New York. The Subcommittee subpoenaed Falcone-related wire transfer records associated with the Equator Bank account at HSBC.

[1425] Subcommittee interview of HSBC officials, May 7, 2008. The Global Witness report states: "Companies House documents show that CADA Ltd. in London is located at 40 Queen Anne Street, London W1. CADA Ltd was established in 1996 and Andre de Fiori is listed as Director. The Company is listed as a subsidiary of a company called Copper Financial Inc. located in Tortola, British Virgin Islands, the latter having been established by Henry Guderley, who is also listed as Company Secretary of London-based CADA Ltd." All The Presidents' Men, Global Witness, at 20.

[1426] See HSBC Excel spreadsheet, Box 13, CADA, no bates number.

[1427] Id.

[1428] Id.

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Given CADA's role in the Angolagate criminal prosecution, its transfers to the Falcones at Bank of America and the Falcone-related company Brenco raise concerns. So does the transfer of over $20 million from Sonangol, the Angolan state oil company, into CADA's account.

Beverly Loan Company. A fifth set of notable transactions involves the Beverly Loan Company. The Beverly Loan Company is an upscale pawn shop specializing in providing large loans secured by fine jewelry and watches.[1429] It has been in business in Beverly Hills, California since 1938. Bank documents reviewed by the Subcommittee, summarized in the chart below, show numerous transfers between the Beverly Loan Company and the Falcone accounts. For example, from May 2001 to June 2007, Beverly Loan Company made multiple wire transfers to Ms. Falcone, ranging in amounts from $50,000 to $550,000.[1430] In the month of February 2007, it sent her three wire transfers totaling $257,000. It also sent one wire transfer on May 25, 2001, to Iris Mendez for $360,000, and one on July 19, 2001, to Mr. Falcone for $259,700. Ms. Falcone also sent numerous large wire transfers to the Beverly Loan Company in amounts ranging from $55,000 to $300,000.

When asked about these transactions, the Beverly Loan Company informed the Subcommittee that Ms. Falcone had been a regular customer since at least 2001, and as of April 2008, had ten outstanding loans in her name or that of her assistant, Elizabeth Kordek.[1431] According to the Beverly Loan Company, altogether since 2001, Ms. Falcone had borrowed over $3.2 million in her own name, and an additional $4.1 million in the name of her assistant, for a grand total of over $7.3 million, while paying interest charges on those loans in excess

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[1429] See www.beverlyloan.com. Loans from Beverly Loan Company work generally as follows. Customers bring to the Beverly Loan Company collateral to be pawned, at which time it is assessed by resident gemologists. Beverly Loan Company makes a determination of the maximum loan amount, based upon valuation of the product and potential for liquidity in case the collateral is not redeemed and foreclosure is authorized. A police report is filed and the goods are checked to make sure they are not stolen. Customers are given a loan for a requested amount up to the maximum loan amount. The loan is typically disbursed by wire, cashiers check, or bank check.

The initial loan contract is four months in length or roughly 120 days. For loans valued at less than $2,500, the interest rate is capped at 4% per month (48% APR) under California law. The interest rate on larger loans is discretionary. If the property is not redeemed within four months, Beverly Loan Company may foreclose on it, issue another four-month contract, write-off the loan amount, or roll a portion of the residual loan amount into a new loan on different collateral. Collateral may be redeemed by the customer when the loan is paid in full. Subcommittee interview of Beverly Loan Company officials, March 24, 2008; www.beverlyloan.com.

[1430] See Subcommittee chart below, Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007.

[1431] Subcommittee interview of Beverly Loan Company officials, March 24, 2008.

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of $777,000.[1432] The Subcommittee was told that, although one Beverly Loan Company check was made out to Mr. Falcone, no loans had been issued to him. The Beverly loans were a regular source of funds for the Falcone accounts from 2001 to 2007.

Triang Business Venture. Finally, while examining the Falcone accounts and looking in particular at transactions involving Angola, the Subcommittee interviewed HSBC about a number of wire transfers involving HSBC Equator Bank and Falcone-related entities. As part of that process, the Subcommittee learned that for a seven-year period, from 1997 to 2004, an HSBC affiliate had participated in a joint business venture in Angola with Mr. Falcone through a company called Triang Ltd. According to HSBC, Triang Ltd. was incorporated in May 1997, in the Bahamas, and for the next seven years ran a trucking operation that transported fuel for the diamond industry in Angola.[1433] HSBC told the Subcommittee that ownership of Triang was as follows: Brenco held a 30% ownership interest; Jose Recio, an Angolan businessman, held a 35% ownership interest; and the final 35% ownership interest was held by Equator Bank Ltd., a Bahamas bank affiliated with HSBC Equator Bank plc in London.[1434] HSBC told the Subcommittee that Brenco was owned by the Atlantic Transangolan Corporation which, in turn, was owned by Pierre Falcone and Arcadi Gaydamak.[1435] HSBC indicated that Equator Bank Ltd. maintained its ownership interest in Triang until 2004, when it sold its interest to Jose Recio. HSBC told the Subcommittee that, during Equator Bank's ownership of Triang, it also contributed $4 million to its operations, $3.9 million of which was in the form of a loan in 1997.[1436]

HSBC told the Subcommittee that it had conducted an investigation of Pierre Falcone during the period 2000 to 2001, and closed his accounts, but did not exit its business relationship with him until 2004.[1437] As noted previously, Pierre Falcone was in jail in France from December 2000 to December 2001, under investigation for illegal arms trafficking, tax evasion, and other misconduct.

(3) Analysis

Each category of transactions just described raises questions about the purpose and source of funds that went through the Falcone accounts

[1432] Note: the chart lists numerous payments to and from Beverly Loan Company but does not contain transactional information, because the Subcommittee does not possess all transactional data.
[1433] Subcommittee interview of HSBC officials, June 13, 2007.
[1434] Id.
[1435] Id.
[1436] Subcommittee interview of HSBC officials, May 2, 2008.
[1437] Id., May 7, 2008. HSBC reported that the reason for the three-year delay in exiting the business venture was because it had difficulty selling its shares in Triang.

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at Bank of America. These transactions included wire transfers from known secrecy jurisdictions, the quick movement of funds from one Falcone account to another, and transfers to and from obscure offshore corporations and unnamed clients. Yet none of these transactions, separately or collectively, triggered an account review by Bank of America officials. Even when some of the transactions were examined as part of a 2005 special review initiated for another reason, they were not viewed as raising sufficient red flags to have the account designated as high risk or warrant enhanced monitoring. Nor did they cause Bank of America to treat Mr. Falcone as a PEP client subject to enhanced monitoring.

The following chart presents a selection of troubling transactions involving the Falcone accounts at Bank of America and a few Falcone-related wire transfers which, over an eight-year period, moved over $60 million in suspect funds into or through U.S. banks. These transactions provide concrete evidence that U.S. financial institutions need to establish better account monitoring tools to identify high-risk accounts and high-risk wire transfers. These transactions also demonstrate that U.S. financial institutions need to be on the lookout for PEP clients using retail accounts, in addition to accounts in the Private Bank established for wealthy clients.

Select Transactions Involving the Falcone Accounts At Bank of America, 1999 to 2007

Date	Originator	Beneficiary	Amount	Bates
11/16/99	"un Client" at Banque Intl. A Luxembourg S.A	Vincente Falcone Account	$ 200,000.00	BNY 009108
11/24/99	"un client" at Banque Internationale	Falcone Household Account 272207365	$ 200,000.00	BOA-PSI-02426
2/11/00	Vincente Falcone Account 274776027	Essante Account at Zions First National Bank	$ 70,000.00	BOA-PSI-06125
2/28/00	Vincente Falcone Account 274776027	Essante Account at Zions First National Bank	$ 300,000.00	BOA-PSI-06125
2/28/00	"one customer" at Discount Bank and Trust in Geneva, Switzerland	Sonia Falcone Account 846035538	$ 79,975.00	BOA-PSI-02918
4/24/00	Pierre Falcone Account 7676139 writes check	Caesar's Palace	$ 50,000.00	BOA-PSI-03746
6/02/00	Discount Bank and Trust at Israel Discount Bank	Falcone Household Account 272207365	$ 179,985.00	BOA-PSI-02451
6/29/00	Companhia Angolana at HSBC Equator Bank	Falcone Household Account 272207365	$ 160,000.00	BOA-PSI-02458
7/14/00	Pierre Falcone Account 7676139	Steinway Hall	$ 50,000.00	BOA-PSI-03748

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8/10/00	"one customer" at Discount Bank Grand Cayman Ltd thru Discount Bank and Trust Company Luxembourg thru Chase Manhattan bank	Sonia Falcone Account 846035538	$ 119,982.00	BOA-PSI-07650
8/10/00	"one customer" at Chase Manhattan Bank.	Falcone Household Account 272207365	$ 169,982.00	BOA-PSI-02466
8/16/00	Pierre Falcone Account 7676139 writes check	Bellagio	$ 70,500.00	BOA-PSI-03747
9/28/00	CADA at HSBC Equator	Argo Particpacoes Ltd. at Bank Safra Brasil	$ 80,000.00	Final_Version.xls, CADA tab (HSBC)
10/11/00	CADA at HSBC	Andre de Fiori at Banque Safra	$ 100,000.00	Final_Version.xls, CADA tab (HSBC)
10/12/00	"one customer" at Chase Manhattan Bank	Falcone Household Account 272207365	$ 189,982.50	BOA-PSI-02481
11/07/00	Companhia Angolana at HSBC Equator wire reference to "CADA pymt"	Falcone Household Account 272207365	$ 340,000.00	BOA-PSI-02489
11/7/00	CADA at HSBC Equator	Pierre Falcone Account	$ 170,000.00	Final_Version.xls, CADA tab (HSBC)
11/7/00	CADA at HSBC Equator Bank	Sonia Falcone Account 846035538	$ 250,000.00	BOA-PSI-07566, Final_Version.xls, CADA tab (HSBC)
11/7/00	CADA at HSBC Equator Bank	Brenco Group at Discount Bank and Trust Co. Geneva	$ 6,730,000.00	Final_Version.xls, CADA tab (HSBC)
11/16/00	CADA at HSBC Equator Bank	Brenco Group at Discount Bank and Trust Geneva	$ 2,300,000.00	Final_Version.xls, CADA tab (HSBC)
12/04/00	"one customer" at Discount Bank (CI) Limited Grand Cayman thru Discount Bank and Trust Co Luxembourg (thru Chase Manhattan)	Sonia Falcone Account 846035538	$ 1,299,982.50	BOA-PSI-07572
12/4/00	"one customer" at Chase Manhattan	Falcone Household Account 272207365	$ 249,982.50	BOA-PSI-02497
12/14/00	CADA at HSBC Equator	Pierre Joseph Falcone at Banco Safra, Brazil	$ 490,000.00	Final_Version.xls, CADA tab (HSBC)
12/28/00	Sonia Falcone Account 846035538	Used to purchase cashiers check	$ 404,920.00	BOA-PSI-04065
1/24/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 100,000.00	BOA-PSI-07540-07555
1/24/01	Sonia Falcone Account 846035538	Essante Account at Zion's First National Bank	$ 100,000.00	BOA-PSI-07578
2/22/01	"by Order of Client" at Bank Luxembourg.	Iris Mendez Account 4674269956	$ 500,000.00	BOA-PSI-07664
2/23/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 66,813.00	BOA-PSI-07540-07555
2/23/01	Iris Mendez Account 4674269956	Pierre J. Falcone Account 272206530	$ 50,000.00	BOA-PSI-07540-07555

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2/26/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 50,000.00	BOA-PSI-07540-07555
2/27/01	Sonia Falcone Account 846035538	Essante Account at Zions First National Bank	$ 50,000.00	BOA-PSI-07595
2/28/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 100,000.00	BOA-PSI-07540-07555
3/20/01	"Order of Client" at Bank Leumi	Iris Mendez Account 4674269956	$ 200,000.00	BOA-PSI-07671
3/21/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 100,000.00	BOA-PSI-07540-07555
5/25/01	Beverly Loan Co.	Iris Mendez Account 4674269956	$ 360,000.00	BOA-PSI-07678
5/25/01	Iris Mendez Account 4674269956	Sonia Falcone Account 846035538	$ 175,000.00	BOA-PSI-07540
5/29/01	Sonia Falcone Account 846035538	Essante Account at Zions First National Bank	$ 175,000.00	BOA-PSI-07603
7/13/01	Iris Mendez Account 4674269956	Essante Account at Zions First National Bank	$ 100,000.00	BOA-PSI-07680
7/19/01	Iris Mendez Account 4674269956	Essante Account at Zions First National Bank	$ 60,000.00	BOA-PSI-07682
7/19/01	Bank of America cashiers check from Beverly Loan Co. written to Pierre Joseph Falcone	Pierre Joseph Falcone	$ 259,700.00	BOA-PSI-04075, 07529-07531
7/20/01	Sonia Falcone Account 846035538	American Express Service Europe Ltd London at Lloyds Bank London "for further credit-Pierre Falcone	$ 70,000.00	BOA-PSI-07611
7/20/01	Sonangol Account at Lloyds Bank London	CADA Account at HSBC Equator Bank	$20,834,269.00	Final_Version.xls, CADA tab (HSBC)
9/5/01	"one of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-03984
9/28/01	"one of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 199,985.00	BOA-PSI-03986
9/29/01	Iris Mendez Account 4674269956	Essante Account at Zions First National Bank	$ 30,000.00	BOA-PSI-07190
10/1/01	Iris Mendez Account 4674269956	American Express at Lloyds Bank for Pierre Falcone	$ 15,000.00	BOA-PSI-06209/07633
10/1/02	"one of our clients" UBS Singapore	Vincente Falcone Account 274776027	$ 99,985.00	BOA-PSI-06209/07633
10/17/01	Sonia Falcone Account 846035538	Essante Account at Zions First National Bank	$ 60,000.00	BOA-PSI-07616
10/21/01	"one of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-03986
11/6/01	Monthigne Account 4671882187	Iris Mendez Account 4674269956	$ 82,485.00	BOA-PSI-07540-07555
11/7/01	Iris Mendez Account 4674269956	Falcone Household Account 272207365	$ 60,500.00	BOA-PSI-07540-07555
11/16/01	Essante Account at Zions First National Bank	Iris Mendez Account 4674269956	$ 100,000.00	BOA-PSI-07684
11/23/01	"one of our clients" UBS Singapore	Monthigne Account 4671882187	$ 118,202.00	BOA-PSI-03992

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11/27/01	Iris Mendez Account 4674269956	Falcone Household Account 272207365	$ 101,000.00	BOA-PSI-07540-07555
11/27/01	"one of our clients" UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-03990
12/4/01	Monthigne Account 4671882187	Iris Mendez Account 4674269956	$ 93,985.00	BOA-PSI-07540-07555
12/26/01	Monthigne Account 4671882187	Iris Mendez Account 4674269956	$ 99,985.00	BOA-PSI-07540-07555
1/18/02	Essante Account at Zions First National Banks	Iris Mendez Account 4674269956	$ 50,000.00	BOA-PSI-07686
2/6/02	Gota at Bank Hapoalim in Tel Aviv	Sonia Falcone Account 846035538	$ 199,975.00	BOA-PSI-07623
2/15/02	"one of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 299,985.00	BOA-PSI-03994
2/15/02	Monthigne Account 4671882187	Iris Mendez Account 4674269956	$ 299,985.00	BOA-PSI-0740-7555
2/15/02	Iris Mendez Account 4674269956	Falcone Household Account 272207365	$ 211,000.00	BOA-PSI-07450-07555
2/15/02	Iris Mendez Account 4674269956	Essante Account at Zions First National Bank	$ 50,000.00	BOA-PSI-07688
3/1/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-03996
4/18/02	"One of our clients" at UBS Singapore	Vincente Falcone Account 274776027	$ 99,985.00	BOA-PSI-07635
5/6/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,850.00	BOA-PSI-03998
5/21/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 109,985.00	BOA-PSI-0400
6/4/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-04002
6/7/02	Monthigne Account 4671882187	Sonia Falcone Account 272206530; check payable to: Sonia M. Falcone/Gasper DeVita	$ 80,000.00	BOA-PSI-03772
7/2/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-04004
7/8/02	Monthigne Account 4671882187	Essante Account at Zions First National Bank	$ 115,000.00	BOA-PSI-04006
7/8/02	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 76,000.00	BOA-PSI-03774
7/30/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-04009
9/4/02	"One of our clients"at UBS Singapore	Monthigne Account 004671882187	$ 99,985.00	BOA-PSI-04011
9/4/02	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 92,488.31	BOA-PSI-03776
10/2/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 99,985.00	BOA-PSI-04013
10/2/02	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 70,000.00	BOA-PSI-03778

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11/20/02	Cashiers check from Beverly Hills Loan Co.	Sonia Falcone Account 846035538	$ 100,000.00	BOA-PSI-04084
12/10/02	Carlton at Israel Discount Bank	Sonia Falcone Account 846035538	$ 199,980.00	BOA-PSI-07536-7
12/10/02	Sonia Falcone Account 846035538 writes check	Falcone Household Account 272207365	$ 100,000.00	BOA-PSI-03779-80
12/11/02	"One of our clients" at UBS AG	Vincente Falcone Account 274776027	$ 99,985.00	BOA-PSI-07637
12/11/02	"One of our clients" at UBS Singapore	Monthigne Account 4671882187	$ 210,985.00	BOA-PSI-04015
12/12/02	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 85,000.00	BOA-PSI-03782
12/13/02	Monthigne Account 4671882187 writes check	Sonia Falcone Account 846035538	$ 100,000.00	BOA-PSI-04086
1/31/03	Beverly Hills Loan Co. writes check	Sonia Falcone Account 846035538	$ 149,000.00	BOA-PSI-04088-9
2/6/03	Sonia Falcone Account 846035538 writes check	Falcone Household Account 272207365	$ 170,000.00	BOA-PSI-03786
2/25/03	Culmen Investment at Bank Hapoalim in Tel Aviv	Monthigne Account 4671882187	$ 229,975.00	BOA-PSI-04017
2/27/03	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 132,120.91	BOA-PSI-03788
2/28/03	Monthigne Account 4671882187 writes check	Sonia Falcone Account 846035538	$ 82,000.00	BOA-PSI-04091
2/6/03	Gota at Bank Hapoalim	Sonia Falcone Account 846035538	$ 199,975.00	BOA-PSI-04070
2/14/03	Carlton Orig. Bank at Israel Discount Bank Ltd.	Vincente Falcone Account 274776027	$ 99,980.00	BOA-PSI-07639
3/4/03	Culmen Investment at Hapoalim Bank Israel	Monthigne Account 4671882187	$ 209,975.00	BOA-PSI-04019
4/10/03	Culmen Investment at Bank Hapoalim Israel	Monthigne Account 4671882187	$ 74,975.00	BOA-PSI-04021
4/10/03	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 52,400.00	BOA-PSI-03762
5/13/03	Culmen Investment at Bank Hapoalim Israel	Monthigne Account 4671882187	$ 129,975.00	BOA-PSI-04023
5/13/03	Monthigne Account 4671882187 writes check	Sonia Falcone Account 272207365	$ 85,000.00	BOA-PSI-03784
6/2/03	Pierre Falcone Account 272206530	Beverly Loan Co.	$ 75,925.00	BOA-PSI-03871
6/5/03	Unidentified account at Bank Hapoalim in Israel	Monthigne Account 4671882187	$ 159,975.00	BOA-PSI-04025
6/5/03	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 112,000.00	BOA-PSI-03796
7/11/03	Beverly Hills Loan Co. writes check to	Sonia Falcone Account 846035538	$ 60,000.00	BOA-PSI-04094-6
8/4/03	Culmen Investments at Bank Hapoalim Isreael	Monthigne Account 4671882187	$ 299,975.00	BOA-PSI-04027

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8/4/03	Monthigne Account 4671882187	Sonia Falcone Account 84603558	$ 200,000.00	BOA-PSI-04097
8/4/03	Monthigne Account 4671882187	Falcone Household Account 272207365	$ 74,500.00	BOA-PSI-03798
8/6/03	Sonia Falcone Account 846035538 writes cashiers check	To Beverly Loan Company	$ 119,000.00	BOA-PSI-04071
9/16/03	Culmen Investment at Bank Hapoalim Israel	Monthigne Account 4671882187	$ 99,975.00	BOA-PSI-04029
9/16/03	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 75,000.00	BOA-PSI-03691
9/22/03	Rego Holding Inc. at Bank Hapoalim	Monthigne Account 4671882187	$ 199,975.00	BOA-PSI-03962
9/22/03	Monthigne Account 4671882187 writes check	Sonia Falcone Account 846035538	$ 67,000.00	BOA-PSI-036963
10/24/03	Culmen Investment at Bank Hapoalim	Monthigne Account 4671882187	$ 109,975.00	BOA-PSI-04033
10/24/03	Monthigne Account 4671882187	Falcone Household Account 27207365	$ 50,000.00	BOA-PSI-03804
12/23/03	"One of our clients" at Discount Bank Ltd in the Cayman Islands	Monthigne Account 4671882187	$ 399,975.00	BOA-PSI-04035
1/9/04	Culmen Investment at Bank Hapolaim	Vincente Falcone 274776027	$ 100,000.00	BOA-PSI-07641
1/26/04	Valley Marketing Ltd. at Discount Bank Ltd Cayman	Monthigne Account 4671882187	$ 249,975.00	BOA-PSI-04037
1/26/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 158,000.00	BOA-PSI-04799
2/10/04	AALL Trust and Banking at Bank Butterfield in Cayman Islands	Monthigne Account 4671882187	$ 500,000.00	BNY 004685
2/11/04	Monthigne Account 4671882187	Falcone Household Account 272207365	$ 204,000.00	BOA-PSI-03810
4/13/04	AALL Trust and Banking Co. at Bank of Butterfield International Cayman Islands thru Bank of NY	Vincente Falcone Account 274776027	$ 200,000.00	BOA-PSI-06752
4/19/04	Beverly Hills Loan Co. writes check to	Sonia Falcone Account 846035538	$ 60,000.00	BOA-PSI-04101-2
4/21/04	AALL Trust and Banking	Monthigne Account 4671882187	$ 150,000.00	BOA-PSI-04039
4/21/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 80,367.64	BOA-PSI-03816
5/28/04	AALL Trust and Banking Corp. at Bank of Butterfield International Cayman Islands	Monthigne Account 4671882187	$ 350,000.00	BOA-PSI-04042
6/1/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 305,000.00	BOA-PSI-03818

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6/4/04	Falcone Household Account 272207365	Beverly Loan Co.	$ 113,410.00	BOA-PSI-03875
6/17/04	AALL Trust and Banking Corp. Ltd.	Vincente Falcone Account 4659023450	$ 200,000.00	BOA-PSI-07645
7/8/04	Pierre J. Falcone Esquire/Sonia Falcone account at Coutts & Company in England through Bank of New York	Vincente and Pierre Falcone Account Number 76761391	$ 255,158.34	BOA-PSI-03866
7/16/04	AALL Trust and Banking Corp.	Monthigne Account 4671882187	$ 100,000.00	BOA-PSI-04045
7/16/04	Beverly Loan cashiers check	Sonia Falcone Account 846035538	$ 60,000.00	BOA-PSI-04102-4
7/19/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 77,797.16	BOA-PSI-03820
7/28/04	AALL Trust and Banking Corp.	Monthigne Account 4671882187	$ 350,000.00	BOA-PSI-04048
8/2/04	Monthigne Account 4671882187	Falcone Household Account 272207365	$ 300,000.00	BOA-PSI-03822
8/2/04	Falcone Household Account 272207365 writes check	Beverly Loan Co.	$ 62,509.00	BOA-PSI-035757-8
8/16/04	AALL Trust	Monthigne Account 4671882187	$ 200,000.00	BOA-PSI-04051
10/8/04	AALL Trust by order Apollo LLC, Valley Trust	Monthigne Account 4671882187	$ 315,000.00	BOA-PSI-04054
10/8/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365 Check memo says "household expenses"	$ 275,000.00	BOA-PSI-04781
11/18/04	AALL Trust and Banking Corp. By order Apollo LLC and ref: alley trust	Monthigne Account 4671882187	$ 250,000.00	BOA-PSI-04057
11/18/04	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 225,000.00	BOA-PSI-03829-30
12/20/04	Pierre Falcone Account 76761391 writes check	Sonia Falcone	$ 100,000.00	BOA-PSI-04834
12/22/04	Pierre Falcone Account 76761391 writes check	Sonia Falcone	$ 100,000.00	BOA-PSI-04834
1/18/05	Pierre Falcone Account 76761391 writes check	Sonia Falcone	$ 45,000.00	BOA-PSI-04836
2/10/05	AALL Trust & Banking Corp.	Monthigne Acount 4671882187	$ 250,000.00	BOA-PSI-04060
2/10/05	Monthigne Account 4671882187 writes check	Falcone Household Account 272207365	$ 250,000.00	BOA-PSI-04780, 03974
4/4/05	Beverly Loan Co. writes check	Sonia Falcone	$ 189,000.00	BOA-PSI-03838
4/12/05	Equity Title Agency Inc. at National Bank of AZ	Falcone Household Account 272207365	$ 500,000.00	BOA-PSI-03878

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4/12/05	Abecassis Jacques at Banco Nactional de Costa Rica	Falcone Household Account 272207365	$ 280,000.00	BOA-PSI-03881
4/15/05	Falcone Household Account 272207365	Beverly Loan Co.	$ 205,000.00	BOA-PSI-03884
8/4/05	American Express Ltd. at Banco Portugues de Negocios	Sonia Falcone Account 272207365	$ 349,960.00	BOA-PSI-03887
8/16/05	Falcone Household Account 272207365 writes check	Beverly Loan Co.	$ 55,000.00	BOA-PSI-03761
9/16/05	Beverly Loan Co.	Sonia Falcone Account 8460355538	$ 51,319.00	BOA-PSI-04188
9/21/05	Unidentified account at Firstrand Bank Ltd. at Banco Sol in Johannesburg. Wire info notes "by order PJF Luanda ACC 2811262151."	Falcone Household Account 272207365	$ 199,980.00	BOA-PSI-03890
9/23/05	Falcone Household Account 272207365	Beverly Loan Co.	$ 82,480.00	BOA-PSI-03893
11/17/05	Banco Sol Sarl in Angola "By order PJF"	Falcone Household Account 272207365	$ 299,970.00	BOA-PSI-03896
11/18/05	Falcone Household Account 272207365	Beverly Loan Co.	$ 99,120.00	BOA-PSI-03899
12/14/06	Levin and Schreder at JPM Chase	Falcone Household Account 272207365	$ 1,050,000.00	BOA-PSI-03902
12/15/05	Gitana Finance/American Express Bank Ltd. at Banco Sol Sarl in Luanda	Sonia Falcone Account 272207365	$ 199,905.00	BOA-PSI-03905
12/20/05	Charleston Hotels Group at Banco de Bogota in Bogota Colombia	Falcone Household Account 272207365	$ 200,000.00	BOA-PSI-03908
1/19/06	Charleston Hotels Group Inc.	Falcone Household Account 272207365	$ 100,000.00	BOA-PSI-03911
1/26/06	Levin & Schreder at JPM	Falcone Household Account 272207365	$ 220,000.00	BOA-PSI-03912
3/3/06	Pierre Joseph Falcone at Citic Ka Wah Bank Ltd. in Beijing	JK Gruner and Associates Ltd. at Suntrust Bank, VA. Instructions note: "for business intelligence services."	$ 8,000.00	Pierre Falcone.xls (Deutsche Bank)
4/12/06	PJF Luanda at Banco BPI SA, Lisbon	Falcone Household Account 27220-365	$ 349,932.00	BOA-PSI-03915
4/13/06	Falcone Household Account 272207365	Beverly Loan Company	$ 210,000.00	BOA-PSI-03918

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5/25/06	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 120,000.00	BOA-PSI-90210
6/6/06	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 80,000.00	BOA-PSI-03841-2
7/6/06	Pierre Joseph Falcone at Citic Ka Wah Bank Limited in Beijing thru Bank of America NY	Beneficiary not named. Receiving institution is "Asia Return Item."	$ 228,203.00	Pierre Falcone.xls (Deutsche Bank)
7/6/06	Pierre Joseph Falcone at Citic Ka Wah Bank Limited in Beijing	JK Gruner and Associates at Sun Trust Bank in VA	$ 24,000.00	Pierre Falcone.xls (Deutsche Bank)
7/11/06	Pierre Joseph Falcone at Citic Ka Wah Bank in Beijing	Williams and Connolly at Bank of America, NY	$ 228,203.00	Pierre Falcone.xls (Deutsche Bank)
8/21/06	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 119,600.00	BOA-PSI-03843-4
8/29/06	Pierre J. Falcone at Banco Sol Banco at Firstrand Limited in Johannesburg	Falcone Household Account 272207365	$ 149,975.00	BOA-PSI-03921
10/6/06	Charleston Hotels Group	Falcone Household Account 272207365	$ 200,000.00	BOA-PSI-03927
10/6/06	Falcone Household Account 272207365	Beverly Loan Company	$ 100,000.00	BOA-PSI-03930
11/10/06	PJF Luanda Angola at American Express Bank Ltd in Lisbon	Falcone Household Account 272207365	$ 549,960.00	BOA-PSI-03933
11/10/06	Falcone Household Account 272207365	Beverly Loan Company	$ 300,000.00	BOA-PSI-03936
11/22/06	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 125,000.00	BOA-PSI-03845-6
12/1/06	Falcone Household Account 272207365 writes check For "lawyers fees"	Perkins Cole Brown & Bain of Phoenix	$ 120,000.00	BOA-PSI-03765
12/14/06	Levin & Schreder	Falcone Household Account 272207365	$ 1,050,000.00	BOA-PSI-03939
12/15/06	Falcone Household Account 272207365	Beverly Loan Co.	$ 183,646.00	BOA-PSI-03942
12/18/06	Falcone Household Account 272207365 writes check for "lawyers fees"	Grant Woods	$ 210,000.00	BOA-PSI-03764
2/14/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 67,000.00	BOA-PSI-03847-8
2/21/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 100,000.00	BOA-PSI-03849-50

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2/22/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 90,000.00	BOA-PSI-03851-2
3/22/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 61,000.00	BOA-PSI-03853-4
4/12/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 549,700.00	BOA-PSI-03855-6
4/13/07	Falcone Household Account 272207365 writes check for "lawyers fees"	Perkins Cole	$ 142,411.45	BOA-PSI-03766
5/21/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 149,700.00	BOA-PSI-03857-8
6/4/07	Beverly Loan Co. writes check	Falcone Household Account 272207365	$ 50,000.00	BOA-PSI-03859-60
6/29/07	Craig Jackson at Wells Fargo writes check	Falcone Household Account 272207365	$ 255,156.00	BAC-PSI 07625
8/20/07	Pierre Joseph Falcone at Citic ka wah Bank Ltd. in Hong Kong	Iris Mendez Account 4674269956	$ 250,000.00	BOA-PSI-07694
SOURCES – Multiple		**TOTAL- $62,075,357.31**		

Chart Prepared by Subcommittee

C. An Angolan Government Official: Moving $50 Million at the Request of the Governor of the Angolan Central Bank

Documents uncovered during the Subcommittee's investigation show that, in 2002, Dr. Aguinaldo Jaime, then head of the Central Bank of Angola, Banco Nacional de Angola (BNA), attempted to transfer $50 million in government funds from the central bank to a private bank account in the United States, only to have the transfer blocked and the funds returned on two occasions by the U.S. financial institutions involved. The transfer of the Angolan funds was characterized at the time as an investment to produce humanitarian aid for the people of Angola, but other documents indicate the transfer was part of a fraudulent "prime bank" investment scheme that likely would have resulted in the funds being lost or stolen.

The participants in the 2002 $50 million transfer include BNA Governor Jaime; Mehenou Satou Amouzou, a Togo citizen living in the United States and owner of MSA, Inc., a Florida company that played a role in the first attempted transfer; Charles Shelton, a London-based broker with alleged access to a secretive Swiss trading group; Stanley Wayland, a purported principal in that Swiss trading group; and Jan Morton Heger, a California attorney and owner of Euro-American Investments, LLC, a Nevada company that played a role in the second attempted transfer.

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In the first transfer attempt, in June 2002, BNA Governor Jaime ordered $50 million in Angolan funds wire transferred from a BNA account at Citibank London to a Bank of America account in California which had been opened in the name of MSA, Inc. and whose signatories were Mr. Amouzou and Dr. Jaime. Bank of America initially allowed the transfer, but became suspicious and ultimately returned the funds to Citibank and closed the MSA account.

The second attempt took place two months later, in August 2002, when BNA Governor Jaime instructed Citibank London to wire transfer $50 million to HSBC Equator Bank in London, and then opened a BNA account, with himself as the sole signatory, at HSBC USA in New York. At his request, HSBC used the funds to purchase $50 million in U.S. Treasury Bills (T-Bills) for the New York account. Dr. Jaime then instructed HSBC to transfer the T-Bills from New York to a personal securities account in the name of Mr. Heger at Wells Fargo Investment Services in California. Wells Fargo initially allowed the transfer, became suspicious, returned the T-Bills to HSBC, and closed the Heger account. Undeterred, Dr. Jaime instructed HSBC to transfer the T-Bills to a Heger law office account at Comerica Bank in California. HSBC attempted but was unable to complete the transfer due to incorrect account information. Dr. Jaime then offered to allow HSBC to retain the Treasury bills in New York, on the condition that it provide him with a negotiable "safekeeping receipt" that could be used as a transferable financial instrument. HSBC initially agreed, but apparently never actually provided the receipt. In December 2002, Dr. Jaime took a new government post outside of BNA, and BNA ordered the T-Bills to be liquidated and the $50 million returned to its account at Citibank London.

This case study has a satisfactory conclusion, since the $50 million was returned to the Angolan central bank, but illustrates how even central bank transactions require careful scrutiny by U.S. financial institutions. As a result of the $50 million transfers that went through its accounts and ongoing concerns about corruption in BNA and Angola generally, in 2003, Citibank closed not only the accounts it had maintained for BNA, but all other Citibank accounts for Angolan entities, and shut down its branch in Angola.

In connection with its investigation of this matter, the Subcommittee obtained extensive documents from and conducted interviews with Mr. Amouzou and Mr. Heger. It also obtained documents from and conducted interviews with many of the financial institutions involved. The Subcommittee also met with a representative of Angola's Embassy, explained its investigation and showed key documents it had obtained, and asked to speak with Dr. Jaime or another

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appropriate Angolan official to obtain their views of the $50 million transfer. After waiting several months, the Subcommittee sent a letter renewing its request, but the Embassy chose not to provide an official for a Subcommittee interview on this matter.

(1) Background

Banco Nacional de Angola. Banco Nacional de Angola, first established after Angola gained its independence in 1975, is wholly owned by the Government of Angola and functions as the country's central bank. BNA is a member of the Association of African Central Banks and the Southern African Development Community.[1438] It serves as Angola's monetary and foreign exchange authority, but is also licensed to do business directly with individual Angolan and foreign clients. BNA has its headquarters in Luanda, Angola's capital city and, in 2002, operated nine branches throughout the country with a total of about 2,000 employees.[1439] In December 2004, BNA held about $1.257 billion in total assets and managed more than $25 million in client funds.[1440]

Governor Jaime. Dr. Aguinaldo Jaime served as the Governor of Banco Nacional de Angola from May 1999 until December 2002.[1441] During his tenure, his responsibilities included chairing the BNA Board of Directors, directing BNA's day-to-day management, certifying BNA's financial books, representing BNA before national, foreign, and international institutions, and signing all Angolan banknotes issued by BNA.[1442]

On or around December 5, 2002, Dr. Jaime left Banco Nacional de Angola to become an Assistant to the Prime Minister of Angola under President Jose Eduardo dos Santos. Later in 2003, he became Deputy Prime Minister of Angola. After serving in that post for six years, in 2009, he was appointed Chairman of an Angolan commission that promotes private investment in the country, Agência Nacional para o Investimento Privado (ANIP).[1443]

[1438] 11/13/06 2006 HSBC KYC profile of BNA, HSBC-PSI 032834.
[1439] 12/18/02 HSBC KYC profile of BNA, HSBC-PSI 037384-89.
[1440] 12/21/06 HSBC internal email, HSBC-PSI 032837 (stating that, as of December 2004, BNA's total assets were about $1.9 billion, its net income was about $63 million, and it held over $127 million in capital and reserves).
[1441] 12/13/01 email from HSBC Equator, HSBC-PSI 037185. Dr. Jaime was replaced by Amadeu de Jesus Castelhano Maurício who remains the BNA Governor today. African Development Information Services, "Angola Who's Who," http://www.afdevinfo.com/htmlreports/ao92.html#M).
[1442] See Angola National Assembly Law No. 6/97, Chapter IV, Section II, Article 58, enacted July 11, 1997.
[1443] See ANIP website, http://www.iie-angola-us.org/home.htm.

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Prime Bank Schemes. "Prime bank" schemes are a type of fraudulent investment scheme that gained popularity during the 1990s. As of 2002, there were over 100 pending federal criminal investigations in the United States related to prime bank schemes.[1444] According to the U.S. Securities and Exchange Commission (SEC), the fraud revolved around financial instruments referred to as "prime bank instruments" or "prime bank notes," that were often characterized as guarantees of certain funds held by major, well known banks.[1445] Promoters claimed that these instruments, when resold several times, produced substantial returns on the initial investment.[1446] Promoters also typically told investors that they had special access to secretive trading programs between banks that bought and sold these financial instruments, although, in reality, no such trading programs existed. Some promoters also told investors they were one of a small number of traders licensed by the Federal Reserve to trade in such instruments, when in fact, no such licenses are issued by the Federal Reserve.[1447] Investors were often told that their funds would be used to secure and trade in prime bank instruments on international markets, and promised profits of 100% or more with no risk.[1448] The U.S. Federal Bureau of Investigations (FBI) has cautioned that, typically, the real objective of the fraud was to convince investors to transfer money to a foreign bank account under control of the fraudster who would then transfer some or all of the funds to still another, undisclosed offshore account.[1449]

Mehenou Amouzou. Mehenou Satou Amouzou is a native and citizen of Togo and lives in the United States. In response to a Subcommittee subpoena, he agreed to produce documents and participate in an interview. Earlier, Mr. Amouzou's office was the subject of a search warrant by the Internal Revenue Service (IRS) which removed a significant number of documents. Mr. Amouzou gave the Subcommittee permission to obtain those documents from the IRS.

[1444] Joel E. Leising and Michael McGarry, "Prime Bank / High Yield Investment Schemes," United States Attorneys' Bulletin, March 2002, Vol. 50, Number 2.

[1445] According to the SEC, prime bank schemes "involve the purported issuance, trading, or use of so-called 'prime' bank, 'prime' European bank or 'prime' world bank financial instruments, or other 'high yield investment programs' ('HYIPs'). The fraud artists who promote these schemes often use the word 'prime' – or a synonymous phrase, such as 'top fifty world banks' – to cloak their programs with an air of legitimacy. They seek to mislead investors by suggesting that well regarded and financially sound institutions participate in these bogus programs. But prime bank and other related schemes have no connection whatsoever to the world's leading financial institutions or to banks with the word 'prime' in their names." http://www.sec.gov/divisions/enforce/primebank.shtml.

[1446] See Federal Bureau of Investigation – Common Fraud Schemes, http://www.fbi.gov/majcases/fraud/fraudschemes.htm.

[1447] See Federal Reserve Bank of New York, Circular 10858, June 19, 1996.

[1448] See SEC, Prime Bank Fraud Information Center, http://www.sec.gov/divisions/enforce/primebank/howtheywork.shtml.

[1449] See FBI – Common Fraud Schemes, http://www.fbi.gov/majcases/fraud/fraudschemes.htm.

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During his interview, Mr. Amouzou told the Subcommittee that he held several advanced degrees [1450] and came to the United States in 1991, in pursuit of a doctorate in finance from La Jolla University in San Diego.[1451] Mr. Amouzou told the Subcommittee that he works with African countries to diversify their resources and has worked on business ventures in a number of African countries. Documents reviewed by the Subcommittee disclosed a long history of involvement with failed investments, including investments that referred to prime bank instruments.[1452]

MSA, Inc. Mr. Amouzou told the Subcommittee that he formed Mehenou Satou Amouzou, Inc. (MSA, Inc.) as a U.S. corporation to provide consulting and investment management services.[1453] Mr. Amouzou serves as MSA, Inc.'s president, chief executive officer, and chairman of the board of directors.[1454] He provided the Subcommittee with two documents identifying the corporate organization and officers of MSA, Inc.[1455] The documents are identical except that each identifies a different subsidiary: one lists Phoenix Holding International, Inc.,[1456] while the other lists Delta Holdings International, Inc., formerly known as FranTech Angola Inc.[1457]

[1450] He told the Subcommittee that he attended high school in France; obtained undergraduate and Masters degrees from the European Institute of Management; obtained a certificate in finance and investment from the American University in Paris in 1987; and another Masters degree in political science and international relations from the University of Paris' Ecole Hautes Etudes Internacionale in 1989. Subcommittee interview of Mr. Amouzou, May 13, 2008. See also the credentials listed in a 2002 development proposal, BOA-PSI-05629.

[1451] The Subcommittee was unable to confirm the existence of a university with that name in San Diego. One document produced by Mr. Amouzou showed that, in 1992, he received a professional guard license, apparently in connection to his employment by a private security company. BOA-PSI-05529.

[1452] See, e.g., "Trade Programs" which appears to be a 41-page instruction manual for a prime bank trading program, PSI-Amouzou-09-0149-90; documents related to Kramer International, Inc., a corporation formed by Mr. Amouzou, which is listed in the Los Angeles County Fictitious Business Name Index (No. 00-267100), filed February 23, 2000, http://www.lavote.net/Clerk/Business_Name.cfm, and which was involved with prime bank funding for housing construction in Gambia in 1999, PSI-Amouzou-09-1366; PSI-Amouzou-09-0947; PSI-Amouzou-09-0981; and prime bank funding for housing construction in Angola in 2000, PSI-Amouzou-10-1390-92; together with other documents that appear related to prime bank schemes, PSI-Amouzou-10-1403-06; PSI-Amouzou-07-0747; PSI-Amouzou-10-0672-73; PSI-Amouou-09-1269; PSI-Amouzou-09-1242; PSI-Amouzou-08-0013; PSI-Amouzou-10-1078; PSI-Amouzou-08-0015.

[1453] The Subcommittee was unable to locate incorporation documents for MSA, Inc.

[1454] MSA, Inc. flowchart, PSI-Amouzou-07-1251.

[1455] Id. MSA, Inc. flowchart, PSI-Amouzou-08-0834. Both flowcharts show that MSA, Inc. had three Vice Presidents: David Naranjo, who was also the Director of Operations and Treasurer of the Board of Directors; Albert Lee, who was also Director of Resources and Secretary of the Board of Directors; and Kwesi B. Annan, who was also the Director of Programs. Both charts also list an affiliated trust, the MSA Trust, and name R. Eason and Adrianne Lewis as "Humanitarian" trustees.

[1456] MSA, Inc. flowchart, PSI-Amouzou-07-1251.

[1457] MSA, Inc. flowchart, PSI-Amouzou-08-0834. The officers and structure of Delta Holdings are identical to the officers and structure of Phoenix Holding. Both list Joseph Ntamushuboro as president, and Matteuw Lee, Bernard Aziable, Lòuremco Landorte, and K. Beshun as directors.

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FranTech Angola was incorporated by Mr. Amouzou on January 14, 2002, in connection with his efforts related to Angola.[1458] Mr. Amouzou estimated that MSA, Inc. currently earns revenues of approximately $120,000 per year.[1459]

(2) First Attempt To Transfer the $50 Million

In June 2002, Banco Nacional de Angola instructed Citibank to transfer $50 million of Angolan state funds from its account at Citibank London to an account in the name of MSA, Inc., at Bank of America in San Diego. Dr. Jaime and Mr. Amouzou were the signatories for the MSA account. Citibank approved the transfer, and Bank of America initially allowed it, but later became suspicious that the $50 million transfer was part of a fraudulent prime bank scheme. Bank of America froze the funds while working with Citibank to examine the transfer. After three weeks, Dr. Jaime asked for the funds to be returned to the BNA account at Citibank London. Bank of America returned the funds and closed the MSA account. A few months later, in January 2003, Citibank personnel recommended closing, not only the Citibank account provided to BNA, but also all Citibank accounts provided to Angolan entities. Citibank actually closed the BNA account five months later and, during 2003, closed all other accounts held by Angolan government agencies and Sonangol. Citibank also closed its branch office in Angola.

Amouzou Investment Proposal. Mr. Amouzou told the Subcommittee that, in 1999, he developed a business relationship with the Angolan Minister of Oil, João Landoite, who introduced him to Dr. Jaime, then head of the Angolan Central Bank. Mr. Amouzou told the Subcommittee that he presented them with an investment plan for Angola in which, if he were given a large sum of money such as $10 billion, he would generate a monthly return of 5 to 10% by depositing the principal with a major bank, obtaining a "bank guarantee" of the principal, and then using that bank guarantee to generate additional sums that could be placed in high-yield investments.[1460]

Mr. Amouzou told the Subcommittee that BNA Governor Jaime expressed interest in the proposal which Mr. Amouzou then developed throughout 2001 and 2002. Mr. Amouzou provided copies of several "Funding Agreements" which purported to lay out the investment plan. For example, a February 2001 agreement signed by Dr. Jaime,

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See also Articles of Amendment to Articles of Incorporation of FranTech Angola, Inc, PSI-Amouzou-11-0374.

[1458] See Florida Secretary of State Letter No. 802A00001990, attesting to the filing of Articles of Incorporation for FRANTECH – ANGOLA, INC., filed on January 14, 2002; Subcommittee interview of Mr. Amouzou, 5/13/08.

[1459] Subcommittee interview of Mr. Amouzou, May 13, 2008.

[1460] Id.

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representing BNA, and Mr. Amouzou, representing MSA, Inc.[1461] stated that Mr. Amouzou agreed to arrange and make available $3 billion, with scheduled payments of $500 million per year over 6 years, to finance development of a number of socio-economic infrastructure projects in Angola. The agreement stated that, to carry out this investment plan, Mr. Amouzou was to be issued a "Bank Guarantee" for $150 million upon execution of the agreement, and would keep that Bank Guarantee for 18 months in a safe deposit account at a bank. Eventually the funding would reach "the total amount requested, which is Three Billion Us Dollars."[1462] Meanwhile, BNA was to open up a new bank account to receive the profits from the investment plan, and Mr. Amouzou would disburse the funds from an account at Bank of America.

Mr. Amouzou told the Subcommittee that the Angolan legislative assembly issued a resolution approving the concept and authorizing an MSA, Inc. subsidiary, FranTech Angola, to develop the investment proposal further. Mr. Amouzou provided the Subcommittee with additional documents related to the investment project including the following:

– a March 23, 2001 letter from Dr. Jaime presenting a list of projects, including health, infrastructure, and education projects, for which the Government of Angola was seeking financing, a Bank Guarantee, Power of Attorney, and a copy of Dr. Jaime's passport and business cards;[1463]
– an August 2001 letter, signed by Angolan President dos Santos, authorizing the FranTech Research Group to represent the Government of Angola in "the world market with a view to negotiate social and economic development projects and secure capital investments necessary for their financing," and declaring that all dividends from the investments would go directly to development projects in Angola;[1464]
– an August 2001 letter signed by Dr. Jaime which enclosed the dos Santos letter and indicated that Dr. Jaime would establish a Technical Committee to assess any projects to be financed under the agreement;[1465]
– a January 2002 letter from Dr. Jaime which confirmed Mr. Amouzou's "mandate as Advisor to the Government of Angola," and stated that Mr. Amouzou was entitled "to deal with

[1461] 2/15/01 "Funding Agreement" between BNA and MSA, Inc., PSI-Amouzou-08-0143-46.
[1462] Id. at 0144.
[1463] Letter from BNA Governor Jaime to Mr. Amouzou, 3/23/01, PSI-Amouzou-08-0147-48.
[1464] Letter from President dos Santos to FranTech Research Group, 8/29/01, PSI-Amouzou-11-0035-36.
[1465] Letter from BNA Governor Jaime to Mr. Amouzou, president of MSA, Inc., 9/04/01, PSI-Amouzou-11-0037.

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public or private entities in order to achieve the agreed and stated objectives;"[1466]
– a February 2002 declaration from President dos Santos stating that funds used in the development projects "shall be under no circumstances diverted or used for other than the stated and agreed purposes";[1467] and
– a July 2002 MSA, Inc. Proposed Development Project, 62 pages in length, outlining his proposed investment plan and identifying $7.7 billion in possible health, infrastructure, and education projects that could be financed with the projected investment returns. [1468]

London Broker. In early January 2002, Mr. Amouzou began to involve a self-employed, London-based stockbroker named Charles Shelton in the proposed Angolan investment project. In a January 2002 email, Mr. Shelton requested a new version of a "Bank Guarantee" from the "National Bank of Angola," because "there were several spelling mistakes and the g[e]neral format was not what we would have expected."[1469] Two weeks later, an email from Mr. Shelton stated: "The documents submitted are not absolutely clear as to whether the BG issued for this will be backed by cash, or by a government guarantee. Can you please discuss this with Dr. Amouzou and obtain a letter from the Central Bank of Angola signed by the Governor confirming whichever is the case."[1470]

Four months later, on June 12, 2002, Mr. Shelton sent an email to Mr. Amouzou regarding the "Angola BG [bank guarantee] PRoject."[1471] The email stated: "I like you was concerned that the people proposed by Lovell would want to 'charge' an upfront fee of USD2.0M as a security

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[1466] Id., 1/31/02, PSI-Amouzou-11-0039 and BOA-PSI-05635.
[1467] Declaration by José Eduardo dos Santos to "All Stakeholders, Vendors and Participants of the Development Project Under the Humanitarian Funding," 2/01/02, PSI-Amouzou-11-0038 and BOA-PSI-05633.
[1468] See MSA, Inc. Proposed Development Projects for Republic of Angola, BOA-PSI-05622-84. When asked about the funding for the investment plan, Mr. Amouzou told the Subcommittee that it depended upon BNA's issuing a $50 million "bank guarantee." Subcommittee interview of Mr. Amouzou, May 13, 2008. Most of the proposal consisted of a list of proposed projects and a feasibility study of them, including projects involving road construction and airports infrastructure ($1.5 billion); hospitals, clinics, and supplies ($750 million); education, buildings, and supplies ($700 million); housing ($3.1 billion); a power plant ($650 million); waste treatment ($300 million); water treatment ($300 million); AIDS patients ($100 million); and land mine removal ($300 million). The proposal also included two letters, ostensibly from U.S. Congressman Randy "Duke" Cunningham and California State Senator Diane Watson, each of which commended Mr. Amouzou for his efforts to expand trade between the United States and Togo, Id., at BOA-PSI-05631-32. Bank of America told the Subcommittee that these two letters may have been fakes. Subcommittee interview of Bank of America officials, May 8, 2008.
[1469] 1/25/02 email from Mr. Shelton to Donald Bowers of Continental Capital Funding re "Angola BG [Bank Guarantee] $150M," PSI-Amouzou-09-1070.
[1470] 2/19/02 email from Mr. Shelton to Donald Bowers of Continental Capital Funding, PSI-Amouzou-08-0174.
[1471] 6/12/02 email from Mr. Shelton to Mr. Amouzou, PSI-Amouzou-11-0059.

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deposit for work to be done by the lawyers in preparing the documentation for which there was no guarantee of funding." Mr. Shelton continued:

> "If you have access to any one or a company with USD100M cash then we can get you into a program within 5 banking days from final approval following due diligence of the client/funds. ... [Y]ou would expect to achieve approximately 25% per week as a minimum amount based on USD100M .... At present it would pay out every two weeks and last for 40 weeks."[1472]

One week later, Mr. Shelton projected "a minimum of 50% per week" if $50 million was invested.[1473] He encouraged Mr. Amouzou to travel to Switzerland to meet with the investment "Group" which would generate the return on the Bank Guarantee.

On July 10, 2002, a conference call was held at MSA, Inc. offices in California for MSA board members to discuss the anticipated $50 million investment from the Angolan central bank.[1474] According to the minutes of the board meeting, those in attendance were Mr. Amouzou, MSA president; Albert Lee, MSA vice president and secretary; and David Naranjo, MSA vice president and director of operations. According to the minutes, a July 10, 2002 letter from Dr. Jaime was read aloud discussing the $50 million deposit for the "Angola project." The board then adopted the following resolution:

> "The Board has agreed that Dr. Aguinaldo Jaime be appointed the Acting Special CFO as an overseer of the Fifty Million Dollars to be deposited in an International Prime Bank. This is a requirement by the funding party of the Seven Billion Dollar project for Angola. This position shall be enforced for the approximately three years during which the Fifty Million Dollars remains blocked in the designated International Prime Bank."

In addition, the board resolved that the $50 million would be deposited into an "international prime bank," and that Mr. Amouzou and Dr. Jaime would have joint signing authority over the withdrawal of the funds.[1475]

When asked about the resolution making BNA Governor Jaime an Acting Special Chief Financial Officer of MSA, Inc., Mr. Amouzou told the Subcommittee that he had suggested that Governor Jaime be given this unpaid position so that he could monitor Angolan funds placed with

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[1472] Id.
[1473] 6/19/02 email from Mr. Shelton to Mr. Amouzou, PSI-Amouzou-09-1415.
[1474] 7/10/02 Minutes of the Special Meeting Board of Directors MSA, Inc., PSI-Amouzou-11-0538.
[1475] Id.

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MSA, Inc. for investment.[1476] He said the position did not require Dr. Jaime to oversee the day-to-day functioning of the business.

MSA Account at Bank of America. On May 15, 2002, Mr. Amouzou opened a savings account at a Bank of America branch in San Diego, Account No. 08500-05836, in the name of MSA, Inc.[1477] The account was opened by the branch manager. Both Mr. Amouzou and Dr. Jaime were listed as authorized signatories on the account.[1478]

None of the account opening documentation identified Dr. Jaime as an official with the Angolan central bank. In late 2001, the Patriot Act was enacted into law and included a provision, to take effect in July 2002, requiring enhanced monitoring of private bank accounts opened by senior foreign political figures. While that requirement did not apply to a corporate account, the statute sent a clear signal to banks to tighten their scrutiny of accounts opened by senior foreign government officials. At the time of the account opening, however, Bank of America was unaware of Dr. Jaime's PEP status.

June 2002 Transfer of $50 Million. On June 11, 2002, BNA instructed Citibank to transfer $50 million of Angolan government funds from its account in London to the MSA account opened two weeks earlier at Bank of America.

The wire transfer documentation identified the originator of the $50 million transfer as "BNA Oil Taxes y Royalties." It described the funds as a "Deposit To Secure Fnd'ing Fro [sic] Humanitarian Projects in Angola."[1479] The funds were sent from the BNA account at Citibank in London, through a Citibank correspondent account in New York, to the Bank of America branch in San Diego. Bank of America documentation shows that the $50 million was deposited into the MSA, Inc. account on the same day it was sent.[1480]

On June 12, 2002, Citibank London asked BNA to clarify the identity of the recipient of the $50 million, to ensure compliance with U.S. regulations then restricting U.S. trade with Angola.[1481] Dr. Jaime sent the following Swift message:

[1476] Subcommittee interview of Mehenou Satou Amouzou, May 13, 2008.

[1477] Bank of America signature card for account, BOA-PSI-05144; 6/20/02 internal Bank of America email discussing account, BOA-PSI-05439-40. See also 3/6/02 MSA corporate resolution authorizing Mr. Amouzou to open such an account, PSI-Heger-01-00185.

[1478] Bank of America signature card for account, BOA-PSI-05144.

[1479] Wire transfer documentation, BOA-PSI-05080-85.

[1480] Bank of America Customer Relationship Inquiry showing $50 million deposit, BOA-PSI-05086; Bank of America record of MSA, Inc. account activity, BOA-PSI-05080.

[1481] 6/12/02 SWIFT message from Citibank to BNA, BOA-PSI-05140. Based upon U.S. Office of Foreign Asset Control (OFAC) regulations applicable at that time, certain wire transfers from Angola were prohibited without prior U.S. Government approval. See Angola Sanctions Regulations, 31 U.S.C. Part 590 (2002).

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> "MSA stands for Mehenou Satou Amousou Inc., which is an American company specialized in management and investment, headquartered in California, San Diego. Its president is Dr. Mehenou Satou Amouzou. The 50 million deposit is a colateral [sic] to guarantee a humanitarian funding for development projects for the Republic of Angola. Kind regards, Aguinaldo Jaime – Governor."[1482]

Citibank cleared the wire transfer since it was not subject to U.S. Angolan sanction regulations.

For the next eight days, the full $50 million was available in the MSA account and could have been withdrawn or transferred in whole or in part, but was not. On June 19, 2002, Mr. Amouzou and David Naranjo met with a private banker in the Bank of America Private Bank to discuss investment options for the $50 million.[1483] Mr. Amouzou had been referred to the Private Bank by a Bank of America employee who told his colleagues that Mr. Amouzou had "other investments and would like to trans[fer them] to B of A."[1484] During that meeting, Mr. Amouzou asked the private banker about placing the $50 million in a one-year, international certificate of deposit.[1485]

At one point, the private banker asked Mr. Amouzou about the source of the funds that comprised the $50 million. According to a statement subsequently prepared by the private banker, Mr. Amouzou "got very upset and said the funds were good, clean funds and why was I so suspicious."[1486] She reported that Mr. Amouzou stated further that the "money was from the government of Angola."[1487] The meeting ended without an agreement on investment of the funds.

Shortly after the meeting, the Bank of America private banker discussed the $50 million transfer with a bank corporate security officer and the San Diego branch manager.[1488] The corporate security officer advised the branch manager to place a restriction on the MSA, Inc. account so that no funds would be released from the account without

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[1482] 6/13/02 SWIFT message from Dr. Jaime at BNA, BOA-PSI-05141 (changed case of capitalized letters).
[1483] Subcommittee interview of Bank of America officials, May 8, 2008. Mr. Naranjo was then the Director of Operations at MSA, Inc. See also 6/21/02 statement of Bank of America private banker, BOA-PSI-05414-16; document entitled, "Sequence of Events," likely prepared by Mr. Amouzou, PSI-Amouzou-03-0005-06.
[1484] Bank of America Private Bank Relationship Referral Form, 5-15-02, BOA-PSI-05584. See also 6/21/02 statement of Bank of America private banker, BOA-PSI-05414-16.
[1485] 6/21/02 statement of Bank of America private banker, BOA-PSI-05414-16.
[1486] Id, at 15.
[1487] Id.
[1488] BOA-PSI-04987; BOA-PSI-05447; Subcommittee interview of Bank of America officials, May 8, 2008.

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first notifying corporate security.[1489] This notice essentially froze the funds for the first time since they had been deposited eight days earlier. While the corporate security officer was instructing the branch manager to restrict the account, "Mr. Amouzou and another gentleman entered the bank, wishing to take action on the account."[1490] The branch manager informed them that "the 50m was on hold and frozen until security could clear said 50m."[1491]

The next day, June 20, 2002, the Bank of America corporate security officer sent an email alerting her colleague in Corporate Security – International Services to the $50 million transfer and requesting her assistance in contacting Citibank about the matter.[1492] The email noted that Mr. Amouzou had claimed to be the principal owner of the funds which he indicated had come from the sale of gold and oil in Angola.[1493] It said he had inquired about purchasing a one year certificate of deposit that would allow for the withdrawal of funds. The email speculated that "we may have a Prime Bank scam or just funds which were removed from Angola illegally." The email also noted that Dr. Jaime was both the signer of the Citibank London swift message on the origin of the funds and a signatory on the Bank of America savings account that received the funds.

The international corporate security officer responded the same day and requested that the San Diego corporate security officer "ensure that the money stays frozen, deeply frozen!"[1494] She indicated that she had communicated with Citibank about the matter, and Citibank "now consider[s] it to be either a Prime Bank scam or an internal problem within BNA – and extremely unlikely to be genuine." She noted that the individual who provided verification of the funds on behalf of BNA, Dr. Jaime, was the co-signer on the MSA account. She wrote: "The other significant issue is that Mr. Amouzou is on the 'known' list with the International Chamber of Commerce – I couldn't get any further details on this but something somewhere is not right with him."

Earlier that day, Citibank had contacted the Commercial Crime Services of the International Chamber of Commerce (ICC).[1495] ICC had

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[1489] Bank of America Corporate Security Investigator Diary, BOA-PSI-04987; Account restriction notice, BOA-PSI-05078. See also Subcommittee interview of Bank of America officials, May 8, 2008.

[1490] Bank of America Corporate Security Investigator Diary, BOA-PSI-04987. See also document entitled, "Sequence of Events," likely prepared by Mr. Amouzou, PSI-Amouzou-03-0005.

[1491] Document entitled, "Sequence of Events," likely prepared by Mr. Amouzou, PSI-Amouzou-03-0006.

[1492] 6/20/02 internal Bank of America email, BOA-PSI-05440.

[1493] Id.

[1494] 6/20/02 internal Bank of America email, BOA-PSI-05439.

[1495] The ICC's "Commercial Crime Services (CCS) is the anti-crime arm of the International Chamber of Commerce. Based in London, CCS is a membership organisation tasked with

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reported to Citibank, which then shared the information with Bank of America, that the ICC had been contacted in May 2001, by a German-based bank concerned about an alleged guarantee from Banco Nacional de Angola to MSA, Inc., the beneficiary.[1496] The guarantee to be issued by BNA was to be "unconditional and freely transferable," and authorize the beneficiary to receive payment of an unspecified sum "free and clear of any deduction or charges." The guarantee was to become effective on February 26, 2001 and expire July 27, 2002.

While these email exchanges were taking place on June 20, 2002, Mr. Amouzou sent Bank of America a letter asking it to supply him with a letter stating: "We hereby irrevocably confirm that MSA, Inc. ... has the amount of USD $50,000,000, freely available to MSA, Inc. The funds are transferable, screenable, clear and unencumbered of any liens or rights of any third party."[1497] An attorney for MSA, Inc., Brian Gard, also sent notice to the bank that he had been asked to facilitate release of the funds.[1498]

The next day, June 21, 2002, Mr. Gard sent a letter demanding immediate release of the $50 million and a "good faith discussion relative to the amount of damages to be paid to my client for such outrageous and unwarranted delay."[1499] Mr. Gard asserted:

> "The funds therein have already been cleared as being in compliance with U.S. Federal banking regulations. Thus, it is not the funds which have been frozen, but the account itself. Further, I understand that you have been endeavoring to learn information concerning the principals of MSA, Inc., and the particulars of the transaction with which it is involved. I consider such activities to be far afield of any legitimate concern of Bank of America and potentially destructive of the business concerns of my client."[1500]

Bank of America told the Subcommittee that its corporate security officer had several conversations with Mr. Amouzou and Mr. Gard who both shouted at her and threatened her.[1501]

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combating all forms of commercial crime ... [including] fraud in international trade, insurance fraud, financial instrument fraud, money laundering, shipping fraud and product counterfeiting." ICC website, http://www.icc-ccs.org.

[1496] 6/20/02 email exchange, BOA-PSI-05346 (quoting from alleged guarantee document).

[1497] 6/20/02 letter from MSA, Inc. to Bank of America, BOA-PSI-05150.

[1498] 6/20/02 email and letter from Law office of Brian D. Gard to Bank of America, BOA-PSI-05340-41.

[1499] 6/21/02 email and letter from Law office of Brian D. Gard to Bank of America, BOA-PSI-05335-36.

[1500] Id. at 05336.

[1501] Subcommittee interview of Bank of America officials, May 8, 2008.

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Funds Returned by Bank of America. One week later, on June 26, 2002, Dr. Jaime faxed a letter to Bank of America asking that the $50 million be returned to BNA with interest.[1502] The letter, which he signed, stated: "After extensive consultations with CITIBANK and a reassessment of the underlining transactions, Banco Nacional de Angola has decided that its funds should be sent back to the account with CITIBANK until further notice."

The next day, June 27, 2002, Dr. Jaime faxed a letter on BNA stationery to the president of an American company discussing the hold on the $50 million which he characterized as an action "by the American Authorities ... aimed at protecting the people and country of Angola."[1503] Dr. Jaime wrote:

> "Our mutual friend Dr. Amouzou was kind enough to make me aware of the contents of the letter, dated June 26, on the $50 M USD problem, that you addressed to him. ... Please be hereby informed that the Central Bank of Angola has been advised to recall the funds, as an interim measure, pending the clarification of this affair. It is nevertheless, our firm intention to pursue the humanitarian funding program with Dr. Amouzou and MSA and bring it to a successful end once the situation is clarified to the satisfaction of the American Authorities. ... [T]his affair has embarrassed all of us."

Dr. Jaime continued that he had built "a reputation of a man of integrity and honor," and his "sole purpose in entering into the Agreement with MSA was to alleviate poverty and the suffering of the Angolan people."

The next day, June 28, 2002, Bank of America received a request from Citibank London to cancel the $50 million wire transfer. The cancellation request stated: "Please contact your customer for written debit authorization: per remitter[']s request as funds sent in error."[1504] The remitter making the request was BNA. The Citibank request included a signature line for a representative of MSA, Inc. to authorize cancellation of the wire transfer. Bank of America told the Subcommittee that it was also contacted by the U.S. State Department which encouraged the bank to send the funds back to the Angolan central bank.[1505] The State Department told the Subcommittee that it had been contacted by the IRS Criminal Investigation Division which

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[1502] 6/25/02 letter from Dr. Jaime to Bank of America, faxed on 6/26/02, BOA-PSI-05424. See also Bank of America Corporate Security Investigator Diary, BOA-PSI-04988.
[1503] 6/27/02 letter from BNA Governor Jaime to Adobe Wells, PSI-Amouzou-07-0517-19.
[1504] Bank of America "Cancellation Request," BOA-PSI-05592. See also Bank of America Corporate Security Investigator Diary, BOA-PSI-04988.
[1505] Subcommittee interview of Bank of America officials, May 8, 2008.

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was investigating the transaction and that it alerted BNA and Dr. Jaime to the possibility of fraud.[1506]

Shortly thereafter, Mr. Amouzou signed the cancellation request, authorizing Bank of America to debit the $50 million from the MSA account and return it to BNA.[1507] On July 1, 2002, three weeks after the initial transfer, Bank of America did just that, wire transferring the $50 million back to the BNA account at Citibank in London, together with interest of $43,750, accrued at a rate of 1.75%.[1508]

Correspondence obtained by the Subcommittee suggests that even after the $50 million was returned to BNA, MSA attempted to use the Bank of America account statement showing the $50 million in its account to convince a potential investor to invest with MSA.[1509] In a July 13, 2002 letter, David Naranjo of MSA, Inc. enclosed a copy of the bank statement and characterized the $50 million wire transfer as a movement of the funds to a European bank, because "the trading would be much less complicated if it is done in Europe." The letter also referenced an additional $21 million investment.[1510]

Documents also show that Mr. Amouzou began to shift his strategy to obtain access to the $50 million. On July 19, 2002, when Charles Shelton, the London broker, wrote to Mr. Amouzou that a bank in Germany and another in Switzerland had accepted the Angolan investment project,[1511] Mr. Amouzou responded with a demand that Mr. Shelton cease all action regarding the Angolan transaction. Two days later, on July 21, 2002, Mr. Amouzou wrote to Dr. Jaime as follows:

> "I was very disappointed in our activities with the broker in London (Charles Shelton), I only waited for him because he

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[1506] See 1/6/09 letter from the State Department to the Subcommittee, PSI-State_Dep't-04-0001-02.

[1507] Bank of America "Cancellation Request," BOA-PSI-05592; Subcommittee interview of Bank of America officials, May 8, 2008.

[1508] Subcommittee interview of Bank of America officials, May 8, 2008. The next day, July 2, 2002, MSA's attorney, Mr. Gard, attempted to secure a higher rate of interest compensation for the funds, requesting 6% instead of the 1.75% provided. In a letter to the bank, he wrote: "It seems to me that my client should have started earning interest on the deposit at the most favorable rate offerable to Bank of America from June 19, 2002 to July 1, 2002. ... [W]e believe that interest at the rate of six percent (6%) represents a reasonable rate of return under the circumstances." 7/2/02 letter from Brian Gard law office to Bank of America, BOA-PSI-05507-09. On July 5, at the end of a personal meeting with the Bank of America corporate security officer, Mr. Gard and Mr. Amouzou asked the bank to release the interest payment to them, but were informed that the interest payment had already been included in the wire transfer sent to BNA. Bank of America Corporate Security Investigator Diary, BOA-PSI-04988. See also additional correspondence regarding the interest payment, BOA-PSI-05318-19 and 05325-71.

[1509] See 7/13/02 letter from MSA to a potential client, PSI-Amouzou-09-0218.

[1510] Id.

[1511] PSI-Amouzou-08-0253.

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> presented a higher return and a simpler and faster transfer. … However, he is only a broker agent and not the trading group principal and that is the reason for the time delay he was unable to communicate with the principal of his trading group over the last several days. We are [now] dealing directly with the Principal, which will avoid delays. Mr. Stanley Wayland is the principal."[1512]

Mr. Amouzou and Dr. Jaime would look to Mr. Wayland in their second attempt to wire transfer the $50 million in Angola state funds to a private account in the United States.

Account Closures. Two months after the return of the $50 million, on September 3, 2002, the Bank of America corporate security officer recommended closure of the MSA, Inc. account as well as two other accounts associated with Mr. Amouzou.[1513] Handwritten comments indicate that the reason for recommended closure was "money laundering" and "Prime Bank Fraud w/Central Bank of Angola." Bank of America actually closed the MSA account later that same month.[1514]

Four months after that, in January 2003, Citibank decided to close the BNA account at Citibank in London, despite potentially severe economic consequences. A January 2003 memorandum explaining the decision and its likely ramifications was sent by Citi's Non-Presence Country Head for Sub-Saharan Africa to the Citi Country Officer for South Africa.[1515] It stated:

> "I am writing to advise that after considered deliberations between Business, Product, Compliance and Legal, we recommend closure of the accounts of the Central Bank of Angola (know[n] as Banc National de Angola, BNA) with Citigroup. Our recommended decision may potentially result in our being forced to exit the country. This has been taken into account. …
>
> -In June of last year, BNA instructed us to pay USD 50,000,000 to a dubious account with Bank of America in San Diego. Although this payment was ultimately reversed a few weeks later, we were never provided a satisfactory explanation of the underlying transaction by the BNA. …

[1512] 7/21/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-08-0309-10.
[1513] Bank of America Corporate Security Account Closure Referral, BOA-PSI-05059.
[1514] Id.
[1515] 8/16/07 letter from Citi to the Subcommittee with January 2003 memorandum recommending closure of BNA account, PSI-Citi-21-01-02.

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-We put all accounts of the BNA with Citigroup on an individual transaction-monitoring basis since July. However we have learnt in this process that a number of payments that have left our counters did not have adequate disclosure of beneficiary details, which may result in our being a conduit in their questionable financial dealings.

-We were advised in November of last year that the outgoing BNA Governor [Dr. Aguinaldo Jaime] that the BNA had gone ahead with the USD 50,000,000 transaction with another bank using a 'fiscal paradise.' The Governor advised us that this payment was of 'national interest' but did not provide us with a tangible explanation of the underlying mechanics of this repeat transaction. ... [T]his payment was also reversed and the new Governor was uncomfortable with the original transaction. The new Governor also advised our team on the ground that he had 'inherited' several problems from his predecessor, which he was trying to resolve on a 'case by case' basis. This does not add to our comfort on the inner workings of the BNA.

-Unfortunately the players in the Government of Angola are the same with a few key players in positions of power and closely managed under the leadership of the current President Jose Eduardo dos Santos. At the end of the day, we are uncomfortable with the character of the senior officials in the Angola Government and any amount of policing may not deter financial impropriety."

The memorandum continued:

"The above action plan can be franchise threatening. ... Planned 2003 revenues are USD 5.5MM. ... In all likelihood, the reaction of the BNA to our decision would be far reaching and may result in our being asked to leave the country. We should expect a backlash from all the Government owned and private sector banks based on the strong control of the Government in the bank and other priority sectors like oil and gas. I believe that we must work with this contingency in mind and plan to exit the country."

Five months later, on May 21, 2003, Citibank closed the BNA account used in the $50 million transfer.[1516] Throughout the course of 2003, it closed all remaining BNA accounts at the bank.[1517] In addition, throughout 2003, Citibank closed all other accounts it had maintained for Angolan government entities, including Sonongol, the Angolan oil

[1516] See list of account closings prepared by Citibank, PSI-Citigroup-02-0001.
[1517] Id.

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company.[1518] Citibank also shut down its office in Angola. Today, Citibank still does not maintain any accounts for BNA or Angolan governmental entities.

(3) Second Attempt To Transfer the $50 Million

The second attempt by Dr. Jaime to wire transfer the $50 million in Angolan state funds to the United States used different banks, HSBC and Wells Fargo; different investment advisers, Stanley Wayland and Jan Heger; and a different company, Euro-American Investments, LLC (EAI). In addition, instead of attempting to wire the funds directly, the $50 million was used to purchase U.S. Treasury bills which then became the object of the transfer attempt.

BNA Accounts at HSBC. During the 1970s, Banco Nacional de Angola opened accounts at Republic National Bank in New York. On November 1, 1999, after Republic National Bank merged with HSBC USA, BNA's accounts became HSBC USA accounts.[1519] BNA still banks with HSBC USA today and has correspondent accounts in New York.

In addition, since 1982, BNA has maintained a banking relationship with Equator Bank plc, which was also purchased by HSBC around that time, and became known as HSBC Equator Bank (HEQB).[1520] During the events examined here, BNA maintained accounts with HEQB in London, and at an HEQB branch in Angola. In 2003, HSBC Equator Bank ceased operations under its own name, although it continues to exist as a legal entity.[1521]

In a development unusual for a Central Bank, BNA also maintained an offshore account at a "sister bank" of HEQB called Equator Bank Ltd. (EBL) in the Bahamas.[1522] According to an internal

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[1518] Id.

[1519] See Republic National Bank and HSBC bank statements, HSBC-PSI 033149-50.

[1520] See 2001 HSBC Equator Bank KYC profile of BNA, HSBC-PSI 037275-80; 10/2/00 email from HSBC Equator Bank to HSBC, HSBC-PSI 034050-51; information provided by HSBC's legal counsel, January 20, 2010.

[1521] Information provided by HSBC's legal counsel, January 20, 2010.

[1522] See 10/2/00 email from HSBC Equator Bank to HSBC, HSBC-PSI 034050-51 ("Equator Bank Limited, Nassau (EBL), a 100% subsidiary of Equator Holdings and a sister bank of HSBC Equator Bank plc, London (HEQB) has had an excellent relationship with Banco Nacional de Angola"); 7/24/02 and 7/26/02 Swift messages, PSI-Heger-01-00281-82 (demonstrating existence of BNA account at Equator Bank Ltd. in Nassau). See also 5/4/98 Federal Reserve press release approving a U.S. representative office for Equator Bank plc, http://www.federalreserve.gov/boarddocs/press/bhc/1998/19980504/ (Federal Reserve states that Equator Bank plc "began its operations in 1996, as part of a reorganization of the holdings of its parent, Equator Holdings Limited (EHL). In the reorganization, Bank acquired the majority of the business and staff of its sister affiliate, Equator Bank Limited (EBL), a commercial bank incorporated in Nassau, the Bahamas, and formerly EHL's principal operating subsidiary. HSBC Holdings plc (HSBC), London, England, indirectly owns 60 percent of EHL's shares. NedEurope S.A., a Luxembourg subsidiary of a South African financial services group, and

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HSBC email, BNA first opened this offshore account in the 1980s.[1523] In addition, in 2000, BNA sought to open a second offshore account at HSBC's branch in the Bahamas, often referred to as HSBC Bahamas or HSBC Nassau. BNA asked to open that account after EBL had accepted the maximum amount of deposits it could from BNA, as explained in this October 2, 2000 email from HEQB to HSBC London:

> "Equator Bank Limited, Nassau (EBL), a 100% subsidiary of Equator Holdings and a sister bank of HSBC Equator Bank plc, London (HEQB) has had an excellent relationship with Banco Nacional de Angola, the central bank of Angola for the past twenty years.
>
> During this time EBL has earned in excess of USD80 million from revolving short term trade finance lines which are serviced by an assignment of oil proceeds. ...
>
> Over the past several weeks EBL has received USD103.6 million on deposit from BNA. On 29th September we received a further USD24 million which BNA has requested us to place with EBL. Unfortunately we cannot accept these funds in Nassau as they would cause us to contravene our trigger ratios.
>
> We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions. It is for this reason that we approached HSBC Nassau, with whom EBL shares an office."[1524]

HSBC responded that it would accept the deposit and open an account for BNA in its Nassau branch, if "appropriate account opening document is obtained and that no regulatory notifications are required."[1525]

HSBC's 2002 email expressed no concern about the statement that "BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions," meaning legally enforceable court orders to freeze funds.[1526] When asked about this statement, HSBC told the Subcommittee that it is a "legitimate choice" for a client to choose to be

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Equator Management Services, a Connecticut partnership consisting of members of the management of Bank's affiliates, each own 20 percent of EHL's shares."). 7/23/02 Swift message, PSI-Heger-01-00282 (wire transfer document sending funds to a BNA account at Equator Bank Ltd. in Nassau).

[1523] See 10/2/00 email from HSBC Equator Bank to HSBC, HSBC-PSI 034050-51 (EBL has had "an excellent relationship" with BNA "for twenty years").

[1524] 10/2/00 email from HSBC Equator Bank to HSBC, HSBC-PSI 034050-51.

[1525] 10/2/00 email from HSBC to HSBC Equator Bank, HSBC-PSI 034050.

[1526] A Mareva injunction is a court order in Commonwealth jurisdictions that freezes a defendant's assets so they cannot be dissipated beyond the court's jurisdiction and frustrate a judgment. See, e.g., Mareva Compania Naviera SA v. International Bulkcarriers SA, 2 Lloyd's Rep 509, (1975).

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in a jurisdiction where they won't be subject to certain attachments, and there was "nothing unusual" about wanting to avoid Mareva injunctions.[1527] When the Subcommittee asked HSBC USA whether HSBC maintained offshore accounts for BNA in the Bahamas, HSBC USA said that it was unable to answer questions about a client's non-U.S. banking activities and that it was constrained further by secrecy laws in the Bahamas.[1528]

In 2001, HSBC Equator Bank completed a Know-Your-Customer profile of BNA.[1529] The profile noted that BNA had not published financial statements since 1997, so HEQB could not report on its assets, loans, deposits, shareholders equity, or net income. The profile continued: "We mitigate the lack of financial information through tightly structured, transactional oriented, financing arrangements. Equally importantly, the HEQB team works very closely with the counterparties including BNA officials. In this way, HEQB has been able to accurately assess the financial strengths and weakness[es] over an extended time period (20 years, approximately)." The profile recommended maintaining the BNA accounts at HEQB in London, noting:

> "BNA is the Central Bank of Angola and is 100% owned by the Angolan Government. BNA maintains active deposit relationships with other first class financial institutions around the world including Citibank, Barclays Bank plc and Standard Chartered Bank. BNA is responsibly managed and is well regarded by its international correspondent banks."[1530]

Wayland and Heger. After the first attempt to transfer the $50 million failed, within days, Mr. Amouzou began working on a second transfer attempt, communicating with Stanley Wayland and Jan Morton Heger to arrange a new transaction. Mr. Amouzou told Dr. Jaime that Mr. Wayland was the "trading group principal" in the Swiss investment group associated with Charles Shelton.[1531] Mr. Wayland apparently brought in Jan Morton Heger, an attorney in Laguna Niguel, California, who performed legal work for international clients. Mr. Heger, who is a U.S. citizen, produced documents in response to a Subcommittee subpoena and participated in an interview.

[1527] Subcommittee interview of HSBC officials, May 7, 2008.

[1528] According to an August 5, 2002 email, sent by MSA, Inc. officer, David Naranjo, HSBC had advised BNA to "protect their asset[s] by opening an Offshore account on behalf of Banco Nacional De Angola in [the] Bahamas. 8/5/01 email from Mr. Naranjo to Stanley Wayland, PSI-Heger-01-00279. See also 8/4/02 letter from MSA to Stanley Waymand, PSI-Heger-01-00283 ("I am faxing you the confirmation from swift that Banco Nacional De Angola has $62,425,751.10 deposited into HSBC.").

[1529] 2001 HSBC Equator KYC profile of BNA, HSBC-PSI 037275-80.

[1530] Id., at 037280.

[1531] 7/21/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-08-0309-10.

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Mr. Heger told the Subcommittee that he first began dealing with Mr. Amouzou in late 2001, after receiving a telephone call from Mr. Wayland, who was then in Singapore, about a man in San Diego associated with the Central Bank of Angola who needed Mr. Heger's help.[1532] Mr. Heger told the Subcommittee that he had never dealt with Mr. Wayland prior to that telephone call, but that he frequently received calls seeking legal assistance as a result of his international legal practice.[1533]

Mr. Heger told the Subcommittee that he was told that Angola was reaching out to the United States after the Angolan civil war, and wanted to rebuild its roads, hospitals, schools, and infrastructure. He said that he was asked if he'd be willing to assist Angola achieve its goals, and that he agreed to do so. Mr. Heger told the Subcommittee that during his work with Mr. Wayland over the next year, he never met him in person, but communicated with him via telephone and email.[1534] Mr. Wayland, who provided a South African passport in some documents, also used an address in Singapore.[1535]

On December 2, 2001, Mr. Heger and Mr. Wayland signed a two-page agreement in which they agreed to work together and to maintain the confidentiality of their clients and their transactions.[1536] The next day, December 3, 2001, Mr. Heger formed Euro-American Investments, LLC (EAI) under the laws of Nevada to facilitate the Angola project.[1537] Mr. Heger is identified as the company's "Owner/Managing Member/Beneficiary" as well as its "Director and CEO."[1538] Two additional "Directors" and "Member/Beneficiaries" were Mr. Wayland and Charles William Webster.[1539] A "Description of Business Activities" stated that EAI's primary purpose was:

[1532] Subcommittee interview of Jan Morton Heger, 7/22/08.
[1533] Id.
[1534] Subcommittee interview of Jan Morton Heger, 7/22/08.
[1535] See Asset Funding, Private Placement Participation & Management Agreement, PSI-Heger-01-00105-23 (agreement provides Mr. Wayland's South African passport number); 8/11/02 Euro-American Investments, LLC Information Summary, PSI-Heger-01-00105 (provides Singapore address for Mr. Wayland). Mr. Wayland also used an email address ending in "@harvestdm.com" which matches a company based in Singapore called "Harvest Technology Pte Ltd." That company's address is the same as the one used by Mr. Wayland. See Harvest Technology Pte Ltd. entry at http://worlddirectory.indiaetrade.com/Miscellaneous/h/H52.html (viewed 05/05/2009).
[1536] 12/2/02 Non-Circumvention, Non-Disclosure, and Confidentiality Agreement, PSI-Heger-01-03.
[1537] See 8/11/02 Euro-American Investments, LLC Information Summary, PSI-Heger-0059-65.
[1538] Id., at 0060 and 0062.
[1539] Id., at 0062. Mr. Heger brought Mr. Webster into the project over the objection of Mr. Wayland. In an August 17, 2002 email to Mr. Heger, Mr. Wayland stated: "I told you I do not want to have anything to do with Charles Webster as I just have bad gut feeling, which says, 'stay away'." PSI-Heger-01-00252. Mr. Wayland continued: "I told you I would like to work with you and when it was decided to use [EAI] for the Angolan money, which is the customer I have brought to the table, it would be on a basis that I would deal with Jan Heger .... [T]he deal I have put together with the Angolans is that they get 75% profits and EAI gets 25%. I also

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"Legal consulting, world wide investments, including but not limited to, Real Estate, Precious Metals, Debt Instruments, Oil and Gas Reserves & Property, Marketing Products (such as Heavy Machinery) and/or other various opportunities that have been presented such as these very funds as have been received from the **Angolan Government, Central Bank of Angola**." [1540] [Emphasis in original.]

On July 23, 2002, MSA, Inc. and EAI entered into a 19-page "Asset Funding, Private Placement Participation & Management Agreement" regarding investment of the $50 million in Angolan state funds.[1541] MSA, Inc. was represented by Mr. Amouzou, while EAI was represented by Mr. Wayland. The following chart summarizes key aspects of the agreement.

Key Elements of 2002 MSA-EAI Agreement	
FINANCIAL PROGRAM	• "[A]ny financial investment, which shall return above average returns and shall consist of, but not be limited to, the buying and selling of Bonds or Bank Instruments."
PARTIES	• "Project Participant": Euro-American Investments LLC represented by Stanley Wayland • "Financial Participant": MSA, Inc. represented by Mehenou S. Amouzou
TERM	One Year
GENERAL REPRESENTATIONS	• MSA, Inc. is the beneficial owner of $50 million and this is "...GOOD CLEAN AND CLEARED BANK FUNDS." • Wayland will open a bank account in the name of EAI, Inc. at Merril Lynch – London to purchase a T-Bill in the name of MSA, Inc. • Wayland will instruct Merril Lynch to issue a "S.W.I.F.T. from M.L. [Merril Lynch] that their client [Wayland]...will immediately purchase a T-Bill for a value USD 50.0 million" • Amouzou will then use the T-Bill as collateral for a "margin credit facility" • "The full value of the margin credit amount...will be used for and on behalf of the Financial Participant [Amouzou]" • "The T-Bill ... will be blocked as the collateral for the margin credit advance"

stated that if you want to leave it with EAI, this means 50% to Stanley Wayland and 50% to Jan Heger. ... I stated that if you wanted to include Charles Webster, it would be from your side, i.e. out of your 50% of the profits."

[1540] 8/11/02 Euro-American Investments, LLC Information Summary, PSI-Heger-0063.

[1541] Asset Funding, Private Placement Participation [&] Management Agreement, PSI-Heger-01-00105-123.

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REPRESENTATIONS AND WARRANTIES	• "Has the relationships with one or more financial institutions that are capable of providing a Financial Program for Project Financing in the amount of USD 50.0 million" • "has the knowledge, relationships, ability to acquire the necessary Bank Instruments, and the financial strengths to operate and manage Financial Program(s)" • Will use the "collateral" ($50 million) to obtain a "Instrument Contract or Contracts" to purchase "Bonds or Bank Instruments" and "re-purchase" these "bonds or Bank Instruments"
STRUCTURE OF PROFITS	• 75% of profits due to Amouzou / MSA, Inc. will be invested in "humanitarian projects" • Profits "shall amount to a minimum of 100% of the face value of the principal, which is USD 50.0 Million will accrue on a monthly basis" • Profits shall be placed in "an offshore margin account in a securities firm for the use of the above mentioned parties [Amouzou and Wayland]"
OTHER PROVISIONS	• Wayland will open a bank account in the name of MSA, Inc. to receive 99% of Financial Participant's (MSA, Inc.) share of profits and a separate bank account in the name of Dr. Mehenou S Amouzou to receive 1% of Financial Participant's share of profits. "Both of the above banking accounts will be opened at Bank Crozier in Granada." • Upon opening the aforementioned accounts, Wayland / EAI, Inc. will "...commence tranching of the Financial Program" and "all profits from all Financial Programs shall be deposited" in Amouzou's Bank Crozier accounts. • Confidentiality Clause: "the bank information and the commerce contemplated herein are of [a] highly confidential nature." • Non-Circumvention: Ensures confidential and proprietary nature of all relevant contacts, banks, individuals, and groups involved.

Chart prepared by Subcommittee

After the Asset Funding, Private Placement Participation & Management Agreement was signed, Mr. Heger, representing EAI, signed a one-page "Private and Confidential Agreement" with Diane Conners of VH3 Holdings, LLC, to invest the $50 million.[1542] This July 29, 2002 agreement promised that the $50 million investment would reap a highly unlikely monthly return of 300%, for which a 7% fee would be paid to VH3Holdings:

> "It has been represented by Dianne Conners, both individually and as part of VH3 Holdings LLC that the returns of Fifty Million USDollars ($50,000,000.00) to be invested by Euro-American Investments LLC is and shall be a[t] Three Hundred Percent (300%) per month. Based on this representation Euro-American

[1542] 7/29/02 email from Mr. Heger to Mr. Wayland re "50m ANGOLA" and Private and Confidential Agreement, PSI-Heger-01-00303-04.

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> Investments has agreed to pay Seven Percent (7%) of the profits to any and all intermediaries to VH3 Holdings LLC, as paymaster for any and all intermediaries as evidenced by that certain Payment Instruction dated July 18th, 2002."

The agreement also stated that if the investment return were 150% "or less," EAI would nevertheless pay VH3 Holdings 3% of the profits.

Treasury Bill Transfer Proposed. Beginning in mid-July 2002, Mr. Amouzou began advocating use of the $50 million to purchase U.S. Treasury bills and employing Mr. Wayland and his company, EAI, to handle the related investment project. On July 15, 2002, for example, Mr. Amouzou sent Mr. Jaime an "investigative report" on Mr. Wayland prepared by MSA, Inc.'s attorney, Brian Gard, that apparently strongly supported using his services.[1543] On July 17, 2002, Mr. Amouzou sent a letter to Dr. Jaime recommending two solutions to the "time element associated with the transfer of 50 million dollars into MSA, Inc. bank account for the funding process."[1544] The letter said the first solution was to purchase a one-year U.S. Treasury bill to be allocated to MSA, Inc., deposited in a brokerage account, and returned to BNA after the investment project was completed. The second solution was to send the $50 million to a trading "Group based in London that works with two prime Banks, one in Zurich and the other in Germany."[1545]

On July 21, Mr. Amouzou sent Dr. Jaime a letter stating that Mr. Wayland held "one of only ten trading license[s] issued by the Federal Reserve Bank in the world," that he "controls all the Asian Market including Japan," and that he is "able to coordinate the purchase and transfer of the 50M in a T-Bill for us on an immediate basis (approximately 2 days)."[1546] On July 22, 2002, Mr. Amouzou sent a letter to Dr. Jaime stating that Mr. Wayland "is the most qualified trader I have talked to since being involved in these types of matters."[1547] On July 24, 2002, Mr. Amouzou wrote Dr. Jaime that Mr. Wayland approved of the proposed Angolan "humanitarian project": "In all the years he has been trading and observing the Monetary Funds and World

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[1543] PSI-Amouzou-08-0310. Mr. Amouzou did not provide a copy of this report to the Subcommittee.
[1544] 7/17/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-11-0896. The letter's reference to a "time element associated with the transfer" is unclear.
[1545] Id.
[1546] 7/21/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-08-0309-10. According to the Federal Reserve, "the Federal Reserve does not license or register traders, does not have agents who process or oversee investments, and does not sanction, authorize, license, or otherwise administer any type of investment program or plan for the public in the United States or abroad." Federal Reserve Bank of New York, Circular 10858, July 19, 1996.
[1547] 7/22/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-11-0895.

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Bank, he [Mr. Wayland] has never seen such a logical and well structure[d] plan as our Humanitarian project."[1548]

At some point, Mr. Wayland prepared a document entitled, "Instructions to Angola Government" with step-by-step instructions on using the $50 million to purchase Treasury bills.[1549] At the time the instructions were written, Mr. Wayland was expecting to use Merrill Lynch in the transaction rather than Wells Fargo, and for the Treasury bills to be held in the name of MSA, Inc. rather than BNA, as actually happened. At the end of the document, Mr. Wayland cautioned against disclosing too much information:

> "There is no need to notify HSBC London of any other aspects of the Agreement or the terms of the agreement between MSA, Inc., EAI or the Angolan Government, of why the Angola Government is purchasing a T-Bill under the name of MSA Inc and there is no need to notify HSBC London other than the fact that the T-Bill will be held at Merrill Lynch for a period of 13 months and will be returned to the Angolan Government bank account at HSBC London, for safekeeping within 13 months.
>
> Please make sure that the Angola Government authorizes these instructions and notifies HSBC London of these requirements.
>
> There is no reason whatsoever for HSBC to know anything more than the fact that the US$50 million has been used for the purchase of T-Bill."[1550]

On August 2, 2002, Dr. Jaime, in his capacity as "The Governor of BNA," signed a "Letter of Authority" on BNA stationery informing HSBC that BNA "will supply, on behalf of the Angolan Government, a Fifty Million American Dollar Treasury Bill to be used as collateral by MSA, Inc." to raise funds for Angolan development projects.[1551]

On August 6, 2002, Mr. Heger, representing EAI, sent a letter to the U.S. Treasury and State Departments stating that Angola planned to "place at minimum Fifty Million USDollars into a private corporation here in the United States of America" to support development projects in Angola. The letter stated that EAI had been selected to receive the

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[1548] PSI-Amouzou-11-0173. Mr. Amouzou even claimed in an undated email to Dr. Jaime: "Please be advised that the US Treasury has advised the Stanley Wayland (Group) that they would like to appoint MSA, Inc. as the Liaison between Africa and the US Treasury." PSI-Amouzou-08-0260. See also 9/2/02 letter from Mr. Amouzou to Dr. Jaime re Mr. Wayland's alleged influence with U.S. government officials, PSI-Amouzou-08-0259.

[1549] Undated "Instructions to Angola Government," prepared by Mr. Wayland as Director of EAI, PSI-Heger-01-00265-66.

[1550] Id., at 00266.

[1551] 8/2/02 Letter of Authority signed by Dr. Jaime, PSI-Heger-01-00278.

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funds, and asked if the United States or Treasury Department had "any objection and/or restrictions" regarding EAI's use of the funds and whether EAI needed any "special authorization or clearances" to proceed.[1552] On August 23, 2002, the Treasury Department's Office of Foreign Assets Control (OFAC), responsible for administering U.S. trade restrictions related to Angola, responded:

> "The acceptance of investment funds from the Central Bank of Angola and the performance of humanitarian services in Angola are not prohibited by the Regulations provided that these activities do not involve the proscribed activities listed above. ... Absent a complete list of all Angola related transactions you ... expect to undertake, we are unable to confirm that all of your transactions do not require an OFAC license."[1553]

$50 Million Transfer to HSBC. The following week, Dr. Jaime initiated the process that led to the actual purchase of the U.S. Treasury bills. First, on August 13, 2002, acting in his capacity as BNA Governor, he alerted HSBC Equator Bank in London (HEQB) that he would be sending the bank $50 million to be used to purchase T-Bills for BNA:

> "You will receive in our current account from Citibank/London USD 30,000,000.00 for value date 13 Aug 02 and USD 20,000,000.00 for value date 14 Aug 02. Both amounts are to apply for the execution of the above instructions. Please purchase in our name and on our behalf United States Treasury Bills or the equivalent in US Government debt obligations with a maturity of August 2003 in an aggregate amount of fifty million United States Dollars (U.S. 50,000,000.00) to be held in our name of the books of your affiliated bank HSBC Bank USA Issuer Services. We agree to pay your standard commission rate and custodial fees. Best regards, Aguinaldo Jaime - Governor"[1554]

The same day, August 13, 2002, Citibank wire transferred $30 million from BNA's Citibank London account to BNA's London account at HEQB.[1555] The next day, August 14, 2002, Citibank wire transferred another $20 million to the same account.[1556]

Next, Dr. Jaime opened Institutional Collateral Account No. [xx-xxxxxx]35 (hereafter "collateral account"), a new securities account held

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[1552] 8/6/02 letter from EAI to U.S. Treasury and State Departments, PSI-Heger-01-0025-26.
[1553] 8/23/02 letter from OFAC to EAI, PSI-Heger-01-0022.
[1554] 8/13/02 Swift message, PSI-Amouzou-07-0514.
[1555] 8/13/02 HEQB account statement, HSBC-PSI 002286.
[1556] 8/14/02 HEQB account statement, HSBC-PSI 002302.

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in the name of BNA at HSBC USA in New York.[1557] Dr. Jaime was the sole signatory on the account.[1558] He also signed an "Institutional Collateral Account Agreement" which set out the investment parameters for the account and which stated that Dr. Jaime, "on behalf of the Customer [BNA], will direct all trading in the Account."[1559] A trust officer from the HSBC USA Corporate Trust Department was assigned to handle transactions related to the new account.[1560]

HSBC Purchase of Treasury Bills. On August 14, 2002, HEQB transferred the $50 million to the new HSBC USA collateral account, and the HSBC USA trust officer used the funds to purchase several one-year U.S. Treasury bills with a total value of $49,994,363.37.[1561] The T-bills were held in the name of BNA.

The same day, August 14, 2002, Mr. Wayland sent Mr. Amouzou a list of requests and instructions regarding transferring the T-Bills from the BNA account at HSBC in New York to the Heger account at Wells Fargo Investment Services LLC in California.[1562] Mr. Wayland requested copies of the T-Bills actually purchased, the Swift message instructing HSBC to buy the T-Bills, and a ledger printout showing the account name, number, and balance; as well as a letter from HSBC stating that they had purchased the T-bills on behalf of the Government of Angola. Mr. Wayland stated: "We can only complete the assignment once the above documentation is supplied."

Mr. Wayland also instructed Mr. Amouzou about what to say to HSBC USA to ensure that it transferred the T-Bills to the Heger account at Wells Fargo Investment Services in California, and cautioned against answering any questions about the transaction:

[1557] HSBC Money Transfer Detail, HSBC-PSI 037258. See "Institutional Collateral Account Agreement," HSBC-PSI 037196-202. The agreement is signed by Dr. Jaime and dated August 14, 2002, Id. at 037202, but it may have been actually signed more than a week later on August 26, 2002. See 8/26/02 email, HSBC-PSI 037249 ("the Governor executed two originals of the Institutional Collateral Account Agreement today").

[1558] See, e.g., 12/13/02 internal HSBC email, HSBC-PSI 037185-86 ("there is only the one signatory with authority over the account").

[1559] HSBC-PSI 037202.

[1560] 8/13/02 HSBC email assigning the account to a trust officer, HSBC-PSI 037261.

[1561] See HSBC USA affidavit by HSBC USA trust officer, HSBC-PSI 037271-72. This affidavit indicates the Treasury bills were purchased on August 14, 2002. But see 8/15/02 Cash receipt, HSBC-PSI 037255; 8/15/02 Security Master Detail, HSBC-PSI 037259. Specifically, BNA purchased a U.S. Treasury NT Stripped Principal note scheduled to mature on August 15, 2003, one year and one day after the purchase. The value at maturity would be $50,749,000, for a profit of $754,636.63. Stripped notes, or "STRIPS," enable investors to hold separate the interest and principal of certain Treasury notes as separate securities. Investors receive payment at maturity instead of periodic interest payments.

[1562] 8/14/02 email from Mr. Wayland to Mr. Amouzou, forwarded to Mr. Heger, PSI-Heger-01-00267-68.

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> "The Central Bank of Angola is the client and owner of the funds and therefore, [does] not need to answer HSBC's questions about why they must transfer the T-Bill to Wells Fargo.
>
> The simplest and best reply is that you, as client want to deposit and hold this T-Bill in the Securities account with Wells Fargo Investment (Member of the New York Stock Exchange) and that we do not want this to be left in London. No other explanation is required to HSBC London.
>
> As Central Bank of Angola is the client, HSBC must and are required to follow the client's instructions, i.e. this is what we request and instruct you (HSBC) to carry out.
>
> We await your soonest response as we are under pressure as we will be able to begin private placement investment on Monday next week, if the T-Bill and the above documentation is supplied, latest tomorrow."[1563]

On August 17, 2002, Mr. Heger sent a memorandum to Mr. Wayland and Mr. Webster regarding the transaction:

> "[T]here is absolutely no doubt that EAI will be receiving the sum of 50Million USDollars and hopefully an additional Fifty Four Million USDollars soon for a total to One Hundred Four Million USDollars or more in the form of USTreasury Bills. ... To the best of my knowledge EAI will have these T-Bills in the Wells Fargo Securities Account."[1564]

Mr. Wayland responded a few days later by reminding Mr. Heger that they had "agreed on the telephone that we first finished the US$50 million and once this is in the Wells Fargo Security account, we will then proceed with the other transactions, i.e. not to rock the boat at the current time."[1565] He also sent Mr. Heger an agreement that he characterized as memorializing their understanding that "the transaction with Angola would be channeled through Euro-American Investments, LLC (EAI)," the "profits would be shared between Jan M Heger (50%) and Stanley Wayland (50%)," and "we have to pay some of our income (1%) before we split 50/50, to the parties who brought us this transaction."

T-Bill Transfer to Heger Account. On August 20, 2002, on BNA stationery, Dr. Jaime signed a one-page "Deed of Assignment" which

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[1563] PSI-Heger-01-00268.
[1564] 8/17/02 email and memorandum from Mr. Heger, PSI-Heger-01-00255-57.
[1565] 8/19/02 email and agreement from Mr. Wayland, PSI-Heger-01-00252-54.

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assigned the $50 million in Treasury Bills from BNA to EAI for unspecified "valuable consideration":

> "I Dr. Aguinaldo of sound mind and body hereby certify under penalty that I am the authorized signatory and have the legal right as Governor of the Central Bank of Angola to state that the Central Bank of Angola is the sole unencumbered owner of the Forty Nine Million, Nine Hundred and Ninety Four Thousand, Three Hundred and Sixty Three United States Dollars of U.S. Treasury Bill ....
>
> **FOR VALUABLE CONSIDERATION** ... I Dr. Aguinaldo Jaime ... do hereby freely, irrevocably, and unconditionally assign, convey, and transfer any and all right, title, and interest to **Euro-American Investments LLC** of this instrument or certificate described as United States Treasury Bill.
>
> This assignment shall be for the period of one (1) year and five (5) Banking Days from the date of this Deed of Assignment in order to satisfy the terms of the agreement between MSA, Inc. and Euro-American Investments, LLC dated 18th July, 2002. Specifically is the fact that the Treasury Bill, including any and all right, title and interest earned, will be returned to the Central Bank of Angola unencumbered at the end of the term of this assignment, free of any and all liens .... Any and all original certificates shall forthwith be forwarded directly to Euro-American Investment LLC via bonded courier addressed as follows: Wells Fargo Investments ... Account name: Mr. Jan M. Heger, Laguna Niguel, California 92677, Securities Account No W41477598, for the benefit of Jan M. Heger, CEO, Euro-American Investments, LLC ...."[1566] [Emphasis in original.]

On August 22, 2002, Mr. Heger sent a letter to Wells Fargo Investment Services stating that the securities account "of Jan Morton Heger for and on behalf of Euro-American Investments LLC which is my LLC," Account No. 41477598, would soon receive a "United States Treasury Strip Obligation."[1567] Mr. Heger had opened this account more than a year earlier, on April 26, 2001.[1568] In fact, it would be nearly a month before the transfer took place.

[1566] 8/20/02 Deed of Assignment, HSBC-PSI 037243.

[1567] 8/22/02 letter from Mr. Heger to Wells Fargo Investments, PSI-Heger-01-0045. The Treasury Bills were actually being sent from HSBC USA rather than HSBC London.

[1568] 9/18/02 internal Wells Fargo email discussing Heger accounts, WF0098. This account was one of two that Mr. Heger opened at Wells Fargo, the other being a personal checking account, Account No. 2018432765, opened on April 26, 2001. Id. According to the signature card for the second account, Mr. Heger told the bank that he was expecting a $300 million wire transfer. Mr. Heger apparently also told the Wells Fargo broker assigned to his brokerage account that, in 2001, the account would receive a $350 million wire transfer. Neither account ever received that wire transfer in 2001.

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On or about September 5, 2002, Mr. Heger telephoned HSBC to request that the T-Bills held in trust for BNA be transferred to his account at Wells Fargo Investment Services in Laguna Beach, California.[1569] His call triggered an inquiry within HSBC.[1570] On September 9, 2002, an HSBC USA official wrote in an internal email that HSBC is "not familiar with an intent by BNA to have these securities held by Wells Fargo Bank. Mr. Heger is unknown to us. In the event that BNA wishes to transfer these securities to Wells Fargo, our recommendation would be that they provide you with the required AUTHORIZED instructions e.g. by SWIFT."[1571]

The same day, September 9, 2002, Mr. Amouzou sent a letter to Dr. Jaime asking him to issue written instructions to HSBC to deliver the T-Bills to Wells Fargo by September 11.[1572] Mr. Amouzou also asked Dr. Jaime to provide Mr. Heger with the documentation related to the T-Bills, so that Mr. Heger could determine why they had not yet been delivered.

On September 10, 2002, Mr. Heger spoke with the HSBC USA trust officer for the BNA collateral account and then sent an email to Dr. Jaime requesting that Dr. Jaime send a Swift message to the trust officer to authorize transfer of the T-Bills from HSBC to Wells Fargo.[1573] Mr. Heger provided specific language for Dr. Jaime to use in the Swift message.[1574] That language not only requested the transfer, but also requested closure of the BNA account at HSBC USA.[1575]

The next day, September 11, 2002, Dr. Jaime sent the Swift message to the HSBC trust officer, using Mr. Heger's suggested language.[1576] Shortly thereafter, the trust officer forwarded the message to a colleague at HEQB in London, but also indicated that he would have preferred a signed letter from Dr. Jaime.[1577]

[1569] 9/5/02 HSBC internal email, PSI-Heger-01-00141.
[1570] See HSBC internal emails, PSI-Heger-01-00140-42.
[1571] 9/9/02 HSBC internal email, PSI-Heger-01-00140. [Emphasis in original.]
[1572] 9/9/02 letter from Mr. Amouzou to Dr. Jaime, PSI-Amouzou-03-0008.
[1573] 9/10/02 email from Mr. Heger to Dr. Jaime, PSI-Heger-01-00241. The HSBC trust officer told the Subcommittee that he recalled speaking with Mr. Heger at some point, but did not recall the conversation. Subcommittee interview of HSBC officials, May 7, 2008.
[1574] 9/10/02 email from Mr. Heger to Dr. Jaime, PSI-Heger-01-00241.
[1575] That same day, September 10, 2002, Mr. Heger sent a second letter to Dr. Jaime seeking to take a more prominent role in BNA's dealings. PSI-Amouzou-11-0140-41. In the letter, Mr. Heger wrote: "After some serious thoughts with regard to what has happened at HSBC I have a suggestion for you that may smooth out all your USDollar Accounts where ever they may be located. My suggestion is … that you consider putting me with you and the Central Bank of Angola on any and all USDollar Accounts wherever they may be located." Mr. Heger claimed he was able to communicate directly with the U.S. Treasury Department and could assist with any problems.
[1576] 9/11/02 Swift message from Dr. Jaime to HSBC USA, HSBC-PSI 037315. See also 9/11/02 fax from Dr. Jaime to Mr. Amouzou, PSI-Amouzou-08-0317.
[1577] 9/11/02 HSBC internal fax, HSBC-PSI 037330.

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The next day, September 12, 2002, the head of the HEQB office in Angola told her colleagues that she personally spoke with Dr. Jaime, and he confirmed the transfer of the T-Bills to Wells Fargo. She wrote: "As you know, the Governor would like very much to have the securities with HSBC USA, however, the entities who will provide the financing want it with Wells Fargo. We should not be disappointed as more business is to come."[1578] The same day, the HSBC USA trust officer told his colleague at HEQB London: "I will be delivering the securities to the account of Jan Morton Heger at Wells Fargo Bank, and in turn will close the Collateral Account .... I appreciate your help in confirming the delivery instructions, but as I mentioned, it is unusual to deliver corporate customer assets to a personal account."[1579] His HEQB colleague in London responded: "We discussed this matter directly with the Governor of BNA on 3 separate occasions on Tuesday and Wednesday of this week. The Governor having reviewed the matter in detail, reiterated the instructions."[1580]

On September 13, 2002, a senior HSBC official told the trust officer to proceed with the transfer:

> "[T]he Governor of the Bank of Angola was advised of our concerns about sending the T-Bills to an account in the name of an individual, but that is how we are to proceed with the transaction."[1581]

That same day, September 13, 2002, HSBC USA transferred the T-Bills to Mr. Heger's personal brokerage account No. 41477598 at Wells Fargo Investment Services in California.[1582] A Wells Fargo account summary shows that, on that date, Mr. Heger's account was credited with securities valued at $49,927,128.75.[1583]

Wells Fargo Returns T-Bills. In the meantime, Wells Fargo Investment Services had become increasingly concerned about the $50 million transfer. On September 9, 2002, a Wells Fargo Investment financial advisor sent an email to his colleagues that Mr. Heger was showing Wells Fargo personnel "weird papers" regarding a $50 million transaction involving the Central Bank of Angola.[1584] He closed the email by asking "how soon can this account be closed?"

[1578] 9/12/02 HSBC internal email, HSBC-PSI 037306-07.
[1579] 9/12/02 HSBC internal email chain, HSBC-PSI 037220.
[1580] Id.
[1581] 9/13/02 HSBC internal email, HSBC-PSI 037219.
[1582] Wells Fargo Online Brokerage account statement as of 9/13/02, PSI-Heger-01-0012. The transfer was completed even though Dr. Jaime had used an incorrect account number in his SWIFT message.
[1583] Id.
[1584] 9/9/02 Wells Fargo internal emails, WF0106.

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A Wells Fargo branch employee requested additional information about Mr. Heger from a private due diligence company. In a Friday, September 13, 2002 email, the Wells Fargo employee relayed that firm's warning about the transaction:

> "[H]e says the 49 million in T-Strips for the account is most likely fraudulent. There is a positive MIS hit on Jan Morton Heger where he was involved with another letter of credit scam with another broker dealer. (Bank of Philippines) … Also, he believes the T-Strip delivery is a 'FAKE, (someone was probably bribed to send it). … [MIS] says the next step for this client is to use the brokerage account to print statements, correspondence, online stmts, proving that they have over 50 million with Wells Fargo Investments and use it to perpetrate other scams. All it takes is an unsuspecting employee or branch."[1585]

In response, the Wells Fargo Vice President of Investigative Services sent an email to his colleagues notifying them that Wells Fargo had returned the T-bills to HSBC, due to "unanswered questions" regarding the transaction.[1586] Wells Fargo told the Subcommittee that it returned the T-bills despite having been contacted by Mr. Heger requesting their release.[1587]

On Monday, September 16, 2002, Wells Fargo closed the Heger account.[1588] Mr. Heger was notified by a fax sent to his office the same day and by an overnight letter that arrived September 17, 2002.[1589] Mr. Heger told the Subcommittee that he was upset by Wells Fargo's actions.[1590] Following unsuccessful attempts to reach Wells Fargo officials by telephone, Mr. Heger sent a fax to Wells Fargo threatening to involve "Treasury Compliance."[1591]

According to handwritten notes dated September 16, 2002 from a Wells Fargo compliance officer, Mr. Heger called Wells Fargo throughout the day, and she concluded that it was "not a good idea to let this guy have our direct number because he will pass it on and try to do

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[1585] 9/13/02 Wells Fargo internal email, PSI-Wells_Fargo-04-0026-27.
[1586] 9/13/02 Wells Fargo internal email, PSI-Wells_Fargo-0026.
[1587] Subcommittee interview of Wells Fargo officials, September 16, 2008.
[1588] PSI-Wells_Fargo-04-0026, 28.
[1589] 9/16/02 letter from Wells Fargo Investments to Mr. Heger, PSI-Wells_Fargo-03-000.
[1590] Subcommittee interview of Jan Morton Heger, July 22, 2008.
[1591] 9/16/02 fax from Mr. Heger to Wells Fargo, PSI-Wells_Fargo-03-001. See also 8/22/02 letter from Mr. Heger to Wells Fargo Investments, PSI-Heger-01-00248 (date may be mistaken and should have been 9/22/02). In addition, on or about September 23, 2002, Mr. Heger retained the services of Howard K Schwartz, Attorney at Law, to represent his interests regarding the closure of his Wells Fargo Securities account and reversal of the Treasuries transfer, WF0097.

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more fraud."[1592] A September 17, 2002 email from another Wells Fargo employee echoed the same concern: "I opted not to show [my phone number to Mr. Heger] because he will pass on my phone number and say, 'call [me] at WFI and he will verify that 49 mil came in.'"[1593]

On Tuesday, September 17, 2002, HSBC USA Trust Operations accepted the T-Bills from Wells Fargo and returned them to the BNA collateral account that was supposed to have been closed earlier, but was not.[1594]

Attempted Transfer to Comerica Bank. Three days later, on Friday of the same week, September 20, 2002, Dr. Jaime sent another Swift message to the HSBC USA trust officer instructing the bank to immediately transfer the T-Bills from the BNA account in New York to the "Jan M. Heger Esq. Attorney-Client Trust Account" at Comerica Bank in Costa Mesa, California.[1595] He gave an incorrect account number. HSBC attempted the transfer twice that day, but it failed both times due to the incorrect account number.[1596] The HSBC USA trust officer sent an email indicating HSBC was in communication with Comerica Bank to get the correct information,[1597] but the transfer was never actually completed.

On Sunday, September 22, 2002, Mr. Heger sent a letter to Dr. Jaime asking him to transfer to his attorney-client trust account at Comerica Bank, not the $50 million in Treasury bills, but $200 million in cash from the BNA account.[1598] He wrote: "I can upon receipt either keep it in cash or purchase a Treasury Bill[,] however it is preferable that this remain in cash." He stated that his account would remain "blocked" and "unencumbered" for a period of one year and five days, and that "the transfer of the above mentioned funds … would allow profits to begin to be received and thus start providing for the people of the Nation State of Angola." The Subcommittee found no evidence that this requested transfer to the Heger account took place.[1599]

[1592] 9/16/02 Wells Fargo compliance officer's handwritten notes, PSI-Wells_Fargo-04-0032. See also 9/16/02 fax from Mr. Heger to Wells Fargo, PSI-Wells_Fargo-03-001.
[1593] PSI-Wells_Fargo-0091. On or about September 23, 2002, Heger retained the services of Howard K Schwartz, Attorney at Law, to represent his interests regarding the closure of his Wells Fargo Securities account and reversal of the Treasuries transfer, WF0097
[1594] 9/17/02 HSBC internal emails, HSBC-PSI 037218.
[1595] See Swift message, HSBC-PSI 037216. See also HSBC internal emails, HSBC-PSI 037231.
[1596] See 9/23/02 HSBC internal email, HSBC-PSI 037232.
[1597] Id.
[1598] 9/22/02 letter from Mr. Heger to Dr. Jaime, PSI-Heger-01-00232.
[1599] On September 25, 2002, Mr. Heger also sent Dr. Jaime an invoice for $100,000 for "Services rendered on behalf of" BNA. 9/25/02 invoice, PSI-Heger-01-00227. A typewritten "Note" at the bottom of the invoice stated: "We need to get at least 100Million transferred to our account located in Switzerland at your earliest convenience" and that "profits will be received within a short period of time thereafter."

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On Monday, September 23, 2002, Mr. Wayland sent an email to Dr. Jaime and Mr. Amouzou discussing the failure of the transfer of the T-Bills to the Heger account on the prior Friday.[1600] Mr. Wayland wrote: "The first and most important aspect for all of us is to 'Keep our Cool' .... There is absolutely no doubt that someone is trying to sabotage any and all effort[ts] of the Angolan Government from placing cash funds ... into investment programs." Mr. Wayland wrote that "whoever is involved" would:

> "stop at nothing, will attempt to divide us, use every effort at their disposal to stop this transaction from proceeding. We must ascertain, for what reason HSBC are in position to frighten, Wells Fargo or for that matter any other bank .... WE ... [WILL] RECTIFY THE PROBLEM WITH THE ASSISTANCE OF THE SECRETARY OF THE TREASURY, NAMELY, MR. PAUL O'NEILL .... PLEASE BELIEVE WE HAVE POWERFUL FRIENDS." [Emphasis in original.]

At some point, Dr. Jaime apparently ceased trying to transfer the T-Bills to Comerica Bank, and discussions turned to bank accounts in Switzerland. On September 28, 2002, Mr. Wayland sent an email to Mr. Amouzou regarding opening bank accounts for BNA in Basel, Switzerland. Mr. Wayland wrote:

> "[A]ll of us must meet in Basel, to open the bank accounts for BNA and [I] will get the two US Authorities to come to Basel after the funds reach Basel. If Jaime wishes to first open an account this is also OK, but then Jaime must meet me any day next week in Switzerland. ... This will therefore be two or 3 days after the first Meeting between Jaime and me."[1601]

Mr. Wayland also told Mr. Amouzou that he would receive payments confidentially: "I have set this up this way so absolutely no One has knowledge of payments to you. This can be to your account in France and or other accounts."

Sometime during the next two weeks, Mr. Amouzou and Dr. Jaime met with Mr. Wayland in Switzerland. On October 14, 2002, Mr. Wayland sent a fax to Mr. Amouzou stating: "I would like to thank you for traveling to Switzerland as I really enjoyed meeting both Dr. Jaime and you. I believe as friends, we can establish a long term relationship."[1602] The fax also contained instructions related to retaining

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[1600] 9/23/02 email from Mr. Wayland to Dr. Jaime and Dr. Sato, PSI-Heger-01-00125.
[1601] 9/28/02 email from Mr. Wayland to Mr. Amouzou, PSI-Amouzou-08-0194.
[1602] 10/14/02 fax from Mr. Wayland at "Virtual Architecture Ltd.," to Mr. Amouzou, PSI-Amouzou-08-0358.

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the T-Bills at HSBC USA on the condition that HSBC supplied BNA with a "safekeeping receipt" that is "negotiable against the T-Bill."

Safekeeping Receipt. Two days later, on October 16, 2002, Dr. Jaime sent a letter on BNA stationery to HSBC USA asking it to "cancel all previous and pending trade requests" regarding the $50 million in T-Bills.[1603] The letter then stated that the T-Bills "should remain on deposit in the account until maturity ... conditional a new Safekeeping Receipt is issued, with the wording 'Safekeeping Receipt is negotiable against ...'" the T-Bills.[1604] At the bottom, the letter contained a signature line for HSBC to indicate that it agreed to that condition. A week later, on October 25, 2002, HSBC faxed the letter back to Dr. Jaime with a signature from the HSBC trust officer acknowledging receipt of the October 16 letter and agreeing to its terms.[1605]

Two weeks later, on November 1, 2002, HSBC sent Dr. Jaime a fax attaching a letter which had been signed by the HSBC trust officer for the BNA collateral account and which stated in part: "This Safekeeping Receipt is negotiable against US Treasury Strip, CUSIP #912820BG1."[1606] The trust officer told the Subcommittee that he was in a hurry to go on vacation and did sign the safekeeping receipt, but should not have.[1607] He told the Subcommittee that such a receipt can be used like a bearer share financial instrument and, among other uses, can be used to transfer ownership of the referenced Treasury bills to a third party. HSBC told the Subcommittee that, even though the receipt was signed and faxed to Dr. Jaime, the original of the receipt never actually left the bank.[1608]

On November 4, 2002, Dr. Jaime apparently pressed HSBC to release the safekeeping receipt with the trust officer's original signature and bank seal. In a November 5, 2002 email, however, an HSBC compliance officer who had been asked for advice about how to handle the matter warned that the request might be "part of some elaborate

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[1603] 10/16/02 letter from Dr. Jaime to HSBC USA, HSBC-PSI 037228-29.

[1604] Id. HSBC USA had sent an earlier version of this letter as a proposed draft to Dr. Jaime. The draft stated that all previous trade requests related to the Treasury bills should be canceled and that the Treasury bills should remain on deposit "until further instruction from an authorized signatory." 10/16/02 email from the HSBC USA trust officer and draft letter, HSBC-PSI 037226-27. Dr. Jaime apparently used this draft as the starting point for his letter which made HSBC's retaining the Treasury bills "conditional" on its providing the specified "Safekeeping Receipt."

[1605] 10/16/02 letter from Dr. Jaime to HSBC USA, HSBC-PSI 037228-29. See also 10/25/02 cover letter from HSBC to Dr. Jaime, HSBC-PSI 037211.

[1606] 11/1/02 internal HSBC fax transmitting a copy of an unsigned version of the safekeeping receipt "that was signed" by the HSBC USA trust officer, HSBC-PSI 037211. HSBC was unable to locate a signed copy of the safekeeping receipt. See related correspondence, HSBC-PSI 037209-10.

[1607] Subcommittee interview of HSBC officials, May 7, 2008.

[1608] Id.

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scam to defraud the Central Bank of its securities."[1609] The compliance officer wrote:

> "This concerns your request to have HSBC Bank USA issue a 'safekeeping receipt' with respect to the Central Bank of Angola's custody account holdings with wording indicating that the receipt is 'a negotiable instrument' .... You have advised that this request is being made in connection with a confidential lending arrangement .... If the securities are to be utilized to secure a lending facility why not enter into a standby letter of credit arrangement or have the account blocked via some type of pledge arrangement. This would be the way a custody account would typically be used as collateral and not via some type of negotiable receipt. ... HSBC Issuer Services does not issue 'negotiable safekeeping receipts' ... of the kind that you have asked for which are essentially bearer instruments. Were we to issue such a document we would be exposed as the Central Bank could at any time request us to transfer the Treasury Bills ... to a third party and we would have no way to prevent the transfer. ... These bearer instruments have been used in scams and have a negative connotation associated with them. A request to have us issue something like this to support what sounds like a secured credit facility is very unusual. Furthermore, your indicating that the transaction details are confidential and that there is tremendous pressure to have the receipt issued today makes the entire transaction look suspect to us."

The compliance officer continued:

> "This request coupled with the unusual request we received last month to transfer these same securities to an account maintained at another bank that was not in the name of the Central Bank concerns us. ... We are concerned that these unusual requests continue to come to us and that we are placed under tremendous pressure to agree to them. Based on what I see here it appears to me that this is part of some elaborate scam to defraud the Central Bank of its securities."[1610]

The head of the HEQB office in Angola responded:

> "Thank you very much for all your assistance in this matter which is most sensitive.

[1609] 11/5/02 internal HSBC email chain, HSBC-PSI 037400-02.
[1610] Id.

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> I met with the Governor this morning to let him know that HSBC Bank USA is not comfortable about the issue of the document as requested by BNA. The Governor showed great concern as he was confident this time things would move and, according to him, a first disbursement of $50mm is pending until this document is in place or another solution is found.
>
> Meanwhile I think it appropriate to clarify that the pressure to have the receipt issued yesterday, happened because BNA has been waiting for this receipt for 20 days, since October 16th, date when HSBC USA acknowledged and agreed with the issue of the Safekeeping Receipt in accordance with BNA's request. Assuming the non issue of the document is the cause of the delay for a first disbursement under the arrangements between the Government and the other entity involved, BNA's pressure is understandable. ...
>
> Mr. Heger, is the CEO & Managing Director of Euro-Investments LLC. ... Maybe you could investigate about the above company (in such a way that neither BNA or them know we are doing so), and hopefully the information obtained would give us all the peace of mind that we can continue to assist BNA in the implementation of, what they firmly believe, an important accomplishment for Angola. In case the information obtained would be negative, we would have to advise BNA not to proceed with the negotiations."[1611]

The documents reviewed by the Subcommittee do not show that the suggested investigation took place. The documents also do not show that the original HSBC safekeeping receipt was provided to Dr. Jaime or that the T-Bills were transferred to any third party during November 2002.

$50 Million Returned to BNA. One month later, on December 5, 2002, Dr. Jaime was appointed an Assistant to the Prime Minister of Angola. On December 12, 2002, he issued instructions to liquidate the Treasury bills at HSBC USA and return the $50 million to the BNA account at HEQB in London.[1612] The head of the HEQB office in Angola wrote: "Please note that this is really urgent. BNA needs to sell the dollars to the commercial banks to pay the [public workers'] salaries."[1613] Later that day, she sent another email noting that "Aguinaldo Jaime is no longer the Governor," and that someone else at BNA would have to authorize the transaction.[1614] On December 16,

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[1611] Id.
[1612] 12/12/02 - 12/13/02 internal HSBC email chain, HSBC-PSI 037185-87.
[1613] Id. at 037186.
[1614] Id. at 037185.

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2002, a new BNA official, the director of the Department of Foreign Reserves, was given authority over the HSBC USA collateral account.[1615]

The new BNA official ordered the Treasury Bills to be sold and the sale proceeds to be transferred to the BNA account at HEQB in London.[1616] On January 2, 2003, HSBC USA complied,[1617] and the next day, $50,288,889.76 in sale proceeds were wire transferred from the collateral account at HSBC USA to the BNA account at HSBC Equator Bank in London.[1618]

(4) Analysis

In the end, the $50 million was returned to the Angolan Central Bank, despite efforts extending over six months, from June to December 2002, by Dr. Jaime, Mr. Amouzou, Mr. Wayland, and Mr. Heger, to transfer the funds to a private account in the United States. Bank of America and Wells Fargo personnel reacted quickly to possible signs of a suspicious transaction and reversed the $50 million transfer; Citibank reacted less quickly but eventually responded by ending its banking relationship, not only with BNA, but with all Angolan government entities, including Sonangol.

In contrast, HSBC personnel facilitated multiple wire transfers of the $50 million and the related Treasury bills in response to the instructions of a single BNA official, despite concerns about sending government assets to a private individual's account, until a compliance officer warned about a possible scam. HSBC has not only continued to provide banking services to BNA in Angola and London, but may also be providing the Angolan Central Bank with offshore accounts in the Bahamas.

D. An Angolan Financial Institution: Moving Hundreds of Millions of Dollars For Banco Africano de Investimentos

A final set of Angolan accounts involves Banco Africano de Investimentos (BAI), a $7 billion private bank in Angola whose largest shareholder is Sonangol, the Angolan state-owned oil company. BAI offers banking services to Sonangol, Angolans in the oil and diamond industries, and Angolan government officials, and its clientele is replete with Angolan PEPs. Over the last ten years, BAI gained entry to the

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[1615] See 12/16/02 letters from the BNA Director of the Department of Foreign Reserves to HSBC USA, HSBC-PSI 037181 and HSBC-PSI 037178. See also 12/13/02 internal HSBC email chain, HSBC-PSI 037182-84 and HSBC-PSI 037177.
[1616] 1/2/03 Swift message from BNA to HSBC, HSBC-PSI 037165.
[1617] 1/2/03 internal HSBC email, HSBC-PSI 037157.
[1618] 1/3/03 HSBC USA Priority Payment – Confirmation, HSBC-PSI 037158; 1/3/03 HSBC cash disbursement order, HSBC-PSI 037159.

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U.S. financial system through accounts at HSBC in New York, using HSBC wire transfer services, foreign currency exchange, and U.S. dollar credit cards for BAI clients, despite troubling answers about its ownership and its failure to provide a copy of its AML procedures to HSBC. HSBC has designated Angola a "high risk country" and conducted annual reviews of the BAI account, but explicitly decided not to treat BAI as a PEP client, despite PEPs in BAI's management and clientele and Angola's ongoing corruption problem.

(1) Background

Banco Africano de Investimentos. Banco Africano de Investimentos (BAI) was established on November 13, 1996, and commenced commercial operations on November 14, 1997, as the first fully privately owned bank in Angola.[1619] It is now one of the largest private banks in the country. It is subject to regulation by Angola's central bank, Banco Nacional de Angola (BNA).[1620] BAI handles transactions in Angola using the Angolan currency, the kwanza.[1621]

The founders of the bank include Mario Palhares, then a senior Angolan official at BNA; Jose Carlos Paiva, managing director of the key Sonangol subsidiary, Sonangol Ltd.; Joe Manuel Serrao, managing director of a Portuguese car company, Service Group Ltd.; and Theodore Jameson Gilleti, a British banker at Standard Chartered Bank.[1622] BAI's initial president was Aguinaldo Jaime, who left the bank to become head of BNA;[1623] and two initial senior administrators were Joaquim Costa David, Angolan Minister of Finance and former head of Sonangol; and Ana Paula Gray, a banker with the South African Investec Bank, both of whom were made members of the board of directors.[1624] In 1998, according to HSBC records, BAI had three branches, about 50 employees, and about $44 million in assets, including about $10 million in deposits.[1625]

According to the latest Bankers Almanac, BAI now has 50 branches and about 900 employees.[1626] Its headquarters are in Luanda,

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[1619] 2007 HSBC Know Your Customer Profile of BAI, HSBC-PSI 036736-52, at 37 (citing "Clients Annual Report 2005"); HSBC PSI 036668.
[1620] HSBC PSI 036668.
[1621] 2007 HSBC Know Your Customer Profile of BAI, HSBC-PSI 036740.
[1622] 1998 HSBC KYC profile for BAI, HSBC-PSI 036767-73, at 68; HSBC-PSI 036779; 10/25/06 internal HSBC email, HSBC-PSI 036625. Mr. Palhares, who later became BAI's president and chairman of the board, left the bank in 2006.
[1623] 1998 HSBC KYC profile for BAI, HSBC-PSI 036767-73, at 68; HSBC-PSI 036779.
[1624] 1998 HSBC KYC profile for BAI, HSBC-PSI 036767-73, at 68.
[1625] 1998 HSBC KYC profile for BAI, HSBC-PSI 036767-73, at 68, 72.
[1626] Bankersalmanac.com entry for BAI, viewed 1/8/10; June 2008 Bankers Almanac entry for BAI. The 2007 HSBC KYC profile of BAI, HSBC-PSI 036739, citing the Bankers Almanac and the "client's 2005 Annual Report," indicates that BAI then had 29 branches and 550 employees). See also BAI's website, www.bancobai.co.ao.

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the capitol of Angola. BAI's chairman of the board is now Mr. Paiva, who is also chairman of the board of Sonangol; the vice chairman is Ms. Gray; and Mr. Giletti remains a director and key bank official.[1627] BAI's chief executive officer is Jose de Lima Massano, a former Sonangol executive, accountant, and banker.[1628] Another BAI director is Manuel Domingos Vicente, who is also the chief executive officer of Sonangol.[1629] The latest Bankers Almanac indicates that, as of December 31, 2008, BAI had assets with a total value of $7.6 billion.[1630]

Sonangol, the Angolan state-owned oil company, has been BAI's largest shareholder since the bank's inception, and BAI is sometimes described as a Sonangol subsidiary.[1631] BAI handles many of Sonangol's banking services, and BAI's senior officials have often simultaneously held senior positions at the oil company. BAI's other owners include major financial institutions, former or current bank officials, and a handful of private corporations, some of whose owners have been concealed by BAI over the years, creating a source of friction between BAI and HSBC.

According to the Bankers Almanac, BAI's current auditor is PricewaterhouseCoopers. As recently as 2005, its auditor was Ernst & Young.[1632]

U.S. Legal Requirements. When BAI opened its first U.S. account in 1998, U.S. money laundering laws were limited, and did not contain explicit requirements related to accounts opened by foreign banks or PEPs.[1633] In October 2001, Congress enacted the Patriot Act which, among other provisions, strengthened U.S. anti-money laundering law to protect the U.S. financial system from misuse by terrorists, criminals, and corrupt foreign officials.[1634]

[1627] 2007 HSBC KYC profile of BAI, HSBC-PSI 036739.
[1628] Id.; June 2008 Bankers Almanac; 10/25/06 internal HSBC email, HSBC-PSI 036625.
[1629] June 2008 Bankers Almanac; HSBC-PSI 036667.
[1630] Bankersalmanac.com entry for BAI. Two years earlier, in 2007, BAI told HSBC that it had assets with a total value of about $1.2 billion. 2007 HSBC Know Your Customer Profile of BAI, HSBC-PSI 036740. But see June 2008 Bankers Almanac in which BAI reports total assets as of December 31, 2006 of $2.3 billion.
[1631] See, e.g., Wikipedia entry for BAI.
[1632] HSBC PSI 036668.
[1633] On July 24, 1998, Republic National Bank nevertheless completed a know-your-customer due diligence review of BAI. Its review stated: "In terms of money laundering, Angola is considered as a 'no priority' country by the US State Department. Angola is an extremely difficult country to do business in, which combined with the country's strict exchange control regulations, makes money laundering a practical impossibility. Even so BAI's management is aware of international money laundering concerns and would be able to spot suspect transactions were they to come through. They require full identification of all their customers and are obliged to report suspicious transactions to the BNA (Central Bank)." HSBC-PSI 036773.
[1634] See, e.g., Title III of the Patriot Act, P.L. 107-56 (Oct. 26, 2001).

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One of the new provisions, Section 312, explicitly required U.S. financial institutions that opened accounts for non-U.S. financial institutions to "establish appropriate, specific, and, when necessary, enhanced due diligence policies, procedures, and controls that are reasonably designed to detect and report instances of money laundering through those accounts."[1635] In addition, if a foreign bank held an offshore banking license, was deemed uncooperative with international AML procedures, or was subjected to special AML measures by the U.S. Government, U.S. financial institutions opening accounts for that foreign bank were required:

> "(i) to ascertain for any such foreign bank, the shares of which are not publicly traded, the identity of each of the owners of the foreign bank, and the nature and extent of the ownership interest of each owner;
> (ii) to conduct enhanced scrutiny of such account to guard against money laundering and report any suspicious transactions … and
> (iii) to ascertain whether such foreign bank provides correspondent accounts to other foreign banks and, if so, the identity of those foreign banks and related due diligence information."[1636]

Section 312 also required U.S. financial institutions, for the first time, to establish enhanced due diligence policies, procedures and controls for any private banking account "that is requested or maintained by, or on behalf of, a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure … to detect and report transactions that may involve the proceeds of foreign corruption."[1637] This provision took effect in February 2002. The Patriot Act also made the acceptance of proceeds from foreign corruption offenses a money laundering crime, and made it clear that U.S. money laundering prohibitions applied to all foreign banks operating in the United States.[1638]

(2) HSBC USA Accounts

In April 1998, BAI opened its first accounts at Republic National Bank in New York, Correspondent Account No. No. [xxxxxxx]47 and No. [xxxxxxx]22.[1639] In December 1999, Republic National Bank merged with HSBC.[1640] As of 2007, BAI had four accounts with HSBC

[1635] Section 312 of the Patriot Act, codified at 31 U.S.C. 5318(i)(2)(A).
[1636] Section 312 of the Patriot Act, codified at 31 U.S.C. 5318(i)(2)(B).
[1637] Section 312 of the Patriot Act, codified at 31 U.S.C. 5318(i)(3).
[1638] See Section 315 of the Patriot Act, codified at 18 U.S.C.1956(c)(7)(B)(iv)(adding foreign corruption offenses); and Section 318 of the Patriot Act, codified at 18 U.S.C. 1956(c)(6)(B)(adding foreign banks).
[1639] "BAI Timeline of Accounts," prepared by HSBC, HSBC-PSI 037864. A "correspondent account" is an account opened for a financial institution.
[1640] Id.

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USA: the first correspondent account, No. [xxxxxxx]47; two accounts opened on August 8, 2000, Account Nos. [xxxxxxx]54 and [xxxxxxx]46, to establish a corporate credit card program for BAI clients and provide cash collateral to secure repayment of the credit card debt;[1641] and an account opened on October 27, 2006, Account No. [xxxxxxx]30, to settle payments to Visa related to credit card charges.[1642]

Over the years, BAI has used its HSBC accounts primarily to gain access to HSBC's wire transfer systems so that BAI and its clients can send and receive U.S. dollar transfers across U.S. borders. BAI's monthly wire transfers grew dramatically, for example, from 2003 to 2008. HSBC also provided BAI with foreign currency exchange services, in particular supplying it with U.S. dollars to meet its needs, which grew from $6 million in 1998,[1643] to $30 million in 2005, to $490 million in 2007.[1644] In addition, HSBC has provided BAI with occasional certificates of deposits and overnight investments, and access by BAI clients to HSBC credit cards using U.S. dollars.[1645]

HSBC USA manages the BAI account out of its New York office. The accounts are handled by a "Global Relationship Manager"; most recently, that Global Relationship Manager was based in HSBC offices in South Africa. According to HSBC records, BAI made minimal use of its U.S. accounts at first, but has made increasing use of its correspondent relationship over the years. In 2006, HSBC reported internally that the BAI accounts returned "sizeable" global revenues of $1.5 million, of which $1.2 million came from HSBC USA Payments and Cash Management Group.[1646]

Documents reviewed by the Subcommittee show that Republic National Bank and then HSBC have performed annual AML reviews of the BAI accounts. Republic National Bank conducted a due diligence review when the bank account was first opened and developed a Know-Your-Customer profile for BAI in 1998, which was then updated annually.[1647] Later, HSBC established lower thresholds than it normally did to generate AML "alerts" from BAI wire transfers, due to Angola's

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[1641] Id.; HSBC-PSI 036774.
[1642] 2007 HSBC KYC profile of BAI, HSBC-PSI 036739.
[1643] 1998 HSBC KYC profile of BAI, HSBC-PSI 036767-73, at 71.
[1644] See 3/15/07 HSBC Call Report, HSBC-PSI 036753-55. The Call Report states that "BAI's primary reason to order USD banknotes is to allow the foreign corporation workers in Angola to withdraw their salaries in USD cash. They have a very large pool of corporate clients due to one of its major shareholders being Sonangol." Id., at 036754.
[1645] 2007 HSBC KYC profile of BAI, HSBC-PSI 036740.
[1646] 2007 HSBC KYC profile of BAI, HSBC-PSI 036738; 12/21/06 internal HSBC email, HSBC-PSI 036689 ("[t]his is a sizable HSBC Group client").
[1647] "BAI Timeline of Accounts," prepared by HSBC, HSBC-PSI 037864. See also 1998 KYC Profile for BAI, HSBC-PSI 036767-73; 2002 KYC profile for BAI, HSBC-PSI 036775-80; 2007 HSBC KYC profile for BAI, HSBC-PSI 036736-51.

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status as a "high risk country."[1648] The documents also show that, over the years, HSBC had several concerns with the BAI accounts, unsuccessfully raised those concerns with BAI, and when BAI failed to cooperate, nevertheless allowed the BAI accounts to continue operating. Those concerns included troubling answers about BAI's ownership, including the extent to which the bank was owned and controlled by Politically Exposed Persons (PEPs) in Angola, and BAI's failure to provide a copy of its AML procedures. In 2006, HSBC's Financial Intelligence Group raised the issue of designating BAI as a "Special Category of Client" (SCC), the term HSBC uses to identify accounts opened for PEPs or other persons or entities of concern, but that suggestion was not followed.[1649] Two years later, in November 2008, HSBC reversed course and did designate BAI as an SCC.[1650]

(3) BAI's Hidden Owners

Since BAI is a private bank with ownership that includes the Angolan national oil company and a number of Angolan PEPs, the identity of its owners is an important issue. For more than one year, from March 2006 to June 2007, HSBC made a sustained effort to obtain a clear understanding of the owners of BAI. In response, BAI disclosed some of its shareholders, but not all, claiming that two shell companies with 13.5% of the bank's shares were unable to identify their individual owners and ultimately assigning the companies' shares "temporarily" to BAI's chairman of the board. In May 2007, confronted with BAI's ongoing failure to provide complete ownership information, HSBC stopped pressing for the information. In response to Subcommittee questions, HSBC was unable to identify the owners behind more than 19.5% of BAI's shares. At the same time, HSBC has continued to provide BAI with ready access to the U.S. financial system.

1998 Ownership. In July 1998, within three months of opening the BAI account and prior to enactment of the 2001 Patriot Act, Republic National Bank completed a Know-Your-Customer (KYC) profile of BAI, which included a list of its shareholders.[1651] The listed shareholders were the following:

Sonangol, the Angolan-state owned oil company: 19%

[1648] 2007 HSBC KYC profile of BAI, HSBC-PSI 036751.

[1649] 2007 HSBC Know Your Customer Profile of BAI, HSBC-PSI 036738. See also Subcommittee interview of HSBC officials, September 22, 2008.

[1650] 2/2/10 letter from HSBC's legal counsel to the Subcommittee, at 2 (Sealed Exhibit).

[1651] 1998 Republic National Bank KYC profile of BAI, HSBC PSI 036764-65, 036767-73. This profile also contains information reflecting KYC due diligence efforts related to BAI over a two-year period, 1998 to 2000. 5/6/08 email from HSBC's legal counsel to the Subcommittee, item (3)(b), PSI-HSBC-36-0001-12.. Republic National Bank was under no explicit legal obligation at the time to obtain BAI's ownership information; collecting the information was instead part of a routine internal due diligence procedure then in place at the bank

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Grupo Credito Agricola, a Portuguese financial institution: 10%
Service Group Angola, an affiliate of a Portuguese car company: 8%
Investec Bank Ltd., a South African financial institution: 7.5%
Ameron, a U.S. corporation: 6%
Banco Pinto e Sotto Mayor, a Portuguese financial institution: 5%
Dabas Management Ltd., a French corporation: 5%
Brenco International, a French corporation: 4%
Mota & Cia and Soares Da Costa, Portuguese construction companies: 6%
Mactrotrade, a Portuguese company, and Endiama, the Angolan state-owned diamond company: 4.5%.[1652]

The BAI profile also noted that BAI has "28 shareholders of different nationalities," with 4 Angolans holding 36% of the shares, 17 Portuguese holding another 36%, and 7 persons from other countries holding 28% of the shares.[1653]

The document does not provide any further explanation of the shareholders. While most are large financial institutions or corporations, at least three, Brenco International, Dabas Management and Ameron are not.[1654] The Subcommittee's investigation indicates that Brenco International was beneficially owned by Pierre Falcone, a notorious Angolan arms dealer, and his business associate, Arkadi Gaydamak, as explained earlier.[1655] From 2000 to 2001, Mr. Falcone was imprisoned in France while under investigation into his conduct in the arms and bribery scandal known as Angolagate.

In 2001 and 2002, HSBC updated its Know-Your-Customer profile of BAI.[1656] The shareholder list remained unchanged. By then the Patriot Act's provisions had taken effect, requiring U.S. financial institutions to establish reasonable due diligence procedures for accounts belonging to foreign financial institutions to detect and prevent money laundering through those accounts.[1657]

[1652] 1998 Republic National Bank KYC profile of BAI, HSBC-PSI 036767-73, at 68.
[1653] 1998 Republic National Bank KYC profile of BAI, HSBC PSI 036773.
[1654] "Ameron" may refer to Amer-Con Corp., a Miami, Florida corporation with a branch in Angola, referred to in later BAI shareholder lists. See 2007 HSBC KYC profile of BAI, HSBC-PSI 036744.
[1655] See prior section on Falcone accounts.
[1656] "BAI Timeline of Accounts," prepared by HSBC, HSBC-PSI 037864; HSBC-PSI 036775-80 and 036736-52. See 2002 KYC profile for BAI, HSBC-PSI 036775-80.
[1657] Regulations implementing this and related due diligence requirements in the Patriot Act direct U.S. financial institutions to ascertain the ownership interests of persons with a 10% or greater ownership interest in a non-publicly traded foreign financial institution. See 31 CFR 103.176. HSBC determined to implement the statutory requirement by ascertaining the ownership interest of persons with a 5% or greater ownership interest in foreign financial institutions in high-risk jurisdictions. 5/6/08 email from HSBC's legal counsel to the Subcommittee, item 3(d), PSI-HSBC-36-0001-12..

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2006 Ownership. During 2006, BAI provided several different lists of its shareholders. On March 16, 2006, for example, BAI gave HSBC the following list of owners:

Sonangol: 17.5%
Service Group: 8%
Investec Bank Ltd.: 7.5%
Jose Carlos Recio, a wealthy Angolan businessman: 7.5%
Arcinella Assets, S.A.: 7%
Sforza Properties S.A., a British Virgin Islands corporation: 6.5%
Amer-Con Corp., a U.S. software company in Miami, Florida: 6%
Banco Commercial Portugues S.A., a Portuguese financial institution: 5%
Dabas Management Ltd.: 5%
Others (none with 5% or more shares): 30%.[1658]

Six months later, on September 20, 2006, BAI provided this list to HSBC:

Sonangol: 8.5%
Investec Bank Ltd.: 7.5%
Arcinella Assets, S.A.: 7%
Sforza Properties S.A.: 6.5%
Amercon International: 5%
Dabas Management Ltd., a French corporation: 5%
ABL Ltd.: 5%
Mario Palhares, former BAI chairman: 5%
Theodore Gilleti, BAI director: 5%
Others (none with 5% or more shares): 33.75%.[1659]

BAI then furnished a longer and slightly different list to the June 2008 Bankers Almanac which made the list public:

Sonangol: 8.5%
Investec Bank Ltd.: 7.5%
Arcinella Assets, S.A.: 7%
Sforza Properties S.A.: 6.5%
Amer-Con Corp.: 6%
Dabas Management Ltd.: 5%
ABL Ltd.: 5%
Mario Palhares: 5%
Theodore Gilleti: 5%
Joa Batista de Matos: 5%
Gebela Establishment: 3.15%
Sociedade de Construcoes Soares da Costa S.A., Porto: 3%

[1658] 2/15/05 review of BAI account by HSBC Financial Intelligence Group, appended to a 2006 review, HSBC-PSI 036667-69.
[1659] BAI provided this list on September 20, 2006, on HSBC form, "Certification Regarding Correspondent Accounts for Foreign Banks," HSBC-PSI 036651-55, at 55. It is unclear what happened to Mr. Recio's 7.5% ownership interest reported six months earlier, in March 2006.

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Mota Gestao e Participacoes SGPS, Porto: 3%
Mactrotrade - Marketing e Gestao Lda, Lisbon: 3%
Lobina Anstalt: 3%.[1660]

Partial Disclosure of Bank Owners. Documents reviewed by the Subcommittee show that, from 2006 to 2008, HSBC pressed BAI for full disclosure of the beneficial owners behind two of the shell corporations that together owned 13.5% of the bank. In response, BAI offered differing explanations, then claimed the shell companies were unable to identify their individual shareholders, and ultimately assigned the shares "temporarily" to BAI's chairman of the board.

In early 2006, HSBC's Payment Services Regulatory Risk Unit initiated its annual update of BAI's KYC profile. Under HSBC AML procedures in place at the time, this profile had to be reviewed and approved by the appropriate regional Money Laundering Control Officer in its Compliance Department.[1661]

On March 16, 2006, HSBC received a list of BAI's shareholders, as indicated above. The list included three private corporations, each of which would turn out to be a special purpose shell corporation: Arcinella Assets, Sforza Properties, and Dabas Management. The next day, on March 17, 2006, an HSBC regulatory risk officer sent the HSBC global relationship manager for BAI an email asking for additional ownership information:

> "In accordance with HSBC Bank USA's 'Know Your Customer' Policy and Procedures, and to **satisfy regulatory requirements**, we perform periodical reviews of our client profiles. In reviewing the profile for Banco Africano de Investimento, Angola, we require the following updates:
>
> Ownership: Please provide us with background information on all owners with 5% or more shares in the bank.
> New USA Patriot Act Certificate reflecting the change in ownership."[1662]

After two months without an answer, on May 18, 2006, the regulatory risk officer sent another email to the relationship manager with the subject line: "Second Request: Banco Africano des Investimento."[1663]

[1660] The same list also appears in the online Bankersalmanac.com entry for BAI, under "Ownership," except that Investec Bank does not appear on that list.
[1661] 1/30/10 email from HSBC's legal counsel to Subcommittee, item (3)(c).
[1662] See 3/17/06 internal HSBC email, HSBC-PSI 036627 [emphasis in original]. The regulatory risk officer also asked for the banks most recent financial report, annual report, auditor's report, and for any management changes.
[1663] Id., at 036627.

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Seven months after the original request by the regulatory risk officer, on October 25, 2006, the HSBC relationship manager sent an email discussing the ownership issue and providing a copy of the updated Patriot Act certification from BAI.[1664] The certification, which was signed by BAI officials, included an updated shareholder list which added one new private corporation with a 5% ownership interest in the bank, ABL Ltd. The relationship manager provided the following information about each of BAI's major shareholders, including the following four corporations:

> "Arcinella Assets, S.A. – 7% – Arcinella Assets is an investment services firm
> Sforza Properties (British Virgin Island) – 6.5% – This company is involved in the real estate industry
> Dabas Management Ltd. – 5% – This company is an investment services firm
> Amercon International – 5% – This company deals in trading of bulk goods and construction
> ABL – 5% – This is a trading company"[1665]

She did not identify any of the beneficial owners behind these companies. The relationship manager provided the information when she did, because BAI was then seeking to open a new account at HSBC to process settlements with Visa for its clients' credit cards. In the October 25, 2006 email, the relationship manager wrote: "Please find the outstanding information for Banco Africano de Investimentos. I hope we can push for approval of this KYC profile, as they are quite keen to have the Visa account opened urgently."[1666]

Two days later, on October 27, 2006, a vice president at HSBC USA sent an email to the money laundering control officer charged with approving the BAI KYC profile noting that the new BAI account could not be opened "until the profile is Reapproved."[1667] The money laundering control officer responded:

> "I understand that anew [sic] account is required for Banco Africano de Investimentos and that our normal procedure is to attach an approved KYC to the account opening request so that the operations area can issue an account number.

[1664] See HSBC form, "Certification Regarding Correspondent Accounts for Foreign Banks," HSBC-PSI 036651-55, signed by BAI one month earlier on September 20, 2006. See also 10/25/06 email from relationship manager, HSBC-PSI 036625-26. HSBC prepared this certification form to comply with the new due diligence requirements in the Patriot Act.
[1665] 10/25/06 internal HSBC email, HSBC-PSI 036626.
[1666] Id., at 036625.
[1667] 10/27/06 internal HSBC email, HSBC-PSI 036691.

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> Since the KYC for this bank is currently under revision, an approved KYC cannot be included with the account opening request.
>
> Please treat this e-mail as authorization from Compliance to establish a Visa Settlement Account for this bank."[1668]

About 15 minutes later, the money laundering control officer sent a second email, limiting the waiver to a 30-day period.[1669] The money laundering control officer wrote:

> "Upon further consideration, the waiver stands but on the condition that the profile be AM approved within 30 days otherwise the account may need to be frozen. I understand that we have been waiting [for] some crucial KYC information from this client for some while – they should understand that having accommodated them in this way they should be more responsive to our KYC inquiries."

The money laundering control officer told the Subcommittee that he limited the waiver to 30 days to "light a fire" under HSBC personnel to obtain the missing information from the client.[1670]

With the waiver in place, HSBC opened the Visa settlement account that same day, October 27, 2006.[1671] When the waiver expired on or around November 27, 2006, HSBC was still waiting for the new ownership information from BAI.[1672] The new Visa account was placed into a "CS denied status," which meant that the KYC profile was not yet approved, although the account could still be used.[1673]

On November 30, 2006, the HSBC regulatory risk officer sent an email to the BAI relationship manager that "the 30 day temporary waiver issued by Compliance has expired. Unless you can urgently confirm the status, this matter will be escalated to Compliance."[1674] Twelve days later, on December 12, 2006, the relationship manager responded with additional, but still incomplete ownership information.

[1668] 10/27/06 internal HSBC email , HSBC-PSI 036690.
[1669] Id.
[1670] Subcommittee interview of HSBC, September 22, 2008; 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC 44-0001, item (2).
[1671] HSBC-PSI 036689.
[1672] HSBC-PSI 036604.
[1673] 1/30/10 email from HSBC's legal counsel to the Subcommittee, item (3)(d). "CS" refers to the HSBC Client Services division.
[1674] HSBC-PSI 036604. Although HSBC did not receive the requested information within 30 days, the AML officer told the Subcommittee that useful dialogue occurred between HSBC and BAI, but did not recall exactly what was said. Subcommittee interview of HSBC officials, September 22, 2008.

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Her email provided clear information about the beneficial owners of two of the private corporations, Dabas Management and ABL:

> "[T]hese two shareholders were … created as special purpose vehicles. BAI has asked that we maintain confidentiality for the beneficial owners, and that this information be contained within our Compliance/KYC unit. BAI has disclosed that the beneficial owner of Dabas Management Ltd. is Jose Paiva and the beneficial owner of ABL is Manuel Vicente, both of whom are also members of the Board. The SPVs were created to allow these individuals, who are well-known in the Angolan market, some privacy in relation to this investment."[1675]

As mentioned earlier, Mr. Paiva is chairman of the board of Sonangol, while Mr. Vicente is Sonangol's chief executive officer. Each owns 5% of BAI through these special purpose corporations.

With respect to Arcinella Assets and Sforza Properties, however, the relationship manager was unable to provide the same clarity. She wrote:

> "[T]he above shareholders were created as special purpose vehicles and there are various individuals with interests in these firms. I have confirmed that there is no single individual with shareholding of 5% or more. BAI advised that in the course of 2007 they will be disclosing the individuals holding shares in these SPVs."[1676]

On December 21, 2006, a senior HSBC regulatory risk officer sent an email to the money laundering control officer seeking his advice on how to proceed:

> "The above subject's KYC profile is currently in CS [Client Services] denied status …. The GRM [Global Relationship Manager] obtained the missing background information on the four shareholders. However, the SPV nature of these entities and the delay in the disclosure of the beneficial owners thereunder raises concern ….
>
> This is a sizable HSBC Group client (GRM noted … that August YTD [yield to date] income was USD820k [$820,000] globally, and it's projected that we will hit USD1mn [$1 million] by year end.

[1675] HSBC-PSI 036603.
[1676] Id.

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Your guidance on how we should proceed will be greatly appreciated."[1677]

Three weeks later, in January 2007, BAI provided additional information about Arcinella Assets and Sforza Properties. But instead of providing the names of the "various individuals with interests in these firms" as BAI had promised in December, BAI indicated that the companies' shares had been "temporarily" given to Mr. Paiva, to be held by him on a custodial basis "in his role as Chairman of BAI," and to be awarded later apparently by the bank and Sonangol to "private individuals over time as they are able to generate wealth." The individuals who would receive the shares were to be "of Angolan nationality," with none to receive more than 1% of either special purpose company. This explanation of the two companies was completely different from the relationship manager's initial description of Arcinella Assets as an investment services firm and Sforza Properties as involved with the real estate industry.

BAI conveyed the new description of the two companies in an email sent to the HSBC relationship manager who then forwarded it to HSBC regulatory risk office personnel on January 11, 2007. The BAI email stated in whole as follows:

"Re: KYC
HSBC Compliance Unit request for a listing of the shareholders or names of the beneficial owners of Arcinella Assets, S.A. and Sforza Properties (British Virgin Islands).

Both Arcinella and Sforza are special purpose companies, the beneficial ownership of which is Mr. Jose Paiva, in his role as Chairman of BAI. The shares are being held temporarily – in effect on a custodial basis – by the Bank until final shareholder registrations can be concluded. The shareholders are (and will be) individuals of Angolan nationality with the intention that no one individual will have a shareholding of more than 1%.

This is in line with the Bank's strategy, and also the strategy of our main shareholder Sonangol, to encourage and to facilitate on an orderly basis share ownership by private individuals over time as they are able to generate wealth and then purchase shares. As you know there is not yet a public stock exchange operating in Angola. Nevertheless, BAI is endeavoring to achieve a broader distribution

[1677] 12/21/06 internal HSBC email, HSBC-PSI 036689. HSBC told the Subcommittee that in the HSBC "computer system, 'denied' is a misnomer and indicates only that review has occurred but approval has not yet been issued, typically because of a pending information request." See 5/6/08 letter from HSBC's legal counsel to the Subcommittee, item (3)(n), PSI-HSBC-36-0001-12.

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of our shares until such time this public vehicle does commence operation."[1678]

BAI did not explain why it did not simply keep its shares at the bank until the selected Angolans earned enough money to buy them, and instead assigned the shares to the two offshore shell corporations for further sale to Angolans as determined by BAI and Sonangol. HSBC did not raise any concerns about this offshore ownership arrangement.

Upon receiving the email, the HSBC senior regulatory risk officer sent it on the same day, January 11, 2006, to the money laundering control officer in Compliance: "[F]urther to our discussion late last month, please find beneficial shareholder information on the two SPV's."[1679] The money laundering control officer responded that he was out of town, but would review it.[1680] Later the same day, the regulatory risk officer's supervisor wrote: "[The money laundering control officer] has reviewed the contents and requested that we document the contents in the KYC profile accordingly. ... As we had discussed, please note Jose Paiva's current majority ownership position (18.5%) listing his ownership stake in the 3 SPVs in the general comments section. Also note his current positions as non-executive chairman and MD [managing director] of Sonangol Ltd, the London based wholly owned subsidiary."[1681]

The final BAI Know-Your-Customer profile contained the following entry:

> "Noteworthy is BAI's current Chairman Jose Paiva is the majority shareholder with 18.5% beneficial ownership through Arcinella Assets SA (7%), Sforza Properties (6.5%) and Dabas Management Limited (5.0%). Jose Paiva was elected as the beneficial owner of Arcinella and Sforza, both Special Purpose Vehicle (SPV) companies purely as a result of his role as Chairman. The shares are being held temporarily, in effect on a custodial basis by the Bank until final shareholder registration can be concluded. The shareholders are (and will be) individuals of Angolan nationality with the intention that no one individual will have a shareholding more than 1%."[1682]

Over the next few months, HSBC continued to press BAI for information on the identity of the beneficial owners of Arcinella Assets and Sforza Properties, since Mr. Paiva was acting as only a temporary

[1678] HSBC-PSI 036686.
[1679] HSBC-PSI 036683.
[1680] Id.
[1681] Id.
[1682] HSBC-PSI 036738.

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placeholder for other individuals. On April 20, 2007, the HSBC relationship manager for the BAI account sent an email to the senior regulatory risk officer with an update on the two companies.[1683] She wrote:

> "BAI has advised that the SPVs do have individual shareholders, however, the bank confirmed that this information would be disclosed this year. … I have recently followed up with BAI on this issue, and they should be able to provide me with the information in the next few weeks. … This is the most update[d] information I have available on the issue, and I will follow up with the customer to obtain further details on the SPV[s] and the individuals with ownership in these SPVs."[1684]

Five days later, on April 25, 2007, the relationship manager brought the issue to BAI's attention in a telephone call with Theodore Giletti, a senior BAI official. The relationship manager later described their conversation in a "call report."[1685] The relationship manager reported that Mr. Giletti, "was reminded that additional details on the SPV/shareholding were outstanding." She said that he:

> "advised shareholders of the SPVs had not yet been published, there were still some details to be finalized. TG confirmed that the SPVs in question did not have any link with the President of Angola. AD [the relationship manager, Abijah Darko] requested an update on the situation at TG's earliest convenience, as this was an important issue for the Compliance team. TG was also reminded that BAI's AML policy had not been provided to HSBC. He advised that he would provide information on their AML policy within the next few weeks."[1686]

On May 4, 2007, the senior regulatory risk officer asked the relationship manager if she had any additional information on the beneficial owners of Arcinella Assets and Sforza Properties.[1687] Three weeks later, on May 25, 2007, the relationship manager responded that, "from my discussion with BAI, it does not seem that there is any 'hidden' Sonangol shareholding and that Mr. Paiva was elected as the beneficial owner purely in his position as Chairman. As you'll notice in the report, it was also mentioned that the President [of Angola] does not have any links to these SPVs."[1688]

[1683] HSBC-PSI 036585.
[1684] 4/20/06 internal HSBC email, HSBC-PSI 036585. The senior risk regulatory officer forwarded the email to the AML officer, commenting, "please find Darko's partial response to your comments." HSBC-PSI 036589.
[1685] HSBC-PSI 036577.
[1686] Id.
[1687] HSBC-PSI 036584.
[1688] Id.

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On May 29, 2007, despite not having received any additional information about the beneficial owners of Arcinella Assets or Sforza Properties which together held 13.5% of BAI's shares, the money laundering control officer sent an email to HSBC's senior regulatory risk officer stating: "Many thanks – I'm satisfied with the answers on ownership."[1689]

When asked why he was satisfied, HSBC wrote to the Subcommittee that the money laundering control officer:

> "learned that Mr. Paiva was temporarily holding Arcinella and Sforza in trust for the benefit of a wider group of Angolan shareholders. That information answered [the money laundering control officer's] question concerning whether Sonangol's ownership might be more concentrated. Also because the SPV owners were individuals with no more than one percent stakes in Arcinella and Sforza, which in turn owned 7 percent and 6.5 percent of BAI, the risk associated with individual owners was so small as to alleviate the need for further investigation."
>
> Given the context of a long, stable relationship with BAI and a sharing of information, [the money laundering control officer] concluded that it was not necessary to sever the discussion or the relationship. [The money laundering control officer] ultimately received the information he wanted."[1690]

On June 8, 2007, the money laundering control officer approved the Know-Your-Customer profile for BAI.[1691] More than a year later, HSBC's legal counsel told the Subcommittee "upon information and belief that both SPVs continue to be held in trust by Paiva."[1692] HSBC also told the Subcommittee that it was aware of two additional private corporate entities listed in the Bankers Almanac as owning shares of BAI, Gebela Establishment which owned 3.15% of the shares of the bank; and Lobina Anstalt which owned 3%, but did not provide additional information about these entities to the Subcommittee.[1693] While each of these two entities hold less than 5% of BAI's shares, when considered in connection with Arcinella Assets and Sforza Properties, the entities with hidden owners together hold 19.5% of BAI's shares.

[1689] HSBC-PSI 036672.

[1690] 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC-44-0005, item 2.

[1691] HSBC-PSI 036671. The money laundering control officer noted in BAI's approved KYC profile: "CO Reviewer and PSRR have extensive correspondence regarding the exact ownership structure of the bank and the investigation as to the degree of ownership exercised by Sonangol."

[1692] 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC-44-0001-06, item (7)(a).

[1693] See shareholder list in the online Bankersalmanac.com entry for BAI, under "Ownership."

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For more than one year, from March 2006 to June 2007, HSBC pressed BAI for ownership information that it routinely obtained from other foreign financial institutions and which the bank had determined was important due diligence information to understand its client's operations. BAI provided some of the requested information, but offered differing explanations for two shell companies holding 13.5% of its shares, finally claiming the shell companies were unable to identify their individual shareholders and assigning their shares "temporarily" to BAI's chairman of the board. HSBC failed to express any concern about BAI's decision to place 13.5% of its shares into two offshore shell companies under the personal control of the bank's chairman of the board, who is also a senior official at Sonangol, rather than retain those shares at the bank itself. To date, the hidden owners of Arcinella Assets, Sforza Properties, Gebela Establishment, and Lobina Anstalt together control more than 19.5% of BAI's shares. HSBC nevertheless continued to provide full banking services to BAI.

(4) BAI's Missing AML Policies and Procedures

A second issue of concern was BAI's failure to comply with an HSBC request for a copy of its AML policies and procedures. As of 2010, HSBC still did not have a copy of these basic documents.

In 1998, when the BAI account was first opened, Republic National Bank asked BAI about its AML procedures, but did not request a copy of any written procedures. Its 1998 KYC profile of BAI stated:

> "In terms of money laundering, Angola is considered as a 'no priority' country by the US State Department. Angola is an extremely difficult country to do business in, which combined with the country's strict exchange control regulations, makes money laundering a practical impossibility. Even so BAI's management is aware of international money laundering concerns and would be able to spot suspect transactions were they to come through. They require full identification of all their customers and are obliged to report suspicious transactions to the BNA (Central Bank)."[1694]

The same was true in 2001, after HSBC had purchased Republic National Bank. The HSBC 2001 KYC profile of BAI stated:

> "[I]n our best judgment the bank adheres to the policies and practices established by the Central Bank which requires that banks 1) request identification and know the background of each and all of their clients, 2) ensure that funds going through their

[1694] 1998 KYC profile of BAI, HSBC-PSI 036773.

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bank do not originate from illegal sources; verify source of funds 3) Monitor transactions for that purpose."[1695]

In 2003, an internal HSBC document explicitly noted that BAI did not have any written AML policies. It stated that BAI did "not have documented KYC policies."[1696] Nonetheless, HSBC approved BAI's KYC profile in 2003.[1697]

In 2005, HSBC asked BAI to complete a questionnaire on its AML policies and procedures.[1698] BAI returned a signed questionnaire in mid-June 2005, with handwritten responses.[1699] When the form asked if the bank had "KYC and Anti-Money Laundering (AML) policies and procedures documented," BAI checked the box indicating "yes."[1700] BAI also indicated that it required customer identification and verification at account opening, screened the source of funds for accounts, and had a system in place to monitor and report suspicious activity.

In early 2007, two years after BAI said it had written AML policies and procedures, during the annual updating of BAI's KYC profile, a senior regulatory risk officer sent an email to the BAI relationship manager noting that "one of the deficiencies" in the KYC profile was that HSBC had "no copies" of BAI's AML policies and procedures. The email continued: "As BAI confirmed that they have their AML policies and procedures documented, please urgently provide a copy for our files."[1701] The relationship manager responded: "I have contacted BAI this morning regarding the AML policy, and I will revert as soon as this has been provided to me."[1702]

A week later, on February 13, 2007, the regulatory risk officer informed the BAI relationship manager that "[u]nfortunately," the BAI account had been selected for a routine, internal HSBC audit.[1703] He wrote: "As discussed, please pull whatever strings and obtain a copy of

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[1695] HSBC-PSI 036779.
[1696] 1998 KYC profile of BAI, HSBC-PSI 036750 (information provided by "CS" [HSBC Client Services Group] on 6/17/03).
[1697] HSBC-PSI036736-036752.
[1698] HSBC AML questionnaire, HSBC-PSI 036663-65 (handwritten responses, signed by BAI officials in June 2005).
[1699] Id.
[1700] Id., at 036663.
[1701] 2/6/07 HSBC email from regulatory risk officer to BAI relationship manager, HSBC-PSI 036657.
[1702] 2/7/07 HSBC email from BAI relationship manager to regulatory risk officer, HSBC-PSI 036656-57.
[1703] 2/13/07 HSBC email from regulatory risk officer to BAI relationship manager, HSBC-PSI 036656. The regulatory risk officer referred to a "Banknotes Audit" which HSBC told the Subcommittee is a "routine audit of Banknotes' AML Function." 5/6/08 email from HSBC's legal counsel to the Subcommittee, item 3(bb), PSI-HSBC-36-0001-12. The BAI correspondent account was within the Banknotes group at HSBC.

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the AML policy and your English translation where relevant."[1704] He indicated that the information had to be provided to the auditors the next day. She responded: "Unfortunately, I have not yet received a copy of the AML policy for BAI, but I am sending an updated AML practices questionnaire, based on discussions with BAI. This will hopefully suffice until a copy of their AML policy is provided."[1705] A second version of the AML questionnaire, with more detailed, typed answers, but no signature from a BAI official, was apparently prepared by the relationship manager overnight and presumably given to the HSBC internal auditors.[1706]

Two months later, on April 25, 2007, the relationship manager reminded Theodore Giletti, a senior BAI official, that a copy of the bank's AML policies and procedures still had not been provided to HSBC. She wrote: "He advised that he would provide information on their AML policy within the next few weeks."[1707]

On January 31, 2010, HSBC told the Subcommittee that it still did not have a copy of BAI's AML policies or procedures.[1708] HSBC's legal counsel told the Subcommittee that HSBC's policy permitted longtime financial institutions "who are in good standing to either provide their AML policies and procedures or to provide a summary of such documents via the AML questionnaire," as BAI did.[1709] HSBC's legal counsel stated that HSBC had:

> "found that having foreign financial institutions complete the AML questionnaires is often more useful than receiving AML policies in foreign languages or that may be part of the bank's overall compliance policy manual. By having the foreign financial institutions respond to specific questions in the AML questionnaire, HBUS can drill down on the areas of most interest to it and most pertinent to protecting HBUS from being used by money launderers."[1710]

The documents reviewed by the Subcommittee do not indicate, however, that HSBC used the questionnaire provided by BAI to "drill

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[1704] 2/13/07 HSBC email from regulatory risk officer to BAI relationship manager, HSBC-PSI 036656.
[1705] 2/14/07 HSBC email from BAI relationship manager to regulatory risk officer, HSBC-PSI 036656-57.
[1706] HSBC AML questionnaire, HSBC-PSI 036660-62 (unsigned and undated).
[1707] 4/25/07 Call Report prepared by BAI relationship manager, HSBC-PSI 036577-78, at 036577.
[1708] 1/31/10 email from HSBC's legal counsel to the Subcommittee, 5/6/08 email from HSBC's legal counsel to the Subcommittee, item (3)(b), PSI-HSBC-36-0001-12.
[1709] 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC 44-0001, item (3)(a).
[1710] Id. HSBC also pointed out that existing U.S. AML laws do not explicitly require it to obtain a copy of a foreign financial institution's AML policies and procedures. Id., at item (3)(d).

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down" into any AML issues; to the contrary, it remains unclear to this day whether BAI, in fact, has written AML policies and procedures and, if so, what they provide. Moreover, HSBC's response suggesting that it was content with the BAI questionnaire that had been largely prepared by its own staff does not explain why HSBC personnel repeatedly requested a copy of BAI's written AML policies and procedures in 2007, why BAI failed to comply, and why HSBC allowed BAI to ignore such a basic due diligence request.

U.S. financial institutions that provide bank accounts to foreign financial institutions are not required under U.S. law to perform due diligence reviews of the foreign financial institution's individual clients, so long as the U.S. financial institution takes reasonable steps to ensure that the foreign financial institution has reasonable AML policies and procedures in place. Here, HSBC was unable to review BAI's AML policies and procedures, because BAI failed to provide a copy, even after a request was directed to one of BAI's most senior officials. Angola has been designated by HSBC as a high risk country, it suffers from an ongoing corruption problem and weak AML controls, BAI's ownership includes Sonangol and other Angolan PEPs, and it caters to a PEP clientele, yet HSBC has allowed BAI to continue to send hundreds of millions of dollars each month through HSBC into the U.S. financial system without providing written assurance of its AML policies and procedures.

(5) BAI Credit Cards

A third issue involved BAI's credit card program which enabled BAI clients to use U.S. dollar credit cards to transact business here and abroad. These credit cards were held by high-end BAI clients, including Angolan PEPs. HSBC treated these credit cards as low risk, since they did not permit cash withdrawals and had a $10,000 limit per card. From 2001 to 2007, HSBC conducted no AML monitoring of the credit card account activity, but simply relied on BAI to perform its own AML oversight. In 2007, HSBC instituted a process to screen potential cardholders against lists compiled by the Treasury Department's Office of Foreign Assets Control (OFAC) of persons who are prohibited from doing business in the United States, including terrorists and narcotics traffickers. This monitoring did not, however, include any AML monitoring of day-to-day account activity.

Establishing the Credit Card Accounts. In 2000, HSBC established a corporate credit card account for BAI which provided U.S. dollar credit cards to BAI clients, characterized as "top level executives in the field of diamonds and oil in Angola."[1711] Internally, HSBC

[1711] HSBC PSI 036787.

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provided the following reasons for providing these credit cards to BAI customers:

> "Banks in Angola are not allowed to issue USD credit cards; therefore, our client Banco Africano de Investimentos (BAI) asked HSBC to issued [sic] corporate cards to the top 37 wealthies[t] clients. The cards carry the log[o] of BAI. The card holders are top level executives in the field of diamonds and oil in Angola. These companies are all customers of BAI. These customers travel abroad often as well as in Angola for business. In addition their children are studying in Europe and in the USA[.] BAI guar[a]ntees payments on the credit cards by holding its customers funds as collateral."[1712]

In August 2000, HSBC opened two new BAI accounts, a BAI Credit Cards Operating Account which handled the credit card charges and repayments, and a BAI Cash Collateral Account which kept cash collateral to secure repayment of 100% of the credit card debt.[1713] HSBC told the Subcommittee that the arrangement was:

> "similar to a standard corporate credit card that is provided to employees of a particular business for use in travel activity. The corporation is the accountholder, and is fully responsible for payment. The corporation is also responsible for evaluating credit risk and determining which individuals should receive cards."[1714]

HSBC created credit cards which carried the BAI logo and the name of a client, as supplied by BAI.[1715] In 2000, BAI began issuing the credit cards to its clients who began activating the cards in the spring of 2001.[1716]

On April 16, 2001, HSBC reported internally that "thus far, 36 credit cards have been issued (each with a maximum limit of $10,000) and 2-3 cards have been activated."[1717] Over the years, BAI added more cardholders. In January 2004, for example, HSBC records indicate that

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[1712] Id. When asked about the statement that Angolan banks cannot issue U.S. dollar credit cards, HSBC responded that the statement appears to be incorrect and may be a reference to the "infrastructure and practical barriers to issuing credit cards, rather than a legal prohibition," since credit cards have been available in Angola since 2001. 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC 44-0001, items (1)(a)(1) and (2).
[1713] HSBC-PSI 036787.
[1714] 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC 44-0001, item (1)(b).
[1715] See 5/26/06 internal HSBC email, HSBC-PSI 037908.
[1716] See HSBC-PSI 037864.
[1717] 4/16/01 internal HSBC email, HSBC-PSI 036785.

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BAI sponsored 53 credit cards.[1718] In 2006, HSBC records show BAI sponsored 118 cardholders.[1719] By 2008, the number was 238.[1720]

In 2006, according to HSBC, "BAI and several other Angolan banks negotiated with the Visa network to become credit card issuers in their own right to meet increasing demand in the domestic Angolan market."[1721] To accommodate this development, BAI requested and HSBC agreed to open a third credit card-related account "to clear payments to Visa in connect with that program."[1722] That account was referred to as the Visa settlement account.

HSBC records indicate that the BAI credit cards were issued to multiple Angolan PEPs, including senior Angolan government officials. The Angolan government officials included, over time, the President of Angola Jose Eduardo dos Santos; Aguinaldo Jaime, Governor of the Angolan central bank; Joaquim David, Minister of Finance; Leonel da Silva, Minister of Finance; Joao de Matos, Minister of Defense; Kundi Paihama, Minister of Defense; Jose de Vasconcelos, Minister of Oil; Desiderio Da Costa, Minister of Oil; Manuel Antonio Africano, Minister of Geology and Mines; Andre Luis Brandao, Minister of Transport; Francisco Higino Carneiro, Minister of Public Works; Antonio Van Dunem, Minister in the Office of the Presidency; Fernando Miala, Chief of the Angolan Security Services; Sindika Dokolo, son-in-law of President dos Santos; and several Sonangol executives including Mr. Paiva and Mr. Vincente.[1723] HSBC told the Subcommittee that President dos Santos stopped using his credit card in 2003, and that by 2007, no longer had a BAI credit card account.[1724]

Due Diligence Issues. In February 2001, soon after the credit card account was established, BAI asked HSBC to increase the dollar limit for the credit card debt from $2 million to $6 million. Before doing so, HSBC inquired into whether "we have proper KYC and controls in place for this type of business."[1725] Identified issues included whether BAI was using KYC procedures, verifying the source of funds, asking about the expected use of the cards, and monitoring account activity.

[1718] HSBC "Cash Collateral Accounts Balances As of 05 Jan 2004," HSBC-PSI 036762.
[1719] 6/20/06 internal HSBC email, HSBC-PSI 037903-04.
[1720] 1/30/10 email from HSBC's legal counsel to the Subcommittee, item (3)(g).
[1721] 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC 44-0001, item (1)(h).
[1722] Id.
[1723] For a list of BAI cardholders in 2001 including President dos Santos, see HSBC-PSI 036792-98. For an updated list of BAI cardholders as of 2006, see HSBC-PSI 037905-7. See also 5/18/07 internal HSBC email, HSBC-PSI 036693-95.
[1724] Subcommittee interview of HSBC officials, October 24, 2007.
[1725] February 22, 2001 internal HSBC email with handwritten notations, HSBC-PSI 036788.

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On February 23, 2001, an HSBC memorandum was prepared summarizing the credit card due diligence issues.[1726] It noted that BAI officials had traveled to New York and discussed the credit card issues in detail for two days. The memorandum stated: "BAI emphasized that the cards are for a very select portion of their clientele (Ministers and Heads of companies … including Sonangol, the Angolan Oil company). The major industries in Angola are oil and diamonds: also fishing and agriculture." The memorandum noted that the credit cards would not allow cash withdrawals, each had a $10,000 limit per card,[1727] the credit card bills would be paid in full each month so that no tax issues related to accrued interest charges would occur, and BAI would be required to obtain KYC information for each credit card client. HSBC determined that, based upon these discussions, it would increase the credit card debt limit to $6 million.

In October 2001, the Patriot Act was enacted by Congress and, for the first time, required credit card issuers to institute AML programs.[1728] The law also required enhanced monitoring of private banking accounts opened for foreign officials and made handling the proceeds of foreign corruption a U.S. money laundering offense. The documents reviewed by the Subcommittee show no evidence, however, that in response to these new legal requirements, HSBC conducted any special review or instituted any new AML or PEP procedures related to the HSBC credit cards issued to BAI clients.

Five years after the BAI credit card program began, in 2006, the HSBC money laundering control officer charged with approving BAI's annual KYC profile began to ask questions about the due diligence procedures applied to BAI cardholders and account activity. On May 11, 2006, he sent an email to his colleagues in Compliance stating:

> "I have become aware that we have a credit card issuing program for [BAI]. … The cardholders are … high-end clients of BAI. They are executives of oil and diamond companies; executives of banks; and some government officials. … Can you find out more about this product … most specifically how (if?) it is being monitored for AML. If it is not being monitored then we will need to figure out what can be done."[1729]

[1726] See HSBC-PSI 036789.

[1727] According to HSBC records, this $10,000 maximum was established in regulations issued by the Angolan central bank. Id. By 2006, the limit had been increased to $20,000 for a number of accounts, see HSBC-PSI 037905-7.

[1728] Section 352 of the 2001 Patriot Act, codified at 31 U.S.C. §5318(h), required a variety of financial institutions to establish AML programs including, under 31 U.S.C. §5312(a)(2)(L), any "operator of a credit card system."

[1729] 5/11/06 internal HSBC email, HSBC PSI 037913.

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The same day, an AML officer responded: "There is no AML monitoring taking place but we can get a report on a regular basis that would show us all the cardholders and their activity."[1730] She suggested obtaining those reports for a recent month, so that they could review them and "determine what we should monitor." She also determined that the cards were already subject to routine monitoring to detect any fraudulent use.

Later that month, the AML officer determined that BAI had issued 118 credit cards which were being used by both individuals and Angolan government agencies.[1731] In July 2006, she reported that, when she checked the list of cardholders against a list of 34 Angolan government officials, 6 of the government officials held BAI credit cards.[1732] When she forwarded this information to the money laundering control officer who had requested it, he responded: "This is good information – I note that 48 of the accounts have been inactive for more than 6 months. … [W]e will need to come up with some parameters for what we look at and how frequently."

Apparently the issue was not resolved and nearly a year later, in early April 2007, in connection with reviewing the latest KYC profile for BAI and evaluating whether BAI should be treated as a Special Category of Client (SCC), the term HSBC used to identify PEPs and other clients raising issues of concern, the money laundering control officer renewed his questions about the BAI credit card program. In an email sent to his colleagues, he wrote:

> "Lastly, I've not seen this profile before and the description of the users of the credit cards raises my interest. The profile indicates that the users are "executives of oil and diamond companies…and some government officials" – some of these individuals would be SCC's if we banked them directly. I have asked for Worldchecks on all the card holders to find out more but by copy of this note I'm asking [an AML officer] to reach out to … Fraud to determine precisely what monitoring is done on card usage."[1733]

On April 26, 2007, the money laundering control officer was told that, about 80 BAI cardholders had been cleared, but 22 others had matches in the Worldcheck PEP database, indicating they were

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[1730] Id. Two weeks later, his colleague let the AML officer know she had met with the credit card program manager and was setting up "a meeting on Wednesday to discuss a monitoring approach." 5/26/06 internal HSBC email, HSBC-PSI 037908.
[1731] 5/26/06 internal HSBC email, HSBC-PSI 037908.
[1732] 6/20/06 internal HSBC email, HSBC-PSI 037903-04.
[1733] 4/5/07 email from AML officer to HSBC colleagues, HSBC-PSI 036602. The day before, the AML officer had requested that a Worldcheck be run on a number of credit card account holders, noting "this is not an urgent request – next week will be fine." 4/4/07 internal HSBC email, HSBC-PSI 036697.

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Politically Exposed Persons.[1734] The money laundering control officer requested more information on those 22 PEPs, and learned that they were Angolan Cabinet officials and, in one case, a relative of the President of Angola.[1735]

A month later, on May 21, 2007, the money laundering control officer wrote that the KYC profile for BAI "is in my inbox awaiting approval," but "[b]efore approving I wanted to understand better the credit card program that is in place for this bank and to get some comfort as to who is holding the HBUS credit cards. I therefore obtained a list of the card holders and ran them through Worldcheck to determine if any of the names were notable. Most of the names were unremarkable but a handful listed below are politically exposed people."[1736] The next day, May 22, 2007, he requested and the HSBC Commercial Cards division initiated "more controls under the 'Credit Card Program' for BAI" by requiring all potential cardholders to be "scanned by the OFAC team in Buffalo against OFAC and other internal 'Watch Lists' prior to receiving an HSBC credit card."[1737] HSBC told the Subcommittee that this team also began reviewing select account statements every six months for "questionable activity, with particular attention to PEPs."[1738]

On May 29, 2007, the money laundering control officer sent an email to his colleagues stating: "It is my belief that we do not understand the degree of risk that we have here – largely because we did not seem to know that the holders are PEPs."[1739] A week later he approved the updated KYC profile for BAI in part on the condition that: "The credit card business being offered by PCM [the HSBC Payments and Cash Management Group] needs to have additional controls put in place as regards onboarding and regular OFAC scanning. Customer profile needs to address the risks of the credit card activity. Additional transaction monitoring for this activity has been implemented."[1740]

Despite the money laundering control officer's awareness and concerns about Angolan PEP clients using HSBC credit cards, he did not require BAI to explain its AML efforts or provide a copy of its AML policies and procedures, which would have disclosed how those procedures applied, if at all, to BAI's credit card clients.

[1734] 4/26/07 internal HSBC email, HSBC-PSI 036696-97.
[1735] 4/27/07 internal HSBC email, HSBC-PSI 036693-96.
[1736] HSBC-PSI 036693
[1737] Entry in 2007 KYC profile for BAI, HSBC-PSI 036741.
[1738] 2/2/10 letter from HSBC's legal counsel to the Subcommittee, at 9-10.
[1739] 5/29/07 internal HSBC email, HSBC-PSI 036672.
[1740] 6/8/07 internal HSBC email, HSBC-PSI 036671; entry in 2007 KYC profile for BAI, HSBC-PSI 036752. See also 10/10/08 email from HSBC's legal counsel to the Subcommittee, PSI-HSBC-44-0003.

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(6) No SCC Designation Despite PEP Involvement

A final issue in the documents reviewed by the Subcommittee involved HSBC's deliberations on whether it should designate BAI as a Special Category of Client (SCC), the term used by HSBC to identify PEPs and other clients raising special due diligence concerns. If BAI had been designated an SCC client, HSBC would have subjected its accounts to enhanced AML monitoring.[1741] In 2006, HSBC's Financial Intelligence Group considered designating BAI as an SCC client, but decided not to go forward. That decision was made despite BAI's close association with Sonangol, its PEP clientele, and its failure to provide its AML policies and procedures, and despite Angola's ongoing corruption problem and weak AML efforts. More than two years later, in November 2008, HSBC reversed course and designated BAI as an SCC client.

Since its inception, BAI has been closely aligned with Sonangol, which has been its major shareholder and whose executives have often held senior BAI positions. For example, one of the bank's initial senior administrators was Joaquim David, former head of Sonangol. As of 2007, BAI's chairman of the board was Mr. Paiva, who is Sonangol's chairman of the board, and who owned 5% of BAI's shares through an offshore shell corporation, Dabas Management Ltd., and controlled another 13.5% through two other offshore shell corporations, Arcinella Assets and Sforza Properties as explained earlier. Another BAI director was Mr. Vicente, who is Sonangol's CEO, and who owned 5% of BAI's shares through ABL Ltd., another offshore shell corporation.[1742] BAI's current CEO, Jose de Lima Massano, is also a former Sonangol executive. Sonangol itself currently holds an 8.5% ownership stake in BAI.

Because Sonangol is a government-owned entity and a powerful force in Angolan politics and economy, its executives qualify as PEPs, which means BAI's own leadership includes PEPs as well as its owners and clients. In addition, BAI explicitly caters to the Angolan elite and has a clientele replete with other Angolan PEPs, including senior government officials and executives from the state-owned diamond company, Endiama, as well as their relatives and close associates.[1743]

Still another factor is Angola's ongoing corruption problem, a problem so severe that it led Citibank to close all accounts associated with the Angolan government and Sonangol in 2003.[1744] Those risks

[1741] 1/30/10 email from HSBC's legal counsel to the Subcommittee, item (3)(i).
[1742] HSBC-PSI 036667. Mr. Vicente has also served as vice president of the Eduardo dos Santos Foundation, in honor of the Angolan president. Id.
[1743] A partial list of Angolan PEP clients with HSBC credit cards is provided above.
[1744] See discussion of BNA, above.

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were repeatedly noted by HSBC compliance personnel involved with preparing BAI's KYC profile. On March 16, 2006, for example, an HSBC regulatory risk officer asked HSBC's Financial Intelligence Group to conduct an enhanced due diligence review of BAI.[1745]

Two months later, on May 10, 2006, a three-page internal HSBC report on BAI was provided, along with a copy of a two-page 2005 report on BAI.[1746] One focus of the 2006 report was poor AML controls in Angola. The 2006 report noted that Angola had been designated a "high-risk country" by HSBC, and that "laundering of funds derived from continuous and widespread high-level corruption is a concern, as is the use of diamonds as a vehicle for money laundering." The report also stated:

> "Angola currently has no comprehensive laws, regulations, or other procedures to detect money laundering and financial crimes, although some related crimes are addressed through other provisions of the criminal code. ... The local banking system imports approximately $200-300 million in net cash per month, largely in dollars, without a corresponding cash outflow. Reportedly, local bank representatives have noted that clients have walked into banks with up to $2 million in a briefcase to make a deposit. These massive cash flows occur in a banking system ill equipped to detect and report suspicious activity."[1747]

The report noted that BAI's major shareholder, Sonangol, was classified as a PEP on the PEP database used by HSBC, as was Mr. Vincente, a BAI director. The attached 2005 report stated that BAI "appears to be running under the close direction of ... Sonangol."[1748] The 2006 report concluded that "since one of its major shareholders, Sonangol (owned by the Government of Angola) and one of its directors, Manuel Vicente, were listed on World-Check as Politically Exposed Persons," BAI itself should be "considered for classification" as an SCC client.[1749] The report also noted that it had "found no evidence of money laundering, terrorist financing or other substantive criminal activity regarding BAI, its ownership or top executives."

The 2006 report was forwarded to a more senior AML officer who determined that SCC status "was not warranted." He reasoned as follows:

[1745] 3/16/06 email from Payment Services Regulatory Risk Unit to Financial Intelligence Group, HSBC-PSI 036669.
[1746] 5/10/06 internal HSBC email forwarding enhanced due diligence report on BAI, prepared by HSBC Financial Intelligence Group, HSBC-PSI 036666-70.
[1747] Id., at 036670.
[1748] Id., at 036668.
[1749] Id., at 036667.

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"As Sonangol's stake is not very large (and 1 of 8 owners with 5% or more) and the fact that the director noted is not apparently involved in the day-to-day operations, I would not make this acct an SCC. If the GRM/RM [global relationship manager] notes anything different which may warrant a review of the SCC status, please let me know."[1750]

In April 2007, the money laundering control officer charged with approving BAI's KYC profile examined the issue. On April 5, 2007, he sent a memorandum to HSBC's senior regulatory risk officer and others in the New York office expressing his concerns:

"I've been reviewing the profile for BAI and am trying to understand how much influence Sonangol might exercise over the bank. … On the face of it their ownership is 8.5% and the determination by [another less senior AML officer] that the bank not be an SCC due to the low level of ownership looks valid. A deeper review presents a rather different picture as Jose Paiva is also a director of Sonangol so the three entities (Sforza, Dabas and Arcinella) of which he is beneficial owner could represent additional Sonangol control; the beneficial owner of ABL is also president of Sonangol – put it all together and we have potential Sonangol control of 32% which, when combined with the likelihood of voting the treasury stock means that the bank appears to be a closer subsidiary of Sonangol than the profile indicates.

I found nothing at all on Gilleti. Palhares previous role is well documented – I was unable to determine if he has any links to Sonangol but think it probable as he was the bank's former president and must have dealt with the major shareholders.

33.75% of the shares are widely held but it would take very little to bring effective Sonangol control to over 51%. Indeed the Wikipedia entry on Sonangol describes BAI as a subsidiary of Sonangol while Sonangol's website indicates that they own 17.5% of BAI.

So what.

Ordinarily partial ownership by a state owned oil company would be a point of interest and little more but the fact that this information is so deeply buried and you had to really fight to

[1750] 2007 KYC profile for BAI, HSBC-PSI 036738. See also undated, unattributed one-page HSBC document discussing SCC issue, HSBC-PSI 036688. The HSBC compliance officer reported that he could have overridden this decision if he had wanted to. Subcommittee interview of HSBC officials, September 22, 2008.

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obtain details of ownership of Sforza, Dabas and Arcinella suggests a desire to veil the bank's ownership for reasons that I do not understand (unless it is also to 'protect' Paiva from undesirable attention – but since he is chairman he is likely to attract attention anyway.) Please ask the GRM (Abi) to comment and give us a deeper understanding of this but I'd appreciate it if you have any insights."[1751]

Ultimately, the money laundering control officer opted not to categorize BAI as an SCC client.[1752] When asked why, HSBC's legal counsel told the Subcommittee that "Sonangol's level of ownership did not raise any concerns per se,"[1753] and that Mr. Paiva's control of two of the corporations holding 10% of BAI's shares was only temporary and "for the benefit of a wider group of Angolan shareholders."[1754] HSBC did not include in its analysis any consideration of the facts that Mr. Paiva's "temporary" control of the offshore corporations was already two years old, BAI had failed to provide its AML policies and procedures when asked, BAI was operating in a country known for weak AML controls, and it catered to a PEP clientele from the oil and diamond industries, both known for widespread corruption.

The Subcommittee reviewed a number of BAI's monthly bank statements to get a sense of the volume of wire transfers being sent by BAI clients each month through the bank's correspondent account at HSBC in New York and the extent to which these wire transfers involved PEP clients. The monthly statements itemized each wire transfer that went through the account, providing the date and funds involved, but did not identify the originator or recipient of the wire transfers, making them of limited use in evaluating the AML risks involved.[1755] For example, the information in the monthly statements did not show whether individual Angolan government officials were sending wire transfers into the United States in amounts disproportionate to the officials' government salaries.

Given BAI's history as a private bank that was established in large part to assist Sonangol, a government-owned oil company, the heavy involvement of PEPs in its management and clientele, and Angola's ongoing corruption problems in government and the oil and diamond industries, it is difficult to understand HSBC's decision in 2006, not to designate the bank as a Special Category of Client meriting enhanced

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[1751] 4/5/07 email from AML officer to HSBC colleagues, HSBC-PSI 036602 (emphasis in original).
[1752] HSBC-PSI 036602.
[1753] 10/10/08 email from HSBC's legal counsel to the Subcommittee, item (4), PSI-HSBC 44-0007.
[1754] Id.
[1755] See, e.g., December 2006 BAI account statement, HSBC-PSI 036306-35.

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oversight. The unresolved nature of the bank's ownership due to the four offshore shell entities, Arcinella Assets, Sforza Properties, Gebala Establishment, and Lobina Anstalt that together held over 19.5% of the bank's shares, as well as the bank's secretive approach to its ownership, provide more reason for enhanced monitoring. In addition, BAI's failure, despite repeated requests, to provide its AML policies and procedures makes it virtually impossible for HSBC to reasonably rely on BAI to conduct its own AML due diligence and monitoring. Still another concern is that, when HSBC provides BAI with ready access to the U.S. financial system despite the bank's poor AML controls, HSBC is providing that same ready access to a host of PEP clients. BAI is exactly the type of foreign financial institution that the Patriot Act intended to subject to enhanced monitoring, not only to prevent terrorists and criminals from misusing the U.S. financial system, but also corrupt foreign officials.

In 2008, HSBC reversed course and designated BAI as an SCC client. It has not provided the Subcommittee with contemporaneous documents explaining its decision or what new controls were put into place as a result.

E. Conclusion

Angola continues to have weak AML controls, a cash-intensive banking system, and an ongoing corruption problem. This case history shows how an Angolan PEP like Pierre Falcone, an Angolan government official like Aguinaldo Jaime, and an Angolan financial institution like Banco Africano de Investimentos, have used U.S. banks to gain access to the U.S. financial system, often bypassing AML and PEP safeguards. Each of these examples demonstrates the need for U.S. financial institutions to strengthen their AML and PEP oversight.

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Permanent Subcommittee on Investigations

EXHIBIT #1a.

U.S. Bank Accounts Used By Teodoro Obiang
2004-2008

	Union Bank of California	Bank of America	Citibank	California National Bank	City National Bank	Pacific Mercantile Bank	Wachovia
Time period account used	2001-2007 intermittently	2004-2007	July 2007-May 2008	May-June 2006	2001-2006 intermittently	February-July 2007	April 2006-June 2006
Obiang-related funds at bank	$1.8 million in deposits $6.2 million in wire transfers	$9.7 million in deposits	$1 million in deposits	$250,000 in deposits	$4.9 million in deposits	$500,000 in deposits	$29.5 million in deposits $38.5 million in wire transfers
Funds from Equatorial Guinea	$1.8 million	$1.6 million	0	$250,000	$1.4 million	$500,000	$68 million
Number of accounts used	6	4	1	4	8	5	1
Accounts Used	3-shell company accounts (Unlimited Horizon, Sweet Pink); 1-law office account (Berger); 1-Obiang employee account (Kulungian); 1-third party account (Johnson)	3-shell company accounts (Beautiful Vision); 2-certificates of deposit (Beautiful Vision); 1-attorney client account (Berger)	1-shell company account (Unlimited Horizon)	4-shell company accounts (Sweetwater Malibu, Sweetwater Management)	5-corporate accounts (TNO Entertainment); 1-personal account (Obiang); 1-law office account (Nagler); 1-attorney-client account (Nagler)	2-personal accounts (Obiang); 1-certificate of deposit (Obiang); 2-shell company accounts (Sweetwater Malibu, Sweetwater Management)	1-escrow account (First American) Wire transfers to UBS London account (Insured Aircraft Title Services Inc.)

Prepared by U.S. Senate Permanent Subcommittee on Investigations, February 2010

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Permanent Subcommittee on Investigations
EXHIBIT #1b.

U.S. Bank Accounts Used By Jennifer Douglas
2000-2009

	Citibank	Chevy Chase Bank & Chevy Chase Trust Co.	Wachovia Bank	Eagle Bank	Suntrust Bank	American University Account
Time period account used	2000-2007	2001-2008	July 2007-January 2008	July 2008-September 2009	January 2008-October 2009	2003-2007
Douglas-related funds at bank or university	$19.5 million in deposits	$7.5 million in deposits	$4.25 million in deposits	$1.2 million in deposits	$3.4 million in deposits	$14 million in deposits
Funds from Offshore Corporations	$19.5 million	0	$4.25 million	$1 million	$3.4 million	$14 million
Number of accounts used	18	4	6	3	2	1
Accounts Used	8-personal accounts; 2-credit card accounts; 1-brokerage account; 1-home equity account; 2-Douglas/AUN accounts; 4-corporate account (Gede Foundation)	3-trust accounts (JDA Trust); 1-corporate account (Gede Foundation)	3-personal accounts; 3-corporate accounts (American University in Nigeria(AUN), Gede Foundation)	2-personal accounts; 1-home equity account	1-corporate account (AUN); 1-law office account (Weidenfeld)	1- university account

Prepared by U.S. Senate Permanent Subcommittee on Investigations, February 2010

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UBOC Case Report

15-Jun-07

Case ID: 2007233872

BERGER,M-Wire Review-High Risk/Terroris

[redacted] [redacted]

Date Opened:	6/4/2007	**FIU Vice President I**	359
DateClosed:	6/15/2007	**FIU Vice President:**	John McCarthy
Priority:	Medium	**Shared Investigator ID:**	
Status:	[redacted]	**Shared Investigator:**	
Resolution:			
Manager Closed	No	**Risk:**	$0.00
Loss Branch ID:	4072	**Prevented:**	$0.00
Loss Cost Center:		**Proc Prevent:**	$0.00
Loss Branch Location:	BEVERLY HILLS 9460 WILSHIRE BLVD. BEVERLY HILLS CA	**Proc Recovery:**	$0.00
		Inv Risk:	$0.00
		Inv Recovery:	$0.00
Legal Entity:	Union Bank of California, NA	**Net Loss:**	$0.00
Category:	911 Wire Review-High Risk/Terroris	**Settlements:**	$0.00
SubCategory:		**NLAS:**	$0.00
Type:	External	**BSA Amount:**	$4,960,734.00

Lost or Stolen Items

When Lost:		**Address Lost:**	
# of Items Lost:	0	**PIN With Card**	No
Check Numbers Starting	0	**PIN Revealed:**	No
Ending Check Number:	0	**Other Used:**	No
Other Missing Items:		**New Account #**	

Case Closing Notes Investigation detected suspicious activity related to the appearance of money laundering on behalf of PEP. [redacted]

Executive Summary Investigation initiated due to internal monitoring alert.

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UBOC Case Summary

Case ID 2007233872

15-Jun-07

BERGER,M-Wire Review-High Risk/Terroris

Investigator John McCarthy

Case Summary
UBOC 2007233872
BERGER, Michael

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Introduction:

This investigation, Michael Berger, case #2007233872, was the result of a Union Bank of California (UBOC) internal monitoring system alert that detailed wire transfers greater than $50,000 from a high risk jurisdiction. A review was conducted of credit and debit items in the client's accounts for the period of 08/01/06 to 06/11/07. The investigation found the use of multiple corporate vehicles by Michael Berger, the lawyer of a Politically Exposed Person (PEP), to disguise the identity of the PEP as well as layer and integrate funds derived via international wire transactions from a high risk jurisdiction, which had the appearance of money laundering activity. [redacted]

Details of Investigations:

Michael Berger, an active California attorney, has maintained a relationship with UBOC since October 2006 by means of an Lawyer's Trust (IOLTA) Checking account, [redacted], a Basic Business Checking account, # [redacted], and a personal Regular Checking account, [redacted]. All accounts were opened at the Beverly Hills UBOC branch, #072, located at 9460 Wilshire Boulevard, Beverly Hills, California 90212-2732 in October 2006. Account #[redacted] and #[redacted] were DBA accounts for the Law Office of Michael Jay Berger with the client listed as the sole authorized signer. Account #[redacted] listed the client as the sole authorized signer.

Ultimate Horizon, Inc. has maintained a relationship with UBOC since August 2006 by means of two Basic Business Checking accounts, [redacted] and #[redacted] opened at the Beverly Hills UBOC branch in August 2006. The accounts were held by Ultimate Horizon, Inc. with Michael Berger as the sole authorized signer on the account.

Additional checks of available UBOC systems failed to identify any associated accounts related to the client or his businesses.

This investigation was initiated as the result of a UBOC internal monitoring system alert that detected wire transfers greater than $100,000 from a high risk jurisdiction. Specifically, the alert detailed two $199,930 wire credits to account #[redacted] from CCEI Bank GE in Equatorial Guinea by order of Teodoro Nguema Obiang, a PEP, on 01/03/07 and 01/30/07.

[redacted]

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UBOC Case Summary Continuation

Case ID 2007233872

15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

The investigation examined all items in the listed business and personal deposit accounts for the period of 08/01/06 to 06/11/07. Several problematic areas were detected in the client's business account activity which will be detailed below. Specifically, the client (1) received multiple wire transactions from Teodoro Nguema Obiang and his company in Equatorial Guinea (EG), Somagui Forestal, (2) processed 3rd party checks payable to Teodoro Nguema Obiang through his IOLTA account in order to conceal the identity of the listed payee, and (3) operated a front corporation, Ultimate Horizon, Inc., to facilitate the fund movement of the received wire transactions to a California LLC, Sweetwater Malibu LLC, in order to layer and integrate funds which originated in a high-risk jurisdiction. The ultimate benefactor of the transactions was Teodoro Nguema Obiang with the funds being utilized to pay for his estate and living expenses in the United States.

Teodoro Nguema Obiang, a recognized PEP, is the eldest son of EG President Obiang Nguema Mbasogo and the alleged successor to the presidency of the country. He is the EG Minister of State for Forestry, Fishing, and the Environment and owns two companies in EG, Grupo Sofana and Somagui Forestal, which have a monopoly in the country's timber industry, as well as the country's only private radio and TV stations. Information derived from World Check indicated Obiang was sentenced twice for narcotics trafficking in France in the 1990s and alleges he diverted government funds to accounts in the United States and Switzerland for personal benefit. Information derived from a 2004 U.S. Senate Permanent Subcommittee on Investigations report, *Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the Patriot Act, Case Study Involving Riggs Bank*, indicated the régime of President Obiang, which specifically included his son, Teodoro, was involved in large scale money laundering and public corruption, as detailed in the Riggs Bank case study. In February 2006, two luxury homes owned by Teodoro Nguema Obiang valued at $7 million (USD) were seized by South African authorities to secure payment in a case involving a South African bribery and corruption case against the EG government. During the proceedings of the South African case in November 2006, Obiang testified that "it was normal for members of the [EG] government to become partners in foreign companies in public tenders and, in return, to receive a percentage of the contract awarded."

In February 2006, internet research indicated Obiang purchased a Malibu estate which was listed for sale at $35 million. The exact sales price was not released and unable to be determined during this investigation, however it was noted that there was no mortgage listed for the property. The purchaser of the property was Sweetwater Malibu which listed Obiang as the sole manager for the company.

The UBOC accounts held by Michael Berger and Ultimate Horizon, Inc. have the appearance of being opened and utilized for the transfer, layering, integration, and ultimate use of Teodoro Nguema Obiang's funds from EG. All accounts have the appearance of being used predominantly for the benefit of Obiang, with corporate vehicles established to mask this fact.

The investigation determined that in July 2006, as noted in the memo section of check #1153 from account # [redacted], Teodoro Nguema Obiang agreed to retain the client, Michael Berger, at a rate of $5,000 per month for unspecified services. On 08/28/06, Michael Berger established non-managed UBOC accounts, #[redacted] and #[redacted] in the name of Unlimited Horizon, Inc. at the Beverly Hills UBOC branch. On 10/16/06, Berger DBA Law Office of Michael Jay Berger established non-managed UBOC accounts, #[redacted] #0[redacted] and #0[redacted] at the Beverly Hills UBOC branch. These accounts included a lawyer's trust account (IOLTA), [redacted]

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UBOC Case Summary Continuation

Case ID 2007233872

15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

Once these accounts were established, the client began to receive wire credits from Equatorial Guinea (EG). Between 11/24/06 and 06/06/07, the client received eight wires in amounts just under $200,000 each from EG. The originator on the wires was Teodoro Nguema Obiang, Somagui Forestal or Somagui. The originating banks for the wires were Fortis Banque France, Puteaux, France; CCEI Bank GE, Malabo, EG; and Natixis, Paris, France. Although all the funds did not originate from high-risk jurisdictions, all of the wire transfers were originated from Obiang, a known PEP involved in past and current cases involving money laundering, political corruption, bribery, and narcotics trafficking, or one of his known companies. Therefore, these wire credits were deemed suspicious in nature. The aggregate total of all suspicious wire transactions received from Obiang in the client's IOLTA was $1,599,419. Additionally, on 06/01/07, the client deposited a $153,101 cashier's check from Comerica Bank payable to Teodoro Nguema Obiang into the IOLTA account. The memo section of the cashier's check noted "To Close Acct. [redacted]." For the same reason as indicated with the wire credits, this deposit was also considered suspicious in nature. The aggregate total of all suspicious credits to the client's IOLTA account was $1,752,520.

Once the wire credits were received in the client's IOLTA account, the client would write checks payable to his company, Unlimited Horizon, Inc., for roughly the same amount of each wire credit. Between 11/29/06 and 05/11/07, the client wrote seven checks totaling $1,399,485 to Unlimited Horizon, Inc. Additionally, the client sent a $152,370 wire to Guernsey's Auction House in New York City on 06/08/07. Although this investigation was unable to specifically identify the source or purpose of the transaction, the wire transaction to Guernsey's was made seven days after the deposit of the $153,101 Comerica cashier's check and two days after the receipt of the 06/06/07 $199,906 wire from Obiang. This wire transaction was deemed suspicious in nature due to the fact that criminal elements often purchase high-value goods, such as art pieces and precious metals, items exclusively handled by auction houses, in order to further obscure the origin of illegal funds. Therefore, the total debits from the client's IOLTA account which were deemed suspicious in nature totaled $1,551,855.

The investigation determined that once the funds were deposited from the client's IOLTA account into account # [redacted] the client utilized the funds in order to support the activities of a third corporate entity, Sweetwater Malibu LLC. Sweetwater Malibu LLC, whose managing member was listed as Teodoro Nguema Obiang, was listed as a realty management company by LexisNexis; however, a review of all debits made by Ultimate Horizon, Inc. showed that Sweetwater Malibu was merely a vehicle to fund the personal activities and estate of Teodoro Nguema Obiang. In examining all items related to the accounts of Ultimate Horizon, Inc. since the account was opened, this investigation found no legitimate business purpose for the Ultimate Horizon, Inc. other than to fund the activities of Sweetwater/Obiang and obscure the source of funds used to support Obiang's affluent lifestyle at his estimated $35 million estate located at 3620 Sweetwater Mesa Road, Malibu, California 90265-4939. Examples of debits examined in the Ultimate Horizon, Inc. account, [redacted] include roughly $54,000 per month for a personal security detail from Saurman Investigative Services, more than $10,000 per month in electricity bills, the payroll expenses of staff at Obiang's estate, and Department of Motor Vehicle registration renewals for a Rolls Royce limousine, Ferraris, and a Bentley. Information obtained from internet research indicated the Obiang's monthly Minister of Forestry salary was only $5,000. Since the client was deemed to be utilizing his UBOC accounts to (1) operate a shell company in order to obscure the true origin of funds derived from questionable sources and (2) utilized those deposits in Ultimate Horizon accounts to fund the activities of another corporate vehicle to further obscure the nature of transactions, all debits paid from the Ultimate Horizon, Inc. accounts, # [redacted] and [redacted], were deemed suspicious in nature. The total of these suspicious transactions was $1,656,359.

The aggregate total of all suspicious activity detected during this investigation was $4,960,734. This suspicious activity consisted of the use of multiple corporate vehicles by Michael Berger, the lawyer of Politically Exposed Person (PEP) Teodoro Nguema Obiang, in order to disguise the identity of the his client as well as to place, layer, and integrate Obiang's funds derived via international wire transactions from Equatorial Guinea, a high risk jurisdiction. Therefore, the detailed actions had the appearance of money laundering activity conducted by a UBOC client on behalf of Obiang.

[redacted] = Redacted by the Permanent Subcommittee on Investigations

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UBOC Case Summary Continuation

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15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

No Cash Transaction Reports (CTRs) were detected based on the client's tax identification numbers or account numbers. A check of the UBOC Retail KYC system did not detect a current KYC profile for the client or his businesses.

No additional suspicious activity was detected in any of the examined accounts which would indicate a violation of the Bank Secrecy Act (BSA) or other criminal statutes.

LexisNexis, civil court and criminal history, public records and World Check searches were conducted on Michael Berger, Teodoro Nguema Obiang, Ultimate Horizon, Inc., Sweetwater Malibu LLC, and other individuals identified during the investigation. Information derived from LexisNexis indicated Michael Berger had multiple past personal civil judgments and active tax liens. Information obtained from internet research also indicated Michael Berger had his law license suspended by the California State Bar in 1997 for a fraud scheme involving one of his clients. Furthermore, in 2004 Michael Berger represented Teodoro Nguema Obiang in a Federal Civil matter where Obiang sued City National Bank for closing his bank account for suspicious transactions and releasing those deposits to the District Attorney for New York County. The case was remanded to a California State court, where no additional information was available on the matter. A synopsis of information obtained regarding the activities of Teodoro Nguema Obiang was detailed in previous paragraphs, however LexisNexis indicated that Obiang had a Social Security Number (SSN) linked to another subject, identified as [redacted]. Given Obiang's status as a government minister of a foreign country, it was deemed highly unlikely that he would hold a valid Social Security Number. No additional negative information pertaining to this investigation was revealed in the queries.

Subjects:

Michael Jay Berger
DBA Law Office of Michael Jay Berger
7566 Mulholland Drive
Los Angeles, CA 90046-1239
SSN: [redacted]
DOB: [redacted]
CADL: [redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Teodoro Nguema Obiang
3620 Sweetwater Mesa Road
Malibu, CA 90265-4939
SSN: [redacted]
DOB: [redacted]
CADL: UNKNOWN

** - *INFORMATION OBTAINED FROM LEXISNEXIS*

Unlimited Horizon, Inc.
9454 Wilshire Boulevard, Suite 625
Beverly Hills, CA 90212-2900
EIN: [redacted]

Sweetwater Malibu LLC
468 North Camden Drive #200
Beverly Hills, CA 90210-4507
EIN: UNKNOWN

** - *INFORMATION OBTAINED FROM LEXISNEXIS*

Conclusion:

ph44585 on D330-44585-7600 with DISTILLER
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56840.470

UBOC Case Summary Continuation

Case ID 2007233872

15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

This investigation, Michael Berger, case #2007233872, determined that during the review period of 08/01/06 to 06/11/07, the client conducted suspicious activity consistent with the appearance of money laundering activity on behalf of a PEP, identified as Teodoro Nguema Obiang. [redacted]

Items in Case File:

Statements
Selected Credit Items
Selected Debit Items
Signature Cards
Wire Reports
LexisNexis Person Reports
LexisNexis Business Reports
World Check Summaries
Internet Research
Internal Email Communications
Account Analysis Worksheets
Miscellaneous Documents

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56840.471

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

July 17, 2006

Mr. Teodoro Nguema Obiang
3620 Sweetwater Mesa Road
Malibu, CA 90265

BY FAX ONLY: 310-317-9752

Re: Hiring my personal services for the following purposes only:

1. Paying all the associated household bills for your residence located 3620 Sweetwater Mesa Road, Malibu, CA 90265.
2. Authorizing me to hire a payroll service company to pay the salaries of the employees of Unlimited Horizon, Inc. and to compute all taxes owed in connection with said salaries.
3. Authorizing me to hire an accountant for all tax work necessary in connection with the above referenced salaries.
4. Authorizing me to obtain Worker's Compensation insurance for Unlimited Horizon, Inc.
5. Reviewing and paying personal bills of yours per your request.

Dear Mr. Nguema:

I enjoyed meeting with you today at your beyond beautiful home. Thank you for continuing to use me in your daily business matters in an administrative capacity for Unlimited Horizon, Inc. I enjoy working for you, and I appreciate your business. I am proud of the results that I have gotten for you on the matters that I have already handled for you, such as the sale of your Antelo Road home and the successful litigation against City National Bank. I will continue to use my best efforts on your behalf.

This document is our written fee contract. California law requires lawyers to have written fee contracts with their clients, even if they are not acting as their lawyer. I will provide the following non-legal services to you on the terms set forth below. The specific California State Bar Rules of Professional Conduct that

Permanent Subcommittee on Investigations
EXHIBIT #3

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56840.472

govern my administrative services for you are as follows: Rule 3-300. Avoiding Interests Adverse to a Client: "a member shall not enter into a business transaction with a client unless each of the following requirements has been satisfied: (A) The transaction or acquisition and its terms are fair and reasonable to the client and are fully disclosed and transmitted in writing to the client in a manner which should reasonably have been understood by the client; and (B) The client is advised in writing that the client may seek the advice of an independent lawyer of the client's choice and is given a reasonable opportunity to seek that advice; and (C) the client thereafter consents in writing to the terms of the transaction or the terms of the acquisition." This letter constitutes my advice to you regarding section (B) above. When I met you today, I advised you that you have the right to have this contract reviewed by an independent attorney of your choice.

1. **CONDITIONS.** This agreement will not take effect until you return a signed copy of this agreement to me and make the initial deposit of $100,000.00 into the Unlimited Horizon checking account that I will use to pay your bills. You hereby authorize me pay myself $5,000.00 out of the $100,000.00 deposit upon my receipt of the $100,000.00 as my first payment under this Fee Agreement as set forth in Paragraph 4 herein.

2. **SCOPE OF SERVICE.** You are hiring me to act in an **administrative capacity only** and not as your attorney in the above referenced matters. I will provide the services reasonably required to complete all the above referenced tasks. I will write the checks for all your associated household bills for your residence located at 3620 Sweetwater Mesa Road, Malibu, CA 90265 from Unlimited Horizon, Inc.'s general checking account. I will also verify the amounts owed regarding same and make sure that the bills should be paid for all the associated household bills. I will also make sure that the employees of Unlimited Horizon Inc. are paid and that all the appropriate taxes are computed accurately and withheld from their paychecks.

By hiring me in the above referenced capacity you authorize me to hire and use the payroll service of my choice to make sure that Unlimited Horizon Inc.'s employees are paid and that all the appropriate taxes are withheld regarding same. You agree that Unlimited Horizon, Inc. will pay the payroll service companies fees for this service.

By hiring me for the above referenced tasks you authorize me to hire an accountant to do all tax work necessary regarding same. You agree that Unlimited Horizon, Inc. will pay the above referenced accounting service.

I will keep you advised of the amounts paid regarding said household expenses and personal bills of yours, and the balance of Unlimited Horizon, Inc.'s checking account on a weekly basis.

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3. **CLIENT'S DUTIES.** You will advise me of the employee names, addresses, phone numbers and any other information necessary to perform my tasks. You agree to initially deposit $100,000.00 in Unlimited Horizon, Inc.'s checking account and agree to maintain at all times a minimum balance of $50,000.00 in said account. You agree to pay for the payroll service companies fees associated with the above referenced tasks. You agree to pay for any accounting fees necessary regarding the above referenced tasks associated with paying Unlimited Horizon, Inc.'s payroll for its employees. You agree to pay for all of the Worker's Compensation insurance premiums associated with the above referenced employees.

You agree to be truthful with me, to cooperate with me, to keep me informed of developments that affect my performance of my duties under this agreement, to abide by this agreement, and to keep me advised of your address, telephone number and whereabouts. I will do the same for you.

4. **PAYMENT.** You agree to pay me my monthly service fee of $5,000.00 per month. The first payment is due upon my receipt of the initial $100,000.00 deposit into Unlimited Horizon Inc.'s checking account per paragraph 1 of this agreement. You authorize me to pay myself $5,000.00 from Unlimited Horizon, Inc.'s checking account every 30 days after your initial deposit.

5. **SEVERABILITY.** Every provision of this Agreement is intended to be severable. In the event any terms, provision, covenant, or condition of this Agreement is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, that illegality or invalidity shall not affect the other terms and provisions of this Agreement, which shall remain binding and enforceable.

6. **INDEMNIFICATION.** You hereby agree to indemnify me for any expense that I incur as a result of my services as described herein, except the costs that are specifically waived as set forth in paragraph 10 of this agreement. This indemnification includes, but is not limited to, any judgment entered against me because I did not pay a bill of yours that you authorized me not to pay. You agree to indemnify me for all of my services provided or authorized by you or your agent, employee or anyone acting on your behalf in any capacity.

7. **ENTIRE AGREEMENT; MODIFICATION.** This agreement contains the entire understanding and agreement of the parties, and there have been no promises, representations, agreements, warranties, or undertakings by either party one to the other, either oral or written, of any character or nature, except as set forth in this Agreement. This Agreement may be altered,

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amended, or modified only by an instrument in writing and executed by both parties to this Agreement, and by no other means.

8. **APPLICABLE LAW.** This Agreement is executed in the State of California and shall be subject to and interpreted under the laws of the State of California.

9. **TERMS.** The term of the Agreement is for 1 year and will continue month to month thereafter unless and until 1 party cancels by giving 30 notice in writing to the other party.

10. **COSTS THAT ARE WAIVED** I hereby agree to waive the following costs, all of which are deemed to be included in the $5,000.00 per month fee that you have agreed to pay me: computer research, faxes, in-office photocopying, long-distance telephone charges, mileage, parking, postage, and word processing.

11. **BILLS.** I will send you periodic bills for any fees and costs that I incur on your behalf. You agree to pay these bills within two weeks of receipt. Any outstanding balances that are not paid when due will accrue an interest charge of 1% per month from the due date until paid.

12. **DISCHARGE AND WITHDRAWAL.** You may discharge me at any time by giving me written notice. I will stop working for you immediately after receiving such notice. Such a discharge does not, however, relieve you of the obligation to pay any fees and costs incurred prior to such termination. I may withdraw from representing you with your consent, or upon court approval.

13. **LIEN.** You hereby grant me a lien on any and all claims or causes of action that are the subject of my representation of you under this Agreement. My lien will be for any sums owed to me for any unpaid costs or attorney's fees under this Agreement. The lien will attach to any recovery you may obtain, whether by arbitration award, judgment, settlement or otherwise.

14. **DISCLAIMER OF GUARANTEE.** Nothing in this agreement and nothing in my statements to you should be construed as a promise or guarantee about the outcome of your matter. I make no such promises or guarantees. My comments about the possible outcome of your matter are expressions of opinion only.

LAW OFFICES OF MICHAEL JAY BERGER

By: _____
MICHAEL JAY BERGER

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I have read and understood the foregoing terms and agree to them. By signing this Agreement, I hereby acknowledge receipt of a fully executed copy of this Agreement

Dated: July , 2006

TEODORO NGUEMA-OBIANG

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Subj: **Bills that I have not paid yet**
Date: 10/15/2006
To: teono@[redacted]
CC: harmony30009@[redacted]

Dear Mr. Nguema:

As of today, I have spent or transferred to the Unlimited Horizon Accounts all of the funds that you wired to my client trust account. As of today, the remaining balance in the Unlimited Horizon General Account is $12,110.24 and the remaining balance in the Special Account is $9,836.46. The general account has been debited by Paychex twice a month to pay your payroll. The Special account has not been used at all, except for one electronic debit of $158.54 to pay for a starter kit including checks, deposit slips, and deposit stamp and a $5.00 service fee.

All further payments on your behalf will be made through the Unlimited Horizon accounts and all checks prepared by me on your behalf will be computer checks. Unlike my client trust account which is used for many clients, the 2 Unlimited Horizon accounts are used exclusively for your business. This makes the preparation of checks and accountings easier, and enables me to copy you on all bank statements.

The following is a list of invoices that you have approved but that have not yet been paid due to my being low on funds for you. The remaining funds in the Unlimited Horizon accounts may be needed for payroll or small but urgent bills that may arise before I receive the next transfer of funds from you.

Ron Gucciardo	$16,440.47	(for fabric)
George Nagler	$8,000.00	(professional services, no bill attached)
DWP	$3,203.84	(from Crest Court Property)
Serra Canyon Property Owners Association	$3,800.00	(assessment)

the following check requests were approved by you, but were sent to me without any backup – no bill and not estimate)

Geary's	$28,695.00
Amazon.com	$1,099.00
William Sonora Material Cuisine	$3,089.00
Pottery Barn	$2,302.00
House Gadget	$2,698.00

I need a current bill for Southern California Edison. The bill that was submitted along with the September 9 check request was paid on September 1. I do not have a copy of the current bill.

Robert Saurman sent me his bill for October services directly but you have not signed an approval for this bill. The bill amount is $56,544.00

In addition to these bills, payroll continues. Accordingly, the need for the transfer of additional funds is clear.

I am double checking my accounting for the period of September 1 through October 13 to be sure that it is perfect. I will send it to you tomorrow.

By separate e-mail and fax, I am sending you a request for a wire transfer of $200,000.00.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #4

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56840.477

Subj: **Acknowledgement of Receipt of $199,931.17 Wire Transfer**
Date: 10/21/2006
To: teono@s[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

This confirms my receipt of a wire transfer from you in the amount of $199,941.17. This money was received in my attorney client trust account at Bank of America on October 20, 2006. Per our telephone conversation today, I will transfer said funds to the Unlimited Horizon General Checking Account at Union Bank on Monday (when Union Bank opens) and use said funds to pay your bills.

For future reference, it may be easier if you have the funds sent directly to the Union Bank General Checking Account of Unlimited Horizon, Inc.

At the end of this e-mail I have set forth a duplicate copy of the invoice and the wire transfer instructions that I faxed to your associate on October 15, 2006 per your request.

I look forward to meeting with you at your convenience when you return to Los Angeles.

Sincerely,

Michael Berger

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

October 15, 2006 Invoice #1505

Amount Due Now: $200,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

BY FAX ONLY 310 [redacted]

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$200,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

Permanent Subcommittee on Investigations
EXHIBIT #5

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56840.478

Wire Transfer Instructions

Unlimited Horizon, Inc.
9454 Wilshire Blvd Suite 625
Beverly Hills, CA 90212
310-271-6223

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Account number: 0720115409 (General Account)
0720115417 (Special Account)

Union Bank of California
9460 Wilshire Blvd.
Beverly Hills, CA 90212
800-238-4486

Routing number: [redacted] (domestic incoming wire)
Swift Code: [redacted] (international incoming wire)

Terry Chang
Financial Services Officer
Union Bank of California
Beverly Hills Office
310 [redacted] Direct
310 550-6522 Office (option 4)
310 550-6471 Fax

Please wire funds to the General Account

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56840.479

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Subj: **Time to Wire Additional Funds to Unlimited Horizon, Inc.**
Date: 11/1/2006
To: teono@[redacted]

Dear Mr. Nguema:

Our July, 2006 agreement requires me to send you an e-mail "whenever the balance in the checking account of Unlimited Horizon, Inc. falls below $50,000.00." The balances as of today in the two Unlimited Horizon, Inc. accounts are as follows (after the clearing of all checks that have been written and sent out):

General Account $53,354.51
Special Account $ 336.46

Per our in person discussion on October 29, 2006, I suggest that the wire transfer be sent to my new client trust account at Union Bank. I will transfer it from there to the Unlimited Horizon, Inc. General Account. I will send you a separate e-mail and fax requesting a $200,000 wire transfer and providing wire transfer information for this new account.

Have a great trip.

Sincerely,

Michael Berger

P.S. This confirms what I told you in a message to your cell phone yesterday. The stop payment placed on check #1028 for $20,523.50 check to Starlink Tours per your verbal instruction was successful. The stop payment confirmation number is 3040095.

Permanent Subcommittee on Investigations
EXHIBIT #6

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56840.480

OBSERVATIONS AT PLACE OF BUSINESS

Account Title: Unlimited Horizon. Inc.

VISIT INFORMATION

Date: 6/26/2007 | Time: 10:00 | Time Spent: 30 min | Visit Contact Name: Michael Jay Berger

Address Visited: 9454 Wilshire Blvd. Ste 625. B.H. CA 90212

Location Type: [X] Primary Office [ ] Secondary Location (Branch Office /Warehouse/etc.)

TYPE OF BUSINESS

- [ ] Business Accepting Third-Party Checks
- [ ] Car/Boat/Plane Dealership
- [ ] Electronics (Wholesale)
- [ ] Financial Institution
- [ ] Gambling/Gaming (>20% of business activity)
- [ ] Gas Stations
- [ ] Home Based Business
- [ ] Import/Export
- [ ] Internet Business
- [ ] Investment Management Company
- [ ] Jewelry/Gems/Metals
- [ ] Money Management
- [ ] Non-Bank Financial Institution
- [ ] Off-Shore (Foreign) Corporation/Business
- [ ] Personal Investment Company
- [ ] Stock Brokerage
- [ ] Telecommunication/Phone Cards/Phone Center
- [ ] Travel Agency
- [ ] Used Car Sales
- [ ] Venture Capital Companies
- [ ] Other: Legal Accounting Services

VISIT DESCRIPTION

Estimate Square footage/space occupied: 300 sq

Type of Space:
- [ ] Owned
- [ ] Rented
- [X] Rented/Leased Office Suite (within a shared facility)
- [ ] Sublet
- [ ] Concession
- [ ] Non-Commercial (Home/Apartment)

Number of Employees on Premises: 3

Describe Customer Traffic (or activity observed during visit): No customer was present / Receptionist took several calls

Inventory Visible?
- [ ] Yes
- [X] No

If Yes, Describe Inventory:

How is business paid?
- [ ] Cash
- [X] Checks
- [ ] Charge
- [X] Wires
- [ ] Other Details

Other relevant observations or information: N/A

Did your observations agree with your expectations for this type of business? [X] Yes [ ] No

Explain: The office was equipped with nice desks, fax machine, copier and nicely decorated.

Other Conclusions/Comments/Information: Mr Berger also owns "Law Offices of Michael Jay Berger" and D&B verification result showed confidence code: 6. Same address and phone number

UNLESS CHECKED BELOW, I PERSONALLY PHYSICALLY CONDUCTED THE ABOVE DESCRIBED PLACE OF BUSINESS VISIT. THE INFORMATION PROVIDED IS AN ACCURATE AND COMPLETE REPRESENTATION OF MY OBSERVATIONS AT THE PHYSICAL VISIT.

[ ] - This is a Home Based Business. No physical visit was conducted.

NO MATERIAL INFORMATION HAS BEEN WITHHELD FROM THIS REPORT. ANY MISREPRESENTATION OF INFORMATION COULD BE GROUNDS FOR CORRECTIVE ACTION, INCLUDING DISMISSAL

Citibanker Signature and Stamp: [signature] | Date: 6/26/2007

NFC0748CB | Revised 03/2008

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Permanent Subcommittee on Investigations
EXHIBIT #7

C 0000021

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56840.481

CitiBusiness Deposit Account Application
Senior Public Figure Screening

ACCOUNT NUMBER (S): 202018867

a. Check yes if there are any signer/owners (owning 25% or more) who is a citizen of a country other than the United States or Puerto Rico?

☐ Yes ☑ No

b. If yes, are any of such owners a Senior Public Figure (SPF) (for example, a current or former Senior Public Figure or Senior Official in the executive, legislative, administrative, military or judicial branch of a government) or a close associate/family member of an SPF?

☐ YES ☐ NO ☐ UNKNOWN

If yes, provide the following information for such person(s):

1. NAME OF INDIVIDUAL/SPF: _____

   NAME OF SPF (if individual is an associate or family member) _____

2. TITLE/POSITION OF THE SENIOR PUBLIC FIGURE: _____
3. HOW LONG IN CURRENT POSITION: _____
4. THE PURPOSE OF THE ACCOUNT: _____
5. DESCRIBE THE SOURCE OF FUNDS FOR THE ACCOUNT: _____

Chong McDermott — (310) 273-3972
Account Opening Officer's Name (Print) — Telephone Number

Signature — 06/22/2007
Date

CHONG McDERMOTT
Personal Banker
Citibank NA, Branch 267
P475871

INSTRUCTIONS:
Ask customer questions a & b.

- ***If the customer answers no*** to both questions, then sign/date and add screening form to account file.
- ***If the customer answers yes or unknown*** to question b, then:
  1. Complete the shaded box and sign/date this form.
  2. Call Pat Rock, CBSCO, (718) 248-3699.
  3. Fax all account opening documentation (including this completed form) to. CBSCO Fax. (718) 248-3687

12/31/2006

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Permanent Subcommittee on Investigations
EXHIBIT #8

C 0000014

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56840.482

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Subj: **Details re $100,000.00 Transaction Attached**
Date: 7/12/2007
To: teono@s[redacted]
CC: linaromo21

Dear Mr. Nguema:

As set forth in the accounting that I e-mailed to you yesterday morning and as we discussed this morning, on July 10, 2007 I went to Bank of America, withdrew $100,000.00 of your money from my Bank of America client trust account, purchased a cashier's check for $100,000.00 made out to Unlimited Horizon, Inc. and deposited said cashier's check into the new Unlimited Horizon, Inc. account at Citibank. Copies of the $100,000.00 cashier's check and the Citibank deposit slip for $100,000.00 are attached hereto.

Sincerely,

Michael Berger

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00561 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.483

Subj: **Accounting, June 1 - July 11**
Date: 7/11/2007
To: teono@[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

Attached hereto is a copy of the check register of the general account at Union Bank from June 1 through June 12, 2007, the date that it was closed by the bank. There is currently a zero balance in said account. Checks that were written but did not clear before the account was closed are listed, but the amount of the payment has been changed to zero to reflect that no payment was made. Most of these checks have already been replaced with new checks from the new Citibank account. I have not yet heard from DMV with respect to replacement of 2 registration checks that did not clear: checks for your 2005 Lamborghini and your 2005 Mercedes. I will replace these checks as soon as I receive a bill from DMV, as I did for your 2005 Porsche.

Also attached hereto is a copy of the Check register for the general account at Citibank from its opening on 6/25/07 through today, 7/11/07. The remaining balance in this account is $19,664.96. I am saving this money for the next payroll which will take place on Friday, July 13.

Also attached hereto is an accounting of the funds that were deposited by me into my Bank of America Client Trust Account on your behalf, and the checks that I wrote on your behalf. You have $9,727.55 remaining in my Bank of America Client Trust Account. Per our discussion, I will use these funds to open up another bank account at another bank or, if needed, deposit these funds into the existing Citibank account.

All approved check requests have been paid, with the following 2 exceptions:

(1) Check to Progressive Insurance for motorcycle insurance, check either to be in the minimum amount due of $1,107.00 minimum payment or in the sum of $4,404.00 to be paid in full. This request was given to me after the expiration of the motorcycle insurance policy. The request is ambiguous as to what amount I should pay. It is also not clear if this is duplicative of insurance being written for you by Paul Finestone and Heritage/Markel and being paid for by wire transfer.

(2) Check to Hagerty Insurance Agency for Bentley Azure. This request was given to me on July 9. It is not clear to me if this is duplicative of insurance being written for you by Paul Finestone and being paid for by wire transfer.

As to both of these requests, I will confer with Lina, Paul Finestone, Progressive, the Hagerty Insurance Agency, and you, as needed, in order to determine if I should pay these requests with the next available funds and in order to determine the proper amount of the first request.

I have prepared and attached an invoice to you requesting a wire transfer of $200,000.00 to my Bank of America Client Trust Account. I will need these fund to pay additional bills for you. A copy of my Bank of America Client Trust Account Wire Transfer Information is Attached hereto.

As always, I appreciate the opportunity to work for you.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #10

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Select Incoming EG Wires to Berger Attorney-Client Account at Bank of America						
Date	Amount	Originator	Ordering Bank	Correspondent	Ultimate Beneficiary	Bates
8/8/2005	$299,933.50	Teodoro Obiang	Belgolaise Bank in Paris	None specified	Beautiful Vision Account 02139-06465 at Bank of America	BAC-PSI-02914
8/4/2006	$299,923.68	SOCAGE, BATA	NATEXIS BANQUES	None Specified	Funded multiple checks from Berger Attorney-Client Account 16646-09603 at Bank of America	
9/26/2006	$199,975.90	SOCAGE, BATA	CCEI Bank GE	ING Belgium	Funded multiple checks from Berger Attorney-Client Account 16646-09603 at Bank of America	
10/20/2006	$199,976.17	SOCAGE, BATA	CCEI Bank GE	ING Belgium	Unlimited Horizon Account 0720115409 at Union Bank of California	
7/26/2007	$199,948.82	SOCAGE, BATA	CCEI Bank GE	Northern Trust Int'l Bank	Unlimited Horizon Account 202018867 at Citibank	
8/14/2007	$199,933.45	SOMAGUI, BATA	NATEXIS BANQUES	None Specified	Unlimited Horizon Account 202018867 at Citibank	
9/11/2007	$199,934.10	SOMAGUI, BATA	CCEI Bank GE	Northern Trust Int'l Bank	Unlimited Horizon Account 202018867at Citibank	
TOTAL- $1,299,692.12 fix			SOURCE- Bank of America			

Permanent Subcommittee on Investigations
EXHIBIT #11

ph44585 on D330-44585-7600 with DISTILLER
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Select Disbursements from Berger Attorney-Client Account at Bank of America			
Date	**"To:"**	**Amount**	**Bates**
11/1/2004	Beautiful Vision Account 02139-06465 at Bank of America	$1,000,000.00	
11/1/2004	Beautiful Vision Account 02139-06466 at Bank of America	$500,000.00	
11/1/2004	Beautiful Vision Accounts 02135-00057 (CD) & 02132-00049 (CD) at Bank of America	$1,600,000.00	
7/29/2005	Beautiful Vision Account 02139-06465 at Bank of America	$669,691.02	
8/31/2006	Saurman Investigative Services "For: Sweetwater Malibu, LLC"	$56,544.00	
10/4/2006	Saurman Investigative Services "For: Sweetwater Malibu, LLC"	$54,720.00	
10/23/2006	Cash ("For:" field is Illegible) – Unlimited Horizon Account at Union Bank of California	$199,931.17	
7/6/2007	Saurman Investigative Services "For: TNO June 2007"	$54,720.00	
7/10/2007	Cash "For Cashier's Check Unlimited Horizons, Inc." / Deposited to Unlimited Horizon Account 202018867 at Citibank	$100,000.00	
7/27/2007	Cash "For: Client" / Deposited to Unlimited Horizon Account 202018867 at Citibank	$199,948.82	
8/16/2007	Cash "For: Unlimited Horizon, Inc. Cashiers Check" / Deposited to Unlimited Horizon Account 202018867 at Citibank	$199,908.45	
9/11/2007	Cash "For Cashier's Check Unlimited Horizon, Inc." / Deposited to Unlimited Horizon Account 202018867 at Citibank	$199,934.10	
Source- Bank of America		**Total- $4,835,397.56**	

Permanent Subcommittee on Investigations
EXHIBIT #12

Beautiful Vision Checks in Excess of $50,000				
Date	**Check Amount**	**"Pay to the Order of"**	**"For"**	**Bates**
11/16/2004	$82,900.00	Naurelle	Furniture	
11/4/2004	$137,312.71	Ferrari of Beverly Hills	Maserati (Illegible)	
11/9/2004	$63,326.25	Soofer Gallery	Carpets	
11/5/2004	$332,243.21	Ferrari of Beverly Hills	Ferrari	
11/16/2004	$80,287.95	Gucci		
11/3/2004	$51,288.00	Dolce & Gabbana		
11/18/2004	$121,976.56	Fields Pianos	Piano	
11/26/2004	$50,000.00	Ferrari of Beverly Hills	Deposit 6/2 Order	
11/23/2004	$280,409.00	Auto Star Signature	Ferrari (Illegible)	
11/26/2004	$50,000.00	Lamborghini of Beverly Hills		
11/26/2004	$288,523.29	Lamborghini of Beverly Hills		
11/30/2004	$3,500,000	Teodoro Nguema Obiang		BAC-PSI-02474
12/6/2004	$181,265.32	GlobalJet Corp.		
1/7/2005	$393,192.90	GlobalJet Corp.		
1/10/2005	$55,193.00	Dolce & Gabbana		
3/4/2005	$3,300,000.00	Cash	Cashiers check	BAC-PSI-02492, 06020, 07630
3/8/2005	$58,500.00	L.A. Audio Video, Inc.	Installation of Bang & Olufsen Home Theatre	BAC-PSI-02492
3/8/2005	$285,567.33	GlobalJet Corp.		BAC-PSI-02492
3/11/2005	$118,244.66	ADT		
8/1/2005	$330,173.96	O'Gara Coach Company, LLC	Pay off 2005 Lamborghini Roadster	
8/10/2005	$102,053.29	ADT Security Services		
9/16/2005	179,522.54	Cash	Cashiers check	BAC-PSI-07627-29
Grand Total- $6,541,979.64		**Source- Bank of America documents**		

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EXHIBIT #13

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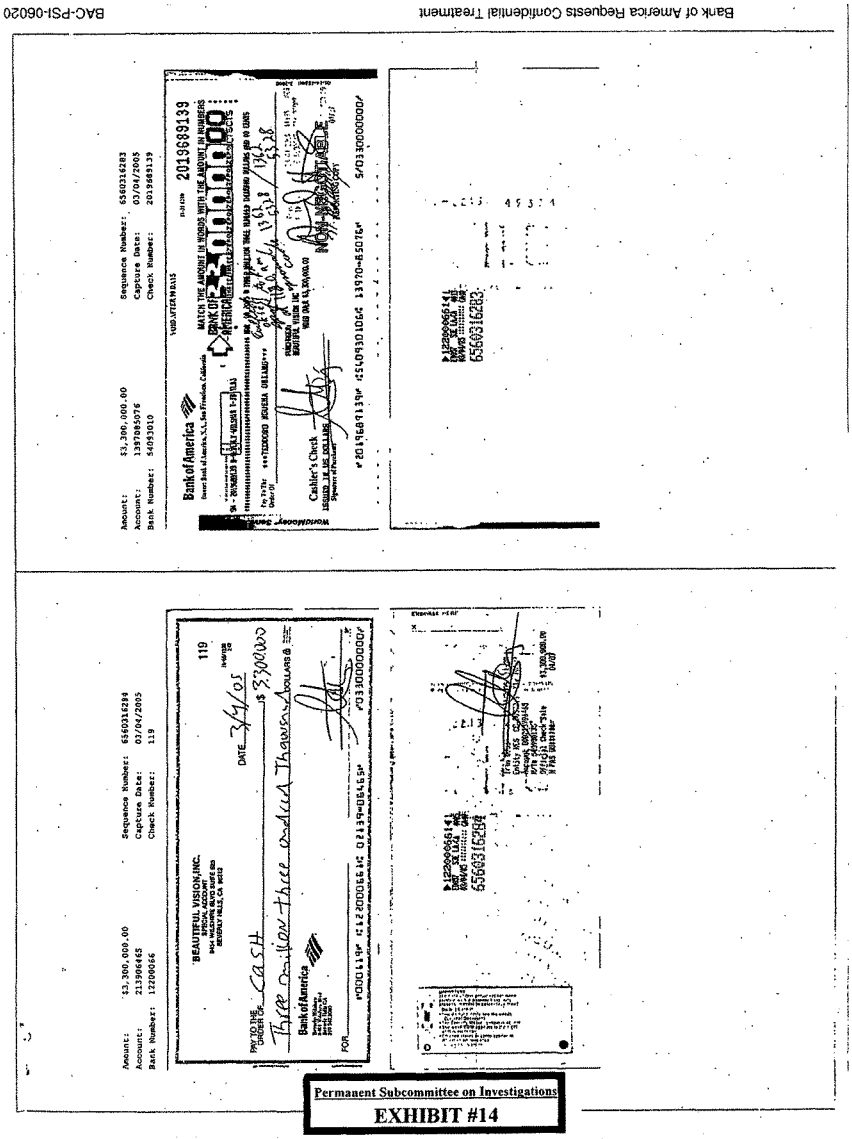
Bank of America Requests Confidential Treatment
BAC-PSI-06020
Amount: $3,300,000.00
Account: 1397085076
Bank Number: 5405010
Sequence Number: 6560316283
Capture Date: 03/04/2005
Check Number: 2019689139
Bank of America
2019689139
Cashier's Check
Amount: $3,300,000.00
Account: 213906465
Bank Number: 12200066
Sequence Number: 6560316284
Capture Date: 03/04/2005
Check Number: 119
BEAUTIFUL VISION,INC.
PAY TO THE ORDER OF
CASH
Three million three hundred thousand
DATE 3/4/05
$3300000
Bank of America
FOR
Permanent Subcommittee on Investigations
EXHIBIT #14

= Redacted by the Permanent Subcommittee on Investigations

LAW OFFICES OF
GEORGE I. NAGLER
468 N. Camden Drive, #200
BEVERLY HILLS, CALIFORNIA 90210

Of Counsel
Robert I. Rosenberg
Gary S. Phillips

TELEPHONE (310) 278 0034
TELECOPIER (310) 278 7584
Gnagler[redacted]

rf

TELECOPY INFORMATION

NO. OF PAGES:	**5 (incl. Cover page)**	DATE:	**September 22, 2005**
ATTENTION:	**Marvin Freedman**	TIME:	**12:51 PM**
FAX NUMBER:	**818-783-7722**	RE:	**Sweet Pink, Inc.**
FROM:	**George I. Nagler, Esq.**		

Enclosed is a copy of the engagement letter that was signed by the client. It is smaller because of the way you attached it and emailed it to me. You will note that I changed the letter manually to address it to him at his request. I will remind him to mail a copy with his original signature.

I will forward a copy of the articles of incorporation as soon as I receive them, by next week I am sure. He wants you to open a bank account as soon as you can and forward the wiring instructions so he can wire the funds. You should plan to have two of three people in your office authorized to sign on the account. You should add him as the assistant treasurer as able to sign alone.

His assistant, Lina, will NOT be a signing officer. In fact, he does not want her as a director or officer so I plan to use one of my people as the nominal officer and director but she will NOT be signing either.

He is in Paris and can arrange to wire the funds from there.

I look forward to hearing from you.

Best regards.

George

Any transmission problem, please call 310 278 0034

Permanent Subcommittee on Investigations
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MARTIN H. FRIEDMAN
An Accountancy Corporation
Certified Public Accountants

September 20, 2005

Mr. Teodoro Nguema Obiang
Sweet Fisk, Inc.
C/o George Nagler
468 N. Camden Drive, Suite #200
Beverly Hills, CA 90210

Dear: Mr. Obiang

This letter is to confirm our understanding of the terms and objectives of our engagement as well as the nature and limitations of the services we will provide for Sweet Fisk, Inc.

BOOKKEEPING AND ACCOUNTING SERVICES:

We will record all income and expenses on a monthly basis, from the documents you provide, in a computerized general ledger system. Each month we will give you a copy of the general ledger account listing, which shows each check, deposit, and adjustment affecting each account during the month. You agree to review this general ledger report each month and tell us of any changes necessary in the classification or distribution of expense. Unless you tell us of a change within 30 days, we will assume that all transactions have been properly coded and have been posted to the correct accounts. These ledgers will record, on a monthly basis, all cash receipts [you identified as to source] and all cash disbursements [you identified as to expense category].

The ledgers will also include adjusting journal entries. These ledgers will be used in the preparation of the annual income tax returns.

Should you wish us to expand our services to prepare any form of financial statements, we will arrange this with you in a separate engagement letter.

BANK RECONCILIATION SERVICES:

Each month we will reconcile Sweet Fisk, Inc.'s books and records of the bank account(s) used by the corporation with the bank statement(s) for proper account balance and to identify reconciling items that may require adjustments to your books and records. For best results you should have the bank(s) send the monthly statement(s) directly to our office. We will not be analyzing cancelled checks to determine whether signatures or payments are authorized or for any other purpose but we will briefly scan them to confirm the amounts match those recorded by the bank on the statement.

By your signature below, you acknowledge that you understand and agree that our services are limited in scope and they are not designed to detect employee embezzlement.

16638 Ventura Boulevard, Suite 913, Encino, California 91436-1868. Tel. (818) 262-8700 Fax (818) 783-7223

Confidential Treatment Requested

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or other financial activities involving your bank accounts. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

PAYROLL SERVICES:

We will prepare the payroll checks and respective payroll journals based on information provided by you for each semi-monthly payroll period. Each month we will review the payroll records and record the appropriate amounts in the ledgers.

Beginning with the month of (month) we will prepare on a quarterly basis the federal and state payroll tax return for the state(s) of (State(s)). You are responsible for making the federal and state payroll tax deposits. If there is payroll tax due with the quarterly report, we will notify you.

On an annual basis, we will reconcile all payroll tax returns with the payroll withholding records and prepare the year-end payroll tax returns, including federal and state unemployment tax returns, Forms W-2, W-3, 1099, and 1096, as required.

TAX PREPARATION SERVICES:

We will prepare a federal and California state corporate income tax returns from the general ledgers that we prepared from the information you furnish us for Sweet Pink, Inc. Additionally, you are responsible for providing us all information necessary to identify (i) all states and foreign countries in which you "do business" or derive income and (ii) the extent of business operations in each relevant state and/or country. Based upon the state income information which you provide, we will inform you of any additional state income tax filing requirements in addition to the above listed state returns.

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

The fee does not include responding to IRS inquiries or representation before taxing authorities. However, we will be available to do so, if needed, under separate engagement. The client understands that the tax preparer is not responsible for IRS

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disallowance of doubtful deductions or deductions unsupported by adequate documentation, nor for resulting taxes, penalties, and interest.

You should retain all the documents, books, and records that form the basis of income and deductions. The documents may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

RECORD RETENTION:

All original source documents will be returned to you. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

It is our policy to keep work papers related to this engagement for 5 years. Upon the expiration of the 5-year period and after reasonable notice to (client) that the work papers will be destroyed, (client) agrees that we shall be free to destroy our work papers. Notice shall be deemed to be reasonable if given by U.S. mail postage prepaid to (client's) last known address whether actually received or not. It is Sweet Pink, Inc.'s responsibility to keep us informed of its current address at all times.

FEES & BILLING:

Our fees for this work will be at our regular hourly rates for the individuals involved plus direct out-of-pocket expenses. Payment for services is due when rendered, and interim billings may be submitted as work progresses and expenses are incurred. Statements for our services will be sent on a monthly basis.

Currently, billing rates for our staff are: Principal/Review Partner $225-$250 per hour, accounting staff $110-$175 per hour, bookkeeping and clerical staff $30-$65. We do not bill on a retainer or fixed fee basis. However, we were requested to provide an "estimate" for payroll services, to pay three employees on a semi-monthly basis, the quarterly payroll tax returns, and the annual year-end payroll reports. The estimate, provided that there are no last minute or unusual changes, is $210 per month, with an additional $150 for the quarterly reports, and an additional $300 for the annual reports. This is an estimate only for payroll preparation services and does not include the other services described herein. The actual billing rates will apply at the time of billing.

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We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. This letter will continue in effect until canceled by either party.

Very truly yours,

MARVIN H. FREEDMAN, AN ACCOUNTANCY CORPORATION

Marvin H. Freedman

Marvin H. Freedman, CPA

RESPONSE:

This letter correctly sets forth the understanding of Sweet Pink, Inc.

Tertone Nguemo Obiang

Sept. 21 2005

Date

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This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

From: GNagler [gnagler@pacbell.net]
Sent: Tuesday, February 21, 2006 7:04 PM
To: 'linaromo21@[redacted]
Subject: Fax to Mr. Nguema

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Attachments: Obiang - 2-21-06.DOC

Lina, attached is a fax that I would like you to send to Mr. Nguema. I am unable to send it after trying for days. Please confirm when it has been sent. Thanks.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

Obiang - 2-21-06.DOC (43 KB

Permanent Subcommittee on Investigations
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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@[redacted]

TELECOPY INFORMATION

NO. OF PAGES:	**2 (incl. Cover page)**	**DATE:**	**February 21, 2006**
ATTENTION:	**Teodoro Nguema Obiang**	**TIME:**	**7:02 PM**
FAX NUMBER:	**011 2[redacted]**	**RE:**	**Malibu & Current Projects**
FROM:	**George I. Nagler, Esq.**		

Mr. Nguema, I thought that I should send you a brief list of the things I am doing or have been asked to do by you:

1. Entertainment Company. In January, you asked that I form a new company to be in the entertainment industry for a possible motion picture or music production. We talked about a name. You suggested Vision Mix Entertainment but it is not available. You asked me to check out some names and advise you. I have some names to send you. Do you want me to do anything now?

2. Sweetwater Malibu, LLC. This limited liability company will be the buyer of Malibu. I had it formed on Tuesday, February 7, 2006, by sending the papers to the Secretary of State. I need you to give me the name of the person who you want to act as manager. I need someone who is a US taxpayer so that we can apply for a tax identification number for the company. If you do not give me a name, I will show you as the manager.

3. New Management Company. You asked me to form a new management company to handle the payroll and to employ all the employees that you now have and will have at the Malibu house. You also asked me to prepare a draft of an employment agreement. We talked about using the name Sweetwater Management, Inc. You thought that name was acceptable. Do you want me to form this company?

4. Sweet Pink, Inc. You asked that I prepare the necessary papers to dissolve that company. Lina told me almost two weeks ago that you asked her to close the bank account. If the bank account is closed, I can prepare and file the necessary documents to close out the company. What do you want me to do?

5. Purchase of Malibu Property. You should have received two packages at the Paris address on February 13th. One package was from Lina that has the documents that Neal delivered to her and I have reviewed a copy of them. The second package is from First American Title Company, the escrow company. You can return both

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packages either directly to escrow or to me at my office. You also should return the original signed disclosure documents that you faxed to Lina on Monday or Tuesday of this week

6. Survey & Other Inspections. I recommended that you should obtain a detailed survey of the property to verify that there are no boundary problems and also to verify the square footage of the buildings and the land. To my knowledge, neither Lina nor the surveyor she chose has received any funds. We probably do not have enough time to finish a survey by Friday, the 24th. I know that Lina has asked you to send funds to cover a structural engineer, the inspection of the septic tank system, a mold inspector as well as the surveyor.

7. Release of $500,000; Extension of Inspection Period. As you may recall, escrow is to release $500,000 to the seller at the end of the inspection period, after Friday, February 24th. You need to advise if you want me to ask the seller to extend the inspection period to allow any more inspections to be done.

8. Insurance for the Malibu Property. You should arrange for fire, extended coverage and liability insurance on the Malibu property to be effective at the closing date. I can refer you to an insurance broker if you need one or I can call your broker if you wish. As part of this, you need to decide whether you are going to take title in the name of the limited liability company. Please advise.

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GNagler

From: GNagler [gnagler@[redacted]]
Sent: Wednesday, May 31, 2006 5:20 PM
To: 'leono@[redacted]
Subject: Ed Mizrahi & Melinda & the bank accounts

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Mr. Nguema, Ed called me from the bank. He has been able to open the accounts with Melinda in the name of Sweetwater Management, Inc. for both the payroll and the household accounts. To do this, we need to have Melinda elected the Secretary instead of being an assistant secretary. I will change the first minutes to show her as the secretary. You can remove her as secretary any time you wish but it now gives her the authority with the bank to open the bank accounts. It avoids you having to go into the bank and sign the documents.

Melinda paid both Michael and the woman at the house from the $10,000 and the balance was split between the two new accounts. Ed wrote Melinda a check for $2,000 in the form of a loan that will be repaid on June 15 when the payroll account is set up. Then, he will know the correct amount to withhold and can correct the amount payable to Melinda for the 2 weeks she worked in May.

Please advise if anything different should be done. Thank you.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

*Please destroy this email and any attachments, and advise me if you received this in error.

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GNagler

From: Ed [ed@americanproperty.tv]
Sent: Tuesday, June 13, 2006 12:01 PM
To: 'Melinda Hehaven'
Cc: George I. Nagler
Subject: Wire and Bank Accounts

Melinda-

I was just informed by the Manager at Cal National Bank that you were inquiring why the $249,899.80 wire was transferred into the American Equity Properties, Inc. ITF Sweetwater Malibu account and not the Household account (that you are a signer on) or the payroll account.

As you know, this wire transfer was done with a detailed invoice (per the Owner's request) which was provided to the Owner of the property and through George Nagler. In fact, this invoice contained the account name and account number where it was to be transferred. Furthermore, this wire was approved by the Owner of the property and George Nagler. Moreover, the financial aspects of this property, including its bank accounts, are covered in the management agreement that our company has with the Owner.

In the future, if you have questions concerning transfers of monies you should address them with me or George Nagler and **not the bank manager**.

Ed Mizrahi
American Property Management
1460 Westwood Blvd., Suite 200
Los Angeles, CA 90024
(310)475-4496 phone (310)475-4452 fax
ed@americanproperty.tv
www.americanproperty.tv

This e-mail, and any attachments thereto, are intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this e-mail in error, please immediately notify the sender at (310)475-4496 and permanently delete the original and any copy of any e-mail and any printout thereof.

Permanent Subcommittee on Investigations
EXHIBIT #18

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56840.498

Catalano, Camille

From: Catalano, Camille
Sent: Thursday, December 07, 2006 12:38 PM
To: McWilliams, Lorena
Cc: Taylor, Charles; Catalano, Camille
Subject: Champ Award - John Hoppe

Good Morning,

I would like to recommend that John Hoppe - Branch Manager of the Calabasas branch be recognized by awarding him a Champ Award.
John went above and beyond his responsibilities and followed his instinct to research a perspective client.

In May of this year, John was managing the Westwood branch. He was approached by a long time customer to open three property management accounts for a high profile person, whom needed his identity to be anonymous.
As John reviewed the business documents of the management company John located the name of the Chief Executive Officer (CEO) of the company. John's curiosity got the best of him and he began researching via the internet.

He found that the CEO is PEP. This individual is the Minister of Agriculture and Forests and the son of the President of Equatorial Guinea. Research indicated that his father has more than $600 million dollars frozen at Riggs Bank by federal authorities following an FBI investigation.

John quickly called to inquire on his next steps.
John's inquisitiveness as well as following his hunches lead us to an investigation that terminated the relationship. Without John reviewing the Statement of Information and performing internet searches this PEP may have been overlooked and the Bank would have been in violation of our PEP Policy.

Thank you for your time. I hope that you too will feel that John's actions deserve recognition by presenting him with the Champ Award.
Camille~

Camille M Catalano, CAMS
AVP BSA Officer
Cal National Bank
221 S Figueroa St
Los Angeles, CA 90012
(office) 213-443-1716
(fax) 213-626-1009
ccatalano@calnationalbank.com

Permanent Subcommittee on Investigations
EXHIBIT #19

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Shattuck, Helga

From: Dare, Maggie
Sent: Wednesday, June 02, 2004 1:52 PM
To: Shattuck, Helga
Subject: RE: Teodoro N Obiang a/c 009-=609326

thank you Helga. I will send the client a closing letter. Thaks again for your help.

Maggie

-----Original Message-----
From: Shattuck, Helga

Sent: Wednesday, June 02, 2004 11:55 AM
To: Dare, Maggie
Cc: Autenrieth, Diane; Gintz, Michael
Subject: RE: Teodoro N Obiang a/c 009-=609326

Maggie,
We have identified a number of issues with this client, which should be addressed immediately.

1) Your branch is unable to locate the signature card. Account opened on 3-2-2004.
2) Public records indicate, the Social Security number used belongs to another individual.
3) Opening deposit of $300,000.00 was returned unpaid by Riggs Bank (own check).
4) Discrepancy in date of birth.
4) Wire transfer for $999,950.00 from Equatorial Guinea, which should have been reported as suspicious and unusual.
5) Internet shows that the client is the Minister of State for Forestry, Fishing, & Environment of Equatorial Guinea. It appears, he is related to the President of that country, Obiang Nguema Mbasogo. He may qualify as a political exposed person, requiring enhanced due diligence. Refer to Legal & Compliance Manual.

Since the client provided false information, we should close the account.Helga

-----Original Message-----
From: Dare, Maggie
Sent: Wednesday, June 02, 2004 10:07 AM
To: Shattuck, Helga
Cc: Autenrieth, Diane
Subject: RE: Teodoro N Obiang a/c 009-=609326

Hello Helga:
John Correa is the officer on the account. John is on vacation until Tuesday. I do not have enough info to complete
the KYC. We will have him complete one on Tuesday. OK?

Maggie

-----Original Message-----
From: Shattuck, Helga
Sent: Tuesday, June 01, 2004 6:16 PM
To: Dare, Maggie
Cc: Autenrieth, Diane
Subject: FW: Teodoro N Obiang a/c 009-=609326

Please complete ASAP.

Thanks, Helga

-----Original Message-----
From: Shattuck, Helga
Sent: Tuesday, June 01, 2004 6:14 PM
To: Correa, John; Gintz, Michael
Cc: Autenrieth, Diane

Permanent Subcommittee on Investigations
EXHIBIT #20

CNB0004800

ph44585 on D330-44585-7600 with DISTILLER

56840.500

De Lorier, Michelle

From: Autenrieth, Diane
Sent: Monday, August 02, 2004 9:13 AM
To: De Lorier, Michelle
Subject: FW: Obiang

[redacted] = Redacted by the Permanent Subcommittee on Investigations

FYI

-----Original Message-----
From: Correa, John
Sent: Friday, July 30, 2004 5:22 PM
To: Baxa, Diane; Autenrieth, Diane; Gintz, Michael; Rubi, Angela
Subject: Obiang

Good Afternoon,
This afternoon I received a phone call from Teodoro Obiang. The phone number that was displayed on our screen was (818)[redacted]. In our conversation he asked me why we closed the account. I told him that we were provided with the incorrect social security number and that we had tried to reach him on many occasions and we were unsuccessful. After I told him that, he said," I thought it was due to our country and the oil." He then asked me if we could reopen the account if he were to come in and provide us with the correct social. I told him that since we were unable to get a hold of him, the legal department is now involved. I asked him since it was 5:00PM, if we could give call him first thing next week. He told me he was going to Hawaii, but he will be back either Tuesday or Wednesday. His cell # is (310)[redacted]. I spoke to Michael Gintz after the call and he suggested that we have a conference call on Monday to discuss the release of funds and the final disposition of this account. Please let me know if you have any questions.

Thank you,

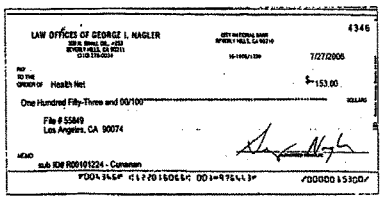
John Correa
86984

Permanent Subcommittee on Investigations
EXHIBIT #21

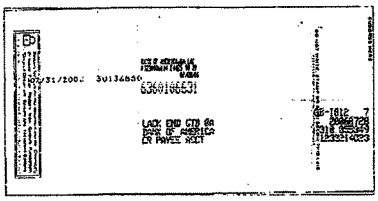
CNB0004799

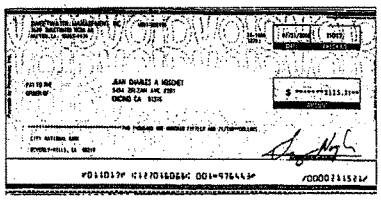
ph44585 on D330-44585-7600 with DISTILLER

56840.501

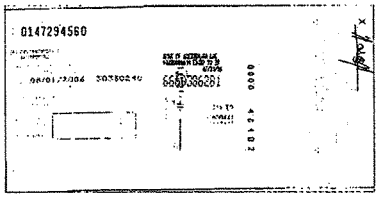

LAW OFFICES OF GEORGE I. NAGLER
4346
7/27/2006
Health Net
$153.00
One Hundred Fifty-Three and 00/100
File # 55849
Los Angeles, CA 90074
sub ID# R00101224 - Cunanan

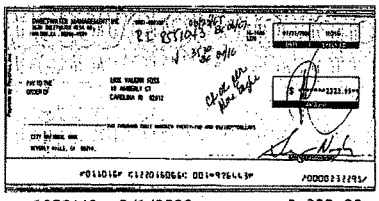
1976443 7/31/2006 153.00



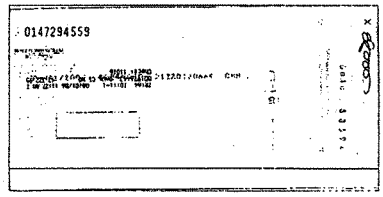

JEAN CHARLES A HOCHET
$2,115.21

1976443 8/1/2006 2,115.21


0147294560


$2,322.95

1976443 8/1/2006 2,322.95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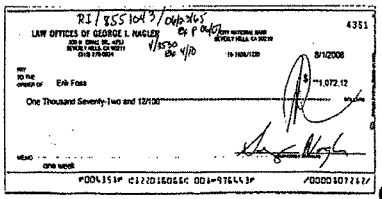
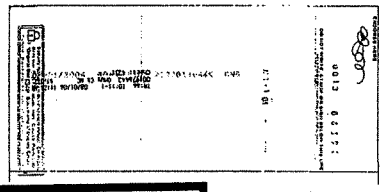

LAW OFFICES OF GEORGE I. NAGLER
4351
8/1/2006
Erik Foss
$1,072.12
One Thousand Seventy-Two and 12/100

1976443 8/1/2006 1,072.12



Permanent Subcommittee on Investigations
EXHIBIT #22

CNR0001961

ph44585 on D330-44585-7600 with DISTILLER

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56840.502

From: Pat Davis
Sent: Tuesday, July 25, 2006 4:42 PM
To: Fred Alavi; Raymond Dellerba
Subject: RE: Teodoro Nguema Obiang

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Fred, in addition to what I have previously sent to you, I can relay that the country is not on any government AML watch-list, including the FATF. The individual is not an SDN on OFAC and has no derogatory information in Lexis Nexis. Our main challenge is the BSA monitoring, especially as it relates to an attorney representing a PEP (Professional Front Scheme is a common AML scheme and one the regulators will be right on top of when they monitor our accounts). So it becomes a business risk decision, and keeping in mind that we have a BSA Officer (in contrast to a dept that larger banks have to monitor).

Pat Davis, AAP
714/[redacted] Direct
714/438-1059 Fax

From: Fred Alavi
Sent: Friday, July 21, 2006 12:21 PM
To: Raymond Dellerba; Pat Davis
Subject: FW: Teodoro Nguema Obiang

Dear Ray and Pat,

This is a prospect who really we need to check his background with regard to all regulatory compliances including OFAC and Bank Secrecy Act / MLA. Please see below email and advise.

Pat, I would suggest that you check his background thoroughly through all means available and then we can decide if the risk is warranted to have him as a client.

Regards,

Fred Alavi
Executive Vice President
Telephone: 310-860-3001

From: GNagler [mailto:gnagler@[redacted]]
Sent: Thursday, July 20, 2006 7:30 PM
To: Fred Alavi
Subject: Teodoro Nguema Obiang

Fred, it was good talking to you again. I want to introduce to the bank a client of mine, Teodoro Nguema Obiang. Mr. Nguema, age 37, is a citizen and resident of Equatorial Guinea and is the eldest son of the President of the country, Teodoro Obiang Nguema. Equatorial Guinea is an ally of the United States and a major supplier of oil to this country.

Mr. Nguema is the Minister of Forest Products and Agriculture of his country and travels on a diplomatic passport. Attached is an informative article on the country. If you have a problem opening it you can find the article at www.eia.doe.gov/emeu/cabs/.html..

Mr. Nguema has just purchased a substantial residence in Malibu and intends to spend more time here although his major residence is outside the US. He plans to become active in the entertainment industry

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EXHIBIT #23

ph44585 on D330-44585-7600 with DISTILLER
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in both music and motion picture production.

He has formed two entities, a corporation and a limited liability company, to hold and manage his residence here and would like to establish one or more bank accounts for these entities. I anticipate that he would like to keep approximately $250,000 to $500,000 on hand to cover on going expenses for the staff and property. We probably would like to open at least two bank accounts, the major one for the operation of the house and a small account, $10,000 or less, for his corporation for payment of household items. Currently, I am the sole signing officer on his funds and have been paying bills out of my trust account.

I mentioned to you that there is a negative report regarding Riggs Bank in Washington from three or so years ago. Riggs Bank was investigated and penalized because it failed to file required reports regarding multi million dollar accounts that were held by a number of foreign figures including Mr. Nguema's father. Neither Mr. Nguema nor his father has ever been convicted or even charged with violating US law. That article has unfairly case a shadow on my client and his country.

The US has been a good friend of many countries that are run by dictatorships such a Saudi Arabia and Kuwait. While we may question the way these countries are run and the way their resources are shared, we respect each country's right to organize their own affairs. I understand that the US values its relationship with Equatorial Guinea and appreciates its loyalty to this country.

I suggest that Mr. Nguema will become a valued customer of the bank and someone with whom you will be proud to have a business relationship.

I know that you will treat this subject with your usual concerns for preserving the confidentiality of my client. I look forward to hearing from you.

Best regards.

George
George I. Nagler, Esq.
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

<<...>>

PSI-Pacific_Mercantile_Bank-01-0115

9/7/2006

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56840.504

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

= Redacted by the Permanent Subcommittee on Investigations

From: Melinda DeHaven [melindadehaven@[redacted]]
Sent: Friday, June 02, 2006 9:26 PM
To: gnagler@pacbell.net
Subject: RE: FW: QUOTES WITHDRAWN, AIG RE: OBIANG, TEODORA INSURANCE FOR SWEETWATER ESTATE

George: Shall we wait until we hear a final decision before I let the boss know? Best, Melinda

>From: "Paul J. Finestone" <coverage@earthlink.net>
>To: <melindadehaven@[redacted]>
>CC: "'GNagler'" <gnagler@pacbell.net>
>Subject: FW: QUOTES WITHDRAWN, AIG RE: OBIANG, TEODORA INSURANCE FOR
>SWEETWATER ESTATE
>Date: Fri, 2 Jun 2006 17:00:18 -0700
>
>
>
>Melinda,
>
>We have had a rude shock which we have communicated below to George.
>
>We will see what can be done when we can reach these people on Monday
>morning.
>
>Paul
>
>
>
>
>
>From: Paul J. Finestone [mailto:coverage@earthlink.net]
>Sent: Friday, June 02, 2006 4:58 PM
>To: 'GNagler'
>Subject: QUOTES WITHDRAWN, AIG RE: OBIANG, TEODORA INSURANCE FOR SWEETWATER
>ESTATE
>Importance: High
>
>
>
>We have very bad news indeed.
>
>We have this instant received a fax from the AIG underwriters
>representative
>who advises that they have reviewed web sites concerning Teodoro Obiang and
>that they are withdrawing the written quotations submitted to us for you on
>all of the coverage for the estate. We cannot get through to them this
>instant as they have already closed for the weekend but we have left voice
>mails and will try to have this reversed on Monday.
>
>We will also instantly review other alternatives and report back on Monday.
>
>We understand that our client is not the current President but a member of
>his family. We will keep you posted.
>
>We have instructed Farmers to bind the coverage on the cars and the
>tenants'
>package. They are not a market for the estate.

*Please destroy this email and any attachments, and advise me if you received this in error.

ph44585 on D330-44585-7600 with DISTILLER

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56840.505

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

george nagler

From: george nagler [gnagler@[redacted]t]
Sent: Saturday, August 11, 2007 3:03 PM
To: Teodoro Nguema Obiang (teono@[redacted]
Subject: Need for Lease of House for Insurance Purposes

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Mr. Nguema, I am reminded that your insurance agent was able to secure some insurance coverage for liability protection for you under what he called a renter's policy when you rented your former home. I suggested this to him at the time just before you closed the purchase. He reminds me that you should have a lease prepared between the limited liability company that owns your Sweetwater home and you individually showing that you are leasing the house from the company.

This will support the so called renters policy that provides liability insurance for your protection. This only needs to continue until he can secure this insurance directly for the owner of the Sweetwater house. So far, he has been unable to obtain this insurance for you or for the limited liability company that owns the Sweetwater house.

Please let me know if you want me to prepare the lease. You may call him if you wish to know more about this need. I do not intend to do any work for you unless you personally authorize it. I hope that things are going well for you.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

*Please destroy this email and any attachments, and advise me if you received this in error.

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56840.506

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Paul J. Finestone [coverage@e[redacted]]
Sent: Wednesday, July 26, 2006 9:24 AM
To: 'Melinda DeHaven'
Cc: 'gnagler'
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE

Translation from insurance to English:

We are going to get another 15 days by collapsing the current applications in the computer at State Farm (they have a 15 day limit on pending bound applications to get in all required data). My friend will then re enter all of the data for a second new application in return for an outrageously expensive sushi dinner at his favorite place over in BH. I think I can only get this done once (depending on his appetite for a Sushi fix and the risk of doing this if his superiors observe this action -they would not approve). If we have to clear the license that gives us another 15 days from today to get this done and issued.

Once the existing application is deleted from the computer as an "un-issued" file the data and the coverage cease to exist as if they never were. There is no charge for time on risk, but there are also no evidences issued such as were issued out of the Farmers Computer system. You have been insured, I just cannot prove it as their system will not issue evidences unless all data is complete and the system processes the final policy documents. If you have had no claim pending this should not be a major issue.

Bottom line: Getting the license in order remains a top priority.

Also, thank security for good work.

Regards

Paul Finestone
Tel: 818-995-6706
Fax: 818-995-3401
Cell: 818-[redacted]

Yes, this is a private, confidential and priviledged communication only intended for the addressed recipient. If you got it, and weren't supposed to, please email us back letting us know, and please delete this message.

Thank you.

-----Original Message-----
From: Melinda DeHaven [mailto:melindadehaven@[redacted]]
Sent: Wednesday, July 26, 2006 9:09 AM
To: coverage@earthlink.net
Cc: gnagler@pacbell.net
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE

I understand what your saying but not sure what you are trying to tell me. Thank you for more clarification.

*Please destroy this email and any attachments, and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #26

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@[redacted]

TELECOPY INFORMATION

NO. OF PAGES:	8 (incl. Cover page)	DATE:	June 7, 2006
ATTENTION:	Simon T	TIME:	4:05 PM
FAX NUMBER:	305 294 1718	RE:	Teodoro Nguema Obiang
FROM:	George I. Nagler, Esq.		

Melinda told me that you need more information. I called you early today and left my phone number as I wanted to talk to you directly to be sure that I am sending you the information that you need.

Teodoro Nguema Obiang was born in 1969 and is a citizen of Equatorial Guinea. He is the Minister of Agriculture and Forests of Equatorial Guinea. Following is some information on the country. He has been a regular visitor to the United States for many years and maintains a residence in Los Angeles at 12038 Crest Court, Beverly Hills, CA 90210.

Following are some business references that you may call and the nature of their relationships:

1. Neal Baddin, a senior broker at Coldwell Banker, at the 9000 Sunset Boulevard office, cell: 323[redacted], office: 310[redacted];
2. Thomas Linn, Global Jet, a representative of a jet plane leasing company, 602[redacted]
3. Rick Black, an exotic car dealer, who has done business with my client for a number of years, 310 2[redacted]
4. Ray Salim, Peterson Automotive Museum, cell: 818[redacted], office: 323[redacted], has leased space to my client for storage of certain automobiles for over a year.

Please call me if you need additional information as I am not sure what you requested.

We would appreciate you keeping this information private except to the extent you need to share this information with the appropriate people at the airport .

Please call 310 278 0034 if there are any transmission questions.

Confidential Treatment Reques

Permanent Subcommittee on Investigations
EXHIBIT #27

SEN011075

ph44585 on D330-44585-7600 with DISTILLER

56840.508

2/11/2005 MJA

EXCLUSIVE RETAINER AGREEMENT TO LOCATE REAL PROPERTY

RETAINER AGREEMENT: The undersigned Buyer hereby retains COLDWELL BANKER [Broker] for a period commencing this date and terminating at midnight of [redacted], [redacted] for the purpose of locating real property of a nature outlined below and to negotiate terms and conditions for the purchase thereof, or for obtaining an option thereon, acceptable to Buyer.

BROKERAGE FEE: Buyer agrees to pay Broker as compensation for locating and negotiating the purchase of a property acceptable to Buyer a fee of Per MLS % of the purchase price; Buyer agrees further to pay Broker as compensation for obtaining an option on a property acceptable to buyer a fee of $_____ and agrees further to pay Broker the balance of a fee of Per MLS % of the purchase price in the event the option is exercised or assigned prior to the expiration of the option, IF:

[1] Buyer or any other person acting for buyer or in buyer's behalf, purchases or obtains an option for, any real property of the nature described herein during the term hereof, through the services of Broker or otherwise.

[2] Buyer, or any other person acting for buyer or in Buyer's behalf, purchases or obtains an option for, any real property within one year after termination of this retainer, which property Broker presented or submitted to Buyer during the term hereof and the address of which Broker shall have submitted in writing to Buyer, either in person or by mail, within ten days after termination of this retainer agreement.

Broker agrees that he/she will act for buyer only and will not accept a fee from the Seller unless full disclosure thereof is made to Buyer prior to the execution of an offer to purchase or option.

CREDIT: In the event that the Seller has agreed to pay a fee, and Broker with the consent of buyer, is entitled to receive any portion thereof, the full amount of the fee paid by Seller to Broker shall be credited against the obligations of Buyer hereunder.

BROKER'S OBLIGATIONS: In consideration of Buyer's agreement set fort above, Broker agrees to use diligence in locating a property acceptable to buyer and to negotiate terms and conditions for the purchase of said property or for obtaining an option on said property acceptable to Buyer.

ADDITIONAL TERMS AND CONDITIONS: This agreement shall be deemed as a house to house basis. The first and only house for now to be covered by this agreement is 3620 Sweetwater Mesa Rd, Malibu CA a/k/a APN # [redacted]. Other houses to be added in writing signed by the buyer if appropriate

GENERAL NATURE OF PROPERTY: _____

SIZE: _____ LOCATION: _____

TERMS: _____

SPECIAL INFORMATION: _____

RECEIPT OF A COPY OF THIS AGREEMENT IS HEREBY ACKNOWLEDGED.

DATED: 11/1, 2004

Coldwell Banker — Broker

Beautiful Vision, Inc — Buyer

Address — Buyer

9000 Sunset LA Ca 90069 — Telephone

Address

By — Coldwell Banker-OTOREO — Telephone

Permanent Subcommittee on Investigations
EXHIBIT #28

3620 Sweetwater Mesa Rd.

The first offer I wrote for Mr. Nguema was 11/1/04. It was written under Mr. Nguema's company called Beautiful Vision with Michael Berger as the President of that company. At that time, Mr. Berger gave me an Exclusive Retainer Agreement to Locate Real Property solely for 3620 Sweetwater Mesa Rd. By the way it was written, it would expire2/1/06. I understood that Mr. Kerrigan had submitted an offer for Mr. Nguema previous to my first meeting with Mr. Nguema. I asked both Mr. Berger and Mr. Nguema why they weren't continuing to work with Kerrigan. They both explained to me jointly and separately that Kerrigan had bungled the sale of Mr. Nguema's property on Antelo. They said he let the Buyer move in to Antelo before the close of escrow without Mr. Nguema's permission. The Buyer also refused to close the escrow on time and the transaction became litigious.

From my first meeting with Mr. Nguema around 10/04 until the consummation of the offer, I spoke and met frequently with him. Sometimes we would meet very late in the evening at the last minute. I often would go to his house and have to wait for him for several hours until he finished his other appointments. It was fine with me because many of my clients work the same way. Over a period of 13 months, I presented 4 signed offers from Mr. Nguema, the 4th being accepted by the Seller 1/6/06. Over the span of 15 months, Mr Nguema would call me and ask my opinion on the Real estate market and how to approach the Seller with various options and ideas. I would always give him my honest opinion. Even though I knew he had worked with Mr. Kerrigan in the past and was working with other realtors from time to time, I still believed I had a fiduciary obligation to him even if I ended up selling him nothing. Therefore, I would always give him 100% effort on my part. Around the time it looked like we were getting closer to making a deal, I received a call from Lina, Mr. Nguema's assistant. She asked me a short question." Would I be willing to split the Buyer's commission with Mr. Nguema. I said "Yes" and she said " Thank you" and hung up.This call came after working with Mr. Nguema for over a year.

Regarding my visit to Mr. Nguema's house on Antelo, My wife and I saw it advertised as an Open House on a Sunday approximately around 4/04, As we often do, we look at Open Houses in Los Angeles, primarily up in the hills.We drove up there to see it. Mr. Kerrigan was holding it open. We were amazed at this round Nautilus shaped house, but what was more amazing was the car collection in the garage that John showed us. We asked John, " Who owns this house?" He said, I shouldn't really say, but he's a minister of a very wealthy country in Africa. That was all there was to it. I did not try to make contact with the Owner. How would I ever know how to do that? By coincidence and by a mutual friend, I was introduced to Mr. Nguema around 10/04.

Regarding the non-subscriber issue in the Multiple Listing Service:

I signed a very strict confidentiality clause. I have signed agreements like this several times over the years and I take them very seriously. When it was evident that the Sweetwater transaction was going to close, Mr. Hyland's office called me and asked if I wanted my name listed as the Selling Agent. I said "no". I knew there would be a lot of

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56840.510

questions from the Real Estate community and I know how nosy some people can be. I wanted to keep this as quiet as possible and I think we did a good job up until now. I told Mr. Hyland's office to just put non-subscriber and leave it at that. I definitely was not trying to keep the sale private from Mr. Kerrigan because of any thoughts of his having any right to the commission. In fact, I was showing a property to Mr. Nguema on Alpine in Beverly Hills a short time before the accepted offer on Sweetwater and we ran into John Kerrigan. I said hello to John and then Mr. Nguema said, " Neal, excuse us for a moment" and they walked off a few feet and had a private conversation. I do not know what was said. Then Mr. Nguema and I got into his car and left. That was the last time I saw Mr. Kerrigan.

A couple months after the sale closed, I got a call from John Kerrigan. He said he wanted to come up to my house and talk to me. I said no but I would be happy to meet him in my office. He said he didn't want to bring Fran (my manager) into it and I said, there is no reason to bring her in to anything. We made a time and then John called me to cancel and said he would schedule another time for us to meet and I never heard from him until this complaint.

I've heard Fran Hughes, my office manager, at least twice, say at the Wednesday morning office meetings, that procuring cause has not been enforceable for a long time. Maybe its come back. Whatever the policy is now, I have never stolen anyone's client in the 27 years that I have been doing Real Estate sales and I was the one that negotiated over a year to get Mr. Nguema the Sweetwater property at terms that were acceptable to he and the Seller.

Respectfully,

Neal Baddin

P.S. Aprox 2 months before the acceptance, I received a call from Ketty Carpenter (Prudential - Bev Hills) She said Mr. Nguema approached her to represent him on Sweetwater. I did not share information with her since I was under the confidentiality statement. Obviously he did not stay with her. (But why did he go with her and not go back to Kerigan?) It's obvious he did not want to use Kerigan in this Transaction.

PSI-Coldwell_Banker-01-000503

ph44585 on D330-44585-7600 with DISTILLER

56840.511

I agree to give 50% of my commission to Mr. Teodoro Nguema Obiang upon the close of escrow on the purchase of 3620 Sweetwater Mesa Road.

Sincerely

12/15/05

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56840.512

Minister Teodoro Nguema Obiang
Minister of Forestry
The Republic of Equatorial Guinea
12038 Crest Court
Beverly Hills, CA 90210

December 16, 2005

By Facsimile

Neal Baddin
Coldwell Banker
9000 Sunset Boulevard, Ste. 100
Los Angeles, CA 90069

Re: Agreement Regarding Real Estate Agent Commission

Dear Mr. Baddin:

This letter is an agreement between you, Neal Baddin of Coldwell Banker, and me, Teodoro Nguema Obiang, regarding your real estate commission. This agreement supersedes any and all prior written or oral agreements between us regarding your real estate commission.

You have agreed to represent me as my real estate agent, and in particular, as my real estate agent in connection with my potential purchase of residential property located at 3620 Sweetwater Mesa Road, Malibu, CA ("Property"). Upon the close of escrow,[1] Coldwell Banker will receive a commission representing a percentage of the purchase price agreed-upon by the seller and myself ("Coldwell Banker's Commission"), which, according to the real estate listing for the Property, is currently two percent (2%) of the agreed-upon purchase price. Coldwell Banker will then pay a percentage of the Coldwell Banker's Commission to you ("Real Estate Agent Commission"). You have indicated that in the past the Real Estate Agent Commission has been eighty percent (80%) of the Coldwell Banker's Commission. If the seller agrees to sell the Property to me, you will provide me with fifty percent (50%) of the Real Estate Agent Commission, payable to me by check delivered immediately upon the close of escrow.[2]

If you agree to these terms, please counter-sign the letter and return the original executed letter to me, c/o Matthew Hsu, Sidley Austin Brown & Wood LLP, 1501 K Street, NW.

[1] For purposes of this agreement, the "close of escrow" is defined as the date the grant deed, or other evidence of transfer of title is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.

[2] The percentage of the purchase price paid to Coldwell Banker or the percentage of the Coldwell Banker's Commission paid to you could increase or decrease during negotiations. Regardless of the precise percentage paid to you as your Real Estate Agent Commission, you nevertheless agree to provide me with fifty percent (50%) of your Real Estate Agent Commission.

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Washington, D.C. 20005. You should send a copy of the executed letter to me at 12038 Crest Court, Beverly Hills, CA 90210. Once you execute and return the letter in the manner described above, this letter will constitute a binding agreement between us.

Sincerely,

Minister Teodoro Nguema Obiang

AGREED TO AND ACCEPTED:

Neal Baddin, Coldwell Banker

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56840.514

CONFIDENTIALITY AGREEMENT (Broker)

1. Date and Parties

This Confidentiality Agreement ("Agreement") is dated March 31, 2006 and is entered into for the benefit of Teodoro Nguema Obiang ("TNO") and Sweetwater Mesa, LLC ("Seller") by Coldwell Banker - Fran Hughes, mgr. ("Broker").

2. **Recitals**

Broker is acting as a broker on behalf of either the seller or TNO in connection with the purchase and sale of that certain residential property commonly known as 3620 Sweetwater Mesa Road, Malibu, CA (the "Property"). TNO has agreed to purchase the Property. TNO requires Broker to agree to keep confidential everything concerning the proposed purchase of the Property, including, without limitation, the identity of buyer and the terms and conditions of the purchase and sale, as provided below.

3. Agreement

In consideration of the premises and the covenants set forth in this document, Broker hereby agrees as follows:

3.1 Confidential Information. Broker acknowledges that the identity of TNO or any assignee of TNO as the buyer of the Property and Sweetwater Mesa, LLC and its members and managers as seller of the Property and all terms and conditions of the purchase and sale, the ownership, the value and any knowledge of the Property are confidential and are not to be disclosed to anyone except as provided below. Broker further acknowledges that written and oral information and certain documents and data previously and hereafter obtained by it or any of its representatives from Seller or any of the inspectors used by TNO or any of Seller's representatives in connection with the contemplated transaction are confidential. Such confidential information and documents, including, without limitation, the identity of the buyer of the Property, any assignee of the buyer and any terms of the purchase of the Property, financial information, technical data, and agreements and related information are collectively referred to as the "Confidential Information." Broker further acknowledges and agrees that such Confidential Information constitutes valuable property and trade secrets of both TNO and Seller, which each such party is entitled to protect.

3.2 No Disclosure. Broker shall hold in strict confidence all Confidential Information and neither Broker nor any of its affiliates or representatives shall directly or indirectly (a) disclose the identity of the buyer or any assignee of buyer other than to seller and its representatives, (b) use or permit the use of any of the Confidential Information for any purpose other than in connection with its services as broker to either TNO or Seller, as the case may be, or (b) disclose or permit the disclosure of any of the Confidential Information to any person or entity other than Seller, TNO's or Seller's representatives; provided that (i) this obligation not to disclose shall not extend to any Confidential Information which is or has become generally available to the public through no act or omission of the party receiving the information or any of its affiliates or representatives, and (ii) Broker may disclose any Confidential

Permanent Subcommittee on Investigations
EXHIBIT #29

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

requirement, provided however that Broker shall notify both TNO's attorney, George Nagler, 468 N. Camden Drive, #200, Beverly Hills, CA 90210, phone 310 278 0034, fax 310 278 7584 or gnagler@p[redacted] ("Nagler") and Seller's attorney, Dennis Ellman, Greenberg Glusker Fields Claman Machtinger & Kinsella LLP, 1900 Avenue of the Stars, #2100, Los Angeles, CA 90067 310 [redacted] fax 310 553 0687 or dellman@[redacted]n ("Ellman") prior to disclosure of any Confidential Information to any person pursuant to this paragraph.

3.3 Copies. Any duplicate copies made by Broker or any of its affiliates or representatives of any of the Confidential Information shall be subject to all the provisions of this agreement.

3.4 Documents. Broker shall keep confidential all copies of any Confidential Information heretofore or hereafter obtained by it or any of its representatives in connection with the contemplated transaction.

3.5 Transaction Confidential. Without the prior written consent of TNO and Seller, neither Broker nor any of its representatives shall disclose, directly or indirectly, either the fact that a purchase is pending or any of the terms, conditions or other facts concerning such transaction, or anything relating to the Property, whether or not connected to the services provided by Broker, to any person who is not an employee, or representative of either TNO or Seller. For the purpose of this agreement, the term "representative" includes attorneys, consultants, accountants and auditors, or anyone else who needs to know such matters in order to perform such person's business duties in connection with the contemplated transaction.

4. Compliance.

Without in any way limiting any other obligation or liability under this Agreement, Broker shall take all appropriate action by instruction or otherwise, to prevent the unauthorized use, disclosure, copying, or reproduction of the Confidential Information and shall take all reasonable precautions to protect and maintain the confidentiality of the Confidential Information. Broker shall advise its employees and representatives to whom such party discloses any of the Confidential Information of the terms of this Agreement and cause them to comply with this Agreement. Broker shall immediately notify Nagler and Ellman of the circumstances surrounding any breach or anticipated breach of this Agreement of which Broker becomes aware.

5. Term.

The undertakings and obligations set forth in this Agreement shall continue for a period of fifty years from the date first set forth above.

6. Miscellaneous.

6.1 Neither this Agreement nor any of its provision may be amended or modified, and no waiver may be granted, except by a written instrument signed by TNO Seller. This Agreement shall be binding upon and inure to the benefit of and be enforceable by each of TNO, Seller and their respective successors and assigns. With

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56840.516

respect to its subject matter, this Agreement contains the entire understanding of the parties.

6.2 If any provision or provisions of this Agreement are held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

6.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

6.4 Should any action arise under this Agreement, the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred, including but not limited to reasonable attorneys' fees and costs for the services rendered to such prevailing party as may be awarded by the court having jurisdiction over such matters.

7. Signatures.

This document is executed at the place and on the date indicated opposite the signature set forth below.

Executed at Los Angeles, California
this 21 day of March, 2006

Coldwell Banker

By: Fran Hughes V.P.

Fran Hughes BRANCH MGR.
Print name

Its: _____

PSI-Coldwell_Banker-01-000514

ph44585 on D330-44585-7600 with DISTILLER

56840.517

CONFIDENTIALITY AGREEMENT (Broker)

1. Date and Parties

This Confidentiality Agreement ("Agreement") is dated March 23, 2006 and is entered into for the benefit of Teodoro Nguema Obiang ("TNO") and Sweetwater Mesa, LLC ("Seller") by Coldwell Banker ("Broker").

2. Recitals

Broker is acting as a broker on behalf of either the seller or TNO in connection with the purchase and sale of that certain residential property commonly known as 3620 Sweetwater Mesa Road, Malibu, CA (the "Property"). TNO has agreed to purchase the Property. TNO requires Broker to agree to keep confidential everything concerning the proposed purchase of the Property, including, without limitation, the identity of buyer and the terms and conditions of the purchase and sale, as provided below.

3. Agreement

In consideration of the premises and the covenants set forth in this document, Broker hereby agrees as follows:

3.1 Confidential Information. Broker acknowledges that the identity of TNO or any assignee of TNO as the buyer of the Property and Sweetwater Mesa, LLC and its members and managers as seller of the Property and all terms and conditions of the purchase and sale, the ownership, the value and any knowledge of the Property are confidential and are not to be disclosed to anyone except as provided below. Broker further acknowledges that written and oral information and certain documents and data previously and hereafter obtained by it or any of its representatives from Seller or any of the inspectors used by TNO or any of Seller's representatives in connection with the contemplated transaction are confidential. Such confidential information and documents, including, without limitation, the identity of the buyer of the Property, any assignee of the buyer and any terms of the purchase of the Property, financial information, technical data, and agreements and related information are collectively referred to as the "Confidential Information." Broker further acknowledges and agrees that such Confidential Information constitutes valuable property and trade secrets of both TNO and Seller, which each such party is entitled to protect.

3.2 No Disclosure. Broker shall hold in strict confidence all Confidential Information and neither Broker nor any of its affiliates or representatives shall directly or indirectly (a) disclose the identity of the buyer or any assignee of buyer other than to seller and its representatives, (b) use or permit the use of any of the Confidential Information for any purpose other than in connection with its services as broker to either TNO or Seller, as the case may be, or (b) disclose or permit the disclosure of any of the Confidential Information to any person or entity other than Seller, TNO's or Seller's representatives; provided that (i) this obligation not to disclose shall not extend to any Confidential Information which is or has become generally available to the public through no act or omission of the party receiving the information or any of its affiliates or representatives, and (ii) Broker may disclose any Confidential

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Information which is it legally compelled to do so pursuant to legal process or regulatory requirement; provided however that Broker shall notify both TNO's attorney, George Nagler, 468 N. Camden Drive, #200, Beverly Hills, CA 90210, phone 310 278 0034, fax 310 278 7584 or gnagler@[redacted]t ("Nagler") and Seller's attorney, Dennis Ellman, Greenberg Glusker Fields Claman Machtinger & Kinsella LLP, 1900 Avenue of the Stars, #2100, Los Angeles, CA 90067 310 201 7417 fax 310 553 0687 or dellman@g[redacted]n ("Ellman") prior to disclosure of any Confidential Information to any person pursuant to this paragraph.

3.3 Copies. Any duplicate copies made by Broker or any of its affiliates or representatives of any of the Confidential Information shall be subject to all the provisions of this agreement.

3.4 Documents. Broker shall keep confidential all copies of any Confidential Information heretofore or hereafter obtained by it or any of its representatives in connection with the contemplated transaction.

3.5 Transaction Confidential. Without the prior written consent of TNO and Seller, neither Broker nor any of its representatives shall disclose, directly or indirectly, either the fact that a purchase is pending or any of the terms, conditions or other facts concerning such transaction, or anything relating to the Property, whether or not connected to the services provided by Broker, to any person who is not an employee, or representative of either TNO or Seller. For the purpose of this agreement, the term "representative" includes attorneys, consultants, accountants and auditors, or anyone else who needs to know such matters in order to perform such person's business duties in connection with the contemplated transaction.

4. Compliance.

Without in any way limiting any other obligation or liability under this Agreement, Broker shall take all appropriate action by instruction or otherwise, to prevent the unauthorized use, disclosure, copying, or reproduction of the Confidential Information and shall take all reasonable precautions to protect and maintain the confidentiality of the Confidential Information. Broker shall advise its employees and representatives to whom such party discloses any of the Confidential Information of the terms of this Agreement and cause them to comply with this Agreement. Broker shall immediately notify Nagler and Ellman of the circumstances surrounding any breach or anticipated breach of this Agreement of which Broker becomes aware.

5. Term.

The undertakings and obligations set forth in this Agreement shall continue for a period of fifty years from the date first set forth above.

6. Miscellaneous.

6.1 Neither this Agreement nor any of its provision may be amended or modified, and no waiver may be granted, except by a written instrument signed by TNO Seller. This Agreement shall be binding upon and inure to the benefit of and be

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56840.519

enforceable by each of TNO, Seller and their respective successors and assigns. With respect to its subject matter, this Agreement contains the entire understanding of the parties.

6.2 If any provision or provisions of this Agreement are held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

6.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

6.4 Should any action arise under this Agreement, the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred, including but not limited to reasonable attorneys' fees and costs for the services rendered to such prevailing party as may be awarded by the court having jurisdiction over such matters.

7. Signatures.

This document is executed at the place and on the date indicated opposite the signature set forth below.

Executed at Los Angeles, California
this 23 day of March, 2006

By: _____
Neal Baddin
Print name

Its: _____

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56840.520

First American Title Company

520 North Central Avenue • Glendale, CA 91203

Buyer's Final Settlement Statement

Property: 3620 Sweetwater Mesa Road, Malibu, CA 90265

File No: LGL-2261234
Officer: Shari Anderson/SLA
New Loan No:
Settlement Date: 04/27/2006
Disbursement Date: 04/28/2006
Print Date: 4/28/2006, 7:41 AM

Buyer: Teodoro Nguema Obiang; Sweetwater Malibu, LLC, a California lim
Address: 3620 Sweetwater Mesa Road, Malibu, CA 90265
Seller: Sweetwater Mesa LLC., a Delaware limited
Address:

Charge Description	Buyer Charge	Buyer Credit
Consideration:		
Total Consideration	30,750,000.00	
Deposits in Escrow:		
Receipt No. 64100 on 02/06/2006 by Teodoro Nguema Obiang		900,000.00
Receipt No. 64504 on 04/05/2006 by Teodoro Nguema Obiang		5,908,400.00
Receipt No. 64528 on 04/10/2006 by Teodoro Nguema Obiang		5,908,400.00
Receipt No. 64591 on 04/19/2006 by Teodoro Nguema Obiang		5,908,400.00
Receipt No. 64619 on 04/21/2006 by Teodoro Nguema Obiang		5,908,400.00
Receipt No. 64636 on 04/26/2006 by Teodoro Nguema Obiang		5,908,400.00
Adjustments:		
Seller's Rent		75,000.00
Seller Credit for Home Warranty		2,000.00
Seller Credit		50,000.00
Selling Broker Credit to Buyer		307,500.00
Prorations:		
2005/06 2nd half taxes 04/27/06 to 07/01/06 @$1270.21/semi	452.40	
2005/06 2nd half taxes 04/27/06 to 07/01/06 @$34319.81/semi	12,223.49	
Title/Escrow Charges to:		
Escrow Fee - First American Title Company	6,000.00	
Special Messenger/Courier Fee - First American Title Company	104.00	
Wire Fee - First American Title Company	105.00	
Record Deed	35.00	
Cash (From) (X To) Borrower	107,580.11	
Totals	30,876,500.00	30,876,500.00

BUYER(S):

Teodoro Nguema Obiang

Sweetwater Malibu, LLC, a California limited liability company

By: Teodoro Nguema Obiang, its Manager

Permanent Subcommittee on Investigations
EXHIBIT #30

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ph44585 on D330-44585-7600 with DISTILLER

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56840.521

Dunn, Teena

From: Dunn, Teena
Sent: Sunday, March 19, 2006 1:36 PM
To: 'Dick Brown'; Christine Nasrallah; Eric DURET
Cc: McCreary, Scott D.; Marianna Elias; Nina Safarina; Irma Soewardi
Subject: RE: Escrow Funds

Christine and Eric,

We need some information to assure compliance with the US Patriot Act. Funds must arrive from an account held in the name of Ebony Shine International Ltd. ("Ebony"). We also need copies of Ebony's formation documents, list of officers and principals and identify of the source of funds.

Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

- **Caution:** Message contents may be subject to attorney-client privilege and/or the litigation work product doctrine. This message is intended solely for the addressee(s) identified above.
- **Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.**

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Dick Brown [mailto:dick@[redacted]h]
Sent: Thursday, March 16, 2006 2:19 AM
To: Christine Nasrallah; Eric DURET
Cc: Dunn, Teena; McCreary, Scott D.; Marianna Elias; Nina Safarina; Irma Soewardi
Subject: Escrow Funds

Dear Eric and Christine

We have been advised by Teena Dunn that no funds have been received by them. This is rather disturbing form our point of view, and we would ask that you start a trace on this funds immediately.

Regards

5/30/2007

BSSL000159

Permanent Subcommittee on Investigations
EXHIBIT #31

Dick

5/30/2007

BSSL000160

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56840.523

Dunn, Teena

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From: McCreary, Scott D.
Sent: Friday, April 07, 2006 10:49 AM
To: 'Christine Nasrallah'; 'Dick Brown'; Dunn, Teena
Cc: 'Nina Safarina'; [redacted]t@ldsassocies.com'; 'Lucil Tan'; 'Arnaud Poisson'; 'Marianna Elias'
Subject: RE: RE : RE : Gulfstream V S/N 669 funds

I just want to make sure everyone is on the same page and aware that for us to continue to hold funds I must be provided with the Patriot Act due diligence by Monday morning, and it must be in a form acceptable to us. If I don't have the information or if I am in anyway unsure, I will wire the funds back to the account of the party sending said funds to us. Or, we can wire the funds back to IATS if they are willing to act as escrow agent.

The parties could use the same form of escrow agreement with IATS.

Scott D. McCreary
Direct Phone 405-552-2367 | Direct Fax 405-228-7367
scott.mccreary@mcafeetaft.com
MCAFEE & TAFT
A PROFESSIONAL CORPORATION
10th Floor, Two Leadership Square, 211 North Robinson, Oklahoma City, OK 73102-7103
Phone 405-235-9621 | Fax 405-235-0439 | www.mcafeetaft.com
Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.
This message is sent by a law firm and may contain information that is privileged or confidential. If you received this transmission in error, please notify the sender by reply e-mail and delete the message and any attachments.

From: Christine Nasrallah [mailto:cnasral@[redacted]
Sent: Friday, April 07, 2006 5:00 AM
To: 'Dick Brown'; Dunn, Teena; McCreary, Scott D.
Cc: 'Nina Safarina'; [redacted]@ldsassocies.com; 'Lucil Tan'; 'Arnaud Poisson'; 'Marianna Elias'
Subject: RE : RE : Gulfstream V S/N 669 funds
Importance: High

Dear Dick,

Thank you so much for your patience. The 1st and 2nd settlements of 2.175,000$ each were transferred to the credit of Scott Mac's account value April 6th, 2006 and the 3rd 5150.000$ value April 7th.

Teena has got all the transfers' copies.

We have contacted the Wells Fargo Bank re the compliances of Patriot Act. Taking into account the difficulties linked with their client's political activities, we have decided not to proceed with a US registration but to go for a registration in the Caymand Islands or Bermuda.

We have noted that the PPI will start on Tuesday April 18th in Geneva with Jet Aviation.

The last settlement of the aircraft's price will be made next week to Scott.

Permanent Subcommittee on Investigations
EXHIBIT #32

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Best regards,

= Redacted by the Permanent Subcommittee on Investigations

Christine Nasrallah
Office Manager
61, rue de Miromesnil
75008 Paris - France
Tel: 331-53[redacted]
Fax: 331-53[redacted]
email: cnasral@[redacted]

-----Message d'origine-----
De : Dick Brown [mailto:dick@[redacted]
Envoyé : mardi 4 avril 2006 18:04
À : Dunn, Teena; Christine Nasrallah; McCreary, Scott D.
Cc : Nina Safarina; [redacted]t@[redacted] Lucil Tan; Arnaud Poisson; arnaud poisson; Marianna Elias
Objet : RE: RE : Gulfstream V S/N 669

Thanks Teena

On Tue, 4 Apr 2006 08:58:57 -0500, Dunn, Teena wrote:
> I have received no additional funds or documentation-Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
*> *Caution: Message contents may be subject to attorney-client*
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
*> *Circular 230 disclosure: To ensure compliance with requirements*
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@[redacted]
> Sent: Monday, April 03, 2006 6:51 PM
> To: Dunn, Teena; Christine Nasrallah; McCreary, Scott D. Cc: Nina
> Safarina; eduret@[redacted] Lucil Tan; Arnaud Poisson; arnaud
> poisson Subject: Re: RE : Gulfstream V S/N 669
>

ph44585 on D330-44585-7600 with DISTILLER

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> Teena
>
> Did you receive the information from Eric/Christine today?
>
> Any sign of the additional funds in your Escrow Account?
>
> Regards
> Dick
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Christine Nasrallah" ; "Dick
> Brown" ; "McCreary, Scott D."
> Cc: "Marianna Elias"
> ; "Nina Safarina" ;
> ; "Lucil Tan" ;
> "Arnaud Poisson" ; "arnaud poisson"
> Sent: Thursday, March 30, 2006
> 11:22 PM Subject: RE: RE : Gulfstream V S/N 669
>
>
> Christine,
>
> The patriot act information (articles of organization and good
> standing and an affidavit regarding Ebony's structure, all
> discussed with Eric) needs to be provided to us.
>
> We have not yet received the second payment funds, but will check
> our escrow account through out the day.
>
> Regards- Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
> * Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00604 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.526

= Redacted by the Permanent Subcommittee on Investigations

> -----Original Message-----
> From: Christine Nasrallah [mailto:cnasrallah@[redacted]n] Sent:
> Thursday, March 30, 2006 10:11 AM To: 'Dick Brown'; McCreary, Scott
> D.; Dunn, Teena Cc: 'Marianna Elias'; 'Nina Safarina';
> eduret@[redacted]; 'Lucil Tan'; 'Arnaud Poisson'; 'arnaud
> poisson' Subject: RE : Gulfstream V S/N 669 Importance: High
>
> Dick,
>
> Eric is out of town all week. He will be back tomorrow morning. I
> talked with Brett King this afternoon from Wells Fargo bank who
> sent me the documents relative to The Patriot Act and The Trust
> agreement.
>
> We are sorry for delay in replying as we did not have the required
> information. Eric will be dealing with this during the week-end and
> will be emailing you all documents on Monday.
>
> The client confirmed that the second payment was done and he will
> send me a copy of the wire transfer.
>
> Best regards,
> Christine
>
>
> -----Message d'origine-----
> De : Dick Brown [mailto:dick@[redacted]] Envoyé : jeudi 30 mars
> 2006 17:15 À : McCreary, Scott D.; Dunn, Teena Cc : Marianna Elias;
> Nina Safarina; eduret@[redacted]; Christine Nasrallah; Lucil
> Tan; Arnaud Poisson; arnaud poisson Objet : Re: Gulfstream V S/N 669
>
>
> Eric
>
> We are approaching the end of another week, and nothing has been
> done by you to enable compliance with the Patriot Act. I have sent
> you several emails on this matter and have not even had the
> courtesy of a reply.
>
> As explained to you previously, because you have not complied with
> the requirements of the Patriot Act, we do not have a deposit as
> required under the Sale and Purchase Agreement. The fact that you
> have actually transferred the funds to the Escrow Account has no
> meaning if you are unable to comply with the Patriot Act.
>
> In the absence of a constructive reply from you by return, we will
> have to assume that you no longer wish to continue with this
> transaction.
>
> Regards
> Dick
>
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Dick Brown" ; "McCreary, Scott D."

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00605 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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>
> Cc: "Lucil Tan" ; "Christine Nasrallah"
> ; ; "Marianna
> Elias"
>
> ; "Nina Safarina"
> Sent: Thursday, March 30, 2006 9:50 PM Subject: RE: Gulfstream V
> S/N 669
>
>
> Dick,
>
> We have received no additional funds or any patriot act compliance
> items. Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
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> * Circular 230 disclosure: To ensure compliance with requirements
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> intended or written to be used, and cannot be used, for the purpose
> of
> (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@[redacted]]
> Sent: Thursday, March 30, 2006 5:59 AM
> To: Dunn, Teena; McCreary, Scott D.
> Cc: Lucil Tan; Christine Nasrallah; eduret@[redacted]
> Marianna Elias; Nina Safarina Subject: Re: Gulfstream V S/N 669
>
> Teena
>
> Can you update me on this matter? Have you received anything from
> Eric to satisify the requirements under the Patriot Act. We will
> have a figure from PMA by tomorrow so we could sign the Escrow
> Agreement but there seems no point if we don't have compliance with
> the Patriot Act.
>
> Have you received any additional funds into the Escrow Account?.

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>
> Regards.
> Dick
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Dick Brown" ; "McCreary, Scott D."
>
> Cc: "Marianna Elias" ; "Christine
> Nasrallah" ; "Nina Safarina"
> ; Sent: Friday, March
> 24, 2006 9:59 PM Subject: RE: Gulfstream V S/N 669
>
>
> The funds, until such time as a final escrow agreement is executed
> by all parties, is being held by us and subject to the direction of
> purchaser. We of course will not execute the escrow agreement
> until we
> are satisfied that the Patriot Act documentation is sufficient.
> We have not received any further documentation from Eric, since our
> last meeting.
>
> Have you obtained funds transfer amounts to insert in the escrow
> agreement?
>
> Kind Regards- Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
> * Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of
> (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@[redacted]
> Sent: Thursday, March 23, 2006 7:11 PM
> To: Dunn, Teena; McCreary, Scott D.

ph44585 on D330-44585-7600 with DISTILLER

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56840.529

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> Cc: Marianna Elias; Christine Nasrallah; Nina Safarina;
> eduret@[redacted] Subject: RE: Gulfstream V S/N 669
>
> Teena
>
> Thanks for the advice. Can you confirm if these are now clear
> funds that you could administer in accordance with the Purchase
> Agreement and Escrow Agreement, or are they on hold subject to the
> Purchaser satisifying the requirements of the Patriot Act.
>
> Regards
> Dick
> ___
> Sent with SnapperMail
>
> ..... Original Message .....
> On Thu, 23 Mar 2006 12:20:11 -0600 "Dunn, Teena"
> wrote:
>> Dick,
>>
>> I confirm that we have received $4,723,262.22 is US to our escrow
>>
> account.
>
>> Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>>
>> Caution: Message contents may be subject to attorney-client
>> privilege
>>
> and/or the litigation work product doctrine. This message is
> intended solely for the addressee(s) identified above.
>
>> Circular 230 disclosure: To ensure compliance with requirements
>> imposed
>>
>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>>
>>

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56840.530

>> ----------
>> From: Dick Brown [mailto:dick@[redacted]]
>> Sent: Thursday, March 23, 2006 9:47 AM
>> To: McCreary, Scott D.; Dunn, Teena
>> Cc: Marianna Elias; Christine Nasrallah; Nina Safarina Subject:
>> Re: Gulfstream V S/N 669
>>
>> Dear Teena
>>
>> Can you give me an update on the receipt of funds into your
>> Escrow Account at the end of your
>>
> banking day today.
>
>> Regards
>> Dick
>>
>> ----- Original Message -----
>> From: Dunn, Teena
>> To: Dick Brown ; McCreary, Scott D.
>> Cc: Nina Safarina ; Christine Nasrallah
>> Sent: Friday, March 17, 2006 11:19 PM
>> Subject: RE: Gulfstream V S/N 669
>>
>> Thank you for the update. I will monitor our escrow account and
>> let you
>>
> know if funds arrive.
>
>> Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>> Caution: Message contents may be subject to attorney-client
>> privilege
>>
> and/or the litigation work product doctrine. This message is
> intended solely for the addressee(s) identified above.
>> Circular 230 disclosure: To ensure compliance with requirements
>> imposed
>>
>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any

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56840.531

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> transaction or matter addressed herein.
>
>>
>> ----------
>> From: Dick Brown [mailto:dick@[redacted]]
>> Sent: Friday, March 17, 2006 10:10 AM
>> To: Dunn, Teena; McCreary, Scott D.
>> Cc: Nina Safarina; Christine Nasrallah
>> Subject: Re: Gulfstream V S/N 669
>>
>> Teena
>>
>> The problem is we need to fix a closing date to get the amount
>> due to
>>
> PMA.
> In the absence of the promised Escrow Funds we are reluctant to
> attempt to set a Closing Date. We are going to have to place
> everything on hold if you do not receive funds by your close of
> business today.
>
>> Regards
>> Dick
>> ----- Original Message -----
>> From: Dunn, Teena
>> To: Dick Brown ; McCreary, Scott D.
>> Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah Sent:
>> Friday, March 17, 2006 11:03 PM Subject: RE: Gulfstream V S/N 669
>>
>> Dick,
>>
>> No funds have arrived this morning.
>>
>> Have you obtained the financial information to insert in the
>> escrow
>>
> agreement regarding transfers? We need to finalize the escrow
> agreement as soon as possible.
>
>> Let me know
>>
>> Regards- Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>> Caution: Message contents may be subject to attorney-client
>> privilege

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00610 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.532

>>
> and/or the litigation work product doctrine. This message is
> intended solely for the addressee(s) identified above.
>> Circular 230 disclosure: To ensure compliance with requirements
>> imposed
>>
>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>>
>> ----------
>> From: Dick Brown [mailto:dick@[redacted]]
>> Sent: Friday, March 17, 2006 9:46 AM
>> To: Dunn, Teena; McCreary, Scott D.
>> Cc: Marianna Elias; Nina Safarina; Christine Nasrallah Subject:
>> Gulfstream V S/N 669
>>
>> Dear Scott and Teena
>>
>> Can you advise if any funds have arrived in the Escrow Account as
>> yet for
>>
> this transaction.
>
>> Regards
>> Dick

[redacted] = Redacted by the Permanent Subcommittee on Investigations

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00611 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.533

RE : RE : RE : GV 669

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Subject: RE : RE : RE : GV 669
From: "Christine Nasrallah" <cnasral@[redacted]m>
Date: Thu, 20 Apr 2006 16:45:29 +0200
To: "Kirk Woford'" <kwiats@[redacted]t>
CC: "Eric DURET \(eduret@[redacted]\)" <eduret@[redacted]m>

Kirk,

Did you open a new escrow account or we still have the same number?
Can we have the confirmation signed for the first payment by fax ?
Thank you in advance.
Kindrest regards,

Christine

-----Message d'origine-----
De : Kirk Woford [mailto:kwiats@[redacted]t]
Envoyé : mercredi 19 avril 2006 15:40
À : Christine Nasrallah
Cc : christil@insuredaircraft.com; Eric DURET (eduret@[redacted]); Dick@T[redacted]
Objet : Re: RE : RE : GV 669

Chritine:
I did confirm receipt but in the event you did not receive it this will confirm that the funds have been received from McAfee.
Thnak you,
Kirk Woford

Christine Nasrallah wrote:

> Dear Christi,
>
> Could you please forward this email urgently to Kirk as i cannot reach him either by phone or email.
>
> Scott McCreary from Mcafeetaft sent back the 4.7 MUS$ to Kirk. Could you please reopen an escrow account in the name of Blue Sapphire (NGUEMA) as the transaction was cancelled via Mcafeetaft.
>
> Could you please confirm that the deposit is being held for the account of Blue Sapphire Services Ltd. and send me confirmation by mail or fax 331.5[redacted].
>
> The client will transfer the 10.300.000 US$ for the second payment and the final payment will follow later.
>
> Thank you in advance
> Best regards,
>
> Christine Nasrallah
>
> -----Message d'origine-----

Permanent Subcommittee on Investigations
EXHIBIT #33

00222

PSI-Insured_Aircraft-01-0222
4/20/2006 9:55 AM

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00612 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.534

Insured Aircraft Title Service, Inc.
P.O. Box 19527 • Oklahoma City, Oklahoma 73144 • (405) 681-6663
(800) 654-4882
FAX #405-681-9299

DEPOSIT CONFIRMATION

RE: GULFSTREAM G-V,
SERIAL NUMBER 669,
N1UB.

TO: MR. ERIC DURET

FROM: KIRK WOFORD

APRIL 20, 2006
(1) PAGE

▬ = Redacted by the Permanent Subcommittee on Investigations

DEAR MR. DURET:

THIS WILL CONFIRM THAT I.A.T.S. HAS RECEIVED INTO ESCROW THE SUM OF $4,700,000.00 AS A DEPOSIT ON THE ABOVE REFERENCED AIRCRAFT. THIS DEPOSIT WILL BE HELD FOR THE ACCOUNT OF BLUE SAPPHIRE SERVICES LTD(NGUEMA) AND WILL BE CONSIDERED REFUNDABLE PENDING OUR RECEIPT OF FURTHER INSTRUCTIONS FROM THE DEPOSITOR.

PLEASE FEEL FREE TO CONTACT ME DIRECT AT 800-[redacted] WITH ANY QUESTIONS OR IF YOU DESIRE ADDITIONAL INFORMATION.

BEST REGARDS,

KIRK WOFORD
PRESIDENT

KLW/

Permanent Subcommittee on Investigations
EXHIBIT #34

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00613 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.535

RE: Incoming Euro's

[redacted] = Redacted by the Permanent Subcommittee on Investigations

I-BALO
Eurocopter AS350B III
Sn: 3797

Subject: RE: Incoming Euro's
From: Greig.Boyce@[redacted]
Date: Fri, 5 May 2006 10:59:13 +0100
To: <cfiats@[redacted]t>

Dear Chris,

I have pleasure informing you of the following funds.

Amount Euro 50,000.00
Value 28.Apr.2006
Remitting Bank Wells Fargo NA
By Order Evergreen International Airlines

Amount US$ 2,574,975.00
Value 09.May.2006
Remitting Bank Banque De France
By Order Teodoro Nguema Obiang Via Sggegqqq

Should you require any further information please do not hesitate to contact me.

Best regards,

Greig.

-----Original Message-----
From: Chris Fiegel [mailto:cfiats@e[redacted]]
Sent: 04 May 2006 20:00
To: Boyce, Greig
Subject: Incoming Euro's

Hello Greig,

We are looking for incoming funds in the amount of 50,000 Euro's. Would you please advise me when they arrive? Thanks as always for your help.

Best regards,

Chris Fiegel
Insured Aircraft Title Service, inc.

Permanent Subcommittee on Investigations
EXHIBIT #35

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00614 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.536

TR: RE : U.S. Patriot Act

= Redacted by the Permanent Subcommittee on Investigations

Subject: TR: RE : U.S. Patriot Act
From: "Eric DURET" <eduret@[redacted]>
Date: Fri, 9 Jun 2006 15:38:06 +0200
To: <kwoford@insuredaircraft.com>

ERIC DURET
Avocat à la Cour
61, rue de Miromesnil
75008 Paris - France
Tél: 01.53.[redacted]
Fax: 01.53.[redacted]
email: eduret@[redacted]
-----Message d'origine-----
De : Christine Nasrallah [mailto:cnasral@[redacted]]
Envoyé : mercredi 31 mai 2006 15:42
À : 'Dick Brown'
Cc : 'Marianna Elias'; 'Nina Safarina'; arnaud poisson; Eric DURET (eduret@[redacted]
Objet : RE : U.S. Patriot Act

Dear Dick,

Please allow me pinpoint the following points:

- the client is Indonesian
- the sale will take place in Singapore between 2 tortola companies out of which one is detained by an African
- the guarantee is based in London
- both intermediaries (you and me) are non US citizens

Based on the above, could you please explain to me how an American law can be applied to this contract knowing that the plane has already been re-registered at the Cayman Islands?

I have forwarded your e-mail to Kirk who did not reply so far; he is travelling in Europe.

Best regards,

Christine Nasrallah
Office Manager
61 rue de Miromesnil
75008 Paris – France
) 01.53.[redacted]
È 01.53.[redacted]
email : cnasral@[redacted]

----- Original Message -----
From: Dick Brown

00327

Permanent Subcommittee on Investigations
EXHIBIT #36

PSI-Insured_Aircraft-01-0327 6/9/2006 8:41 AM

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00615 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.537

TR: RE ; U.S. Patriot Act

To: Eric DURET ; eric duret
Cc: Irma Soewardi ; Christine Nasrallah ; Christine Nasrallah
Sent: Tuesday, May 23, 2006 10:15 PM
Subject: U.S. Patriot Act

Dear Eric

The owner of the GV is very concerned that this sale to your client is not in compliance with the Patriot Act. As such he requires a Legal Opion form IATS's Counsel that the transaction as structured by IATS is not subject to the provisions of the Patriot Act, or if it is, that all requirements of the Patriot Act have been complied with.

Can you arrange to get us this opinion today.

Regards
Dick

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

00328

PSI-Insured_Aircraft-01-0328

ph44585 on D330-44585-7600 with DISTILLER

56840.538

Re: Closing on GV S/N 669

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subject: Re: Closing on GV S/N 669
From: "Dick Brown" <dick@[redacted]>
Date: Thu, 29 Jun 2006 22:30:08 +0800
To: "Kirk Woford" <kwoford@insuredaircraft.com>

Kirk

The documents should be there somewhere, but if anything is missing we will get it for you.

Dick

---- Original Message ----
From: Kirk Woford
To: Dick Brown
Cc: arnaud poisson ; Arnaud Poisson ; Christine Nasrallah ; eric duret ; Irma Soewardi ; Marianna Elias ; Nina Safarina
Sent: Thursday, June 29, 2006 10:23 PM
Subject: Re: Closing on GV S/N 669

Dick:
I just spoke with Eric and he has instructed me to initiate payment which I will do immediately. I assume M&T will deliver or file the appropriate documents.
Kirk

Dick Brown wrote:

Kirk

M & T have the following which they have been instructed to deliver to you.

Lease termination between Wells Fargo and Blue Sapphire
The release by PMA
Wells Fargo's request for deregistration
You have received from us today,

Cost Sharing Disclaimer
Sub-Lease Termination Blue Sapphire to PT Energi Mega Persada

You should have received from Wells Fargo Bank
FAA Bill of Sale
Warrenty Bill of Sale

Yesterday you received,
Notice of satisfactory pre purchase inspection
Aircraft acceptance
Escrow Agreement
Instructions to Fund

Can you confirm you have all these documents.

Regards
Dick

00329

Permanent Subcommittee on Investigations
EXHIBIT #37

PSI-Insured_Aircraft-01-0329
6/29/2006 9:37 AM

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00617 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.539

Re: Closing on GV S/N 669

---- Original Message ----
From: Kirk Woford
To: Dick Brown
Sent: Thursday, June 29, 2006 9:58 PM
Subject: Re: Closing on GV S/N 669

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dick:
I am prepared to disburse funds according to the escrow agreement. I have yet to receive any document from McAfee & Taft or copies of documents they claim to hold. Please advise as to who will be filing the docuemnts and if all are in place to allow title to transfer to the Purchaser free and clear of all liens.
Best regards,
Kirk Woford

Dick Brown wrote:

Dear Kirk

You should now have all the documents necessary to close this transaction so please proceed to close and transfer funds as quickly as possible. The aircraft is ready to depart to Basel but this cannot occur without confirmation of the funds transfer.

Please let us have the MT100 transfer confirmation's as quickly as possible.

Should you need to contact me by phone, you can get me on 65-[redacted]

Regards
Dick

--
This message has been scanned for viruses and dangerous content by MailScanner, **and is believed to be clean.**

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

00330

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00618 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.540

= Redacted by the Permanent Subcommittee on Investigations

Subject: Re: Closing on GV S/N 669
From: "Dick Brown" <dick@[redacted]>
Date: Thu, 29 Jun 2006 22:12:04 +0800
To: "Kirk Woford" <kwoford@[redacted]>
CC: "arnaud poisson" <apoisson@[redacted]>, "Arnaud Poisson" <a[redacted]>, "Christine Nasrallah" <cnasral@[redacted]>, "eric duret" <eduret@[redacted]>, "[redacted]na Soewardi" <irma.soewardi@b-[redacted]>, "Marianna Elias" <marianna@t[redacted]>, "Nina Safarina" <nina@t[redacted]>

Kirk

M & T have the following which they have been instructed to deliver to you.

Lease termination between Wells Fargo and Blue Sapphire
The release by PMA
Wells Fargo's request for deregistration
You have received from us today,

Cost Sharing Disclaimer
Sub-Lease Termination Blue Sapphire to PT Energi Mega Persada

You should have received from Wells Fargo Bank
FAA Bill of Sale
Warrenty Bill of Sale

Yesterday you received,
Notice of satisfactory pre purchase inspection
Aircraft acceptance
Escrow Agreement
Instructions to Fund

Can you confirm you have all these documents.

Regards
Dick

---- Original Message ----
From: Kirk Woford
To: Dick Brown
Sent: Thursday, June 29, 2006 9:58 PM
Subject: Re: Closing on GV S/N 669

Dick:
I am prepared to disburse funds according to the escrow agreement. I have yet to receive any document from McAfee & Taft or copies of documents they claim to hold. Please advise as to who will be filing the docuemnts and if all are in place to allow title to transfer to the Purchaser free and clear of all liens.
Best regards,
Kirk Woford

Dick Brown wrote:

Dear Kirk

00331

ph44585 on D330-44585-7600 with DISTILLER

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56840.541

Re: Closing on GV S/N 669

[redacted] = Redacted by the Permanent Subcommittee on Investigations

You should now have all the documents necessary to close this transaction so please proceed to close and transfer funds as quickly as possible. The aircraft is ready to depart to Basel but this cannot occur without confirmation of the funds transfer.

Please let us have the MT100 transfer confirmation's as quickly as possible.

Should you need to contact me by phone, you can get me on 65-[redacted]

Regards
Dick

--
This message has been scanned for viruses and dangerous content by MailScanner, **and is believed to be clean.**

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56840.542

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subject: Re: Closing on GV S/N 669
From: "Dick Brown" <dick@[redacted]>
Date: Thu, 29 Jun 2006 22:12:04 +0800
To: "Kirk Woford" <kwoford@[redacted]>
CC: "arnaud poisson" <apoisson@j[redacted]m>, "Arnaud Poisson" <arnaudrp@[redacted]>, "Christine Nasrallah" <cnasral@[redacted]n>, "eric duret" <eduret@[redacted]>, "Irma Soewardi" <irma.soewardi@b[redacted]n>, "Marianna Elias" <marianna@t[redacted]>, "Nina Safarina" <nina@t[redacted]n>

Kirk

M & T have the following which they have been instructed to deliver to you.

Lease termination between Wells Fargo and Blue Sapphire
The release by PMA
Wells Fargo's request for deregistration
You have received from us today,

Cost Sharing Disclaimer
Sub-Lease Termination Blue Sapphire to PT Energi Mega Persada

You should have received from Wells Fargo Bank
FAA Bill of Sale
Warrenty Bill of Sale

Yesterday you received,
Notice of satisfactory pre purchase inspection
Aircraft acceptance
Escrow Agreement
Instructions to Fund

Can you confirm you have all these documents.

Regards
Dick

> —— Original Message ——
> **From:** Kirk Woford
> **To:** Dick Brown
> **Sent:** Thursday, June 29, 2006 9:58 PM
> **Subject:** Re: Closing on GV S/N 669
>
> Dick:
> I am prepared to disburse funds according to the escrow agreement. I have yet to receive any document from McAfee & Taft or copies of documents they claim to hold. Please advise as to who will be filing the docuemnts and if all are in place to allow title to transfer to the Purchaser free and clear of all liens.
> Best regards,
> Kirk Woford
>
> Dick Brown wrote:
>
> Dear Kirk

00333

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00621 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.543

= Redacted by the Permanent Subcommittee on Investigations

Subject: RE: Ebony Shine
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
Date: Thu, 29 Jun 2006 09:43:34 -0500
To: "Kirk Woford" <kwoford@insuredaircraft.com>
CC: <Emma.Casdagli@CliffordChance.com>, <dick@[redacted]n>, <Jon.Croasmun@wellsfargo.com>, "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>

Kirk,

I currently have a lease termination, release by PMA and a deregistration request letter by Wells Fargo. The parties have instructed me to hand these documents over to IATS for filing. I will send these to the PD room and hand over to your agent on our next run.

I may be getting additional documents by fed-ex today. When and if they arrive, I will let you know and forward to you as soon as possible.

We will turn all docs over to you to file under the escrow agreement between IATS and the parties. We have not been asked to do an update exam of the records since our last title memo 12/7/05 (our only involvement is to hand over docs that we hold from the previous deal that stalled and is now re-opened with you as escrow agent). We are not issuing an opinion, my brief review of the record today indicates that if the sublease term and disclaimer are filed along with the above docs, the record will be clear of liens and encumbrances with the FAA. You may want to do your own examination if you are required to issue a title report or opinion.

Regards-Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

* Caution: Message contents may be subject to attorney-client privilege and/or the litigation work product doctrine. This message is intended solely for the addressee(s) identified above.

* Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

-----Original Message-----
From: Kirk Woford [mailto:kwoford@insuredaircraft.com]
Sent: Thursday, June 29, 2006 9:03 AM
To: Dunn, Teena
Cc: Emma.Casdagli@CliffordChance.com; dick@t[redacted]
Jon.Croasmun@wellsfargo.com
Subject: Re: Ebony Shine

00334

Do you have the documents? if so are they in order to allow free and

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56840.544

RE: Ebony Shine

clear title to transfer to the Purchaser? are you going to file with the FAA. Let me know so we can close.

Dunn, Teena wrote:

= Redacted by the Permanent Subcommittee on Investigations

Thank you Emma

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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-----Original Message-----
From: Emma.Casdagli@CliffordChance.com
[mailto:Emma.Casdagli@CliffordChance.com]
Sent: Thursday, June 29, 2006 3:11 AM
To: dick@tw[redacted]; kwoford@insuredaircraft.com; Dunn, Teena
Cc: Jon.Croasmun@wellsfargo.com
Subject: RE: Ebony Shine

Teena,

I confirm that you can pass the documents to IATS.

Reagrds

Emma

Emma Casdagli
CLIFFORD CHANCE
29th Floor Jardine House
One Connaught Place
Hong Kong

Direct dial: +852 2826 [redacted]
Switchboard: +852 2825 8888
Fax: +852 2825 8800
E-mail: emma.casdagli@cliffordchance.com
http:\\www.cliffordchance.com

A list of the firm's partners will be provided upon request

-----Original Message-----
From: Dick Brown [mailto:dick@t[redacted]
Sent: 28 June 2006 23:10

00335

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00623 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.545

RE: Ebony Shine

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To: Kirk Woford; Dunn, Teena
Cc: Jon.Croasmun@wellsfargo.com; Emma Casdagli
Subject: Re: Ebony Shine

Dear Teena

I need Emma's confirmation to do that, so hold them until tomorrow. We will

have the two outstanding documents from Jakarta tomorrow,

c) Sub-Lease Termination Blue Saph and PT Energi (we have neither)
d) Cost Sharing Disclaimer (we have no signatures, attached is the form disclaimer

Perhaps at close of business you and IATS could give us an update on what documents you are holding so we can ensure all is with IATS tomorrow.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@[redacted]; "Emma Casdagli" <Emma.Casdagli@CliffordChance.com>; <Jon.Croasmun@wellsfargo.com>
Sent: Wednesday, June 28, 2006 11:01 PM
Subject: Re: Ebony Shine

Do you want me to turn over documents to IATS now to be held by IATS under the escrow agreement? I hold the following:

lease termination between Wells Fargo and Blue Sapphire
The release by PMA
Wells Fargo's request for deregistration

I will continue to hold until I receive instruction from each of you.

Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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* Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or

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56840.546

RE: Ebony Shine

matter addressed herein.

****

This message and any attachment are confidential and may be privileged or otherwise protected from disclosure. If you are not the intended recipient, please telephone or email the sender and delete this message and any attachment from your system. If you are not the intended recipient you must not copy this message or attachment or disclose the contents to any other person.

For further information about Clifford Chance please see our website at http://www.cliffordchance.com or refer to any Clifford Chance office.

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56840.547

[redacted] = Redacted by the Permanent Subcommittee on Investigations

WILLIAM J. ROBINSON
ATTORNEY AND COUNSELOR
1141 N. Robinson
Suite 300
Oklahoma City, Oklahoma 73103
405-236-3571 (*Telephone*)
405-236-8028 (*Facsimile*)
Jrob91950@[redacted]

June 9, 2006

Wells Fargo Bank Northwest, National Association Owner Trustee
Blue Sapphire Services Limited
Ebony Shine International Ltd
c/o Kirk Woford
Insured Aircraft Title Service Inc
4848 SW 36
OK City OK 73179

re: N1UB

Gentlemen,

In accordance with Paragraph 4 of the June 5, 2006 Aircraft Sale and Purchase Amendment Agreement herein relative to the applicability of the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act) Act Of 2001 thereto, you are advised that while the transaction may not be specifically "exempt" from same, it is my opinion, subject to qualification hereinafter expressed, that nothing in said Act prevents the parties thereto, or their agents, from consummating the purchase and sale or identifies the transaction as a violation of said Act.

This opinion is limited to the facts as revealed in the escrow file of Insured Aircraft Title Service, Inc. and no investigation has been made of the status of the parties or the good standing of said entities in the countries of origin or incorporation.

Four your records you will find enclosed a Table of Contents of the Act and that portion same (sections 373 and 374) which deal with transmission of monies internationally. It appears from the IATS escrow file that the consummation of the sale in Oklahoma City by Wells Fargo, Owner Trustee, to buyer falls without the purview of the prohibited acts covered by said Act.

Sincerely

William J. Robinson

Permanent Subcommittee on Investigations
EXHIBIT #38a.

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

WILLIAM J. ROBINSON
ATTORNEY AND COUNSELOR
1141 N. Robinson
Suite 300
Oklahoma City, Oklahoma 73103
405-236-3571 (*Telephone*)
405-236-8028 (*Facsimile*)
Jrob91950@[redacted]

June 27, 2006

Wells Fargo Bank Northwest, National Association Owner Trustee
Blue Sapphire Services Limited
Ebony Shine International Ltd
c/o Kirk Woford
Insured Aircraft Title Service, Inc
Post Office Box 19527
Oklahoma City, OK 73144

Re: N1UB

Gentlemen:

This will supplement the opinion of this office of June 9, 2006. For purposes of this opinion it is assumed that one or more of the parties to the Aircraft Purchase Agreement, as amended, have concerns that the transmission of monies via wire from sources outside of the U.S. to the escrow account of IATS in a local bank in Oklahoma City, Oklahoma for purposes of acquiring title to the aircraft herein is within the purview of transactions which are the subject matter of the Patriot Act ("The Act"). Based on this assumption the act of wiring money is considered to be the only fact in this opinion upon which the law may apply. If there is some other concern the facts relative thereto have not been presented for opinion.

Given the facts assumed, Title III - International Money Laundering Abatement an Anti-Terrorist Financing Act of 2001 has been reviewed to determine the applicability thereto as said sections constitute the portions of the act which bear upon wiring of monies from sources without the U.S.

There is no doubt that The Act has provisions which require certain reporting and record keeping requirements respecting wire transfers of money. In this regard, IATS is not a financial institution or a money transmission business required to be licensed under the laws of the State of Oklahoma as same are defined in The Act.

Permanent Subcommittee on Investigations
EXHIBIT #38b.

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It is the opinion of this office that the entities or parties which are subject to The Act are the financial institutions (banks) that will be or have been wiring funds to the escrow account of the escrow agent (IATS) in a local bank to apply on the purchase price or to whom the bank of IATS will be wiring the proceeds of the sale for the benefit of the Seller.

The Act provides for a vehicle for domestic financial institutions to maintain records, file reports, or both to include:

1. the identity and address of the participants in a transaction or relationship, including the identity of the originator any funds transfer;
2. the legal capacity in which a participant in any transaction is acting;
3. the identity of the beneficial owner of the funds involved in any transaction, in accordance with such procedures as the Secretary of the Treasury determines to be reasonable and practicable to obtain and retain the information; and
4. a description of any transaction.

As no foreign individual or non-United States person has, to the knowledge of this office, opened a private banking or correspondent bank account requiring additional, appropriate, specific and, where necessary, enhanced, due diligence policies, procedures, and controls that are reasonably designed to detect and report instances of money laundering through those accounts, no opinion is expressed on the applicability of the act to the transaction at hand.

All in all, each financial institution must adopt procedure to detect money laundering and this office has been advised that Wells Fargo NA and International Bank of Commerce (IATS escrow) have adopted such policies and procedures.

No opinion is expressed as to whether Banque de France has cooperated with the Secretary of the Treasury with respect to reporting and record keeping required by The Act.

Sincerely,

William J. Robinson

WJR/slr

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Ebony Shine International Limited

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION
BLUE SAPPHIRE SERVICES LIMITED ("Seller")
INSURED AIRCRAFT TITLE SERVICE INC ("IATS")

28th June 2006

Dear Sirs

Gulfstream G-V aircraft MSN 669

We refer to the Aircraft Sale and Purchase Agreement dated 28th June 2006 between Seller and ourselves, as amended by the Aircraft Sale and Purchase Amendment Agreement dated 28th June 2006 between Seller, ourselves and IATS, and the Aircraft Sale and Purchase Second Amendment Agreement dated 2006 between Seller, ourselves and IATS.

We confirm that the inspection referred to in Clause 4 of the Aircraft Sale and Purchase Agreement has been satisfactorily completed and all airworthiness discrepancies have been corrected.

Yours faithfully

TEODORO NOVEMBRE

Permanent Subcommittee on Investigations
EXHIBIT #39

BSSL000368

56840.551

FORM OF ACCEPTANCE CERTIFICATE

THIS ACCEPTANCE CERTIFICATE is delivered on the date set out below by **EBONY SHINE INTERNATIONAL LTD.**, (the "**Purchaser**") to WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee pursuant to a Trust Agreement (669) dated as of 30 June 2005, for the benefit of BLUE SAPPHIRE SERVICES LIMITED (the "**Seller**"), pursuant to the Aircraft Sale and Purchase Agreement dated March 2006 between Purchaser and Seller in respect of the aircraft described below (the "**Agreement**"). Capitalised terms used in this Certificate shall have the meanings given to such terms in the Agreement. The Purchaser hereby confirms to Seller that:

(a) Purchaser has on 28 June 2006 accepted the Gulfstream G-V aircraft with manufacturer's serial number 669 and the two installed BMW Rolls Royce engines with serial numbers 11447 and 11379 respectively in accordance with the provisions of the Agreement;

(b) Purchaser has received the Documentation and loose equipment listed in the attached annex; and

(c) the Aircraft is in the Delivery Condition and the Aircraft and the Documentation are in all respects and for all purposes satisfactory to the Purchaser.

Date: 28/06/06

Signed by TEODORO NGUEMA
For and on behalf of
EBONY SHINE INTERNATIONAL LTD.

BSSL000369

ph44585 on D330-44585-7600 with DISTILLER

56840.552

JET AVIATION

BLUE SAPPHIRE SERVICES LIMITED
EBONY SHINE INTERNATIONAL LTD
INSURED AIRCRAFT TITLE SERVICES

OUR REF.:
OUR REF.:
DATE

24. June 2006

Dear Sirs

Gulfstream G-V aircraft MSN 669 (the "Aircraft")

Upon the instructions of Ebony Shine International Ltd as detailed in Jet Aviation (Asia Pacific) quote No. 0796, dated 20.March 2006, we have carried out a pre-purchase inspection of the Aircraft to verify the condition of the Aircraft and to determine that the Aircraft is current on manufacturers' Recommended Maintenance Program with all systems operating within the manufacturers' published specifications, all applicable mandatory U.S. FAA Airworthiness Directives (AD's) and mandatory Gulfstream Aerospace Corporation Customer Bulletins (CB's) have been completed and that the Aircraft has no history of accident or damage.

We confirm that such inspection has been completed and all airworthiness discrepancies found during above mentioned inspection have been corrected.

Yours faithfully

Thomas Rüdisühli
VP/GM

JET AVIATION (ASIA PACIFIC) PTE LTD. 1076 WEST CAMP ROAD SELETAR AIRPORT SINGAPORE 797800
PHONE: (+65) 481 5311 FAX: (+65) 481 8336 E-MAIL: jsin@jetaviation.com INTERNET: www.jetaviation.com

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56840.553

RE: S/N 669

From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Donnerstag, 6. Juli 2006 15:58
To: Kirk Woford
Cc: Christine Nasrallah; eric duret; Weissmann, Friedrich; Marianna Elias; Nina Safarina
Subject: Re: S/N 669

I understand that the aircraft will be moved to the Cayman Registry.

The aircraft is being Managed by Jet Aviation and I am copying Fried Weissman at Jet Aviation so that he may confirm this directly to you.

When you get Fried's confirmation please go ahead and de-register the aircraft and effect the title transfer.

Regards
Dick

---- Original Message ----
From: "Kirk Woford" <kwoford@insuredaircraft.com>
To: "Dick Brown" <dick@twaircraft.com>
Sent: Thursday, July 06, 2006 8:51 PM
Subject: Re: S/N 669

> Kirk is out of the office until next Tuesday. He let me know that we were
> waiting to see what country the aircraft was being exported to before we
> file the request to deregister. Do you know what country and if so do you
> want me to go ahead and file the deregistration request?
> Chandra Ramirez
>
> Dick Brown wrote:
>
>> Kirk
>>
>> Can you confirm when you have filed all the documents with the FAA and
>> the aircraft is de-registered.
>>
>> Regards
>> Dick
>>
>> ---- Original Message ---- From: "Kirk Woford"
>> <kwoford@insuredaircraft.com>
>> To: "Dick Brown" <dick@twaircraft.com>
>> Sent: Thursday, July 06, 2006 1:54 AM
>> Subject: S/N 669
>>
>>
>>> Dick:

00184

Permanent Subcommittee on Investigations
EXHIBIT #40

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U.S. Department of Justice

Criminal Division

MEW:SCR.PJR
182-21407

Washington, D.C. 20530

September 4, 2007

TO: The Central Authority of France

SUBJECT: Request for Assistance in the Investigation of Teodoro Nguema OBIANG and his associates

The Central Authority of the United States requests the assistance of the appropriate authorities in France pursuant to the Treaty on Mutual Legal Assistance in Criminal Matters (MLAT). The Fraud Section and Asset Forfeiture and Money Laundering Section of the Criminal Division of the Department of Justice and Immigration and Customs Enforcement (ICE) are investigating suspected criminal conduct of Teodoro Nguema OBIANG and his associates involving the illicit transfer and laundering of assets believed to be derived from extortion, bribery and/or the misappropriation, theft, or embezzlement of public funds. Teodoro Nguema OBIANG is the Minister of Agriculture and Forestry of Equatorial Guinea and is the son of Teodoro Nguema OBIANG MBASOGO, the president of Equatorial Guinea. As set forth below, the prosecutors request an urgent September meeting with the Paris High Court Public Prosecutor and the Office Central Pour La Répression de la Grande Délinquance Financière (OCRGDF) for the purposes of sharing information. ICE officials made preliminary contact with both of these offices and tentatively agreed on a meeting on Tuesday

VU ET ANNEXÉ
L'Officier de Police Judiciaire

Permanent Subcommittee on Investigations
EXHIBIT #41

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September 18th, 2007 at 09:30 a.m., pending formal approval of this request by the Ministry of Justice. We understand that among the pertinent French investigators are Jean-Michel Aldebert, Vice Procureur de la République de Paris, and Chief Superintendent Christophe Perez-Baguey of the OCRGDF, who are handling an investigation of President OBIANG MBASOGO.

REQUEST FOR CONFIDENTIALITY

Because of the sensitive nature of this investigation involving senior foreign public officials and because criminal charges have not yet been filed, we ask that the subject of this request and the existence of a U.S. investigation on this subject be kept strictly confidential in accordance with the Mutual Legal Assistance Treaty between the United States and France and French law.

THE FACTS

As a result of an expansion in oil exploration and development beginning in the 1990's, Equatorial Guinea has become the third largest producer of oil in Sub-Saharan Africa, with estimated revenues of $3.3 billion in 2006. Although hydrocarbons account for the vast majority of exports from Equatorial Guinea, timber production accounts for approximately 2% of export earnings and is the second major export commodity. Teodoro Nguema OBIANG MBASOGO has held the position of President of Equatorial Guniea since 1979, after leading a successful coup d'etat against the autocratic government of his uncle. His relatives have held prominent government office during his presidency, including his son Teodoro Nguema OBIANG who occupies the post of

VU ET ANNEXÉ
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56840.556

inister of Agriculture and Forestry.

1. Investigations of Teodoro Nguema OBIANG and associates

The conduct of the Teodoro Nguema OBIANG MBASOGO family, including Teodoro Nguema OBIANG, has been the subject of various U.S. government inquiries for several years. In 2004, the U.S. Senate published the results of the investigation of one of its subcommittees to the activities of Riggs Bank in Washington, D.C. The Senate subcommittee determined that, from 1995 until 2004, Riggs Bank administered more than 60 accounts and certificates of deposit for the Government of Equatorial Guinea (GOEG), its officials, or their family members. In 2003, these accounts represented the largest relationship at Riggs Bank, with aggregate deposits ranging from $400 to $700 million at a time. Among other findings, the Senate investigation revealed that Riggs Bank opened an account for the GOEG to receive funds from oil companies doing business in Equatorial Guinea, allowing only two signatures on the account: those of President OBIANG MBASOGO and his son Gabriel Nguema OBIANG. Three other Riggs Bank accounts belonged to Teodoro Nguema OBIANG, two of which were in the name of his California entertainment company, TNO Entertainment LLC, and the third of which was opened for a Bahamian off-shore corporation named Awake Ltd. According to the Senate subcommittee, Riggs Bank helped establish offshore corporations, including Awake Ltd., for the benefit of President OBIANG MBASOGO and his sons.

The Senate investigation determined that Riggs Bank certified

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accounts of the GOEG, its officials and family members paying little or no attention to the bank's anti-money laundering obligations or to evidence suggesting the bank was handling the proceeds of foreign corruption. The Senate concluded that Riggs Bank had allowed numerous suspicious transactions to take place without meeting its suspicious activity reporting obligations.

The matter was then pursued criminally by the United States Attorney's Office for the District of Columbia, the Department of Justice, Criminal Division, the Federal Bureau of Investigation, the Secret Service, and the Internal Revenue Service. That investigation ultimately led to the plea and conviction of Riggs Bank on criminal violations of U.S. banking laws and a $ 16 million fine in January 2005. It also resulted in the plea by a Riggs Bank vice president and his wife to conspiracy, bank fraud, and money laundering. No members of the OBIANG MBASOGO family were charged at the time. The Riggs bank accounts were closed as a result of this investigation, and the roughly $700 million were wired elsewhere.

Since the time of those closures, evidence indicates that Teodoro Nguema OBIANG has engaged in transactions consistent with foreign official corruption. As Minister of Agriculture and Forestry, Teodoro Nguema OBIANG is paid an annual salary of $60,000. However, from April 2005 through 2006, at least $73 million was wire transferred to the United States on behalf of Teodoro Nguema OBIANG. These funds were utilized to purchase a luxury home in Malibu, California valued at approximately $35 million and a luxury jet bought for approximately

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$33.2 million. The home in Malibu was purchased in the name of a shell corporation, Sweetwater Management, Inc., of which Teodoro Nguema OBIANG is listed as president. Similarly, Teodoro Nguema OBIANG purchased the aircraft using another shell corporation, Ebony Shine International, Ltd., that was registered in the British Virgin Islands.

Additional information available to the investigation suggests a plausible illicit origin of assets under the control of Teodoro Nguema OBIANG. First, sources have informed investigators that Teodoro Nguema OBIANG, in his official capacity, has instituted a large "revolutionary tax" on timber, but insisted that the payments be made directly to him, either in cash or through checks to SOMAGUI FORESTAL, a forestry company owned by Teodoro Nguema OBIANG. Second, in August 2005, Teodoro Nguema OBIANG filed an affidavit with the High Court of South Africa in a civil matter regarding whether funds held by Teodoro Nguema OBIANG belonged to the Equatorial Guinea government, a contention Teodoro Nguema OBIANG contested. In his affidavit, Teodoro Nguema OBIANG admitted that cabinet ministers in Equatorial Guinea form private companies which act in consortia with foreign companies when obtaining government contracts and, as a consequence, "a cabinet minister ends up with a sizeable part of the contract price in his bank account." Although Teodoro Nguema OBIANG has claimed that this practice was legal, the assertion also suggests that he may be receiving bribes or extortion payments in the form of a percentage of contract revenue. Moreover, given Equatorial Guinea's reputation in

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the international community, the enormous natural resource wealth of the country, and the dominance of the OBIANG MBASOGO family over the government and economy in Equatorial Guinea, it is suspected that a large portion of Teodoro Nguema OBIANG's assets have originated from extortion, theft of public funds, or other corrupt conduct.

2. Transactions Involving the French Financial System

The U.S. investigation of the activities of Teodoro Nguema OBIANG and his associates have identified numerous suspicious transactions originating from or transiting the French financial system. These transactions include:

In April 2005, Teodoro Nguema OBIANG was the originator on at least five separate wire transfers, each in the amount of $5,908,400, from Societe Generale de Banque en Guinee Equatoriale to Banque de France, account # 2000193528235, to a correspondent account at Wachovia Corporation Atlantic to account # 2000055333 at First American Trust FSB in the name of First American Title. As a result of these transactions, Teodoro Nguema OBIANG was able to transfer at least $29,542,000 to the United States in a single month. Some of these funds are believed to have been used to purchase the mansion in Malibu, California.

In April 2006, Teodoro Nguema OBIANG was the originator on three wire transfers from Societe Generale de Banque en Guinee Equatoriale to Banque de France, accounts # 2000193528235 and 0000061000012, to a correspondent account at Wachovia Atlantic to account # 0716015620559 at Bank of America in the name of McAfee & Taft. These transactions

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resulted in Teodoro Nguema OBIANG's successful transfer of $10,300,000 to the United States.

From May 9, 2006 to June 19, 2006, six wire transfers were executed from Banque de France, account # 00000610000012, through a correspondent bank Wachovia Atlantic to account # 322998 at UBS Bank in New York in the name of Insured Aircraft Title Service Correspondent. Through these transactions, Teodoro Nguema OBIANG and his associates successfully transferred $33,799,999.99 to the United States. Much of these funds were used to purchase a $33.8 million luxury jet.

The suspected money laundering continued from November 2006 through June 2007 through the use of an intermediary. Specifically, Teodoro Nguema OBIANG's attorney in the United States, Michael Jay BERGER, received several wire transfers from Teodoro Nguema OBIANG. Current evidence suggests that these wires originated from account # 00182851001 86 for SOMAGUI FORESTAL, an E.G. company owned exclusively by Teodoro Nguema OBIANG, at CCEI Bank in Equatorial Guinea. It appears that the funds would then pass through one of two French banks, and arrive in BERGER'S attorney/client trust account # 0720-115581 at Union Bank of California.

Specifically, two wire transfers passed through Fortis Banque France, 29-30 Quai De Dion Bouton, Puteaux, France on November 24, 2006 and May 10, 2007, both for $199,943. Additionally, two wire transfers passed through Natixis (Ex Natexis Banques Populaires), Charenton-Le-Pont, Paris, France. The first occurred on April 5, 2007, in the amount of $199,906.21 and the second occurred on June 6,

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2007, in the amount of $199,906.10.

The investigation also has obtained information that suggests that Teodoro Nguema OBIANG owns several real estate properties in Paris. In addition, in 2006 Teodoro Nguema OBIANG executed wire transfers from the United States to France for the purpose of purchasing a Bugatti automobile valued at over $1 million for export to the United States.

THE OFFENSES

18 U.S.C. § 1957- Money Laundering

(a) Whoever . . . knowingly engages or attempts to engage in a monetary transaction in criminally derived property of a value greater than $10,000 and is derived from specified unlawful activity, shall be punished [with] . . . imprisonment for not more than ten years . . . .

18 U.S.C. § 1956 - Money Laundering

(c)(7)[T]he term "specified unlawful activity" means --

(B) with respect to a financial transaction occurring in whole or in part in the United States, an offense against a foreign nation involving –

* * *

(ii) . . . extortion . . . ;

* * *

(iv) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official . . . .

* * *

(h) Any person who conspires to commit any offense defined in this section or section 1957 shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.

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Teodoro Nguema OBIANG and his associates violated 18 U.S.C. § 1957 if they wired more than $10,000 to the United States that was derived from extortion, bribery or misappropriation, theft, or embezzlement of public funds. Teodoro Nguema OBIANG and his associates violated 18 U.S.C. § 1956(h) if they engaged in a conspiracy to violate 18 U.S.C. § 1957. Pursuant to 18 U.S.C. §§ 981 and 982, property involved in a money laundering transaction in violation of 18 U.S.C. §§ 1956 or 1957 or property that is traceable to proceeds of an offense constituting specified unlawful activity or a conspiracy to commit such an offense is subject to forfeiture to the United States. The investigation is continuing to determine whether evidence indicates the violation of other United States criminal laws.

SUBJECTS OF THE PROSECUTION / TARGETS OF THE INVESTIGATION
TARGETS OF THE INVESTIGATION

Persons and Entities Involved

1. Teodoro Nguema OBIANG

Aliases:	Teodoro NGUEMA
	Teodoro OBIANG
	Theodoro OBIANG
Date of Birth:	June 26, 1969
Place of Birth:	Equatorial Guinea
Citizenship:	Equatorial Guinea
Race:	Black
Sex:	Male

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Passport Number:	(Equatorial Guinea) 14503D
	(Diplomatic)
Social Security number:	[redacted]
Addresses:	3620 Sweetwater Mesa Road Malibu, California

2. Michael Jay BERGER

Date of Birth:	March 28, 1957
Place of Birth:	Savannah, Georgia
Citizenship:	United States
Race:	White
Sex:	Male
Height:	6 feet
Weight:	unknown
Eyes:	Hazel
Hair:	Brown
Passport Number:	[redacted]
Social Security number:	[redacted]
Addresses:	7566 Mulholland Drive Malibu, California
	9454 Wilshire Blvd Beverly Hills, California

BERGER is Teodoro Nguema OBIANG's personal attorney and serves as an intermediary for funds wired from Equatorial Guinea.

3. SOMAGUI FORBESTAL

Also Known As:	SOMAGUI

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Place of Incorporation: Bata, Equatorial Guinea

Addressee: Unknown

SOMAGUI FORESTAL is a forestry company beneficially owned by Teodoro Nguema OBIANG, from which large money transfers to the United States have originated.

ASSISTANCE REQUESTED

1. The prosecutors request an urgent meeting in September concerning related French investigations with the Paris High Court Public Prosecutor and the Office Central Pour La Répression de la Grande Délinquance Financière (OCRGDF) for the purposes of sharing information. ICE officials made preliminary contact with both of these offices and tentatively agreed on a meeting on Tuesday September 18th, 2007, pending formal approval of this request by the Ministry of Justice. We understand that among the pertinent French investigators are Jean-Michel Aldebert, Vice Procureur de la République de Paris, and Chief Superintendent Christophe Perez-Baquey of the OCRGDF.

2. The prosecutors further request that during the meetings the French authorities provide access to the French investigative files so that information and evidence may be identified and provided to the U.S. authorities in furtherance of the U.S. investigation.

NEED FOR ASSISTANCE

The prosecutors suspect that most, if not all, of Teodoro Nguema OBIANG's assets are derived from extortion, bribery or the misappropriation of public funds. Based upon the wire transfer

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information available to the U.S. investigation, if these transfers represent illegal activity in the United States, there is a strong possibility that related conduct may also have violated French criminal law. Accordingly, the prosecutors request the meeting in order to share information and evidence concerning the movement of funds, acquisition of assets, including real property, and the origin of funds involved in the investigations of the activities of Teodoro Nguema OBIANG MBASOGO. Coordination between U.S. and French authorities in September will benefit the ability of prosecutors in both countries to determine whether criminal charges should be instituted against Teodoro Nguema OBIANG and his associates for violations of the respective criminal laws that they enforce.

URGENCY OF THE REQUEST

In light of the tentative meeting scheduled for Tuesday, September 18th, 2007 at 09:30 a.m., the Departments of Justice and Homeland Security seek expedited treatment of this request.

CONCLUSION

The Departments of Justice and Homeland Security appreciate the assistance of the French authorities in support of this investigation.

September 4, 2007
Date

Stewart C. Robinson
Deputy Director
Office of International Affairs
Criminal Division

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CERTIFICATE OF TRANSLATION

I, P. Winthrop Merriam, certify that I am competent to translate this document, and that the translation is true and accurate, to the best of my abilities.

English Title: Request for Assistance in the Investigation of Teodoro Nguema OBIANG and his associates. 4 September 2007

French Title: Demande d'assistance dans l'enquête sur Teodoro Nguema OBIANG et ses associés. Le 4 septembre 2007

I certify, under penalty of perjury, pursuant to 28 U.S.C. §1746, that the attached translation is true and correct.

Executed this 7th day
of September 2007

P. Winthrop Merriam
Certified Translator for the French Language

ANTIQUARIAT LITERARY SERVICES, Inc.
Member of the American Translators Association and the National Association of Judiciary Interpreters and Translators

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U.S. Immigration and Customs Enforcement

Département de la sécurité intérieure des Etats-Unis (DHS)
Service de l'immigration et des douanes (ICE)

Special Agent in Charge
Miami, Florida

Bureau de l'ICE à Miami, Floride

Teodoro Nguema OBIANG, et al

U.S. Immigration and Customs Enforcement

Permanent Subcommittee on Investigations
EXHIBIT #42

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Teodoro Nguema OBIANG, et al

Overview / Sommaire

- Riggs Bank Case / L'Affaire de la banque Riggs (2004)
- Teodoro OBIANG
- Investigative Goals and Strategies / Objectifs et stratégies de l'enquête
- Summary and questions / Sommaire et questions

U.S. Immigration and Customs Enforcement

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2004 Riggs Bank Case / L'Affaire de la banque Riggs 2004

Riggs Bank – Equatorial Guinea Funds – Summary

La banque Riggs – Les fonds de la Guinée Equatoriale – Sommaire

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2004 Riggs Bank Case / L'Affaire de la banque Riggs 2004

- Riggs Bank pled guilty in 2005 and sentenced to pay $16 million, for violating the BSA involving transactions dealing with Chilean dictator Augusto Pinochet and the government of Equatorial Guinea.

  En 2005 la banque Riggs a plaidé coupable et a été condamnée à payer $16 million pour avoir enfreint l'acte du secret bancaire (BSA) dans des transactions impliquant le dictateur Chilien Augusto Pinochet et le gouvernement de la Guinée Equatoriale.

- Riggs Bank VP and his wife were arrested in 2005 for embezzling funds from the Equatorial Guinea and other Riggs Bank accounts.

  Le Vice président de la banque Riggs et sa femme ont été arrêtés en 2005 pour détournement de fonds de la Guinée Equatoriale et d'autres comptes de la Banque Riggs.

U.S. Immigration and Customs Enforcement

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2004 Riggs Bank Case / L'Affaire de la banque Riggs 2004

Riggs Bank – Equatorial Guinea Funds

La banque Riggs – Les fonds de la Guinée Equatoriale

- From 1995-2004, Riggs Bank of Washington D.C administered more than 60 accounts and certificates of deposit for the government of Equatorial Guinea.

  De 1995-2004, la banque Riggs de Washington, DC a géré plus de 60 comptes et certificats de dépôts pour le gouvernement de la Guinée Equatoriale.

- By 2003, the Equatorial Guinea accounts had become Riggs' largest relationship, with balances and outstanding loans totaling nearly $700 million.

  En 2003, les comptes de la Guinée Equatoriale étaient devenus les plus importants avec Riggs, avec des soldes et des prêts dûs d'un montant total de presque $700 million

U.S. Immigration and Customs Enforcement

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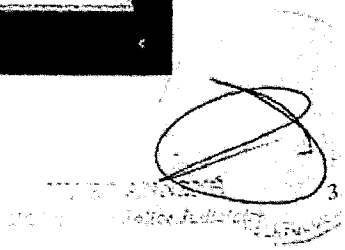

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2004 Riggs Bank Case / L'Affaire de la banque Riggs 2004

Riggs Bank – Equatorial Guinea Funds

La banque Riggs – Les fonds de la Guinée Equatoriale

Riggs Bank serviced the accounts with "little or no attention to the bank's anti-money laundering obligation" and "turned a blind eye to evidence that the bank was handling the proceeds of foreign corruption" according to a 2004 United States Senate Subcommittee Investigation into Money Laundering and Foreign Corruption

La banque Riggs a géré les comptes en prêtant peu ou pas d'attention à ses obligations contre le blanchiment d'argent. "Elle a prétendu que la banque gérait les revenus d'une corruption étrangère" d'après une enquête en 2004 d'un comité du Sénat américain contre le blanchiment d'argent et la corruption étrangère.

U.S. Immigration and Customs Enforcement

Equatorial Guinea / La Guinée Equatoriale

Teodoro Nguema OBIANG
aka / alias
"Teodorin"

U.S. Immigration and Customs Enforcement

Teodoro Nguema OBIANG

aka / alias "Teodorin"

Biographical / Biographie

- Born June 25, 1969 / Né le 25 juin 1969
- Currently the Minister of Agriculture and Forestry of Equatorial Guinea, with an annual salary of $60,000. Est actuellement Ministre de l'agriculture et des forêts de la Guinée Equatoriale, avec un salaire annuel de $60,000
- Son of the Equatorial Guinean President Teodoro Obiang MBASOGO, and may succeed father as President Est le fils du Président de la Guinée Equatoriale, Teodoro Obiang MBASOGO, et pourrait succéder à son père en tant que président
- Assets in France, South Africa, and the United States / Biens en France, Afrique du Sud et les Etats-Unis
- Recreational drug user (3-4 day binges with friends) Utilisateur de drogues douces (fêtes de 3 ou 4 jours avec des amis)
- Travels frequently to the United States as an "A-1" diplomat, although he is seldom on official business. The U.S. State Department states that OBIANG is currently *not* accredited as a diplomat to either the United Nations or one of the foreign missions with representation in Washington D.C. Voyage fréquemment aux Etats-Unis en tant que diplomate "A-1", mais c'est rarement pour des raisons professionnelles. Le Département d'état américain dit qu'OBIANG n'est pas actuellement accrédité en tant que diplomate, ni aux Nations Unies, ni à une des missions étrangères avec des représentations à Washington D.C.

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

aka / alias "Teodorin"

Activities / Activités

- Suspected of using oil revenues from his country to pay for "lavish" lifestyle Est soupçonné d'utiliser ses bénéfices pétrolières pour se payer son style de vie somptueux
- Routinely travels to the United States with over $1 million in cash, and fails to declare, in violation of CMIR . (Violation of 31 USC 5316) Voyage régulièrement aux Etats-Unis avec plus de $1 million en liquide et ne les déclare pas, en infraction à la loi 31 USC 5316 (déclaration d'importation et d'exportation de devises)
- Target of multiple SARs for suspected money laundering from different financial institutions, including Bank of America and Wachovia Est l'objet de plusieurs rapports d'activités suspectes pour blanchiment d'argent supposé de différents établissements financiers, dont la Bank of America et Wachovia.
- As a result of his activities, both banks have closed all accounts associated with OBIANG and his associates / En conséquence de ses activités, les deux banques ont fermé tous les comptes associés à OBIANG et ses associés.
- Allegedly receives large wire transfers weekly through a "fictitious" corporate account at Union Bank in California / Il reçoit apparemment des grands transferts monétaires hebdomadaires via un compte d'une société fictif à Union Bank en Californie.

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

aka / alias "Teodorin"

South Africa Troubles / Problèmes en Afrique du Sud

OBIANG owns several assets in Cape Town, South Africa, which include:

Obiang possède plusieurs biens à Cape Town, Afrique du Sud, dont:

1. Residence at 35 Klassens Road – estimated value $3.6 million

   Une résidence au 35 Klassens Road, d'une valeur estimée de $3.6 million

2. Residence at 76 Fourth Beach – estimated value $3.2 million

   Une résidence au 76 Fourth Beach, dont la valeur est estimée à $3.2 million

3. Two Bentley luxury vehicles – estimated value $970,000

   Deux véhicules Bentley de luxe, dont la valeur est estimée à $970,000

4. 2005 Lamborghini Murciélago – estimated value (valeur estimée à) $440,000

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

aka / alias "Teodorin"

South Africa Troubles / Problèmes en Afrique du Sud

- Assets were seized as part of a commercial dispute which MASEVE INVESTMENTS is seeking payment for a $7.8 million contract to build an airport on the island of Annobon, Equatorial Guinea.

  Les biens ont été saisis dans le cadre d'une litige commerciale où MASEVE INVESTMENTS cherche le paiement d'un contrat de $7.8 million pour construire un aéroport sur l'île d'Annobon en Guinée Equatoriale.

- MASEVE contends that OBIANG's assets amount to state property since he is unable to pay for the property on his government salary.

  MASEVE dit que les biens d'OBIANG sont la propriété de l'Etat car il ne peut pas payer la propriété avec son salaire gouvernemental.

- Dispute is ongoing in the South African High Court, however in October 2005, OBIANG stated, in an affidavit, that companies in Equatorial Guinea, owned by ministers, often bid for government contracts with foreign groups and, if successful, receive "a percentage of the total contract the company gets", thus accounting for his personal wealth.

  La litige continue dans la Haute Cour de l'Afrique du Sud, mais en octobre 2005, OBIANG a dit, dans un affidavit, que les sociétés en Guinée Equatoriale, possédées par des ministres, font souvent des offres pour des contrats gouvernementaux avec des groupes étrangers, et s'ils aboutissent, ils reçoivent un pourcentage du contrat total que la société obtient, ce qui explique sa fortune personnelle.

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

aka / alias "Teodorin"

Assets Owned by OBIANG in the United States:
Les biens détenus par OBIANG aux Etats-Unis :

Residence at 3620 Sweetwater Mesa Road, Malibu, CA

Une résidence au 3620 Sweetwater Mesa Road, Malibu, California

- Listed price $35,000,000
  Valeur listée $35 000,000
- Undergoing multi-million dollar renovation
  Subit actuellement une rénovation de plusieurs millions de dollars
- Owner listed as SWEETWATER MANAGEMENT, INC.
  Le propriétaire indiqué est SWEETWATER MANAGEMENT, INC.
- Forbes Magazine lists property sale as the sixth most expensive home sale in the United States in the year 2006
  Selon la revue Forbes, cette vente de propriété a été la 6ème vente de domicile la plus chère aux Etats-Unis en 2006

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

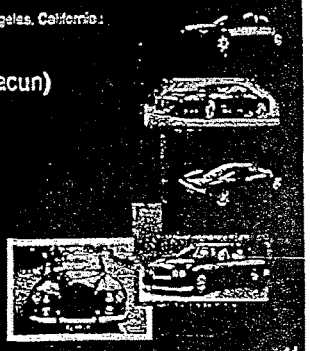
aka / alias "Teodorin"

Assets Owned by OBIANG in the United States:
Les biens détenus par OBIANG aux Etats-Unis :

Multiple luxury vehicles in storage at Petersen Automobile Museum in Los Angeles, California:

Plusieurs véhicules de luxe gardés au musée de l'automobile Petersen à Los Angeles, California :

- 2 Rolls Royce Phantoms ($350,000 each / chacun)
- 2 Maybachs ($350,000 each / chacun)
- 4 Ferraris ($250,000 each / chacun)
- 1 Bentley Arnage ($240,000 each / chacun)
- 1 Rolls Royce Park Ward



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Teodoro Nguema OBIANG

aka / alias "Teodorin"

Assets Owned by OBIANG in the United States:
Les biens détenus par OBIANG aux Etats-Unis :

Aircraft / Avion

- Gulfstream V (estimated value / valeur estimée $38,000,000)

  Currently undergoing renovation/customization. / Actuellement sous rénovation

Watercraft / Bateaux

- 2 Speedboats of unknown value (1 for West Coast residence and 1 for East Coast residence)

  2 vedettes (valeur inconnue) (1 pour la résidence sur la côte ouest et une pour la résidence côte est)

- Information received from two independent sources that OBIANG is building a 200-foot custom luxury yacht, complete with shark tank.

  Des renseignements de 2 sources indépendantes indiquent qu'OBIANG est en train de faire construire un yacht de luxe de 60m de long, avec un aquarium pour requins.

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG

aka / alias "Teodorin"

Assets Owned by OBIANG in the United States:
Les biens détenus par OBIANG aux Etats-Unis :

Miscellaneous Information / Informations diverses :

- November 2005 attempted to purchase an apartment at Ritz Carlton in New York. Asking price was $29 million. OBIANG offered $20 million cash. Unknown if deal went through.

  En novembre 2005 a a essayé d'acheter un appartement au Ritz-Carlton à New York. Le prix demandé était $29 million. OBIANG a proposé $20 million en liquide. On ignore si l'affaire est conclue.

- Currently looking to purchase residential property in Miami, in exclusive community on Fisher Island.

  Il cherche actuellement à acheter une propriété résidentielle à Miami, dans une communauté exclusive sur l'Ile Fisher.

- Wire transferred $1.5 million to France to purchase a Bugatti exotic automobile, which was to be delivered to Los Angeles at the end of December 2005.

  Transfert de $1.5 million en France pour l'achat d'un automobile Bugatti exotique, censé être livré à Los Angeles fin decembre 2005.

U.S. Immigration and Customs Enforcement

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ph44585 on D330-44585-7600 with DISTILLER
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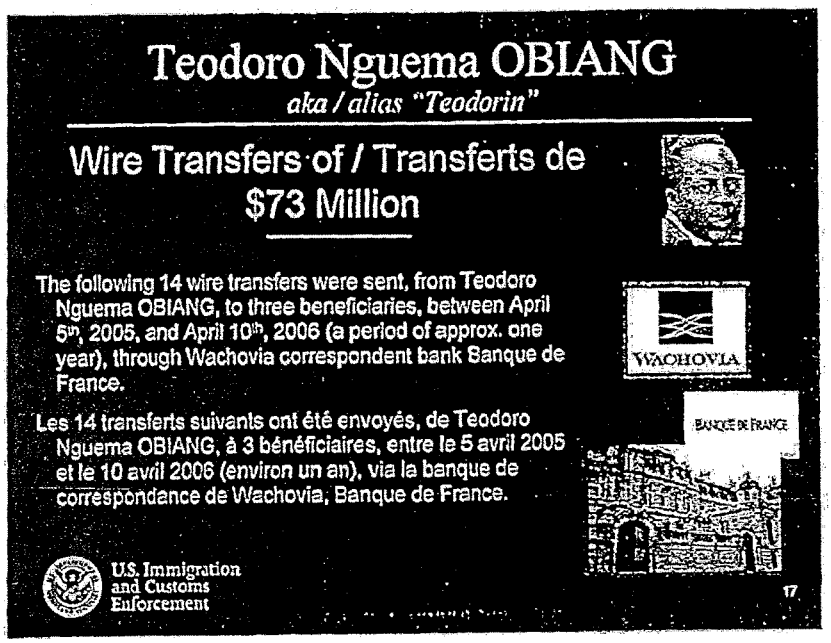

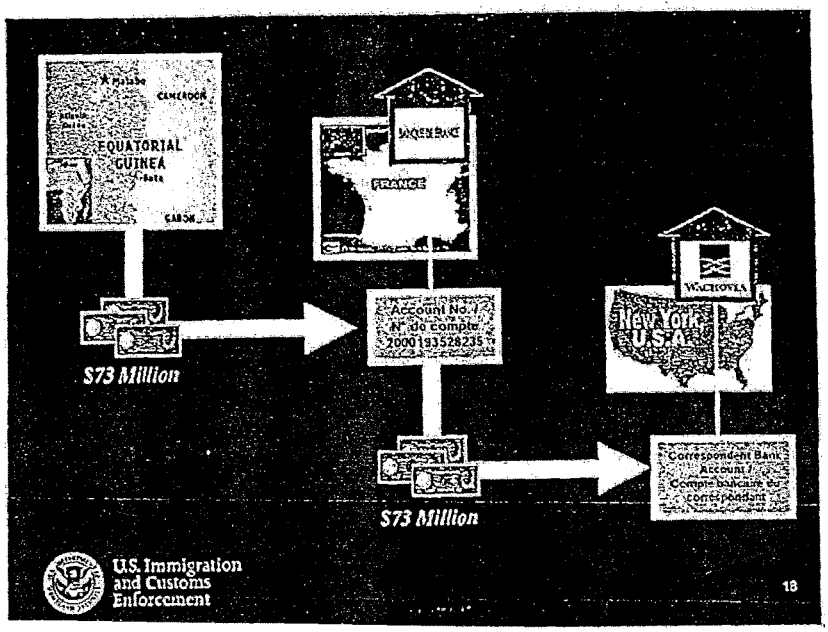

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56840.576

Teodoro Nguema OBIANG

aka / alias "Teodorin"

Wire Transfers of / Transferts de $73 Million

a) 5 totaling $29,542,000 to FIRST AMERICAN TITLE COMPANY – FIRST AMERICAN TRUST, F.S.B.

5 pour un total de $29.542.000 au First American Title Company – First American Trust F.S.B.

U.S. Immigration and Customs Enforcement

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DATE	AMOUNT / MONTANT
April 5, 2006 (5 avril 2006)	$5,908,400
April 10, 2006 (10 avril 2006)	$5,908,400
April 19, 2006 (19 avril 2006)	$5,908,400
April 21, 2006 (21 avril 2006)	$5,908,400
April 26, 2006 (26 avril 2006)	$5,908,400

TOTAL: $29,542,000

(5) Transactions
Total: $29,542,000

U.S. Immigration and Customs Enforcement

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ph44585 on D330-44585-7600 with DISTILLER

56840.577

Teodoro Nguema OBIANG

aka / alias "Teodorin"

Wire Transfers of / Transferts de $73 Million

b) 6 totaling $33,799,999.99, to INSURED AIRCRAFT TITLE SERVICE, INC., ATTN SARAH PETERS PRIVATE BANKING, through intermediary banks United Bank of Switzerland in New York and London.

6 pour un total de $33.799.999,99 au Insured Aircraft Title Service, Inc., ATTN SARAH PETERS PRIVATE BANKING, par les banques intermédiaires United Bank of Switzerland à New York et à Londres.

WACHOVIA

BANQUE DE FRANCE

U.S. Immigration and Customs Enforcement

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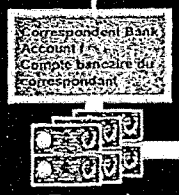
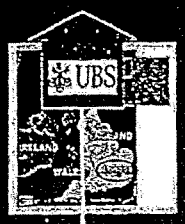
DATE	AMOUNT / MONTANT
May 9, 2006 (9 mai 2006)	$2,575,000
May 11, 2006 (11 mai 2006)	$5,150,000
May 12, 2006 (12 mai 2006)	$2,575,000
June 13, 2006 (13 juin 2006)	$7,633,333.33
June 13, 2006 (13 juin 2006)	$7,633,333.33
June 19, 2006 (19 juin 2006)	$7,633,333.33

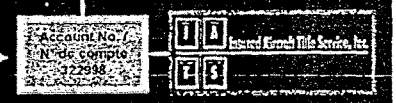
TOTAL: $33,799,999.99





(6) Transactions
Total: $33,799,999.99

Attention:
Sarah Peters
Private Banking



U.S. Immigration and Customs Enforcement

22

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56840.578

Teodoro Nguema OBIANG

aka / alias "Teodorin"

Wire Transfers of / Transferts de $73 Million

c) 3 totaling $10,300,000 to McAFEE & TAFT escrow account.

3 pour un montant total de $10.300.000, sur un compte bloqué McAFEE & TAFT

WACHOVIA

BANQUE DE FRANCE

U.S. Immigration and Customs Enforcement

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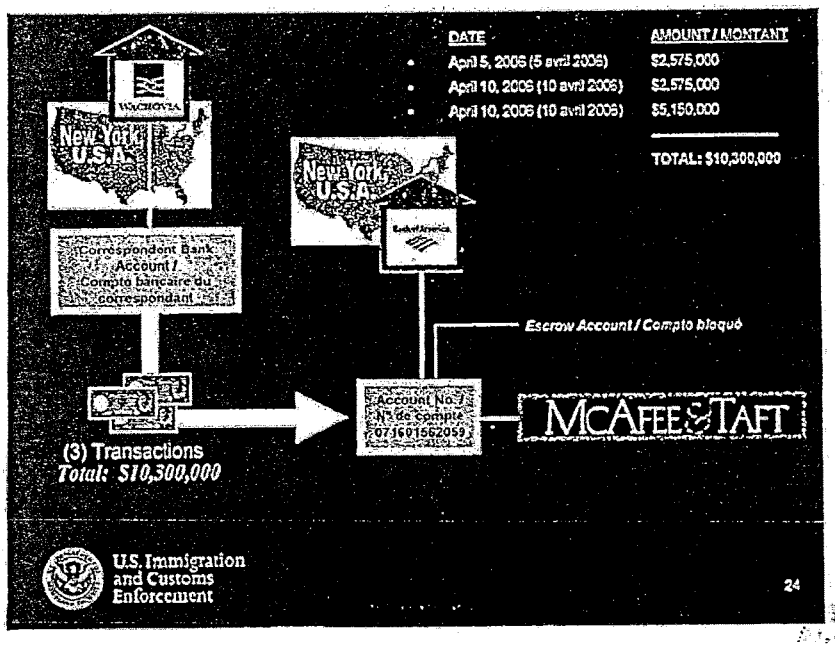

ph44585 on D330-44585-7600 with DISTILLER

56840.579

Teodoro Nguema OBIANG, et al

Investigative Goals & Strategies
Objectifs et stratégies de l'enquête

U.S. Immigration and Customs Enforcement

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Investigative Goals
Les objectifs de l'enquête

- Investigate and prosecute criminal violators (individual or corporate level) associated with high-level foreign corruption and related money laundering activities, in accordance with the *President's 2006 National Strategy Against Kleptocracy*

  Enquêter sur et poursuivre en justice les contrevenants criminels (au niveau individuel ou commercial) associés à la corruption étrangère de haut niveau et les activités du blanchiment d'argent qui en découlent, conformément à la stratégie nationale de 2006 du Président contre la kleptocratie

- Identify, trace, freeze, and recover assets within the United States, illicitly acquired through kleptocracy by Teodoro OBIANG and/or his associates

  Identifier, tracer, geler et récupérer les biens aux États-Unis, acquis illégalement par la kleptocratie par Teodoro OBIANG et ou ses associés

- Capture and dispose of recovered assets for the benefit of the citizens of Equatorial Guinea.

  Saisir et transférer les biens récupérés pour bénéficier les citoyens de la Guinée Équatoriale

- Deny safe haven in the United States for kleptocrats, in accordance with Presidential Proclamation 7750.

  Refuser refuge aux États-Unis pour les kleptocrates, conformément à la Proclamation Présidentielle 7750

U.S. Immigration and Customs Enforcement

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ph44585 on D330-44585-7600 with DISTILLER

56840.580

Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

BACKGROUND / CONTEXTE

1) Do you know where OBIANG stays when he is in France?
   Savez-vous où réside OBIANG lorsqu'il est en France?
2) Does he have assistants? Drivers?
   A-t-il des assistants? Des chauffeurs?

NGOs / ONGs

1) What do you know about the NGOs that filed the complaint?
   Que savez-vous sur les ONGs qui ont porté plainte?
2) Do you have other information that would be helpful to the investigation?
   Avez-vous d'autres informations qui seraient utiles pour notre enquête?

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

ASSETS / BIENS

1) What assets have you identified in France belonging to OBIANG?
   Quels biens avez-vous identifié appartenant à OBIANG en France?
2) What tools are available to you for determining assets in France?
   Quels outils utilisez-vous pour identifier les biens en France?

U.S. Immigration and Customs Enforcement

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POLICE NATIO

ph44585 on D330-44585-7600 with DISTILLER

56840.581

Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

BANK ACCOUNTS / COMPTES BANCAIRES

What bank accounts have you identified in France belonging to OBIANG?

Quels comptes bancaires avez-vous identifiés qui appartiennent à OBIANG?

- Do you know about these 5 banks?
- Etes-vous au courant pour ces 5 banques?
- Could you help us understand these bank records? (i.e. where is the money? France? EG?)
- Pourriez-vous nous aider à comprendre ces rapports bancaires? (Ex: où sont les fonds actuellement? En France? En G-E?)
- What is your ability to reach through the French parent bank to get account records for OBIANG?
- Avez-vous la possibilité d'obtenir les rapports bancaires pour OBIANG en passant par la banque mère française?

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

BANK ACCOUNTS / COMPTES BANCAIRES

- What are French laws about banking and secrecy?
- Quelles sont les lois françaises concernant les opérations bancaires et le secret?
- Is there a way to obtain the bank records quietly so that the Obiangs (and no one in EG) knows?
- Existe-il un moyen d'obtenir les rapports bancaires discrètement pour que la famille OBIANG (et personne d'autre en Guinée Equatoriale) ne soit au courant?
- What is your advice about how we proceed?
- Quels conseils pourriez-vous nous donner pour notre enquête?

U.S. Immigration and Customs Enforcement

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ph44585 on D330-44585-7600 with DISTILLER

56840.582

Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

OIL/GAS/FORESTRY BUSINESSES / SOCIETES PETROLIERES ET SYLVICOLES

- Are any French companies doing any oil/gas/timber business with EG?
- Des sociétés françaises font-elles des affaires pétrolières/sylvicoles avec la Guinée Equatoriale?
- Are there any allegations of bribery/extortion?
- Est-ce qu'il y a des allégations de corruption/extorsion?

RIGGS BANK / BANQUE RIGGS

- Are you familiar with the Riggs bank case?
- Connaissez-vous l'affaire de la banque Riggs?
- Does France have similar banking laws?
- La France a-t-elle des lois bancaires semblables?
- If the public funds of the EG are being handled by one or more French banks, is that of interest to French investigators?
- Si les fonds publics de la Guinée Equatoriale sont gérés par une ou plusieurs banques françaises, est-ce que cela intéresserait les enquêteurs français?

U.S. Immigration and Customs Enforcement

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Teodoro Nguema OBIANG, et al

Questions for French authorities / Questions pour les autorités françaises :

LEADS / PISTES

- Are there any leads, potential witnesses, rumors, suspicions or intelligence that might help us?
- Avez-vous des pistes, témoins potentiels, rumeurs, soupçons, ou renseignements qui pourraient nous aider?

FURTHER ASSISTANCE / AIDE ULTERIEURE

- What are the goals of the French prosecution and how can we help?
- Quels sont les objectifs des procureurs français et comment pouvons-nous vous aider?
- What is the best way for us to seek assistance?
- Quelle est la meilleure façon pour nous de demander votre aider?

U.S. Immigration and Customs Enforcement

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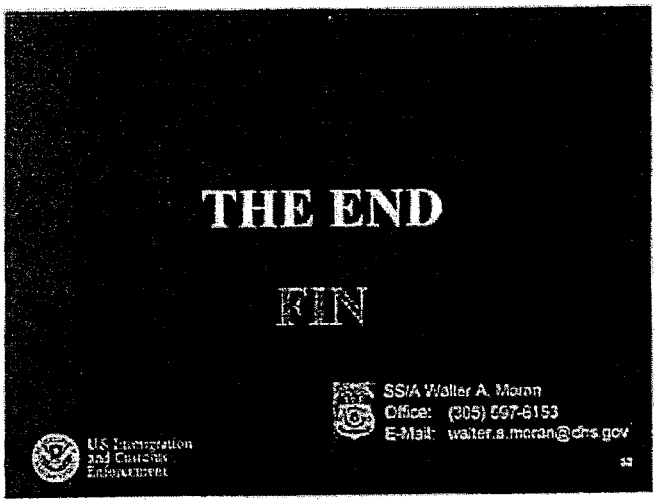
56840.583



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Originator: EL HADJ OMAR BONGO ONDIMBA

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Receiver A: [redacted]
Receiver N: UNITED FAIRFAX
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ORG Addres: LIBREVILLE
ORG Addres:
OGB Idcode: SA
OGB Id:: BLGOFRPP
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OGB Addres: ATT:COMPTABILITE TENU DES COMPTES
OGB Addres: 6,AVENUE VELASQUEZ
OGB Addres: PARIS F-750008, FRANCE
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INS:: BGFIBANK
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INS Addres:
INS_Addr2::
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Permanent Subcommittee on Investigations
EXHIBIT #43a.

psi-ub-000404

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56840.585

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= Redacted by the Permanent Subcommittee on Investigations

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BBK Addres: 1320 OLD CHAINE BRIDGE
BBK Addres: ROAD MC CLAIN VIRGINIA 22101
BBK Addres:
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BNF Id:: [redacted]
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BNF Addres: USA
BNF Addres:
BNF Addres:
RFB:: [redacted]
OBI:: FEES DEDUCTED $45.00MISSION
BBI::
As of reas:
As of date:
Reference:
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OMAD:: 20[redacted]
Charges::
CrAcctyp::
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Printed By: Page UNITED BANK Date: April 23, 2007 11:01:18 AM

psi-ub-000405

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56840.586

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Originator: EL HADJ OMAR BONGO ONDIMBA

= Redacted by the Permanent Subcommittee on Investigations

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Receiver A: [redacted]
Receiver N: UNITED FAIRFAX
Message Ty: 10
Message Su: 00
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ORG Addres: C/O BGFIBANK
ORG Addres: LIBREVILLE
ORG Addres:
OGB Idcode:
OGB Id::
OGB:: BRED BANQUE POPULAIRE
OGB Addres: HEAD OFFICE
OGB Addres: PARIS, FRANCE
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:01:29 AM

Permanent Subcommittee on Investigations
EXHIBIT #43b.

psi-ub-000408

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56840.587

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BNF Addres: USA
BNF Addres:
BNF Addres:
RFB::[redacted]
OBI:: MISSION
BBI:: {6100}DEBI*
As of reas:
As of date:
Reference:
IMAD::[redacted]
OMAD::[redacted]
Charges::
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Printed By: Page UNITED BANK Date: April 23, 2007 11:01:29 AM

psi-ub-000409

ph44585 on D330-44585-7600 with DISTILLER

56840.588

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Originator: AYIRA

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= Redacted by the Permanent Subcommittee on Investigations

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Receiver N: UNITED FAIRFAX
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ORG:: AYIRA
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ORG Addres: LIBREVILLE
ORG Addres:
OGB Idcode: SA
OGB Id:: BLGOFRPP
OGB:: BANQUE BELGOLAISE PARIS
OGB Addres: ATT:COMPTABILITE TENU DES COMPTES
OGB Addres: 6,AVENUE VELASQUEZ
OGB Addres: PARIS F-750008, FRANCE
INS Idcode: BC
INS Id:: BGFIGALIXXX
INS:: BGFIBANK
INS Addres: LIBREVILLE
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Permanent Subcommittee on Investigations
EXHIBIT #43c.

psi-ub-000416

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56840.589

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BBK Addres: MCLEAN, VA 22101 USA
BBK Addres:
BNF Idcode: AC
BNF Id:[redacted]
BNF:: THE GRACE GROUP LLC
BNF Addres: UNITED STATES
BNF Addres:
BNF Addres:
RFB::[redacted]
OBI:: FEES DEDUCTED $45.00RGLT RSAF C 130E AIRCRAFT
BBI:: {6500}F57./*
As of reas:
As of date:
Reference:
IMAD::[redacted]
OMAD::[redacted]
Charges::
CrAcctyp::
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psi-ub-000417

ph44585 on D330-44585-7600 with DISTILLER

56840.590

WireHouse - Message Details MID: 050721084000F101

Beneficiary: THE GRACE GROUP LLC
Originator: AYIRA

[redacted] = Redacted by the Permanent Subcommittee on Investigations

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Sender Nam: DBTCO AMERICAS NYC
Receiver A[redacted]
Receiver N: UNITED FAIRFAX
Message Ty: 10
Message Su: 00
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ORG:: AYIRA
ORG Addres: C/O BGFIBANK
ORG Addres: BP 2253
ORG Addres: LIBREVILLE
OGB Idcode: SA
OGB Id:: BLGOFRPP
OGB:: BANQUE BELGOLAISE PARIS
OGB Addres: ATT:COMPTABILITE TENU DES COMPTES
OGB Addres: 6,AVENUE VELASQUEZ
OGB Addres: PARIS F-750008, FRANCE
INS Idcode: BC
INS Id:: BGFIGALIXXX
INS:: BGFIBANK
INS Addres: LIBREVILLE
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:02:15 AM

Permanent Subcommittee on Investigations
EXHIBIT #43d.

psi-ub-00042(

ph44585 on D330-44585-7600 with DISTILLER
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56840.591

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BBK Addres: 1320 OLD CHAIN BRIDGE ROAD
BBK Addres: MCLEAN, VA 22101 USA
BNF Idcode: AC
BNF Id: [redacted]
BNF:: THE GRACE GROUP LLC
BNF Addres: USA
BNF Addres:
BNF Addres:
RFB:: [redacted]
OBI:: FEES DEDUCTED $45.00REGLT RSAF C 130 E AIRCRAFT (3 EECHANCE)
BBI::
As of reas:
As of date:
Reference:
IMAD:: 20050721B1Q8384C002003
OMAD:: 20050721E6B7001C00001207210833FT01
Charges::
CrAcctyp::
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:02:15 AM

psi-ub-00042

ph44585 on D330-44585-7600 with DISTILLER

56840.592

NITED BANK FX *FUNDS TRANSFER NOTIFICATION* *07-18-2005*

THE GRACE GROUP LLC
1239 BEVERLY ROAD

MCLEAN , VA 22101-2802

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Customer:

This receipt serves as immediate notification of the following Incoming Fed Funds Transfer that will be CREDITED to your account. If you have any questions, please contact your local branch.

Dollar Amount: $5999934.36

Credit Account Number : #[redacted]
****
Sender ABA: [redacted] Sender Name: DBTCO AMERICAS NYC

Sender Reference: 0718340862001772

Receiver ABA: [redacted] Receiver Name: UNITED FAIRFAX
****
)MAD Reference# :20050718E6B7001C00001907180819FT01

Beneficiary: THE GRACE GROUP LLC

Beneficiary Bank: UNITED BANK
****
)riginator Info: AYIRA

)riginator Bank: BANQUE BELGOLAISE PARIS

)riginator Bank Info: FEES DEDUCTED $45.00REGLT RSAF C 130 E AIRCRAFT(
:EMEECHEANCE}

!ank to Bank Info: {6500}57D:/*
****

·RINT SEQUENCE #90

Permanent Subcommittee on Investigations
EXHIBIT #43e.

GRACE 0276

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00671 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.593

WireHouse - Message Details MID: 20050722124825RD

Beneficiary: ABASS HAIDARA
Originator: THE GRACE GROUP LLC

= Redacted by the Permanent Subcommittee on Investigations

Message Text:

User ID:: ROGER
Message St: COMPLETE
Value Date: 07/22/2005
Date:: 07/22/2005
Time:: 12:48:26
Amount:: 1000000.00
URC::
Test Key:: 0
Branch Cod: [redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 1
Sender ABA: [redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 1000000.00
Reference:: 20050722124825RD
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:01 AM

Permanent Subcommittee on Investigations
EXHIBIT #43f.

psi-ub-000428

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00672 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.594

WireHouse - Message Details MID: 20050722124825RD

[redacted] = Redacted by the Permanent Subcommittee on Investigations

BBK Idcode: SA
BBK Id:: KREDBEBB
BBK:: KBC BANK
BBK Addres: BIC KRED BE BB
BBK Addres: UCCLE CHURCHILL
BBK Addres: BRUX BEIGUM
BNF Idcode: AC
BNF Id:: [redacted]
BNF:: ABASS HAIDARA
BNF Addres: [redacted]
BNF Addres:
BNF Addres:
RFB::
OBI:: REQUEST OF THE HEAD OF STATE. SEQ NO 2875. IBAN CONTACT MR E VAN ROY FAX 0113223408551
BBI:: {6500}IBAN CONTACT MR E VAN ROY FAX 01132*23408551*
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges:: _Y
CrAcctyp:: GLA
Free text1:
Free text2:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:01 AM

psi-ub-000429

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00673 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.595

WireHouse - Message Details MID: 20050831142119RD

Beneficiary: BABA A HAIDARA
Originator: THE GRACE GROUP LLC

Message Text:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

User ID:: ROGER
Message St: COMPLETE
Value Date: 08/31/2005
Date:: 08/31/2005
Time:: 14:21:19
Amount:: 200000.00
URC::
Test Key:: 0
Branch Cod: [redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 0
Sender ABA: [redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 200000.00
Reference:: 20050831142119RD
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:09 AM

Permanent Subcommittee on Investigations
EXHIBIT #43g.

psi-ub-000430

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00674 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.596

WireHouse - Message Details MID: 20050831142119RD

BBK Idcode:
BBK Id::
BBK:: SOCIETE GENERALE AGENCY FONTENOY
BBK Addres: BK CODE 30003, QUICHET 03301 RIB 03
BBK Addres: C/O BABA A HAIDARA
BBK Addres: PALAIS DE L UNESCOE, PARIS FRANCE
BNF Idcode: AC
BNF Id: [redacted]
BNF:: BABA A HAIDARA
BNF Addres:
BNF Addres:
BNF Addres:
RFB::
OBI:: FEED STARVING REFUGEES IN MALI AND NIGER, SEQ NO 3209
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges::
CrAcctyp:: GLA
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:09 AM

psi-ub-000431

ph44585 on D330-44585-7600 with DISTILLER

56840.597

WireHouse - Message Details MID: 20051020094222AR

Beneficiary: ABASS HAIDARA
Originator: THE GRACE GROUP LLC

Message Text:

= Redacted by the Permanent Subcommittee on Investigations

User ID:: ANISSA
Message St: COMPLETE
Value Date: 10/20/2005
Date:: 10/20/2005
Time:: 09:42:22
Amount:: 3061809.00
URC::
Test Key:: 0
Branch Cod: [redacted]1
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 3
Sender ABA: [redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 3061809.00
Reference:: 20051020094222AR
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:30 AM

Permanent Subcommittee on Investigations
EXHIBIT #43h.

psi-ub-000438

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00676 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.598

WireHouse - Message Details MID: 20051020094222AR

BBK Idcode: SA
BBK Id:: KRED BE BB
BBK:: KBC BANK
BBK Addres: 9UCCLE CHURCHILL
BBK Addres: BRUX BELIGUM
BBK Addres: BRUX BELIGUM
BNF Idcode: AC
BNF Id:[redacted]
BNF:: ABASS HAIDARA
BNF Addres: IBAN BE9[redacted]
BNF Addres:
BNF Addres:
RFB::
OBI:: IBAN CONTACT MRS COOLSP FAX# 001-322-340-8551 REQUEST BY THE HEAD OF THE STATE PRESIDENT SQ#3653
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges:: _Y
CrAcctyp:: GLA
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:30 AM

psi-ub-000439

ph44585 on D330-44585-7600 with DISTILLER

56840.599

WireHouse - Message Details MID: 20051116151848CT

Beneficiary: MICHAEL MOUSSA
Originator: THE GRACE GROUP LLC

Message Text:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

User ID:: CINDY
Message St: COMPLETE
Value Date: 11/16/2005
Date:: 11/16/2005
Time:: 15:18:48
Amount:: 496500.00
URC::
Test Key:: 0
Branch Cod:[redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 1
Sender ABA[redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 496500.00
Reference:: 20051116151848CT
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:35 AM

Permanent Subcommittee on Investigations
EXHIBIT #43i.

psi-ub-000440

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00678 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.600

WireHouse - Message Details MID: 20051116151848CT

BBK Idcode: SA
BBK Id:: BERLMCMC
BBK:: E ROTHSCHILD BANK
BBK Addres: 2 AVE DE MONTE CARLO MONACO
BBK Addres: MONTE CARLO MONACO
BBK Addres: BANK CODE 11668, GUICHET 40001
BNF Idcode: AC
BNF Id:: [redacted]
BNF:: MICHAEL MOUSSA
BNF Addres:
BNF Addres:
BNF Addres:
RFB:: MONACO
OBI:: BUSINESS CONSULTING AGREEMENT, TEL #377-93-104747 ATTN: MR ALAIN EYMERY , SEQ NO 3895
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges:: _Y
CrAcctyp:: GLA
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:35 AM

psi-ub-000441

ph44585 on D330-44585-7600 with DISTILLER

56840.601

WireHouse - Message Details MID: 20051118123626AR

Beneficiary: MAXIME GANDZION
Originator: THE GRACE GROUP LLC

Message Text:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

User ID:: ANISSA
Message St: COMPLETE
Value Date: 11/18/2005
Date:: 11/18/2005
Time:: 12:36:27
Amount:: 250000.00
URC::
Test Key:: 0
Branch Cod[redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 0
Sender ABA[redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 250000.00
Reference:: 20051118123626AR
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:42 AM

Permanent Subcommittee on Investigations
EXHIBIT #43j.

psi-ub-00044

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00680 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.602

WireHouse - Message Details MID: 20051118123626AR

BBK Idcode: SA
BBK Id:: KREDBEBB
BBK:: KBC BANK
BBK Addres: RUE MARIE DEPAGE 1
BBK Addres: 1180 BRUSELS BELGIUM
BBK Addres: BRUSELS BELGIUM
BNF Idcode: AC
BNF Id::[redacted]
BNF:: MAXIME GANDZION
BNF Addres: IBAN: BE[redacted]
BNF Addres:
BNF Addres:
RFB::
OBI:: CONSULTING FEE SEQ# 3915 CONTACT ,RUTH 3212-340-8565
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges::
CrAcctyp:: GLA
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:04:42 AM

psi-ub-000443

ph44585 on D330-44585-7600 with DISTILLER

56840.603

WireHouse - Message Details MID: 20051216130405AR

Beneficiary: HAMID MOHAMMAD HAKEEM BAKHSH
Originator: THE GRACE GROUP LLC

Message Text:

= Redacted by the Permanent Subcommittee on Investigations

User ID:: ANISSA
Message St: COMPLETE
Value Date: 12/16/2005
Date:: 12/16/2005
Time:: 13:04:06
Amount:: 184000.00
URC::
Test Key:: 0
Branch Cod: [redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Skiphost:: N
Tkprefix::
Trancode::

Version:: 0
Sender ABA: [redacted]
Sender Nam: UNITED BANK FX
Receiver A: 000000000
Receiver N: INTERNATIONAL WIRE
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 184000.00
Reference:: 20051216130405AR
ORG Idcode:
ORG Id::
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:05:00 AM

Permanent Subcommittee on Investigations
EXHIBIT #43k.

psi-ub-000448

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00682 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.604

WireHouse - Message Details MID: 20051216130405AR

BBK Idcode:
BBK Id::
BBK:: NATIONAL COMMERCIAL BANK
BBK Addres: KING FAHAD DIST BRANCH 251 PO BOX
BBK Addres: 23828
BBK Addres: RIYADH SAUDI ARABIA
BNF Idcode: AC
BNF Id:[redacted]
BNF:: HAMID MOHAMMAD HAKEEM BAKHSH
BNF Addres:
BNF Addres:
BNF Addres:
RFB::
OBI:: SEQ# 4187 PURPOSE : CONSULTANT FEE AIR CRAFT PURCHASE ADDI'INFO 00966 1450 2007 /CONTACT PERSON THE OPRATION MANAGER EXT 210/220
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges::
CrAcctyp:: GLA
Free text1:
Free text2:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Printed By: Page UNITED BANK Date: April 23, 2007 11:05:00 AM

psi-ub-000449

ph44585 on D330-44585-7600 with DISTILLER

56840.605

= Redacted by the Permanent Subcommittee on Investigations

```
WELLS FARGO BANK N.A.                                                    Page  9129
FULL TRANSACTION REPORT                          FOR 08-FEB-2007

<<< TRN: 070208-036580 >>>
--------------------------------------------------------------------------------
    **** MESSAGE ENVELOPE ****                ( Bank : 121 )

                                                   SND DATE: 07/02/08
SRC:EB3 CALLER:                                    EXT:

RPT#          AMT:9,200,000.00              CUR:USD                    TRDR#
TEST: VAL:                            TYP:FTR/1000 FNDS:S CHG:DB:A CD:W COM:N CBL:N
--------------------------------------------------------------------------------
DBT D/[redacted]                          CDT A/[redacted]                ADV:FED
DEBIT VAL: 07/02/08                       CREDIT VAL: 07/02/08
GL RECON: 182182                          GL RECON: 114114
DEPT:0006106                          DEPT:0002729
UNITED BANK - VIRGINIA                    BNP PARIBAS U.S.A - NY BRANCH
4221 WALNEY ROAD                          919 3RD AVE, FL 4
CHANTILLY            VA 20151             NEW YORK, NEW YORK
SNDR REF NUM:IN07020807165765             INTER BK:S/BGFIGALI                WIR:
ORIG:                                     BGFIBANK
THE GRACE GROUP LLC                       BOULEVARD DE L'INDEPENDANCE
1239 BEVERLY RD                           LIBREVILLE,GA
MCLEAN VA 22101-2802                      BNF BANK:
REF NUM:000008304                         BDFIBANK SA
                                          FIMBANK PLC 7TH FL THE PLAZA
                                          COMMERCIAL CENTER BISAZZA ST
                                          SLIEMA SLM15-MALTA
                                          BNF:/[redacted] CHG:S BK?N
                                          [redacted]
                                          THE GABONESE REPUBLIC H E OMAR
                                          VSTRUSD 020
                                      ADVICE INSTRUCTIONS:
                                          PHN/33156812300


                                          ORIG TO BNF INFO:
                                          RETURN OF ESCROW FUNDS/ CONTACT
                                          FRANCIOS MEYERUSD SC FIMBMTM3
                                          USDACC[redacted]STR USD020


    **** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:
         Type Code:                   10 (Transfer of funds)
         Subtype Code:                00 (Regular transfer)
{2000} Amount:                        $9,200,000.00
```

Permanent Subcommittee on Investigations
EXHIBIT #43l.

= Redacted by the Permanent Subcommittee on Investigations

```
{3100} Sending Bank:
         ABA number:                    121000248
         Short name:                    WELLS FARGO SF
         ABA lookup (AUX):              WELLS FARGO BANK, NA
                                        SAN FRANCISCO, CA


WELLS FARGO BANK N.A.                                          Page  9130
FULL TRANSACTION REPORT                     FOR 08-FEB-2007

{3320} Sender Reference:                [redacted]

{3400} Receiving Bank:
         ABA number:                    026007689
    Short name:                     BQE NAT PARIS
         ABA lookup (REL):              BNP PARIBAS U.S.A - NY BRANCH
                                        919 3RD AVE, FL 4
                                        NEW YORK, NEW YORK


{3600} Business Function Code:          CTR (Customer transfer)


{3700} Charges:                         S (Shared)


{4000} Intermediary Bank:               B/BGFIGALI
                                        BGFIBANK
                                        BOULEVARD DE L`INDEPENDANCE
                                    LIBREVILLE,GA
{4100} Beneficiary's Bank:              /
                                        BDFIBANK SA
                                        FIMBANK PLC 7TH FL THE PLAZA
                                        COMMERCIAL CENTER BISAZZA ST
                                        SLIEMA SLM15-MALTA


{4200} Beneficiary:                     D/[redacted]
                                        THE GABONESE REPUBLIC H E OMAR
                                        VSTRUSD 020


{4320} Reference for Beneficiary:       [redacted]


{5000} Originator:                  /
                                        THE GRACE GROUP LLC
                                        1239 BEVERLY RD
                                        MCLEAN VA 22101-2802


{5100} Originator's Bank:               D/[redacted]
                                        UNITED BANK - VIRGINIA
```

= Redacted by the Permanent Subcommittee on Investigations

```
                                        4221 WALNEY ROAD
                                        CHANTILLY            VA 20151

    {6000} Originator to Beneficiary Info: RETURN OF ESCROW FUNDS/ CONTACT
                                        FRANCIOS MEYERUSD SC FIMBMTM3
                                        USDAC[redacted] VSTR USD020

    {6410} Beneficiary Advice Info:
        Advice code:                PHN (Phone)
            Advice info:                33156812300
    WELLS FARGO BANK N.A.                                                Page  9131
    FULL TRANSACTION REPORT                     FOR 08-FEB-2007

        *** MESSAGE TEXT ***

    *FTR0000279516IN07020807165765    NRFUSD   000009200000.00                 121
    2FTR             070208           SHA
    3FTR00000000000000000000000000000000000                   0000000000000
    ORG=
    -THE GRACE GROUP LLC
    -1239 BEVERLY RD
    -MCLEAN VA 22101-2802
    OBI=RETURN OF ESCROW FUNDS/ CONTACT
    -FRANCIOS MEYERUSD SC FIMBMTM3
    -USDACC[redacted] VSTR USD020
ORF=000008304
    DBT=D/[redacted]
    -WELLS FARGO BANK, NA
    IBK=S/BGFIGALI
    BBK=
    -BDFIBANK SA
    -FIMBANK PLC 7TH FL THE PLAZA
    -COMMERCIAL CENTER BISAZZA ST
    -SLIEMA SLM15-MALTA
    BNF[redacted]51
    -THE GABONESE REPUBLIC H E OMAR
    -IBAN [redacted]2 VSTRUSD
    -020
    ADV=PHN/33156812300


        MESSAGE HISTORY SEQUENCE
--------------------------------
    121 is the owning bank. Priority:
            REF_INDEX         REF #: [redacted] 8-FEB-2007 11:12:11.25
            EB3_SENDREF       KEY: [redacted]
            EB4_IN            SEQ #: 279516  8-FEB-2007 11:12:11.25 Info:  *FTR
            Memo: External system reference: [redacted]
            *SYS_MEMO         *AUTOTRIEVE VLD V name & address - DBT acct. D
    /4121021562
            *SYS_MEMO         IL[redacted]
    00000
            EB3_MAPQ      DEQ
            SYS_MEMO          *CVD:--- DVD:14 PSD:5 SSD:5 DBD:1 CBD:1
```

= Redacted by the Permanent Subcommittee on Investigations

```
         *ADR_MSG_QUE  ENQ TEXT: 2007020800036580
         Memo: DBT/1539108
   MTRANSEB3LOBKEXCQ   DEQ
         Memo: Field edits failed
 * BEGIN DESTINATION *DST(1), DLV STATE: D
RTE: /
     DST: ENQ///////
         Queue: 121//RGW0_OUTQ
         RGW0_OUTQ     DEQ
         Memo: (EXC) Field edits failed
         RGW0_SRF          KEY: [redacted]
         RGW0_OUT          SEQ #: 4147  8-FEB-2007 11:12:12.65 Info:
 0800036580004147         F
         RGW0_SND          SEQ #: 4147  8-FEB-2007 11:12:12.65 Info:
 0800036580004147         F
         RGW0_ACK          SEQ #: 4147  8-FEB-2007 11:12:14.82 Info:
 WELLS FARGO BANK N.A.                                          Page  9132
 FULL TRANSACTION REPORT                        FOR 08-FEB-2007

 0800036580004147        +
 * END DESTINATION
         *SYS_MEMO         52218NCT - ABA PER TGBR
     *SYS_MEMO         *AUTOTRIEVE VLD V name & address - DBT acct. D
 /4121021562
         *SYS_MEMO         IL 0002656 N 182182 01147
 00000
         *SYS_MEMO         *AUTOTRIEVE VLD V name & address - DBT acct. D
 /4121021562
         *SYS_MEMO         IL 0002656 N 182182 01147
 00000
         SYS_MEMO          *CVD:--- DVD:14 PSD:1 SSD:1 DBD:1 CBD:1
         EXCEPTN_LOG       OPRID: 52218NCT  TIME:  8-FEB-2007 11:20:33.94
         *ADR_MSG_QUE  ENQ TEXT: 2007020800036580
         Memo: CDT/1533429
   MTRANSEB3LOFDVFYQ   DEQ
   MTRANSFTRVFY_LOG        OPRID: 52218MN  TIME:  8-FEB-2007 11:32:08.75
         *SYS_MEMO         Stop_Check NO MATCH -  8-FEB-2007 11:32:08.76
         RCS_AUTQ      DEQ
         AUT_PDM_03        SEQ #: 4743  8-FEB-2007 11:32:08.89 Info: PD
     *DDA              SAM_DBT  AMOUNT: 9200000.00   USD
         AUT_POST_03       SEQ #: 4743  8-FEB-2007 11:32:09.11 Info: PD
         Memo: Dbt posted with tran cd: 182AEB3O|070208036580|||
         OVDFTLOG          TIME:  8-FEB-2007 11:32:09.11
                           AMT1: -7999122.44    AMT2: 0.00
         Memo: $$$MPA
         PAYADVQ       DEQ
         PAYADV_LOG        OPRID: $$$PAY  TIME:  8-FEB-2007 11:32:09.22
         SYSPRFBAL         PRF_DDA_DBT  AMOUNT: 9200000.00   USD
         *DUE_FROM         SAM_CDT  AMOUNT: 9200000.00   USD
         *DUE_TO           SAM_DBT  AMOUNT: 9200000.00   USD
         *DUE_TO           SAM_CDT  AMOUNT: 9200000.00   USD
         *DUE_FROM         SAM_DBT  AMOUNT: 9200000.00   USD
         *FED_GL           SAM_CDT  AMOUNT: 9200000.00   USD
 * BEGIN DESTINATION *DST(2) ROUTE:026007689, DLV STATE: D
     RTE: /
```

WireHouse - Message Details MID: 070208102203AR00

Beneficiary: THE GABONESE REPUBLIC H ,E OMAR
Originator: THE GRACE GROUP LLC

Message Text:

= Redacted by the Permanent Subcommittee on Investigations

User ID:: ANISSA
Message St: COMPLETE
Value Date: 02/08/2007
Date:: 02/08/2007
Time:: 11:20:19
Amount:: 65061.00
URC::
Test Key:: 0
Branch Cod[redacted]
Fee::
Pin::
ExtRef::
Skpcllbck:: N
Tkprf::
Trancode::
SkipHost:: N
AUTO FX:: N
REU ID::

Sender ABA:[redacted]
Sender Nam: UNITED BANK VA
Receiver A: 000000000
Receiver N: INTL Bank
Message Ty: 10
Message Su: 00
Product Co: CTR
Amount:: 65061.00
Reference:: 070208102203AR00
ORG Idcode: AC
ORG Id::[redacted]
ORG:: THE GRACE GROUP LLC
ORG Addres: CLIENT ESCROW ACCT
ORG Addres: 1239 BEVERLY ROAD
ORG Addres: MCLEAN, VA 22101-2802
OGB Idcode:
OGB Id::
OGB::
OGB Addres:
OGB Addres:
OGB Addres:
INS Idcode:
INS Id::
INS::
INS Addres:
INS Addres:
INS_Addr2::
IBK Idcode:
IBK Id::
IBK::
IBK Addres:
IBK Addres:

Printed By: Page UNITED BANK Date: April 23, 2007 11:05:40 AM

Permanent Subcommittee on Investigations
EXHIBIT #43m.

psi-ub-000462

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00688 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.610

WireHouse - Message Details MID: 070208102203AR00

IBK Addres:
BBK Idcode: SA
BBK Id:: BGFIGALI
BBK:: BDFIBANK SA
BBK Addres: FIMBANK PLC 7TH FLOOR THE PLAZA
BBK Addres: COMMERCIAL CENTER BISAZZA ST SLIEMA
BBK Addres: SLM15-MALTA
BNF Idcode: AC
BNF Id:[redacted]
BNF:: THE GABONESE REPUBLIC H ,E OMAR
BNF Addres: BONGO ONDIMBA
BNF Addres: ACCT#[redacted]
BNF Addres: IBA:MT79FIMB3[redacted]
RFB::
OBI:: SEQ# 8303 PURPOSE : RETURN OF ESCROW FUNDS / CONTACT : FRANCIOS MEYER TEL#33 156 81 2300 USD SC : FIMBMTM3
BBI::
As of reas:
As of date:
Reference:
IMAD::
OMAD::
Charges::
Free text1:
Free text2:
Corcode::
Corid:
Cor::
CorAddr::
CorAddr::
CorAddr::

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Printed By: Page UNITED BANK Date: April 23, 2007 11:05:40 AM

psi-ub-000463

ph44585 on D330-44585-7600 with DISTILLER

56840.611

Subj: **Fwd: (no subject)**
Date: 4/14/2005
To: dresserd@armormax.com

Dan:

I am now back in Washington, D.C.

Can you please advise on receipt of the wire and that we are on your production schedule.

Can you also advise if there are any export issues that I should be aware of and if any special permitting needs to be done at the U.S. Department of State.
Can you otherwise address the issues in the attached email that I sent on the 12th. If it's just better to have a phone conversation, please let me know the best time to call.

Also, please be mindful that all of our communications regarding the H2 project are confidential. I am making a series if acquisition for the Head of State, and these actions have created a lot of interest among certain individuals. It is an election year in Gabon and not all of the individuals within the office of the president are from his party. Information regarding these transactions could be used to his political determent. I am so advising all of the contractors and suppliers with which I am currently dealing. Please direct any and all inquires to me and I will forward them directly to the appropriate official within the office of the president. ***Any and all.***

Thanks again. I'll see you in a few weeks. Call me if you have any issues that require my input.

Best.

Jeff

Permanent Subcommittee on Investigations
EXHIBIT #44

GRACE 0916

ph44585 on D330-44585-7600 with DISTILLER

56840.612

Subj: **H2 Follow up.**
Date: 6/9/2005
To: dresserd@armormax.com
CC: jlibutti@priorityworldwide.com

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dan:

I regret the tone of our conversation.

The representations regarding delivery that you made to the General and to me were without caveat or qualification. The President has been waiting since April 9th for shipment notification.

I need all 4 H2s done without any further delay.

It is not acceptable that the stretched H2 is still in CA and the armor has not started-- waiting 10 days for a truck -- or that the first two H2s have not moved at all since my trip to your HQ.

As requested, I will expect your correspondence regarding shipment date by Friday, COB eastern standard time. I will forward your letter directly to President Bongo.

Regarding the Commerce Department export license: seems like this application should have been done when you rec'd the funds and the P.O. However, I will now expedite. I have spoken to Jeff and I am thinking about involving your Governor to help -- he was the Assistant USTR for Africa during Bush's first term and my neighbor for four years in McLean, a few Member of Congress and the current and the former U.S. Ambassador to Gabon.

I will look for your dates -- pre June 25.

The the H2s and the Caddy need to be in Libreville by the 26 or this moves into a new level. It will be out of my hands. The stretched H2s need to follow closely behind.

Thank you.

Jeff
(202) [redacted]

Permanent Subcommittee on Investigations
EXHIBIT #45

GRACE 0929

ph44585 on D330-44585-7600 with DISTILLER

56840.613

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Fax Transmission:

The Grace Group, LLC
Grace House
1239 Beverly Road
McLean, Virginia 22101
T. 703-821-0850
F. 703-821-0850

To: El Hadj Abass Haidara
011-241[redacted]

From: Jeffrey C. Birrell

Date: June 14, 2005

Dear Imam:

The funds noted in our conversation can be sent to the following address. I will hold these funds in total until otherwise directed by you.

Best regards,

Jeff

Bénéficiaire du compte :	The Grace Group LLC
Votre interlocuteur :	Madame Sy Nguyen
Numéro du compte :	[redacted]
Nom de l'établissement :	United Bank
Numéro ABA:	[redacted]
Adresse :	1320 Old Chain Bridge Road McLean, VA 22101
Téléphone :	703-356-2265
Télécopie :	703-356-3729
Courriel :	snguyen@unitedbank-va.com

Thank you.

Permanent Subcommittee on Investigations
EXHIBIT #46

GRACE 0634

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00692 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.614

Subj: **Fwd: C-130 Update/Financial**
Date: 6/29/2005 10:32:12 A.M. Eastern Standard Time
From: JCBIRRELL
To: rmorris@cmgpc.com

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Forwarded Message:

Subj: **C-130 Update/Financial**
Date: 6/29/2005 10:31:55 A.M. Eastern Standard Time
From: JCBIRRELL
To: ABASS.HAIDARA@s[redacted]

Dear Imam:

Will you please advise President Bongo of the following information.

The Grace Group LLC has received $5,000,000.00 USD in its general operating account. These funds were received by wire.

This same amount, minus wire transfer fees, has been re-deposited into a separate account titled, "Grace Group LLC, Client Escrow Account."

These funds will remain in this account until otherwise directed by the client. Expenses incurred by the Grace Group with specific regard to the purchase of the C-130s, will be deducted from this account and repaid to the Grace Group's general operating account.

A full accounting of these expenses will be made available to the client.

Thank you.

Jeff

Permanent Subcommittee on Investigations
EXHIBIT #47

GRACE 0681

ph44585 on D330-44585-7600 with DISTILLER

56840.615

Delta Synergie

October 13, 2005

Mr Peter C. BERRY
Director, Office of Defence Trade Controls Licensing
Directorate of Defence Trade Controls
Bureau of Political Military Affairs
U.S. Department of State
Washington, DC 20522-0112

Subject: Request for Reexport Authorization
for C-130 E Aircraft from Saudi Arabia to Gabon;
Delta Synergie

Dear Mr Berry,

Pursuant to Sections 123.9© and 123.1 of the International Traffic In Arms Regulations (ITAR), please find enclosed an original and six copies of a request for authorization to reexport two C-130E aircraft from Saudi Arabia to Gabon. The request is submitted by Delta Synergie, a Gabon corporation. I Administrateur Directeur Général (CEO) of Delta Synergie with authority to conduct this transaction on behalf of the company.

Summary of the Transaction

Delta Synergie, a privately-owned Gabon company owned in part by Gabon's Head of State (in his private capacity) has agreed to purchase two C-130 E cargo from Royal Saudi Air Force (RSAF), which we believe were previously exported from the United States to Saudi Arabia directly too Gabon, where they will be used by Delta Synergie principally for the in-country transportation of goods within Gabon.

Authorization for previous Export from the United States

Delta Synergie is not aware of specific authorization that provided the basis for the original export of these two aircraft from the United States. However, we are seeking to obtain from either the Saudi government or from Lockheed Martin, the aircraft manufacturer, documents related to the original export of these aircraft to Saudi Arabia.

Permanent Subcommittee on Investigations
EXHIBIT #48

GRACE 0593

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00694 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.616

Delta Synergie

In compliance with 22 CFR 126.13, I hereby state that I am an authorized senior official of Delta Synergie and furthermore that:

1. Neither the applicant or the chief executive officer, president, vice-presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) or any member of the board of directors is the subject of an indictment for or has been convicted of violating any of the U.S. criminal statutes enumerated in § 120.27 of this subchapter since the effective date of the Arms Export of this Control Act, Public Law 94-329, 90 Stat. 729(June 30, 1976);

2. Neither the applicant or the chief executive officer, president, vice-presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) or any member of the board of directors is ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from, any agency of the U.S. Government; and

3. To the best of the applicant's knowledge, no party to the export as defined in § 126.7 (e) has been convicted of violating any of the U.S. criminal statutes enumerated in § 120.27 of this subchapter since the effective date of the Arms export Control Act, Public Law 94-329,90 Stat.729 (June 30, 1976), or is ineligible to contract with, or to receive a license or other approval to import defense articles or defenseservices from, or to receive an export license or other approval from any agency of the U.S. government.

4. The natural person signing this letter is a citizen of Gabon appointed as the Administrateur Directeur Général (CEO) of Delta Synergi, a Gabonese corporation.

Furthermore, although Delta Synergie is not an "applicant" as defined in ITAR part 130.2, I hereby certify as follows: Neither the applicant nor its vendors have paid, or offered to pay, in respect of any sale for which a license of approval is requested, political contributions, fees or commissions in amounts specified in 22 CFR 130.9 (a).

Description, Quantity and Value of the Defense Articles

These two C-130 E cargo aircraft, manufactured by Lockheed Martin, are USML Category VIII (a) fixed wing aircraft. The RASF tail numbers are 476 and 479. The Lockheed production numbers are 4396 and 4304 respectively.

These aircraft are not equipped with any armaments and have no offensive capability. These are designed for use as an intra-theatre cargo aircraft and are currently equipped with a roller cargo system and have parachute rigging capabilities. Both aircraft are equipped with an avionics package appropriate for IFR flight.

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56840.617

Delta Synergie

Subject to the receipt of this reexport authorization from the US government, Delta Synergie has agreed with the Saudi government to purchase two aircrafts. {See TAB A.}

New End-user and New End-Use

Delta Synergie is a privately-owned Gabon corporation held, in part, by Gabon's head of state in his private capacity. We are a cargo and freight company established to develop an intra-gabonese trade and distribution network.

Gabon has an underdeveloped road network infrastructure, but the country has a system of air hubs with short, paved runaways. The C-130 aircraft are ideal for transporting heavy loads and for short takeoffs and landings at Gabon's airfields. Delta Synergie expects this will be the primary role of these aircraft, although they may also be used to support regional trade as well.

Delta Synergie understands that fixed-wing aircraft are designated as Significant Military Equipment (SME) under USML Category VIII, and we are aware of the restrictions on end use and reexport of such aircraft. A fully executed DSP-83 Nontransfer and Use Certificate will be forthcoming. (See TAB B)

Should you have any questions regarding this request for reexport authorization, please contact the undersigned.

Sincerely,

Henri Claude OYIMA
Administrateur Directeur Général

Attachments :
TAB A - Letter of Intent
TAB B – DSP-83 nontransfer and Use Certificate

Copy to
Mr Max Zerden
Team 5 leader
Office of Defense trade Controls Licensing
U.S. Department of State

GRACE 0595

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00696 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.618

Subj: **(C130 Brokering Request) Delta Synergie and The Grace Group LLC**
Date: 10/24/2005 12:40:28 P.M. Eastern Standard Time
From: JCBIRRELL
To: WalkleyBR@state.gov, dhananiks@state.gov

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Ambassador:

I trust that you enjoyed your visit to California and have returned to Gabon rested and well.

I had hoped to meet with Kathy Dhanani and with Col. Neal Kringel during my most recent visit to Gabon to follow up on your kind offer to assist President Bongo (via a private company in Gabon i.e.Delta Synergie) obtain two C-130E aircraft for regional commercial transport operations. These aircraft are being sought from the Royal Saudi Air Force. These aircraft will have no military application.

As I have indicated, The Grace Group LLC, is a U.S.-based corporation which I own. The Grace Group LLC submitted a Statement of Registration for Brokering to the Department of State in July 2005 and received its Brokering License (Brokering Registration Code K-1117) from the Department of State in August 2005.

At that time, The Grace Group then submitted an application to engage in "Brokering Activities." This application is currently under review by the Department of State. The C-130 aircraft are subject to ITAR regulations and the re-export of these articles from Saudi Arabia to another foreign destination requires written authorization from the U.S. Department of State, Directorate of Defense Trade Controls.

I have engaged two law firms to represent the Grace Group LLC in this matter: Roy Morris of Carr, Morris & Graeff, P.C. (general counsel) and Jim Reed and Phil Rhoads of Rhoads & Reed PLLC (ITAR counsel).

We are trying to determine the status of the Grace Group LLC submission to State. It was indicated to Mr. Reed today, that the submission remains under review, "...has been referred to another office at State and will not be issued this week." No other information was forthcoming.

It would be very helpful to know the status of this submission and to know how the process can be moved along. President Bongo raised this matter with you directly many months ago and he is very interested in a timely resolution.

These types of aircraft are in great demand and any further delay in this process could greatly impair this purchase.

Mr. Reed has suggested that a call from you or Col. Kringel to Mike Dixon, DDTC Managing Director, (202) 663-[redacted] and to Mel Zerden, Team Leader, DTCL, (202) 663-[redacted] to determine the status of this submission would be most helpful and may speed the approval process. At very least, the information gained from such a call would allow me to advise President Bongo accordingly.

I thank you very much for your consideration of this timely matter.

Very best,

Jeff Birrell
(202) [redacted]

Permanent Subcommittee on Investigations
EXHIBIT #49

GRACE 0589

ph44585 on D330-44585-7600 with DISTILLER

56840.619

United States Department of State

Bureau of Political-Military Affairs
Directorate of Defense Trade Controls

Washington, D.C. 20520-0112

IN REPLY TO
DDTC CASE **BA L0039-05**

NOV 3' 2005

The attached application has been denied and is being returned in accordance with Title 22, Code of the Federal Regulations, Section 126.7(a) for the reasons indicated below. Any questions regarding this decision may be directed to Jo-Anne Riabouchinsky at (202) 663-1282.

__X__ - Foreign Policy

__X__ - National Security

__X__ - Comments

Commercial ownership and end-use of C-130 aircraft for transportation of goods by a private company as outlined in this request is inconsistent with the provisions of the Arms Export Control Act pertaining to exports in support of internal security or self defense.

Sincerely,

Peter J. Berry
Director
Office of Defense Trade Controls
Licensing

Attachment:
Reference application

Mr. Jeffrey C. Birrell
The Grace Group LLC
U.S. Post Office Box 6354
McLean, VA 22106-6354

Permanent Subcommittee on Investigations
EXHIBIT #50

GRACE 0588

ph44585 on D330-44585-7600 with DISTILLER

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56840.620

The Grace Group, LLC
U.S. Post Office Box 6354
McLean, Virginia 22106-6354
(T) 703-821-0858
(F) 703-821-0858
(C) 202-716-2000
(E) GRACEGROUPLLC@AOL.COM
(E) ICBIRRELL@AOL.COM

December 2, 2005

Mr. Peter Berry
Director
Office of Defense Trade Controls Licensing
Directorate of Defense Trade Controls
Bureau of Political Military Affairs
U.S. Department of State
Washington, D.C. 20522-0112

Dear Mr. Berry:

It is my understanding that the Federal Express package that contained this firm's request for "Prior Approval of Brokering Activities" [Federal Express tracking number 8537-8534-1138] cannot be located within the Department of State. The Federal Express package was received by the U.S. Department of State on November 15, 2005 at 09:37.

While a copy of the application was faxed to Mr. Mal Zerden on November 14, 2005 and a separate copy supplied to your office in person by the Honorable Barrie Walkley, United States Ambassador to Gabon, I am providing another copy today to you by fax.

This request for prior approval of brokering activities is now extremely time sensitive. The items that we propose to broker between the governments of Saudi Arabia and Gabon are urgently needed by the end user. These items are in great demand around the world and any further delay may result in them being offered to other prospective buyers.

In planned meetings next week with the Assistant Secretary of State for Africa on this and other matters, I would very much like to report that this request has been acted upon and is being processed.

I fully appreciate the demands on your office given the nature of American military commitments in the Middle East and around the globe. However, given that the proposed end-use of these items is fully aligned with U.S. foreign policy goals and actions in West/Central Africa and that there is an immediate need for these cargo lift aircraft, any and all expedited treatment that can be afforded this request will be greatly appreciated by the Gabonese government and this firm.

Permanent Subcommittee on Investigations
EXHIBIT #51

GRACE 0583

ph44585 on D330-44585-7600 with DISTILLER
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56840.621

Very sincerely yours,

Jeffrey C. Birrell
Sr. Managing Member and Empowered Official

Cc: The Honorable R. Barrie Walkley
United States Ambassador to the Gabonese Republic

Mr. Mal Zerden, Team 5 Leader
U.S. Department of State

Enclosure:

1) November 14, 2005 Brokering Request
2) Federal Express Documents

ph44585 on D330-44585-7600 with DISTILLER
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56840.622

The Grace Group, LLC.
1101 30th Street
Suite 310
Washington, D.C. 20007
GRACEGROUPLLC@AOL.COM
JCBIRRELL@AOL.COM
T. (202) 625-8360
F. (202) 625-8361
C. (202) 716-2000
U.S. Department of State Broker Registration Code (K-1117)

May 25, 2006

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Col. Ali S. Alrakaf, Defense Attaché
Royal Embassy of Saudi Arabia
By Fax (202) [redacted]

Col. Ahmed Al-Qahtani, Air Attaché
Royal Embassy of Saudi Arabia
By Fax: (202) [redacted]

Dear Sirs:

I thank you for your May 14, 2006 response to my letter of May 2, 2006 and your continued assistance. Your response helped to facilitate the Congressional Notification process, which is nearly complete.

I would ask that you forward this letter to Major General Kattoa, as it has been written in response to his May 6, 2006 correspondence to The Grace Group, LLC.

I would like to advise you of recent developments in The Grace Group's continued efforts to facilitate the re-export request made by your government for six C130 Hercules aircraft.

I have been notified by the Directorate of Defense Trade Controls, U.S. Department of State, that all of the questions posed to date by the U.S. Congress have been officially responded to. I have confirmed this with the Office of Congressional Liaison, Department of State. I have also been in contact with senior staff on the Congressional Committees that are reviewing the re-export request. I believe that the House International Relations Committee cleared the re-export license on May 1, 2006. Similarly, I would expect that the Senate Foreign Relations Committee will soon clear the request.

Once both Congressional Committees have provided the final, official clearance for the U.S. Congress, which is expected in the near term, the 30-day Congressional Notification Period required by the Arms Export Control Act will begin.

Permanent Subcommittee on Investigations
EXHIBIT #52

GRACE 0832

ph44585 on D330-44585-7600 with DISTILLER
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56840.623

At the expiration of the 30 calendar day period, all of the requirements of U.S. law will have been met and official notification of the approval will be sent from the Department of State, Directorate of Trade Defense Controls, to the Saudi Embassy in Washington, D.C. At that time, the transfer of the aircraft from Saudi Arabia to the Government of Gabon may occur.

As you are aware, I met with the Major General Kattoa and Major General Mowainea, during my last visit to Riyadh in late April 2006.

On May 6, 2006, General Kattoa corresponded with The Grace Group and demanded that this firm obtain the re-export license by May 28, 2006. Please allow me to address this demand.

The re-export of these aircraft is a well-defined procedure governed by U.S. law. Outside of the U.S. governmental action, the re-export procedure consists of *three* major actions. Each action is the responsibility of a different party.

Action 1. Obtaining an Approved Brokering License from the Department of State.

Obtaining an approved "Brokering License" was the responsibility of The Grace Group, LLC. In furtherance of its obligations, The Grace Group, LLC registered as a broker with the Department of State in 2005. The firm then applied for and obtained an approved brokering license from the Department of State. This license permitted The Grace Group to work with the Governments of Saudi Arabia and Gabon to complete the other steps that are required in this process.

Action 2. Obtaining an Approved Re-Export End User Certificate.

Obtaining the required Non-transfer and End Use Certificate (DSP-83) was the responsibility of the Gabonese Government and was completed with the assistance of The Grace Group. The DSP-83 Certificate was presented to the Gabonese Government by The Grace Group. The DSP-83 was properly signed and otherwise executed. The DSP-83 was the provided to Col. Al-Qahtani and the DSP-83 was delivered along with the official Saudi re-export request to the Office of the Secretary of the Air Force.

Action 3. Obtaining an Approved Re-Export License.

Obtaining an approved re-export license is the responsibility of the Saudi Government. The initial purchase of the U.S.-made C-130s by the Kingdom carried with it an agreement to obtain the necessary clearances from the United States Government prior to any sale or transfer of ownership in these aircraft. While obtaining this re-export license

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56840.624

is a government-to-government process, The Grace Group has assisted and facilitated this process at every step.

In view of these three actions and the responsible parties, which are mandated by U.S. law, the time demand made by Major General Kattoa, unfortunately, is not realistic and we ask for a short continuation.

We understand the desire of the RSAF to conclude this transaction as soon as possible. We wholeheartedly agree that the U.S. regulations are lengthy, complicated and have slowed this otherwise seemingly simple transaction.

However, the delay that has occurred is neither the fault nor the responsibility of The Grace Group or the Gabonese Government. To the contrary, The Grace Group and the Gabonese Government have lent every available assistance the Saudi Government in its request to the United States for a re-export license.

Secondly, our consultant in Saudi Arabia, General Hamid Bakhsh, has advised us that other concerns have been raise by the RSAF. These concerns (1) center on The Grace Group's financial ability to purchase the six aircraft and (2) a competitor's offer of additional money and its promise to, "obtain an export license from the U.S. government in one month." Please allow me to address these matters separately.

1) The Grace Group, LLC is acting as the broker in this transaction for the Gabonese Government. In our initial discussion with the RSAF Commander, it was noted that the aircraft would be ready for transport in pairs of two. Therefore, The Grace Group was given, by the Gabonese Government, the funds necessary to purchase the first two aircraft. Additional funds would be transferred as the additional aircraft were ready for transport from the Kingdom to Gabon. Indeed, in my April 2006 visit to the RSAF HQ, I carried a certified bank draft in the amount of $9.2 million dollars to pay for the first two aircraft. However, absent the Saudi re-export license, the funds were not transferred.

Therefore, we continue to rely on the initial terms of the agreement. We are committed to accept and to pay for the aircraft in pairs of two. As The Grace Group is operating with funds provided by the Gabonese Government, the ability to pay for the aircraft is not in question.

2A) The Government of Saudi Arabia and the Gabonese Government (via The Grace Group) remain bound by the terms of the agreement – as outlined in the official Saudi Government re-export request. As soon as the Saudi Government has successfully obtained the required re-export license, the Gabonese Government will fulfill its obligations under those same terms.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00703 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.625

2B) I wish to emphasize that any re-export of these aircraft requires a license from the United States Government. Any individual, firm, organization or government will be required to take all of the steps that have been taken by The Grace Group, the Gabonese Government and the Government of Saudi Arabia.

No re-export of these aircraft is possible under U.S. law without an approved re-export license and the completion of the 30 day Congressional Notification period. Anyone telling you otherwise is simply ignorant of the U.S. law as it applies here or is purposefully misleading the RSAF.

The Grace Group has remained in strict compliance with U.S. law in all aspects of this transaction. Please be advised that the penalties for non-compliance with this procedure and the U.S. Arms Control Export Act are meaningful to both the Kingdom and to the firm brokering the re-export. Any violation of this procedure or the Arms Control Export Act likely will impact any future sales of U.S. military hardware to the Kingdom.

As you are aware, this has been a lengthy process in first instance. Should the current re-export request be cancelled and a new request made for the same aircraft, I suspect that the length of the review will be increased correspondingly and may invite additional U.S. Government scrutiny.

I trust that this information addresses the issues raised by Major General Kattoa and that we will continue to proceed in this transaction, pending U.S. Government approval of the re-export request, as submitted by the Government of Saudi Arabia.

I thank you for all of your kind assistance in this matter.

My best personal and professional regards; I remain,

Very sincerely yours,

Jeffrey C. Birrell
President & Sr. Managing Member

CC: Barrie Walkley, U.S. Ambassador, Libreville
James Reed, Esq.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00704 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.626

P.02

FILE COPY

In Reply Refer to
DTC Case No. GC 0247-06

AUG 24 2006

Dear Mr. Birrell:

Reference is made to your request, dated February 23, 2006, in which you requested Department of State authorization to permanently re-export six (6) C-130B/E aircraft valued at $27.6 million from the Government of Saudi Arabia to the Government of Gabon for the purposes approved in brokering request BA-L0061-05 including the following missions:

- Government and military transport of cargo and/or personnel
- Support for regional peacekeeping missions
- Response to international disasters
- Search and rescue operations on a regional and sub-regional basis, and
- Border and coastal operations

The Department of State has no objection to the permanent re-export of these six (6) C-130B/E aircraft and approves your request.

Mr. Jeffrey C. Birrell
The Grace Group, LLC
1101 30th Street, N.W.
Suite 500
Washington, D.C. 20007

Permanent Subcommittee on Investigations
EXHIBIT #53

GRACE 0754

ph44585 on D330-44585-7600 with DISTILLER
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56840.627

= Redacted by the Permanent Subcommittee on Investigations

P.03

In Reply Refer
To DDTC GC 0247-06

If you have any questions or concerns regarding this decision, please contact Jo-Anne Riabouchinsky of this office at 202[redacted]

Sincerely,

Susan M. Clark
Acting Director
Office of Defense Trade Controls
Licensing

Drafted:PM/DTC:JRiabouchinsky:08/08/06
CLR:DOD:N.O.:04/12/06
DRL/MLA:N.O.:04/14/06
AF/RA:N.O.:03/06/06
PM/RSAT:N.O.:04/07/06
Cong. Not. DDTC 022-06:07/24/06

TOTAL P.03

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00706 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.628

The Grace Group, LLC
U.S. Post Office Box 6354
McLean, Virginia 22106-6354
(T) 703-821-0858
(F) 703-821-0858
(C) 202-716-2000
(E) GRACEGROUPLLC@AOL.COM
(E) JCBIRRELL@AOL.COM

United States Department of State, ODTCC
Brokering Registration Code:
The Grace Group, LLC (K-1117)

September 6, 2006 *Highly Confidential*

His Excellency, El Hadj Omar Bongo Ondimba
President, The Gabonese Republic

Re: Approved Re-export of six C130 Aircraft to Gabon

Dear Mr. President:

The Grace Group, LLC, which has acted as the sole "Broker" between Your Excellency and the Royal Saudi Government, as licensed by the U.S. Department of State, has been issued an approved re-export license for six C-130 Hercules aircraft.

Obtaining U.S. Government approval for this reexport was difficult and dependent on U.S. law. The Grace Group obtained a U.S. Brokering License from the Directorate of Trade Defense Controls; the Grace Group obtained an approved "Brokering Request" from the Department of State; the Grace Group obtained an approved "Brokering License" within several offices at the Department of State; the Department of Defense, including the Office of the Secretary of the Air Force and the White House.

Once these approvals were obtained, then the Grace Group was then required to seek the approval of the U.S. Congress. Particular attention was mandated to the Senate Committee on Foreign Relations and the House Committee on International Relations. Following an exhaustive review of this reexport by the Congress, an official 30-day Notification Period was required. On August 28, 2006 a re-export license was issued.

During this process, the Grace Group has travel to Saudi Arabia on six occasions and held lengthy and complicated negotiations with senior staff officers of the Royal Saudi Air Force and others in the Saudi Government. The Grace Group has been in constant contact with the Saudi Mission in Washington, D.C. has worked closely with its senior diplomatic staff as well as the Defense Attaché, the Air Attaché and others.

I have had the opportunity to correspond and to meet Mr. Meyer. Mr. Meyer has today written me and asked for a confirmation of total funds on hand for this project and if these funds can be returned if the sale is canceled.

As it is my duty to protect Your Excellency's interest in this and other matters, I am concerned by this request and I invite your review of the following issues.

Permanent Subcommittee on Investigations
EXHIBIT #54

GRACE 0752

1) The cancellation of this sale, will invite the negative review of the White House, the Departments of State and Defense and the Congress. I would be remiss in understating the scope and depth of the U.S. Government's involvement in this reexport. A cancellation at this point would likely have negative ramifications for Your Excellency.

2) The cancellation of this sale will likely have a negative impact on Your Excellency's personal relationship with King Abdullah and with the Royal Saudi Government.

3) The cancellation of this sale will have negative financial ramifications for Your Excellency. Not only have funds been expended, but the acquisition of the six C130s represents a very valuable commercial and policy asset. As previously noted, these aircraft have an estimated value of about $60 million. As the licensed-owner of these aircraft, Your Excellency can use them in accordance with the reexport license or otherwise dispose of them, as noted in the Arms Export Control Act.

4) While the reexport is a State-to-State transfer, the Grace Group, LLC remains an "identified and essential" party to the reexport. I have been advised by legal counsel, that absent the Grace Group and/or the introduction of Mr. Meyer in any brokering capacity, Gabon would be in violation of the terms of the approved reexport license and a new reexport license would be required.

Your Excellency, I know that the Imam Abass will speak to you about this matter directly and in due course. This Imam Abass has worked without rest. He found the aircraft and played a critical role in the discounted price offered to Your Excellency. However, to maintain our good relationship, I believed it correct to advise you of these issues.

Of course, the decision on this matter is that of Your Excellency. Should you wish the immediate return of the funds held in escrow by the Grace Group, LLC, I will transfer the total remainder within 24 hours and without question or exception.

I thank you for the continued opportunity to serve Your Excellency. I trust that we can proceed and implement the reexport of these highly valued assets to Gabon.

Very sincerely yours,

Jeffrey C. Birrell

Cc: El Hadj Abass Haidara Cherif

GRACE 0753

ph44585 on D330-44585-7600 with DISTILLER

56840.630

République Gabonaise

Union . Travail . Justice

Le Président de la République

Libreville, le 24 OCT. 2006

Votre Altesse Royale,

Au nom d'Allah, le Très Miséricordieux,

L'Etat gabonais s'honore des relations fraternelles existantes avec le Royaume d'Arabie Saoudite et à toujours été attentif aux préoccupations et désirs de son Altesse Royale.

Notre conseiller personnel Abbas Haidara Shérif a été chargé de suivre les négociations portant sur l'achat de deux avions C130 E auprès des autorités de l'aviation militaire du Royaume.

L'Etat gabonais n'a pas hésité à faire l'avance de fonds, en raison des liens de confiance qui nous unissent pour confirmer sa volonté d'acquérir ces deux avions qui remplissent amplement nos besoins.

Toutefois les autorités de l'aviation militaire du royaume ont placé ces deux avions dans un lot de six avions vendus au prix de 27,6 millions de dollars américains.

A Son Altesse Royale le Prince Sultan Bin Abdelaziz,
Prince Héritier, Premier Ministre de la Défense et de l'Aviation,
Inspecteur Général des Forces Armées du Royaume d'Arabie Saoudite.
Royaume d'Arabie Saoudite

Permanent Subcommittee on Investigations
EXHIBIT #55

GRACE 0554

ph44585 on D330-44585-7600 with DISTILLER

56840.631

Le Président de la République

Le Département d'Etat en raison de la spécificité des ces avions, a autorisé la cession de ces six avions au prix fixé en émettant une licence de réexpédition en faveur de l'Etat gabonais.

Nous vous serions gré de bien vouloir donner vos hautes instructions royales pour nous accorder une remise exceptionnelle sur le montant de 27,6 millions de dollars américains. Les sommes déjà versées devraient permettre la livraison immédiate des deux avions pour les quatre autres, un large échéancier pourrait être mis en place.

L'Etat gabonais remercie Votre Altesse Royale pour ses efforts et sa grande compréhension pleine de bienveillance à notre égard.

Je saisi l'occasion de l'Aïd El Fitr qui marque la fin du mois sacré du ramadan pour présenter à son altesse Royale ainsi qu'à sa famille mes vœux de bonheur et de prospérité.

El Hadj Omar BONGO ONDIMBA

GRACE 0555

ph44585 on D330-44585-7600 with DISTILLER

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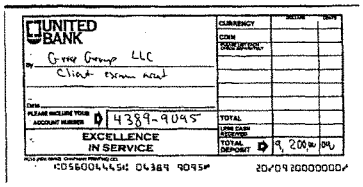
56840.632



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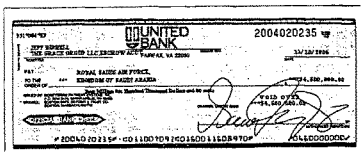

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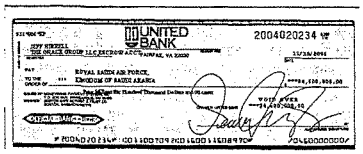

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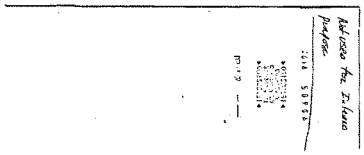

Permanent Subcommittee on Investigations
EXHIBIT #56

ph44585 on D330-44585-7600 with DISTILLER

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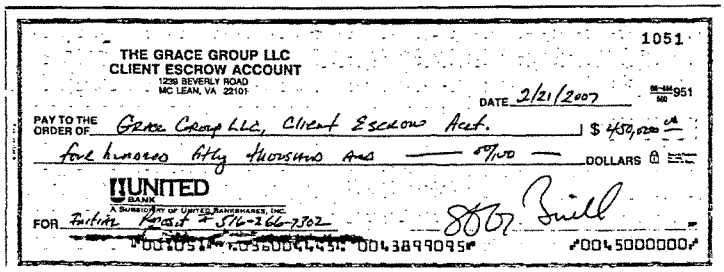
1051

THE GRACE GROUP LLC
CLIENT ESCROW ACCOUNT
1239 BEVERLY ROAD
MC LEAN, VA 22101

DATE 2/21/2007 951

PAY TO THE ORDER OF Grace Group LLC, Client Escrow Acct. $ 450,000 00

four hundred fifty thousand and — 00/100 — DOLLARS

UNITED BANK
A SUBSIDIARY OF UNITED BANKSHARES, INC.

FOR Initial Deposit # 516-266-7302

⑈001051⑈ ⑆056004445⑆ 0043899095⑈ ⑈0045000000⑈

Account	0000000043899095	Routing	056004445
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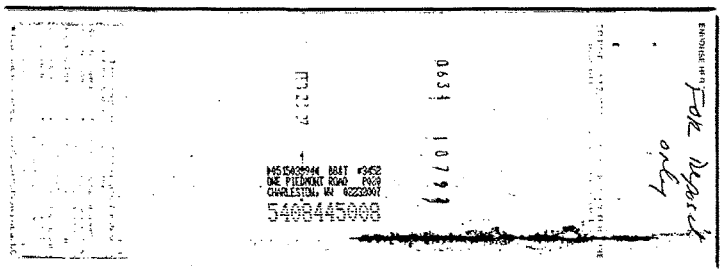

The Grace Group, LLC
1101 30th Street, N.W.
Fifth Floor
Washington, D.C. 20007.
(T) 202-625-8360
(F) 202-625-8361
(Email) GRACEGROUPLLC@AOL.COM

United States Department of State
Directorate of Trade Defense Controls
Registered Broker

November 12, 2006

Major General Mohammed A. Kattoah
Chief of Air Staff Logistics & Supply
Royal Saudi Air Force
Riyadh, Kingdom of Saudi Arabia

By Hand.

Dear General Kattoah:

At the request of the Gabonese Republic, I am providing to the Royal Saudi Air Force two "Official Bank Checks" in the amount of $4,600,000 USD each.

These checks are for payment of two C-130 aircraft (identified by RSAF documentation as numbers 476 and 479) and/or to be counted against the total transaction cost for all six aircraft.

It is the understanding of all parties that these checks will be deposited in a bank account that is under the sole control of the government of the Kingdom.

Very sincerely yours,

Jeffrey C. Birrell
President & Sr. Managing Member

Cc: El Hadj Abass Haidara Cherif
Roy Morris, Esq.
James Reed, Esq.
Phil Rhoads, Esq.

Encl. United Bank Checks (2004020234, 2004020235)

Permanent Subcommittee on Investigations
EXHIBIT #57

GRACE 0714

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00713 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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The Grace Group, LLC
1101 30th Street, N.W.
Fifth Floor
Washington, D.C. 20007
(T) 202-625-8360
(F) 202-625-8361
(Email) GRACEGROUPLLC@AOL.COM

United States Department of State
Directorate of Trade Defense Controls
Registered Broker

January 30, 2007

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Maitre Francois Meyer
[redacted]
75005 Paris
FRANCE

By Federal Express

Dear Francois:

It was my pleasure to meet you again in Riyadh, Saudi Arabia.

I believe that the legal and professional approach that you bring to this project at this critical juncture is as necessary as it is welcome.

I trust that from our discussions and from your follow up meetings with the Imam Abass and H.H. Prince Bandar that you can now offer a briefing to His Excellency El Hadj Omar Bongo that will result in a definitive course of action.

Any decision taken by His Excellency regarding will have my complete support.

I have attached an interim statement for your review and presentation to His Excellency. These figures are based on a total sum of $17 m with $6.8 m accounted for by the Imam Abass.

Should this project be terminated, as noted, some additional funds can be recouped for the His Excellency.

Very sincerely yours,

Jeffrey C. Birrell

Cc: El Hadj Abass Haidara Cherif
Roy Morris, Esq. (Carr, Morris & Graeff, PC)

Permanent Subcommittee on Investigations
EXHIBIT #58

GRACE 0374

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00714 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.636

January 30, 2007
Interim Statement

Balance Forward		17,000,000.00
Debit:		
1.	Certified Check RSAF	
	a. #2004020234	(4,600,000.00)
	b. #2004020235	(4,600,000.00)
2.	Abass Haidara	(6,800,000.00)
3.	Department of State	(1,750.00)
4.	Department of State	(1,750.00)
5.	Legal	
	a. Carr, Morris & Graeff, PC	(47,835.00)
	b. Rhoads & Reed, PPLC	(36,088.00)
	c. Hogan & Hartson, PC	(750.00)
6.	Embassy of Saudi Arabia	(550.00)
7.	Grace Group, LLC.	
	Air fare (business class), Saudi Arabia France, Gabon, (12 r/ts) hotel, phone, fax, other business expense	(253,299.00)
8.	Consultants	(304,000.00)
9.	SOFAB	(288,917.00)
	Total:	(16,934,939.00)

GRACE 0375

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00715 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.637

C130 Project: Status

= Redacted by the Permanent Subcommittee on Investigations

Reminder: AOL will never ask you to send us your password or credit card number in an email. This message has been scanned for known viruses.

From: JCBIRRELL@aol.com
To: dan@sofab.cc
Cc: ABASS.HAIDARA@[redacted] rmorris@cmgpc.com
Subject: C130 Project: Status
Date: Sat, 3 Feb 2007 7:01 PM

Dan:

My friend,

I am very sorry to report that after months of trying, our efforts to buy the six C130 aircraft have concluded without a purchase agreement. I, therefore, must ask you to reconcile our account with SOFAB.

In your last email, you indicated that there was a charge for holding the flight crew for 30 days. Please debit that amount from the funds that I have already sent.

I know that a purchase of the required life rafts is on the books. Inasmuch as the Gabonese Government will not have any use for these items, is it possible to arrange for them to be returned? A restocking fee would be acceptable – as would a fee for your time and effort.

If you will provide me an accounting, I will send to you the wire instructions for the return of the funds. Your remittance will be sent to M. Meyer who is legal counsel to the Gabonese Government.

I thank you very much for all of your good work. I enjoyed your professionalism; I deeply regret the termination of this particular project.

I look forward to hearing from you as soon as possible.

W/ best regards,

Jeff

Sent by:

Jeffrey C. Birrell
President & Sr. Managing Member
The Grace Group, LLC
1101 30th Street, N.W.
Fifth Floor Reception
Washington, D.C. 20007
T. (202) 625-8360
F. (202) 625-8361
C. (202) 716-2000
E. GraceGroupLLC@AOL.Com
E. JCBirrell@AOL.Com
United States Broker Registration Code (K-1117)

Permanent Subcommittee on Investigations
EXHIBIT #59

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00716 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.638

3042 0951 1144 Y

STATEMENT OF ACCOUNTS

004389-9095 X

STATEMENT FROM	PERIOD THROUGH	
1-11-07	2-11-07	0

PAGE 1 OF 2

THE GRACE GROUP LLC
CLIENT ESCROW ACCT
1239 BEVERLY RD
MCLEAN VA 22101-2802

5 ENCLOSURES

0

SUPER MONEY MARKET ACCOUNT ACCOUNT: 004389-9095

PREVIOUS STATEMENT BALANCE	DEPOSITS/ CREDITS 2	CHECKS/ DEBITS 11	SERVICE FEES	ENDING BALANCE
599,351.88	9,201,981.42	9,310,533.49	.00	490,799.81

ACCOUNT/INTEREST INFORMATION

INTEREST PAID THIS YEAR 4,277.28

DATE	ACTIVITY DESCRIPTION	REFERENCE	DEPOSITS/ CREDITS	CHECKS/ DEBITS	BALANCE
01-11	BEGINNING BALANCE				599,351.88
01-26	CHECK 1045	05078001960		9,423.48	
01-26	CHECK 1044	05078001965		3,060.83	586,867.57
01-31	CHECK 1046	05083901490		11,383.90	575,483.67
02-02	CHECK 1048	05078403015		11,475.78	
02-02	EXCESS ACTIVITY FEE			9.50	
02-02	CHECK 1047	05078702085		10,000.00	
02-02	EXCESS ACTIVITY FEE			9.50	553,988.89
02-08	DEPOSIT	05087305055	9,200,000.00		
02-08	INTL WIRE-OUT	90077600080		9,200,000.00	
02-08	INTL WIRE-OUT	90077600073		65,061.00	
02-08	EXCESS ACTIVITY FEE			9.50	
02-08	WIRE TRF-OUT FEE			100.00	
	INTL WIRE-OUT				
	2 AT $50.00				488,818.39
02-09	INTEREST CREDIT		1,981.42		490,799.81
02-11	ENDING BALANCE				490,799.81

CHECK SUMMARY
* INDICATES SKIP IN CHECK NUMBERS

CHECK NO	AMOUNT	CHECK NO	AMOUNT
1044	3,060.83	1047	10,000.00
1045	9,423.48	1048	11,475.78
1046	11,383.90		

TOTAL NUMBER OF CHECKS 5 TOTAL AMOUNT OF CHECKS 45,343.99

*** ANNUAL PERCENTAGE YIELD EARNED DISCLOSURE FROM 1-11-07 THROUGH 2-11-07 ***

ANNUAL PERCENTAGE YIELD EARNED	4.504
AVERAGE DAILY COLLECTED BALANCE	512,484.90
INTEREST EARNED	1,981.42

TELEPHONE: 703-502-7200

Permanent Subcommittee on Investigations
EXHIBIT #60

psi-ub-000265

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00717 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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The Grace Group, LLC
1101 30th Street, N.W.
Fifth Floor
Washington, D.C. 20007
(T) 202-625-8360
(F) 202-625-8361
(Email) GRACEGROUPLLC@AOL.COM

United States Department of State
Directorate of Trade Defense Controls
Registered Broker

To: M. Francois Meyer

Fr: Jeffrey C. Birrell

Cc: El Hadj Abass Haidara Cherif

Re: C-130 Cargo Operations for Gabon

Dt: March 19, 2007

Dear Francois:

On March 5, 2007, I traveled from Washington, D.C. to Johannesburg, South Africa to meet with four corporate representatives with whom the Imam Abass had had preliminary discussions regarding the financing and use of the proposed Gabonese C-130 fleet.

I met with Mr. Gerard Holden, Chairman, Brinkley Mining; Mr. David Avnit, CEO, Norse Air of South Africa, Mr. Niko Shefer, CEO of Sentinelle Global Investments and Mr. Merwe Viljoen, Director of Sentinelle Global Investments.

The purpose of our discussion was to determine this group's interest in securing the outside funds necessary to purchase the six C130 aircraft. As you know, I have secured an approved U.S. export license necessary for their transfer from Saudi to Gabonese ownership. The second objective of our discussion was to develop the modalities for a joint-venture agreement for theater cargo and United Nations leasing operations for the aircraft.

The result of our discussions is the following:

1. A private equity placement for 85 percent or more of the funds required for the purchase of the six C-130 aircraft has been secured.

2. A second equity placement is being sought to cover the remaining 15 percent of the necessary purchase funds. In addition, other funds may be available to cover "start-up" costs.

3. A tentative agreement has been made with Norse Air to base the six C-130 aircraft in Libreville.

Permanent Subcommittee on Investigations
EXHIBIT #61

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00718 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.640

M. Francois Meyer
March 19, 2007
Page 2

4. Norse Air has also expressed a strong interest in establishing a maintenance facility for C-130 aircraft in Libreville. This facility would be used on an initial basis to maintain the six C-130 aircraft. However, Norse Air, which may purchase the C-130 (L-100) fleet operated by the SafAir Business Unit, has expressed an interest in expanding the Libreville maintenance facility to service large numbers of C-130/L-100 aircraft.

5. While the terms of these agreements will require some considerable negotiations with the Gabonese government, I believe that very favorable terms are possible to reach. These terms might include:

--Funding for the majority or the entire purchase price of the six C-130 aircraft.

--A five-year loan agreement.

--Exclusive Gabonese use of two of the six C-130 aircraft.

--An equity split between Norse Air and the Gabonese government for commercial cargo use and United Nations leasing (and other uses as outlined in the approved reexport license.) Note: Under the proposed terms, Norse Air will manage the flight operations but the aircraft remain under Gabonese control.

--The establishment of a training and maintenance facility in Libreville for the C-130/L-100 aircraft.

I understand that the repayment of the loan for the six C-130 aircraft would be over a five year period. However, the projections for the fees generated by the leasing and other use of the aircraft would likely offset the purchase price in approximately 36 months. Under these terms, the Gabonese government would have an immediate rate of return from the leasing and other use of the aircraft and would have a paid asset in three years as well as an established C-130 training, maintenance and cargo hub in Libreville.

It would be my hope that the Imam Abass and I could travel to Libreville as soon as possible with the representatives of Brinkley Mining, Norse Air and Sentinelle to make a formal presentation to President Bongo.

I would ask for your direct participation in these discussions so that the President's interests are fully protected and that the legal matters, including those of a funding security interest for the loan(s) can be structured.

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00719 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.641

M. Francois Meyer
March 19, 2007
Page 3

(Please note that the six C-130 aircraft cannot be used as a security interest for an outside loan. It is the opinion of our legal counsel in Washington, D.C. that such a security interest would violate the terms of the export license that was granted by the U.S. government.)

I look forward to your timely response to this positive development. I trust you are well and that we can meet in Libreville to discuss this and other matters in greater detail.

Thank you and best regards.

GRACE 0562

ph44585 on D330-44585-7600 with DISTILLER

56840.642

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subj: **Fwd: Gabon MOU**
Date: 8/4/2007 6:48:55 PM Eastern Daylight Time
From: JCBIRRELL
To: jreed@[redacted], rmorris@cmgpc.com, ABASS.HAIDARA@[redacted]
dave@[redacted]

Jim/Roy.

Please see second revised MOU.

Jeff

----Original Message----
From: Dave Avnit <Dave@[redacted]
To: Niko Shefer <promot@[redacted]>;
gerard.holden@[redacted]m; jcbirrell@aol.com
Cc: Dave Avnit <Dave@[redacted]
Sent: Sat, 4 Aug 2007 7:38 am
Subject: RE: Gabon MOU

Hi Niko

Many thanks for your
comments. I have modified the MOU accordingly (as attached). I have
not modified clauses 3.1.1, 3.2.1, 3.2.2 and 7 as these clauses need to
remain
in their original form. The use of commercial in 3.2.1 etc does not
relate to the application of the aircraft (as corrected in clause
1.1.1).
Clause 3.1.1 (I think) reads correctly. Clause 7 allows to raise funds
from RMB and thus should remain in place.

Gerard could you revert back to
me ASAP, so that we can get the MOU finalised and hopefully signed next
week.

Permanent Subcommittee on Investigations
EXHIBIT #62

GRACE 0513

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00721 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.643

Rgds

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dave Avnit

From: Niko Shefer [mailto:promot@[redacted]]

Sent: 03 August 2007 04:29 PM

To: Dave Avnit; gerard.holden@[redacted];cbirrell@aol.com

Subject: RE: Gabon MOU

Hi Dave

I have briefly read
the proposed MOU and I think that the attorneys are still missing the boat
– albeit I may be totally wrong:

1. In the INTRODUCTION, at 1.1.1 the
intended use of the aircraft cannot differ from that which is detailed by the
US Gov approval granted to the Kingdom of Saudi Arabia for the re-export of
these aircraft. Therefore this clause cannot say
"....commercial purposes and other needs....". If at
all this clause will describe the intended use it will have to specify the uses
allowed under the re-export lic, ie: Govemment and military transport of cargo
and/or personnel, support for regional peace keeping missions, etc, etc.

2. In 1.1.2.1 there should not be any reference
to managing the company as, I understand, that the management control would
have to be perceived as vested in the GoG. These issues should be part of
side agreements signed maybe simultaneously with the GoG.

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00722 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.644

3. 3.1.1 would state that the US Gov grants the Gov of the Kingdom of S A the re-export lic.

4. In 3.2.1, 3.2.2 etc the word "commercial" should be deleted from the endeavors expected from the Gov. I don't believe Governments would be expected or known to use commercial endeavors.

5. Under section 7, particularly 7.1.2 and 7.3, I am not sure how a mortgage or notarial bond could be exercised since any change of ownership of these aircraft would require the approval of the US Gov again. However, if the Gov of Gabon is ready to accept this and the lenders are also, then so be it.

6. I am also not sure if a transaction which involves the GoG can be subject to the law of a foreign country – i.e. English Law. However, I am not an expert and therefore if the parties agree with this then that is fine.

Best regards,

Niko

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Dave Avnit [mailto:Dave@[redacted]]

Sent: Friday, August 03, 2007 2:41 PM

To: gerard.holden@[redacted]; jcbirrell@aol.com

Cc: promot@i[redacted]; Dave Avnit

Subject: Gabon MOU

Gerard

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00723 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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I have attached the MOU for Gabon. The agreement has been shortened and simplified substantially. The main purpose of the MOU
is to get the funding of the aircraft in place.

The balance of arrangements between all the parties, including Norse, Sentinelle and the various subsidiary companies has been
largely removed from this agreement. This does leave everyone in an uncertain position, however the signing of the MOU is the primary objective. Singpart is a Mauritian shell used to contract for the MOU.

I am happy to sign an agreement with Sentinelle etc dealing with all the other aspects of the arrangement.

Please let me have your proposed changes so that we can get the agreement translated into French and then arrange to have it signed with
the Gabon Government.

Dave
Avnit

Norse
Air

CEO

Tel:
+27 11 [redacted]

Fax: +27 11 [redacted]

Mobile: +27 [redacted]

Email: dave@[redacted]

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00724 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.646

REPUBLIC BANK CALIFORNIA N.A.
TRUSTEE DECLARATION
(Deposit Account)

Name of Trust (e.g., John and Mary Smith Family Trust Declaration of Trust dated 1/1/90):

THE COLLINS REVOCABLE TRUST

(hereinafter the "Trust" or "Trust Agreement"). The undersigned trustee (hereinafter "Trustee") of the above-referenced Trust, and the undersigned as an individual, hereby certifies as follows:

1. Settlor(s). The name(s) of the settlor(s) of the Trust is/are:

_____

2. Trustee(s). The name(s) of the currently acting Trustee(s) is/are:

Inge Collins Bongo

3. Number of Trustees.

A. ✓ I am the current and sole Trustee of the Trust, and the Trust is in full force and has not been revoked, modified or amended in any manner which would cause the representations herein to be incorrect.

B. _____ We are the current and all of the Co-Trustees of the Trust, and the Trust is in full force and has not been revoked, modified or amended in any manner which would cause the representations herein to be incorrect.

The Trust Agreement provides that _____ of _____ Co-Trustees is/are the minimum number of Trustees required to sign to bind the Trust, to open bank accounts, deposit funds, sign checks drawn upon such account(s) and withdraw funds from such bank accounts established for the trust.

4. Revocability.

A. ✓ Revocable. The Trust is a revocable trust. The power to revoke is held by the Trustor(s) named below. No trustor has died.

Trustor 1. Inge Collins Bongo and 2. _____

B. _____ Irrevocable. The Trust is an irrevocable trust

HSBC-PSI 037125

Permanent Subcommittee on Investigations
EXHIBIT #63

ph44585 on D330-44585-7600 with DISTILLER
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56840.647

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Republic Bank California N.A.
Know Your Customer Form
Personal Accounts

The Collins Revocable Trust
Account Title

603 005 1848 · 203 000 5263
Account Number

Know Your Customer History/Reference Information			
Account Officer:	LORI GRAF	Referred By:	[redacted] RNB Customer
Customer Since:	NEW	Relationship:	friend
Account Purpose:	PERSONAL EXPENSES	Years Known:	
Account Type:	checking acct. & savings acct	Source of Funds:	TRUST FUND

Related RNB Accounts

Expected Monthly Account Activity						
Average Balance	Number of Cash Deposits	Average Amount	Number of Cash Withdrawals	Average Amount	Number of Wires	Average Amount
$100,000.00	-0-	-0-	3-4	$2,500.00	2	$4,000.00

Explain the source and purpose of any cash or wire activity.

cash withdrawals would be for petty cash / TRAVEL EXPENSES
wire activity - unexpected emergency

To the best of my knowledge, I the undersigned, have performed the "due diligence" requirements under the Bank Secrecy Act and the Money Laundering Act, thus approve the opening of the account.

Lori Graf
Officer's Signature — Approval Signature

4/14/10 — 5/22/00
Date — Date

Checked, not on OFAC/Bush Alert List
Initials

NO NEXT DAY AVAILABILITY

kyc_personal (Rev. 9/97

See New Document Sheet for Details

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00726 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.648

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Kathy Attaii/HBUS/HSBC
02/07/2003 01:01 PM

To Susan Hoggarth/HBUS/HSBC@HSBCAMERICAS
cc
bcc
Subject Re: The Collins Revocable Trust - [redacted]

Inga Collins has been a client of Republic/HSBC for a few years now. She was originally with Lori Graf, when she was represented by a business manager that was a client of Lori's. She subsequently changed business managers to Marie Ambrosino, whom I have had a relationship with for a number of years. As a result, she became my client. She has since left Marie & to the best of my knowledge, is not represented by a business manager. She is married to an African Diplomat. She says that is why she has unusual cash activities/transactions. However, I don't personally know her that well. Whatever procedure we need to follow to feel comfortable with this, or not-should that be our decision-, is fine with me. Please advise.
Susan Hoggarth on 07 Feb 2003 08:28

Susan Hoggarth on 07 Feb 2003 08:28

Note
07 Feb 2003 08:28

From:	Susan Hoggarth	Tel:	310[redacted]
Title:	First Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	14196

To: Kathy Attaii
Subject: Re: The Collins Revocable Trust [redacted]

Kathy

What is known about this client, the trustee and the $70,000 cash deposit. It is critical that this gets answered ASAP. Call me.
---------- Forwarded by Susan Hoggarth/HBUS/HSBC on 02/07/2003 08:21 AM ----------
Vanessa Bryant on 07 Feb 2003 08:12

Note
07 Feb 2003 08:12

From:	Vanessa Bryant	Tel:	310[redacted]
Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	13727

To: Susan Hoggarth
cc: Kathy Attaii
Subject: Re: The Collins Revocable Trust - [redacted]

Can you please help me get a response from Kathy. Thank you.
---------- Forwarded by Vanessa Bryant/HBUS/HSBC on 02/07/2003 08:08 AM ----------
Vanessa Bryant on 06 Feb 2003 09:16

Note
06 Feb 2003 09:16

From:	Vanessa Bryant	Tel:	310-[redacted]

Permanent Subcommittee on Investigations
EXHIBIT #64

HSBC-PSI 037105

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00727 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.649

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Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	11231

To: Kathy Attaii
Subject: Re: The Collins Revocable Trust - [redacted]

see attached.

---------- Forwarded by Vanessa Bryant/HBUS/HSBC on 02/06/2003 09:13 AM ----------

Vanessa Bryant on 04 Feb 2003 09:45

Note
04 Feb 2003 09:45

From:	Vanessa Bryant	Tel:	310[redacted]
Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	10017

To: Kathy Attaii
Subject: Re: The Collins Revocable Trust - [redacted]

Kathy -was this one of your clients? (see below) If so, please explain the source of cash and reason for the cash deposit. Also, please complete the $50,000 or more cash transaction report. The transaction occurred on November 25, 2002. Thank you.

---------- Forwarded by Vanessa Bryant/HBUS/HSBC on 02/04/2003 09:39 AM ----------

Linda Shilton on 04 Feb 2003 09:38

Note
04 Feb 2003 09:38

From:	Linda Shilton	Tel:	[redacted]
Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	DPB Client Services	Mail Size:	8623

To: David Seinfeld
cc: Vanessa Bryant, et al
Subject: Re: The Collins Revocable Trust [redacted]

She used to be a client of Kathy Attai and also Lori Graf - she is a S. African princess - she travels extensively - she has not been a client of Lori's for several years.

David Seinfeld on 04 Feb 2003 09:12

David Seinfeld on 04 Feb 2003 09:12

Note
04 Feb 2003 09:12

From:	David Seinfeld	Tel:	310[redacted]
Title:	Senior Vice President	Location:	Beverly Hills, CA
WorkGroup:	Dom Private Banking	Mail Size:	7936

To: Les Chang, et al
cc: Vanessa Bryant
Subject: Re: The Collins Revocable Trust [redacted]

Is this your client? Please respond to Vanessa

---------- Forwarded by David Seinfeld/HBUS/HSBC on 02/04/2003 09:09 AM ----------

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ph44585 on D330-44585-7600 with DISTILLER
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56840.650

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Vanessa Bryant on 04 Feb 2003 08:48

Note
04 Feb 2003 08:48

From:	Vanessa Bryant	Tel:	310[redacted]
Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	6566

To: David Seinfeld
Subject: Re: The Collins Revocable Trust [redacted]

David -do you have any information on this customer? (see below). The account is on my log of accounts to review for November and I need help in explaining the source of funds. Thank you.

v.

---------- Forwarded by Vanessa Bryant/HBUS/HSBC on 02/04/2003 08:39 AM ----------

Vanessa Bryant on 31 Jan 2003 09:21

Note
31 Jan 2003 09:21

From:	Vanessa Bryant	Tel:	310[redacted]
Title:	Assistant Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	3727

To: Noemi Gonzalez
Subject: Re: The Collins Revocable Trust [redacted]

Noemi

I'm not getting anywhere on this. She deposited 70,000 in cash on 11/25 and I have to explain the source of funds. The CTR indicates homemaker in the occupation field, the KYC indicates trust fund as the source of funds and according to Linda & Vicki she is a princess from a foreign country. I need your help. She is Inge Collins Bongo.

Noemi Gonzalez on 17 Dec 2002 16:33

Noemi Gonzalez on 17 Dec 2002 16:33

Note
17 Dec 2002 16:33

From:	Noemi Gonzalez	Tel:	310[redacted]
Title:	Vice President	Location:	Beverly Hills, CA
WorkGroup:	Beverly Hills	Mail Size:	1000

To: Vanessa Bryant
Subject: Re: The Collins Revocable Trust [redacted]

I know nothing about the client. What should I do?

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56840.651

Vanessa Bryant/HBUS/HSBC
02/07/2003 11:22 AM

To Susan Hoggarth/HBUS/HSBC@HSBCAMERICAS
cc
bcc
Subject Re: P&C - GHQ CMP Search 17 - List 1

No match found in these names. There is the Collins revocable trust and the trustees name is Inge Collins Bongo
Susan Hoggarth on 07 Feb 2003 07:48

Susan Hoggarth on 07 Feb 2003 07:48

Note
07 Feb 2003 07:48

From:	Susan Hoggarth	Tel:	310-281-4217
Title:	First Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	10532

To: Vanessa Bryant
Subject: P&C - GHQ CMP Search 17 - List 1

could you check both EPIC and CIF
---------- Forwarded by Susan Hoggarth/HBUS/HSBC on 02/07/2003 07:45 AM ----------
Valerie Hobden @ HSBC on 07 Feb 2003 12:15

Memo
07 Feb 2003 12:15

From:	Valerie Hobden @ HSBC	Tel:	
Title:		Location:	
WorkGroup:		Mail Size:	3679

To: Susan Hoggarth, et al
cc: Mildred L Johnson, et al
Subject: P&C - GHQ CMP Search 17 List 1

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Not all GHQ CMP Searches are circulated to all areas within the Group.

I would be grateful if you could arrange for searches to be made in your region in order to determine whether any member of the Group maintains any account or other relationship with:

1. El Hadj Omar Bongo (aka Albert Bernard Bongo): Elected President of Gabon since 1967.

2. Any other members of the Bongo family.

It is essential that the search encompasses all Group entities within your area, and that we are able to

ph44585 on D330-44585-7600 with DISTILLER
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56840.652

confirm that returns are comprehensive. We would, therefore, request that you certify, when submitting your consolidated responses, that all Group entities in your area have been covered in your return.

Please respond to Valerie Hobden by 19 February 2003.

Nil returns are required.

Kind regards

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00731 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.653

Vanessa Bryant/HBUS/HSBC
02/07/2003 11:22 AM

To Susan Hoggarth/HBUS/HSBC@HSBCAMERICAS
cc
bcc
Subject Re: P&C - GHQ CMP Search 17 - List 1

No match found in these names. There is the Collins revocable trust and the trustees name is Inge Collins Bongo
Susan Hoggarth on 07 Feb 2003 07:48

Susan Hoggarth on 07 Feb 2003 07:48

Note
07 Feb 2003 07:48

From:	Susan Hoggarth	Tel:	310-281-4217
Title:	First Vice President	Location:	Beverly Hills, CA
WorkGroup:	Compliance	Mail Size:	10532

To: Vanessa Bryant
Subject: P&C - GHQ CMP Search 17 - List 1

could you check both EPIC and CIF
---------- Forwarded by Susan Hoggarth/HBUS/HSBC on 02/07/2003 07:45 AM ----------
Valerie Hobden @ HSBC on 07 Feb 2003 12:15

Memo
07 Feb 2003 12:15

From:	Valerie Hobden @ HSBC	Tel:	
Title:		Location:	
WorkGroup:		Mail Size:	3679

To: Susan Hoggarth, et al
cc: Mildred L Johnson, et al
Subject: P&C - GHQ CMP Search 17 List 1

STRICTLY PRIVATE AND CONFIDENTIAL

Not all GHQ CMP Searches are circulated to all areas within the Group.

I would be grateful if you could arrange for searches to be made in your region in order to determine whether any member of the Group maintains any account or other relationship with:

1. El Hadj Omar Bongo (aka Albert Bernard Bongo): Elected President of Gabon since 1967.

2. Any other members of the Bongo family.

It is essential that the search encompasses all Group entities within your area, and that we are able to

HSBC-PSI 037108

Permanent Subcommittee on Investigations
EXHIBIT #65

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00732 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.654

confirm that returns are comprehensive. We would, therefore, request that you certify, when submitting your consolidated responses, that all Group entities in your area have been covered in your return.

Please respond to Valerie Hobden by 19 February 2003.

Nil returns are required.

Kind regards

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00733 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.655

HSBC

Detail Transaction Report by Specified Client
REPORT BY Transaction Process Month: May 2003

CAMP US BSA BAU Production
Report No.: # 25A.2
07/10/2003

Account: 0031322514 YAMILEE BONGO ASTIER
PC/RC: 00031 Soho Company:
Officer: MARIS Country: UNITED STATES Open: 00/00/0000 Close: 00/00/0000

Date	Amount	Balance	Total Amt	Total Amt	Transaction Code	Description	Number	Source	Originator	Section	Number	Date	Amount
05/01/2003	100.89	0.00			0936	ELECT XFER							
05/01/2003	94.10	0.00			0936	ELECT XFER							
05/05/2003	81.24	0.00			0900	CHECK	0000000532						
2003	52.04	0.00			0900	CHECK	0000000534						
/2003			183,500.00	0.00	0568	INTL PYMT CHIP	REPUBLIC OF GABON CAS	0031322514 YAMILEE BONGO ASTIER 254 ELIZABETH ST APT 2F NEW YORK NY 10012	CITIGALXCITIBANK N.A.	BCITIBANK (GABON)R.P. 3840 LIBERVILLE, GABON		YAMILEE BONGO ASTIER 254 ELIZABETH ST APT 2F	0000000008
05/07/2003	875.00	0.00			0900	CHECK	0000000535						
05/07/2003	75.31	0.00			0900	CHECK	0000000533						
05/09/2003			50,000.00	50,000.00	0500	DEPOSIT							
05/09/2003	172,188.00	0.00			0900	CHECK							
5/28/2003	475.34	0.00			0900	CHECK	0000000537						
5/28/2003	60.13	0.00			0900	CHECK	0000000536						
2003 MAY	174,128.19	0.00	233,500.00	50,000.00									

ALL MONITORED TRANSACTIONS

Page 1 of 1

Permanent Subcommittee on Investigations
EXHIBIT #66

HSBC-PSI 037445

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00734 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00735 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

HSBC

Wire Transfer Pattern Detail Report

DATE PERIOD: 05/01/2003 TO 05/31/2003

CAMP US BSA BAU Production
Report No.: # 45
07/10/2003

Base Currency USD

Total Wires In:	1	Total Amount In:	183,500.00
Total Wires Out:	0	Total Amount Out:	0.00

PC/RC: 00031 Soho

Company:

Account: 0031322514 YAMILEE BONGO ASTIER

Country: UNITED STATES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7-May-2003	183,500.00 0.00	0.00 0.00		REPUBLIC OF GABON CABIER NR 98 LIBREVILLE GABON	031322514 YAMILEE BONGO ASTIER 254 ELIZABETH ST APT 2F NEW YORK NY 10012	CITIGAUXCITIBANK N.A. BOULEVARD OUABEN ET RUE KRINGER LIBREVILLE, GABON	CITIBANK (GABON)S.P. 3940 LIBERVILLE, GABON		YAMILEE BONGO ASTIER 254 ELIZABETH ST APT 2F

1☐ 2☐ 3☐ 4☑ Payment Details

HSBC-PSI 037446

703

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Thresholds:

1 - Originator and beneficiary patterns with >= 3 transactions and total amount >= 50,000.00
2 - Incoming wires with same originator >= 5 transactions with total amount >= 50,000.00
3 - Outgoing wires with same beneficiary >= 5 transactions with total amount >= 50,000.00
4 - Any One Trainsaction >= 50,000.00

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Sara Bruno
12/12/05 02:07 PM

To: Gregg D Kirschner/Commerce Bank
cc:
cc: Frank R Hancock/Commerce Bank@yesbank, "Sara Bruno" <sbruno@yesbank.com>
Subject: Re: Customer: Yamilee Bongo-Astier

No that is all I needed thank you so much

Sara Bruno
AML Operations
Phone: 8[redacted]
Fax: 856[redacted]
Aim: 02[redacted]

Detect.....Investigate.....Report
Gregg D Kirschner

Gregg D Kirschner
12/12/05 02:03 PM

To: Frank R Hancock/Commerce Bank@yesbank, "Sara Bruno" <sbruno@yesbank.com>
cc:
Subject: Re: Customer: Yamilee Bongo-Astier

Sara,

See below... Yes, I know her.. She is the Princess of 2 African Royalty. They are citizens of Canada.

She is ok. The monies come when her parents when they visit the United Nations for Pres. Bush's meetings.

The monies are directly from the Federal Reserve....

Let us know if you need anything else...
Gregg
Frank R Hancock

From: Frank R Hancock
Sent: 12/12/2005 01:46 PM
To: Gregg Kirschner
Subject: Re: Customer: Yamilee Bongo-Astier

I was just talking to tameka about this lady. She told me that she is a princess or something from some african country, and the money she gets is from her father. Tameka has spoken with the lady in AML and told her to wait to talk to you. She made 2 cash deposits 8/24/05 90k and 9/26/05 40k, she has had the account since 03' and the levels are OK. If you need me to go further let me know.

Thanks,
Frank

Gregg D Kirschner

Permanent Subcommittee on Investigations
EXHIBIT #67

COMMERCE BANK

ph44585 on D330-44585-7600 with DISTILLER

56840.658

COMMERCE BANK MEMORANDUM
ENHANCED DUE DILIGENCE

PERSON INTERVIEWED: YAMILLE BONGO-ASTIER

DATE: 12/13/2005

INTERVIEWER: VINCENT J. AULETTA

SUBJECT: ACCOUNT #7916245777, TITLED "YAMILLE BONGO-ASTIER"

THIS COMMUNICATION IS BEING GENERATED TO ADDRESS HIGH VOLUME DOLLAR ACCOUNT ACTIVITY, WHICH IS OUTSIDE THE SCOPE FOR A CUSTOMER WHO HAS NO APPARENT OCCUPATION OR SOURCE OF INCOME. DURING THE TIME SPAN OF 8/24/2005 TO 12/11/2005 A TOTAL OF OVER $86,000 IN LARGE WITHDRAWALS OCCURRED. DURING THIS SAME PERIOD CASH DEPOSITS WERE MADE AGGREGATING TO $235,000.00. THE ACCOUNT IN QUESTION WAS OPENED ON 9/11/2003 AT BRANCH #415, BOND & BROADWAY, 666 BROADWAY, NEW YORK, NEW YORK. THIS IS A PERSONAL CHECKING ACCOUNT WITH THE SOLE AUTHORIZED SIGNOR AS YAMILLE BONGO-ASTIER.

ON 12/13/2005 YASMILLE BONGO-ASTIER WAS CONTACTED BY WRITER AND VOLUNTARILY SUUPLIED THE FOLLOWING INFORMATION:

BONGO-ASTIER ADVISED THAT SHE IS THE DAUGHTER OF EL HADJ OMAR BONGO WHO IS CURRENTLY THE ELECTED PRESIDENT OF GABON. BONGO HAS BEEN THE PRESIDENT OF GABON SINCE 12/2/1967 AND WAS RECENTLY RE-ELECTED ON 11/27/2005. GABON IS A SUB-SAHARA COUNTRY ON THE WESTERN SECTION OF AFRICA. BONGO-ASTIER ADVISED THAT SHE DOES NOT HAVE A JOB AND HER ONLY SOURCE OF INCOME IS MONIES RECEIVED FROM HER FATHER. THE MONIES ARE RECEIVED IN THE FORM OF US CURRENCY AND A CTR IS IMMEDIATELY FILED BY HER WHEN THE FUNDS ARE DEPOSITED. THE DEPOSITS COINCIDE WITH THE ARRIVAL OF HER FATHER WHEN HE COMES TO THE UNITED STATES FOR OFFICIAL PURPOSES. ON OTHER OCCASIONS CASH IS SENT BY HER FATHER THROUGH GABON EMISSARIES.

BONGO-ASTIER ADVISED THAT SHE ISSUES VERY FEW CHECKS AND PAYS MANY LARGER BILLS USING CERTIFIED OR OFFICIAL CHECKS. SHE USES HER COMMERCE DEBIT CARD AND CREDIT CARD FREQUENTLY IN ADDITION TO A HSBC CREDIT CARD. SHE ADDED THAT WHEN SHE NEEDS CASH SHE GENERALLY USES HER ATM CARD. AN EDDO REVIEW OF CURRENT TRANSACTIONAL HISTORY SUPPORTS THE AFOREMENTIONED.

BONGO-ASTIER STATED THAT SHE HAS 60 SIBLINGS AND HER BIOLOGICAL MOTHER, MARIE YZA ESTIR, IS A CANADIAN CITIZEN WHO HAS RESIDED IN CANADA FOR OVER 30 YEARS. BONGO STATED THAT SHE ALSO IS A CANADIAN CITIZEN BUT HAS RESIDED IN NEW YORK FOR THE PAST SEVERAL YEARS.

COMMERCE BANK

Permanent Subcommittee on Investigations
EXHIBIT #68

ph44585 on D330-44585-7600 with DISTILLER

56840.659

[redacted] = Redacted by the Permanent Subcommittee on Investigations

THE FOLLOWING BACKGROUND AND HISTORICAL INFORMATION WAS OBTAINED AT THE CONCLUSION OF THE INTERVIEW:

FULL NAME: YAMILLE HADJIA BONGO-ASTIER

AKA: YA YA BONGO

ADDRESS: [redacted], NEW YORK, NY 10014

TELEPHONE: 646-[redacted]

POB: MEXICO

CANADIAN PASSPORT #: [redacted]

US VISA #: [redacted]

NATIONALITY: GABON

DOB: [redacted]

SSAN: [redacted]

RA#: [redacted]

ph44585 on D330-44585-7600 with DISTILLER

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56840.660

Krikor Kapeghian
12/20/05 12:50 PM

To: Vincent J Aulietta/Commerce Bank@yesbank
cc:
Subject: RE: PEP Entity - 6469

FYI
----- Forwarded by Krikor Kapeghian/Commerce Bank on 12/20/2005 12:50 PM -----

"Loraine Kukasch" <lkukasch@PrimeAssociates.com>
12/20/2005 12:42 PM

To: "Krikor Kapeghian" <kkapeghi@yesbank.com>
cc:
Subject: RE: PEP Entity - 6469

Krikor;

I've checked with our data researches and they have not found any publicly accessible information that confirms this person's statement. What we have found was included in the 12/19/05 distribution; which includes:

"El Hadj Omar Bongo Ondimba" (formerly Albert-Bernard Bongo) - Current President of Gabon
"Ali-Ben Bongo" - Son, Current Minister of Defense in Gabon, and
"Denis Sassou-Nguesso" - Father-in-law.
Dr. Edith Lucie Bongo Ondimba - Wife, First Lady of Gabon
Pascaline Bongo - Eldest Daughter, President's Chief of Staff

Our data researches continue to work on expanding the PEP list. In a future distribution, if there is publicly accessible confirmation of this person, it will be added to the list.

Regards,
Loraine

-----Original Message-----
From: Krikor Kapeghian [mailto:kkapeghi@yesbank.com]
Sent: Monday, December 19, 2005 9:08 AM
To: Loraine Kukasch
Subject: RE: PEP Entity - 6469

Lorraine,

Any word yet?

Please let me know.

Thanks,

Krikor

"Loraine Kukasch"
<lkukasch@PrimeAsso To:
<KKAPEGHI@YESBANK.COM>

COMMERCE BANK

Permanent Subcommittee on Investigations
EXHIBIT #69

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56840.661

ciates.com> cc:

Subject: RE: PEP

Entity - 6469

12/15/2005 10:41 AM

Krikor:

Happy Holidays to you also!

I've forwarded this onto our research group for comment. As soon as I have more information I will pass it on.

Thanks
Loraine

> ----------
> From: Krikor Kapeghian[SMTP:KKAPEGHI@YESBANK.COM]
> Sent: Thursday, December 15, 2005 9:24:00 AM
> To: Lorenzo Masi; primesupport; Kanwal Sandhu
> Cc: davedemar@aol.com; Steve Katz; Vincent J Auletta
> Subject: PEP Entity
> Auto forwarded by a Rule
>
>
Regards to all. Happy Holidays to everyone.

Recently, we had a customer who claimed to be of royal decent from the country of Gabon. Her father shows up on the PEP list, but she does not.
Can you please explain the criterion by which someone would be included on
the list? I would think that the daughter of the president of a country would be considered a PEP.

Her name is Yamille Bongo-Astier. Her father is El Hadj Omar Bongo.....President of Gabon.

Please advise.

Thanks,

Krikor

This message and any attachments may contain confidential or privileged information and are intended only for the use of the intended recipients of this message. If you are not the intended recipient of this message, please notify the sender by return email, and delete this and all copies of this message and any attachments from your system. Any unauthorized

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56840.662

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Commerce Bank

John Lafferty /Commerce Bank
10/03/2007 12:49 PM

To Vincent J Auletta/Commerce Bank@yesbank
cc
bcc
Subject Fw: Yamilee Bongo-Astier

History: This message has been replied to.

Vince

We have [redacted] on the Gabon president's daughter - who did you assign it to?

John Lafferty
AML/BSA Operations
john.lafferty@yesbank.com
8[redacted]
856[redacted](External)

---- Forwarded by John Lafferty/Commerce Bank on 10/03/2007 12:46 PM ----

Commerce Bank

Kathleen M Schreiber/Commerce Bank
10/03/2007 12:30 PM

To John Lafferty/Commerce Bank@yesbank
cc
Subject Yamilee Bongo-Astier

John,

This alert was generated from information reported by the 3rd & Broadway Branch stating, that this Customer maintains large amounts of currency in her Safe Deposit Box. The customer rents three Boxes #53,54 and 637 at the 3rd & Broadway Branch. My investigation shows this customer is a PEP and the EDDO Department has maintained a file on reviews/investigation conducted on this Individual. I believe that this alert should be assigned to an EDDO Investigator for further due dilligence, based on this new information (currency in safedeposit box). I have included a snapshot of the narrative from [redacted] received on 10/03/07. Let me know if you and Vince agree and to the investigator that I should reassign this alert to.

Customer came in to purchase a Official Check in the ammount of $202,500.00 to purchase a condo. Customer explained that she had funds in her safe deposit box she needed to deposit for the check. We went to her safe deposit box where we took out 10 sealed stacks of $100 bills each totaling $100,000.00 for a grand total of $1,000,000.00. According to Yamilee the money was given to her by her father, who she explained is the President of Gabon. The money was counted and verified by Lewis Finn the SM, Diane Brooks the AHT, and myself Matthew Vladika the ASM. The deposit was made and a CTR was filled out. Official check #41515816 was purchased for $202,500.00 made payable to 'Martin Shaw, Esq. As Escrow Agent'. The remaining $797,500.00 was transfered to a new Ultra MM account [redacted]

If you need any further information, let me know.

Permanent Subcommittee on Investigations
EXHIBIT #70

COMMERCE BANK

ph44585 on D330-44585-7600 with DISTILLER

56840.663

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Kay Schreiber
AML Sr Investigator
Extension: [redacted]
Fax: 856[redacted]
Aim: 02[redacted]
Detect...Investigate...Report

COMMERCE BANK -259-

ph44585 on D330-44585-7600 with DISTILLER

56840.664

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Commerce Bank

COMMERCE BANK MEMORANDUM
ENHANCED DUE DILIGENCE

PERSONS INTERVIEWED: YAMILLE BONGO-ASTIER

DATE: 10/4/2007

INTERVIEWER: VINCENT J. AULETTA

ON 10/4/2007, YAMILLE BONGO-ASTIER TELEPHONICALLY CONTACTED CAPTIONED WRITER RELATING TO RECENT DEPOSITORY ACTIVITY AT COMMERCE BANK. THIS CONTACT WAS IN RESPONSE TO A MESSAGE LEFT ON BONGO-ASTIER'S CELLPHONE BY WRITER ON 10/3/2007. BONGO-ASTIER STATED THAT SHE CURRENTLY IS IN LOS ANGELES, CALIFORNIA AND CAN BE REACHED VIA HER CELLPHONE, 917[redacted]. FOR INFORMATION OF THE READER, BONGO-ASTIER IS THE DAUGHTER OF THE CURRENT PRESIDENT OF GABON, OMAR BONGO. YAMILLE IS A CURRENT ACCOUNT HOLDER AT COMMERCE BANK (ACCT. #7916245777) AND HAS BEEN SINCE ACCOUNT OPENING OF 9/11/2003. YAMILLE HAS BEEN DESIGNATED BY COMMERCE BANK AS A POLITICALLY EXPOSED PERSON (PEP) AND AS SUCH HER ACCOUNT ACTIVITY IS MONITORED CLOSELY WITH A FULL REVIEW BY AML EVERY 6 MONTHS. DURING THE LAST REVIEW DATED 7/30/2007 ACCOUNT ACTIVITY WAS CONSISTENT WITH A PERSONAL DEMAND CHECKING ACCOUNT [redacted]. AT THE TIME OF THE REVIEW THE ACCOUNT BALANCE WAS UNDER $33,000. BONGO-ASTIER VOLUNTARILY FURNISHED THE FOLLOWING INFORMATION:

BONGO-ASTIER ADVISED THAT HER FATHER, PRESIDENT OMAR BONGO OFTEN VISITS HER WHEN HE IS IN NEW YORK CITY TO ATTEND VARIOUS DIPLOMATIC MEETINGS. SHE STATED THAT UPON HIS MOST RECENT VISIT TO THE UNITED NATIONS (9/27/2007) TO GIVE A SPEECH HE GAVE HER A GIFT OF $1MM TO BE USED FOR THE PURCHASE OF A CONDO IN NEW YORK CITY. THE CONDO IS LOCATED AT [redacted], NEW YORK, N.Y. BONGO-ASTIER ADDED THAT SHE OFTEN RECEIVES GIFTS FROM HER FATHER AND WILL BE ANTICIPATING AN ADDITONAL $700M TO ADD TO THE PURCHASE OF THE CONDO. YAMILLE STATED THAT THE TOTAL PRICE OF THE CONDO WAS $2.025MM AND THE REALTOR HANDLING THE TRANSACTION WAS SOTHEBY REALTY.

BONGO-ASTIER STATED THAT IT IS HER BELIEF THAT HER FATHER BROUGHT THE $1MM U.S. CURRENCY IN FROM GABON AND ADDED THAT HE MOST PROBABLY RECEIVED THE MONEY AT CITIBANK IN GABON. BONGO-ASTIER ADVISED THAT BECAUSE HER FATHER IS A HEAD OF STATE HE IS NOT REQUIRED TO FILL OUT ANY U.S. PAPERWORK WHEN BRINGING IN CURRENCY TO THE U.S. OVER $10M.

FOR INFORMATION OF THE READER THE $1MM IN CURRENCY WAS DEPOSITED (10 SEALED STACKS OF $100 BILLS EACH TOTALLING $100M) INTO AN ULTRA MONEY MARKET (ACCT. #[redacted]). AN OFFICAL COMMERCE BANK CHECK (#41515816) WAS ISSUED FOR $202,500 (10% PURCHASE PRICE) MADE PAYABLE TO "MARTIN SHAW, ESQ., AS ESCROW AGENT". AS OF THIS WRITING THE BALANCE OF REFERENCED ACCOUNT IS $797,500.

COMMERCE BANK

Permanent Subcommittee on Investigations
EXHIBIT #71

ph44585 on D330-44585-7600 with DISTILLER

56840.665

BONGO-ASTIER ADVISED THAT THE CONDO WILL BE DEEDED TO HER ONCE THE PURCHASE IS COMPLETED AND THAT HER FATHER HOLDS NO PROPRIETARY INTEREST IN THE CONDO. BONGO-ASTIER STATED THAT HER ACCOUNTANT IS LEN BERNSTEIN AND HER ATTORNEY IS ROBERT FRANCO. SHE ALSO STATED THAT AS PREVIOUSLY MENTIONED SHE IS CURRENTLY IN L.A. AND DOES NOT HAVE THE CONTACT NUMBERS FOR HER ACCOUNTANT AND LAWYER.

COMMERCE BANK CONFIRMED THAT PRESIDENT BONGO DID GIVE A SPEECH AT THE UNITED NATIONS 62ND GENERAL ASSEMBLY ON 9/27/2007. RESEARCH REVEALED THAT THERE IS A PRELIMINARY INVESTIGATION BY FRENCH AUTHORITIES INTO POSSIBLE EMBEZZLEMENT OF GABON FUNDS FOR THE PURCHASE OF REAL ESTATE IN FRANCE. THE PROBE SPECIFICALLY RELATES TO BONGO'S HOMES IN PARIS AND THE FRENCH COAST. AS OF THIS WRITING THE PROBE IS ONGOING BY PARIS PROSECUTOR'S OFFICES.

BONGO-ASTIER CURRENTLY HOLDS TWO ACCOUNTS AT COMMERCE, AS PREVIUOSLY NOTED, IN ADDITION TO TWO (2) SAFE DEPOSIT BOXES #637 AND # 53 BOTH HELD AT STORE #415, 3RD AND BROADWAY, NYC, NY.

AT THIS POINT ABSENT OF ANY DEFINITIVE INFORMATION TO THE CONTRARY RELATING TO THE OWNERSHIP OF THE CONDO, COMMERCE BANK WILL CONTINUE THE ACCOUNT RELATIONSHIP WITH SPECIAL PEP MONITORING IN PLACE. [redacted]

ph44585 on D330-44585-7600 with DISTILLER
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56840.666

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Commerce Bank

AML/BSA
AML/BSA Operations – AML
Closing an Account Att. I

Operating Procedure

Original Implementation Date: 07/22/2005
Latest Revision: 05/01/2006
Guiding Document: AML/BSA Corporate Policy

Request to Close Account

Requester Information	
Name	Vincent J. Auletta
Department	EDDO
Phone	8[redacted]
Date of Request	11/14/2007
Bank Contacts	
Regional Market Mngr.	Sean C. Moloney
Bank Branch Mngr.	Lewis Finn
Customer Profile	
Name of Customer	Yamille Bongo-Astier
Authorized Signer(s)	Yamille Bongo-Astier (secondary signer on #[redacted])
Address	[redacted] New York, NY 10011

Account(s)*	Account #(s)	Opening Date(s)	Current Balance
Account(s) listed are targeted for closure based on the Justification for Request that follows.	1. [redacted]77	9/11/2003	$19,092.71
	2. [redacted]	10/2/2007	$ 800,052.00
	3. [redacted]	11/24/2004	$5,000.00
	4. [redacted]		
	5. [redacted]		
	6. [redacted]		

(To add more accounts: Toggle the "Protect Form" (lock) icon from the Forms toolbox to unlock form, place cursor in last numbered row and insert row below, toggle lock icon to protect form again.)

Justification for Request Review Date(s): 9/11/2003 – 11/14/2007

Account holder, Yamille Bongo-Astier, is the daughter of the President of Gabon, Omar Bongo, therefore is considered a Politically Exposed Person (PEP) warranting enhanced account monitoring by Commerce Bank. Recent activities by customer, in addition to potential overseas criminal and civil actions against Omar Bongo, has caused Commerce Bank to initiate this closing request and terminate the existing banking relationship.

During the first week of October the customer opened an ultra money market account (#[redacted]) by making a deposit of $1 million in US currency. As part of this deposit the customer had a Commerce Bank offical check (#[redacted]) issued for $202,500 made payable to "Martin Shaw, Esq. as Escrow Agent". This specific transaction prompted EDDO to contact the customer to determine the details involved with the deposit.

Bongo-Astier advised that the currency was given to her by her father as a "gift" for the purchase of a New York City cooperative apartment. The total value of the apartment is $2.025 million. The gift was physically presented to her during her father's visit to the United Nations in

Permanent Subcommittee on Investigations
EXHIBIT #72

ph44585 on D330-44585-7600 with DISTILLER
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56840.667

[redacted] = Redacted by the Permanent Subcommittee on Investigations

NYon 9/27/2007. Bongo-Astier advised that because her father is a Head of State, he is allowed to enter the US with as much US currency that he desires and is exempt from having to file any US documents (CMIR). (The writer contacted US Customs and was advised that everyone, regardless of position, must file a Currency or Monetary Instruments Report when entering the US with more than $10,000 in cash or monetary instruments). Bongo-Astier also stated that she is expecting another "gift" from her father for approximately $750,000 to pay for the remainder of the apartment.

In addition, as stated earlier, it has been learned that Omar Bongo is presently being investigated by the French government relating to multiple allegations that he has embezzled considerable funds from the Gabonese government and is purchasing real estate in France with the proceeds of the alleged criminal activities. President Bongo has been investigated in the past relating to his relationship with Citibank and a US Congressional Sub-Committee has had testimony by Citibank officals that have advised that their KYC indicated that the primary source of wealth for Bongo is as Head of State for Gabon. Citibank officials were chastised by the sub-committee in not requiring a more exact determination in where the source of funds were derived from that were being deposited in Bongo's Citibank account. It was further explained that it was not reasonable to believe that the hundreds of millions of dollars in Citbank for accounts maintained by Bongo were funded from a Presidential salary.

Commerce Bank has known about above issue and has monitored referenced accounts closely. Due to the most recent transaction and statements made by the customer to Commerce officials it has become necessary to re-evaluate the banking relationship. With the most recent deposit in US currency and the knowledge that Bongo-Astier's accounts are solely funded by monies she receives from her father, Omar Bongo,as stated by Bongo-Astier, and the ongoing investigation of possible money laundering relating to purchases of international real estate, it is in the best interest of Commerce Bank to fully terminate the relationship with Bongo-Astier. This termination will also include three safe deposit boxes held by Bongo-Astier and located at Store #415. [redacted] articulating referenced banking activity by Bongo-Astier.

It is to be noted that checking account#[redacted]s held jointly by [redacted]o and Bongo-Astier. [redacted]s believed to be a friend of Bongo-Astier. The account has been funded by payroll checks fo[redacted]nd there have been no instances of large overseas funding. However, to be consistent with Commerce Bank policy relating to account closings it is recommended that the account also be closed.

Other Commerce Relationships

Account Number(s)*	Status	If Loan Account...			
		Loan Type	Balance	Guarantor(s)	Loan Officer

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56840.668

Commerce Bank

AML/BSA
AML/BSA Operations – AML
Closing an Account Att. I

Operating Procedure

Original Implementation Date: 07/22/2005
Latest Revision: 05/01/2006
Guiding Document: AML/BSA Corporate Policy

Account Number(s)*	Status	If Loan Account...			
		Loan Type	Balance	Guarantor(s)	Loan Officer
1. 2. N/A 3. 4. 5.					

(To add more accounts: Toggle the "Protect Form" (lock) icon from the Forms toolbox to unlock form, place cursor in last numbered row and insert row below, toggle lock icon to protect form again.)

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COLLINS TRUST TRANSFERS					
Date	Amount	Originator	Ordering Bank	Beneficiary Bank	Ultimate Beneficiary
2/9/2000	$75,000	Collins Trust	Fidelity	Union Bank of California	Check written to cash, cashed by Inge Collins
2/22/2000	$25,000	Collins Trust	Fidelity	Union Bank of California	Check written to cash, cashed by Inge Collins
3/17/2000	$20,000	Collins Trust	Fidelity	Union Bank of California	Check written to cash, cahsed by Inge Collins
4/14/2000	$125,000	Collins Trust	Fidelity	HSBC	Inge Collins
5/19/2000	$50,000	Collins Trust	Fidelity	HSBC	Inge Collins
6/9/2000	$100,000	Collins Trust	Fidelity	HSBC	Inge Collins
7/3/2000	$75,000	Collins Trust	Fidelity	HSBC	Inge Collins
11/9/2000	$50,000	Collins Trust	Fidelity	HSBC	Inge Collins
1/8/2001	$50,000	Collins Trust	Fidelity	HSBC	Inge Collins
1/24/2001	$40,000	Collins Trust	Fidelity	HSBC	Inge Collins
2/9/2001	$30,000	Collins Trust	Fidelity	HSBC	Inge Collins
3/2/2001	$75,000	Collins Trust	Fidelity	City National Bank	Inge Bongo
4/10/2001	$50,000	Collins Trust	Fidelity	City National Bank	Inge Collins
4/27/2001	$50,000	Collins Trust	Fidelity	Unknown	Inge Bongo
6/29/2001	$520,167	Collins Trust	Fidelity	Unknown	Mara Esrow Company *Funds were ultimately returned to the Collins Trust and this was not included in the final amount.
9/25/2001	$51,000	Collins Trust	Fidelity	Unknown	Mara Escrow Company
10/26/2001	$273,000	Collins Trust	Fidelity	Unknown	Mara Escrow Company
2/1/2002	$20,000	Collins Trust	Fidelity	Union Bank of California	BH Mercedes Benz Ltd.
2/14/2002	$15,000	Collins Trust	Fidelity	Unknown	Inge Bongo
4/2/2002	$20,000	Collins Trust	Fidelity	HSBC	Collins Trust
5/30/2002	$50,000	Collins Trust	Fidelity	HSBC	Collins Trust
9/9/2002	$12,000	Collins Trust	Fidelity	HSBC	Collins Trust
9/13/2002	$10,000	Collins Trust	Fidelity	HSBC	Collins Trust
3/24/2004	$82,675	South Beverly Wilshire Jewelry and Loan	Unknown	Fidelity	Inge Bongo Collins
3/26/2004	$50,000	Inge Collins Bongo	Washington Mutual	Fidelity	Collins Trust
3/29/2004	$12,000	Collins Trust	Fidelity	Washington Mutual	Collins Revocable Trust
4/30/2004	$20,000	Collins Trust	Fidelity	Washington Mutual	Collins Revocable Trust
5/24/2004	$14,995	Collins trust	Fidelity	Washington Mutual	Inge Lynn Collins
11/30/2005	$30,000	Collins Trust	Washington Mutual	Fidelity	Collins Trust
TOTAL- $1,995,837.00					

Prepared by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #73

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00749 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

Permanent Subcommittee on Investigations

EXHIBIT #74

Total Wire Transfers Sent By Offshore Corporations To U.S. Bank Accounts

Originator	Dates Sent	Total Received	Recipient Account
Siemens AG	4//01-1/02	$1,772,644	Douglas personal account at Citi: 52096374
China Castle Investments	1/30/03	$500,000	Douglas personal account at Citi: 52096374
LetsGo Ltd. Inc.	4/03 - 10/06	$7,424,620	Douglas personal account at Citi: 52096374
LetsGo Ltd. Inc.	5/05 - 5/07	$5,550,000	Douglas/AUN account at Citi: 1209739556
Guernsey Trust Co.	6/06 - 5/07	$3,049,940	Douglas personal account at Citi: 52096374
Guernsey Trust Co.	7/07 - 12/07	$2,450,000	Douglas personal account at Wachovia: 1010122288618
Guernsey Trust Co.	10/08 - 9/09	$1,089,700	Douglas personal account at Eagle Bank
Sima Holding Ltd.	7/07- 12/07	$699,965	Douglas personal account and Douglas/AUN account at Citi: 52096374 and 1209739556
LetsGo Ltd. Inc.	7/07-1/08	$1,800,000	Douglas/AUN account at Wachovia: 2000028808282
Guernsey Trust Co.	1/08-7/08	$800,000	AUN account at Suntrust
Guernsey Trust Co.	1/08-7/08	$1,300,000	Weidenfeld law firm account at Suntrust
TOTAL: $26,436,869			**SOURCE: Multiple**

Chart prepared by Subcommittee

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00750 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

Siemens Wire Transfers to Douglas Account at Citibank: 52096374
Using Citibank Wire Transfer Records

Wire Transfer Directed To	Date	Amount	Bates
J.E. Douglas	4/12/01	$450,703.79	B00007975, B00007962-63, B00007972
J.E. Douglas	10/01/01	$461,440.92	B00007979, B00007965-66
J.E Douglas Steradian Co. UK Ltd.	1/28/02	$860,500.00	B00007989, B00007968-69, B00007984
SOURCE: Citibank		**TOTAL: $1,772,644.71**	

Chart prepared by Subcommittee

Permanent Subcommittee on Investigations
EXHIBIT #75

56840.672

01/23/2004 15:50 FAX → FILENET 050

Ref #: 10401220 1490 000

November 21, 2003

To Whom It May Concern

RE: Explanation of Income

The form might not be explanatory enough, so I am stating exactly how I get my income.

From Gede, I accept a minimal income of 1076.23, with an agreed yearly bonus of $50,0000.00, paid in lump yearly after every fundraising.

I received a yearly maintenance income from spouse of $500,000.00.

Monthly dividends and interest from accounts excluding the Neuberger Berman account is $1,657.50. I also have an investment trust fund with Neuberger Berman with a standing balance of 5 million dollars plus.

Currently, the only debts I have are from credit cards. Most are paid off as of 11/19/2003.

Standing Monies.

1. Neuberger Berman (Irrevocable Trust) – $5,022,257.65
2. Smith Barney Investment - $150,000.00

Mortgage.

1. No Mortgage on the house (current value 3 million)

Credit Cards

Citibank Visa	-	0 balance
Citibank Platinum	-	0 balance
Hechts	-	$200.00
Amex Gold	-	$8360 plus paid 11/20/2003
Amex Blue	-	0 balance
Neiman Marcus	-	0 balance
Diners Club		0 balance
Capital One	-	About $4000.00

01/23/2004 02:57PM

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EXHIBIT #76

B 00007910

ph44585 on D330-44585-7600 with DISTILLER

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I am stating this because the credit report is not updated frequently and they might be balances showing in some.

I have enclosed a copy of tax returns, pay stubs, and home owners insurance incase its required. I have also taken the liberty to enclose the wire transfer information for the spousal maintenance.

Please let me know if you have questions. Thanks

Yours Sincerely,

Jennifer Douglas

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ph44585 on D330-44585-7600 with DISTILLER

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From: Alvarez, Jessica G [GCG-CBNA] [ja54601@imcnam.ssmb.com]
Sent: Monday, April 16, 2007 11:57 AM
To: Code, Daniel
Cc: Bornus, Grace
Subject: RE: Account Close-out Extension-Jennifer Douglass-Account# 52096374

Importance: High

Daniel,
Thank you for the extension. I have spoken to Ms. Douglas and she has informed me that Letsgo Limited and Guernsey Trust are both oil services companies. Since her husband is the owner of both companies, and is a very public figure, the trust accounts run those business for him. In turn, the funds from both companies are used to pay the salaries for the teachers in the ABTI-American University account. Funds from those business also go into her personal accounts as well. She has expressed a desire for her personal account to remain open, and has said she will move the ABTI-American University account elsewhere. I have informed her of the close-out date and made sure she understand all accounts will be closed, however please advise should any accounts be approved to remain open.

Regards,
Jessica Alvarez
301[redacted]

> -----Original Message-----
> From: Code, Daniel
> Sent: Thursday, April 12, 2007 6:25 PM
> To: Alvarez, Jessica G [GCG-CBNA]
> Cc: Bornus, Grace
> Subject: RE: Account Close-out Extension-Jennifer Douglass-Account# 52096374
>
>
> Jessica, at most, I can grant a further extension to 05/16/07. Please
> ensure that all issues are addressed. Thanks, Dan
>
>
> -----Original Message-----
> From: Bornus, Grace
> Sent: Monday, April 09, 2007 10:39 AM
> To: Alvarez, Jessica G [GCG-CBNA]
> Cc: Code, Daniel; Bornus, Grace
> Subject: RE: Account Close-out Extension-Jennifer Douglass-Account# 52096374
>
>
> Jessica,
>
> Daniel Code granted the extension until April 30th. He will be back in office on April 11th and will handle you request for the additional extension. Meantime, please find out from the customer what type of company/business is "Letsgo Limited Inc" located in Panama and which has accounts with a bank in Switzerland. Also, what type of company is Guernsey Trust Company Nigeria. These two companies sent multiple large ($300,000-) wire transfers to our customer's account. We would like to thoroughly understand in what activities the customer is involved before we extend the close out and establish a new business account.
>
> Grace Bornus
>
> Citibanking Bank Secrecy Compliance Office
> 1 Court Square Floor 43/Zone 11
> Long Island City
> (718) [redacted] (office)
> (718) 248-3687 (fax)
>

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EXHIBIT #77

ph44585 on D330-44585-7600 with DISTILLER
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>
>
> -----Original Message-----
> From: Alvarez, Jessica G [GCG-CBNA]
> Sent: Monday, April 09, 2007 10:15 AM
> To: Hornus, Grace
> Subject: FW: Account Close-out Extension-Jennifer Douglass-Account# 52096374
> Importance: High
>
> I am forwarding this message to you as requested by out-of-office message.
> Jessica
>
> -----Original Message-----
> From: Alvarez, Jessica G [GCG-CBNA]
> Sent: Monday, April 09, 2007 10:11 AM
> To: Code, Daniel; Huggins, Sharlene
> Cc: Molnar, Michael G [GCG-CBNA]; Johnson, Tracy P [GCG-NAOT]
> Subject: Account Close-out Extension-Jennifer Douglass-Account# 52096374
> Importance: High
>
> Daniel,
> On behalf of our client, Ms. Jennifer Douglas, I am requesting an extension on the relationship close-out. As you are probably aware Ms. Douglas is out of the country and is not due to return to the US until the end of April, or even early May. As a courtesy, we would like to extend a 30-60 day extension as this is the time frame originally given, see email dated March 2, 2007 sent to FC. I have spoken to Ms. Douglas and she has expressed apprehension about the date, due to returning to the US after months of being away, she will have many things to put in order. Please take this into consideration as we try and make this as smooth as possible for our client, and the business.
> Thanks in advance,
>
>
> Jessica G. Alvarez
> Financial Center Operations Manager
> Citibank-Potomac
> 9812 Falls Road
> Potomac, MD 20854
> Phone 301[redacted]
> Fax 301-365-6186
>

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

Hischke, Amy [GCG-RE1]

From: Hischke, Amy [GCG-RE1]
Sent: Friday, August 10, 2007 3:11 PM
To: Latz, Brian [GCG-RE1]
Subject: Confidential

http://news.bbc.co.uk/2/hi/africa/4192186.stm

http://www.gamji.com/article5000/NEWS5000.htm

Articles to reference.

The borrower: Jennifer Douglas

Fast data social search shows borrower's name as Jennifer J Abubakar, Jennifer Iwenjiora Douglas, Jennifer Iwenjiora Iwenjiora and Jennifer Douglas-Abubakar. Traces the borrower to the subject property. Shows the borrower's spouse, Vice President of Nigeria, Atiku Abubakar as being traced to the property as well.

Esa: 7707591587 opened 04/05/2004 with Jennifer Douglas obtaining individually. Per letter in file from the borrower stated she worked for Gede Foundation and made a minimum of $1076.23 biweekly, with an aggreed $50,000 yearly bonus. Additional money per the letter was received from spouse for spousal maintenance in the amount of $500,000 per year. Another letter in file signed by the Secretary Executive Director of the Gede Foundation stating that the $50,000 was wired directly into the borrower's Citibank Account. Jennifer Douglas provided her tax returns for 2002 which showed Adjusted Gross Income of $29,657. The tax returns did not reflect the $50,000 bonus nor the $500,000 in spousal maintenance. Per website the 1st above article (2005), the borrower was listed as a student going to school for her PHD in International relations at the American University in Washington.

The property value at the time of the origination was 2,700,000 with no Mortgages listed on the property. The property was purchased in 2000 with no mortgage obtained to finance the property at that time.

Borrower has trust accounts with Neuberger Berman per letter received.

Suspicous activity with advances from employer directly to Citibank accounts(to pay out bonus income). Still need to probe into documents received to review the 500k received yearly maintenance income from spouse. At this time have not been able to locate the documentation to verify the spousal maintenance. Highly suspect that someone claiming 30k in income to the IRS could obtain a 2.7 million dollar home with no mortgages. Lifestyle of the borrower is not reflected on the tax returns.

Amy Hischke
Fraud Investigator
Fraud Prevention and Investigation
P-636[redacted]
F-866-699-1487

M06604590722272
00200.pdf

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CHEVY CHASE TRUST

MEMORANDUM

TO: Peter Welber, Executive Vice President
Chevy Chase Trust

FROM: Paul Duncan, Vice President
Chevy Chase Trust

SUBJECT: JDA Family Trust

DATE: January 30, 2006

The purpose of this memorandum is to describe events surrounding a Politically Exposed Person (PEP) who is a co-trustee on the JDA Family Trust, assess the risk factors related to continuing this relationship, and recommend a course of action. Chevy Chase Trust ("the Trust Company") is the directed trustee for the JDA Family Trust. The co-trustee and grantor for the trust, Jennifer Douglas-Abubakar, is the wife of the Nigerian Vice President. Her home was recently searched by the FBI during an on-going investigation of Rep. William Jefferson of Louisiana for bribery. Her connection to this investigation is not publicly known at this time. After assessing the risks associated with this account as described below, Chevy Chase Trust Compliance is recommending that the Trust Company resign as trustee and terminate this relationship.

It is important to ensure the Trust Company has adequate controls and procedures in place to satisfy our *Know Your Customer* requirements. Critical to the Bank's *Know Your Customer* requirements is an enhanced due diligence step on certain customers and their account relationships. Without this enhanced due diligence the Bank can become subject to reputation, operation, legal, compliance or concentration risks. Each of these risks can result in significant financial cost. The following is the result of enhance due diligence steps completed regarding the overall relationship of the JDA Family Trust. The account relationships summary is as follows:

Date Opened	Acct Number	Account Title	Balance (12/31/05)
07/25/2001	CH200121	The JDA Family Trust-Fixed Income	$ 1,614,622.51
07/25/2001	CH200122	The JDA Family Trust-Value Equity	3,299,173.16
07/25/2001	CH200123	The JDA Family Trust- Blend Equity	2,158,258.59
		Total:	$ 7,072,054.26

CIP Information

The JDA Family Trust is the customer and Chevy Chase Trust, as trustee, has the original governing document establishing the trust.

Since Jennifer Douglas-Abubakar is the grantor and co-trustee, she is a control person related the trust. Her address and social security number are:

Social Security Number:

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EXHIBIT #79

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Address:
[redacted]
Potomac, MD[redacted]

[1] Please note: Mrs. Jennifer Douglas-Abubakar is not named in the OFAC's Specially Designated Nationals & Blocked Persons (01/11/2006)

[2] According to the Washington Post Home Values and Recent Sales Database, the registered owner of this property is Ms. Jennifer Douglas (since 01/2000).

Background

The JDA Trust

The trust was established for the support and benefit of Jennifer Douglas-Abubakar and her three minor children: Anthony Douglas, Abdulmalik Abubakar and Zara Abubakar. She and her children are US citizens. Jennifer Douglas-Abubakar is the Co-trustee and Protector of the Trust. Her husband is Atiku Abubakar, the Vice President of Nigeria. Her husband provided the initial funding for the trust as a gift to Jennifer Douglas-Abubakar. She, in turn, funded the trust. Our understanding of the underlying rationale for the establishment of the trust was a desire on the part of Jennifer Douglas-Abubakar to place funds aside for the protection of herself and her children.

Jennifer Douglas-Abubakar

Jennifer Douglas-Abubakar is a PhD student at American University. She is the 4th wife of Atiku Abubakar. It appears that that her marriage is the source of her wealth. She is the founder, CEO and President of GEDE Foundation, a charity for AIDS in Africa. According to the web site, this charity has received a $30,000 grant from the World Bank. She has made multiple donations to both political parties using different versions of her name.

Her home was searched by the FBI in connection with the investigation of Rep. William Jefferson. The federal probe involves two African investments in which Rep. William Jefferson is being investigated for demanding payments and perks in exchange for his support. Her role in this investigation is not publicly known at this time.

Source of Funds

Atiku Abubakar, her husband, became Vice President of Nigeria in 1999. Prior to becoming Vice President, Mr. Abubakar was the chairman of seven Nigerian companies involved in oil services, insurance, pharmaceuticals, agriculture and the print media. From 1969 to 1989, he served in the Nigerian Customs and Excise service. Given the business practices that existed in Nigeria over this timeframe, the ability of the Trust Company to determine that his wealth was achieved through legal means is suspect.

Mr. Abubakar's home in the District of Columbia was also searched by the FBI in connection with the investigation of Rep. William Jefferson. Mr. Abubakar's role in the investigation is not publicly known at this time.

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Account Analysis

A review of all related accounts revealed the following:

The trust is invested in typical fixed income and equity instruments managed by Neuberger Berman. Except for the demand note described below, there are no unusual holdings.

On January 17, 2004, a $400,000 demand note was disbursed from the trust to "an individual with an address of [redacted] Potomac, MD. This person was Jennifer Douglas-Abubakar. Her stated purpose at the time of the disbursement was to loan the money to the GEDE Foundation, a charity for which she is the founder, CEO, and President. GEDE Foundation represents itself as a 501(c)3 charity and a Google search brought up multiple reports of its fundraising events in the Washington DC area. The trust document specifically authorizes the use of demand notes as a means for the grantor to pull monies from the trust to further her profession.

Recommendation

Based on the information above, Chevy Chase Trust Compliance is recommending that the Trust Company resign from the JDA Family Trust as trustee for the following reasons:

1. Mr. Abubukar's source of wealth is impractical to verify. Under the US PATRIOT Act, Chevy Chase Trust is obligated to conduct enhanced due diligence on its high risk accounts. Since Political Exposed Persons (PEPs) are high risk, Chevy Chase Trust must develop a reasonable belief that the source of funds is not derived from illegal activities. Obtaining sufficient proof in Mr. Abubukar's situation may not be possible. Failure to adequately document the source of funds for this relationship would increase the regulatory risk to the Trust Company.
2. The ongoing criminal investigation of Rep. William Jefferson could spread to Mr. Abubakar and his wife. If she were to be indicted, Chevy Chase Trust would be serving as co-trustee with person involved in suspected bribery of a US public official. Given the high degree of media that these cases are receiving currently, Chevy Chase Trust could be at increased reputation risk.

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REDACTED : This amendment provides additional information REDACTED as well REDACTED, American University of Nigeria (AUN) is a private nonprofit university incorporated in the Federal Republic of Nigeria and is registered as such with the Ministry of Education. Documents provided to Wachovia indicate that American University, Washington, DC has entered into a five-year licensing agreement with AUN under which the American University provides professors to AUN and advises AUN with respect to establishing AUN's academic and administrative infrastructure. That agreement became effective on January 1, 2004, and links to AUN's website can be accessed through American University's website. AUN opened a commercial checking account (DDA# 2000028808282) at Wachovia Bank on July 23, 2007. The stated purpose of the account was the payment of salaries of visiting American University professors, who are U.S. citizens teaching at AUN. Transfers from the account generally appear to be consistent with the stated purpose of paying salaries but detailed information on each of the individual recipients of the funds transfers is not available to Wachovia. On January 3, 2007 I received a call from Edward Weidenfeld regarding the closure letter dated December 14, 2007 he received for this account. Mr. Weidenfeld wanted to know if the account was being closed based on the fact that his client Jennifer Douglas is married to the former Vice-President of Nigeria or if the account closing had anything to do with money laundering activities. Mr. Weidenfeld stated that his client was willing to remove her name from this account if there was the possibility of it being left open. Mr. Weidenfeld was advised that Wachovia Bank has made a business decision to exit our relationship with the customer and that this account would be closed January 28, 2007.

Case Title:
Case# 2007010336

AMERICAN UNIVERSITY OF NIGERIA Tax Id: T260394568
888 17TH STREET NW
SUITE 900
WASHINGTON DC 20006

052 DDA [redacted] COMM S OP [redacted]

REDACTED : – AMLIS Case# 2007007693 – AMLIS Senior Investigator Calvin Bruce.

Reasons for Initiating the Investigation:
This case is linked to AMLIS Case# 2007007693, AMLIS Case# 2007009626 and AMLIS Case# 2007009475 REDACTED
REDACTED

Transactional Summary:
A review of the account activity for Wachovia DDA# 2000028808282 disclosed that this account was opened on July 23, 2007. This account was funded with a $300,000 wire transfer from UBS AG Bank titled LetsGo Limited Inc., Panama 5, Panama. This account is funded primarily with wire transfers from LetsGo Limited Inc. Between July 26, 2007 to December 3, 2007 this account was credited $1,400,000 via five wire transfers from the UBS AG Bank account titled LetsGo Limited Inc. Panama has been designated as a High Risk Country by Wachovia Bank. A review of the account debit activity from July 26, 2007 to December 7, 2007 disclosed wire transfers ranging from $63.12 to $161,962.33 from this account to various outside personal business accounts for what appears to be business expenses. The following is a sampling of the funds debited from this account via wire transfers: 08/01/07 - $13,046.67 – The beneficiary of this wire transfer was the Virginia Credit Union account titled [redacted] 08/01/07 - $7200 – The beneficiary of this wire transfer was the First Citizens Bank account tit[redacted] – The beneficiary of this wire transfer was the JP Morgan Chase account titled OMNI International Inc. 08/02/07 - $6000 – The beneficiary of this wire transfer was the Barclays Bank Egypt S.A.E. account titled [redacted] Egypt has been designated as a High Risk Country by Wachovia Bank). 09/28/07 - $7800 – The beneficiary of this wire transfer was the Corporate One Credit Union account titled [redacted] 09/28/07 - $6335.67 – The beneficiary of this wire transfer was the VTB Bank account titled [redacted] Moscow, (Russia has been designated as a High Risk Country by Wachovia Bank). 09/28/07 - $11,444.93 – The beneficiary of this wire transfer was the Royal Bank of Canada account titled [redacted] C Canada. 11/01/07 - $5958.33 – The beneficiary of this wire transfer was the National Societe Generale Bank account titl[redacted] Cairo, Egypt. 11/02/07 - $6000 – The beneficiary of this wire transfer was the Barclays Bank Egypt S.A.E. account titl[redacted] Cairo, Egypt. 11/02/07 - $7573.33 – The beneficiary of this wire transfer was the Bank of Moscow account titl[redacted] 11/30/07 - $15,672.36 – The beneficiary of this wire transfer was the JP Morgan Chase Bank account titled OMNI International. 12/07/07 - $161,962.33 – The beneficiary of this wire transfer was the Guaranty Trust Bank Limited account [redacted] ed ABTI American University of Nigeria, Yola, Nigeria.
Signor(s) – Jennifer Douglas Abubakar / Edward Weidenfeld

Research:
A search of Jennifer E. Douglas using the Factiva Public Figures and Associates Search Engine identified her as a Politically Exposed Person (PEP). Jennifer E. Douglas who also goes by the name of Jamilah Atiku Abubakar, Jamilah Jennifer Atiku-Abubakar and Jennifer-Douglas-Abubakar is identified as the wife of Atiku Abubakar who is a citizen of Nigeria currently residing in Nigeria as the former Vice President of Nigeria. Edward Weidenfeld who is a Signor on this account is classified as a PEP Associate and American University of Nigeria is classified as a PEP Entity. A Times-Picayune negative news article dated September 12, 2007 disclosed that Jennifer Douglas Abubakar was named as an unindicted co-conspirator in the case against Congressman William Jefferson, D-New Orleans. The article stated that Jennifer Douglas Abubakar is among seven co-conspirators involved in a conspiracy to commit bribery and wire fraud and to deprive citizens of the honest services of a member of Congress and violate the Foreign Corrupt Practices Act. A search of Atiku Abubakar using the Google Search engine disclosed Atiku Abubekar is identified as the founder of ABTI-American University of Nigeria and former Vice President of Nigeria. A Nigerian News Article dated September 28, 2007 disclosed that Abubakar was suspended from his party's functions over wide ranging corruption allegations. A search of Edward L. Weidenfeld using the Google, Factiva.com Negative News and Lexis-Nexis search engines identified this individual as one

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EXHIBIT #80

JD-F-00543

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Washington's top lawyers by the Washingtonian magazine. Mr. Weidenfeld founded the Weidenfeld Law Firm in 1983 specializing in wealth preservation, business and nonprofit organizations. It appears that Mr. Weidenfeld is representing Atiku Abubakar relative to the Congressman Jefferson criminal case relating to bribery. Factiva.com Negative News disclosed a news article dated October 17, 1989 (The Atlanta Journal-Constitution) that stated three developers one of which was Edward Weidenfeld had improperly charged HUD (Department of Housing and Urban Development) for a low-income housing project in Georgia. The inspector general's office had recommended that the developers return $757,677 to HUD. A New York Times article dated November 10, 1989 disclosed that HUD suspended the three developers from doing business in eight Southern States because of alleged "irregularities" in a federally assisted housing project in Georgia. HUD investigators accused the partnership of improper billing practices. An Associated Press news article dated February 1990 disclosed that Edward Weidenfeld and his two business partners had agreed to pay back nearly $720,000 in misspent federal money. A search of LetsGo Limited Inc. using the Goggle search engine disclosed what appeared to be this company's WebSite with this disclaimer. "Welcome to the LetsGo Website". "This page is currently under construction and is due for completion soon".

REDACTED Search Engine identifying Jennifer Douglas as a PEP (Politically Exposed Person). Jennifer E. Douglas who also goes by the name of Jamilah Atiku Abubakar, Jamilah Jennifer Atiku-Abubakar and Jennifer-Douglas-Abubakar is identified as the wife of Atiku Abubakar who is a citizen of Nigeria currently residing in Nigeria as the former Vice President of Nigeria. Edward Weidenfeld who is a Signor on this account is classified as a PEP Associate and American University of Nigeria is classified as a PEP Entity. A Times-Picayune negative news article dated September 12, 2007 disclosed that Jennifer Douglas Abubakar was named as an unindicted co-conspirator in the case against Congressman William Jefferson, D-New Orleans. The article stated that Jennifer Douglas Abubakar is among seven co-conspirators involved in a conspiracy to commit bribery and wire fraud and to deprive citizens of the honest services of a member of Congress and violate the Foreign Corrupt Practices Act. A search of Atiku Abubakar using the Google Search engine disclosed that Atiku Abubakar is identified as the founder of ABTI-American University of Nigeria. A Nigerian News Article dated September 28, 2007 disclosed that Abubakar was suspended from his party's functions over wide ranging corruption allegations. Further between July 26, 2007 to December 3, 2007 this account was credited $1,400,000 via five wire transfers from the UBS AG Bank account titled LetsGo Limited Inc. Panama has been designated as a High Risk Country by Wachovia Bank.
"Supporting documentation will be maintained in Charlotte, NC and includes the following: Selected customer account records and transactions, external research and any correspondence if applicable."

Tom Stassi
Tom.Stassi@wachovia.com
704[redacted]

JD-F-00544

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Troccia, Michael

From: Stadeli, Susan
Sent: Friday, February 10, 2006 9:07 AM
To: Troccia, Michael
Cc: Doerig, Jean-Pierre
Subject: RE: AW: Due Diligence-Wegelin

Michael,
One of the partners of Wegelin called me yesterday to discuss this case. Apparently, both Letsgo and SIMA are owned by a wealthy Italian family which is active in the oil business. In other words, the beneficial owners of Letsgo and SIMA are the same family. The profits of their business activities go either into Letsgo which is owned by the parents or into SIMA which is owned by the two sons. They then distribute their earnings as already explained in previous emails. Two partners of Wegelin personally know the beneficial owners for many years and have a complete understanding of their activities. All transactions are in line with their profiles. Hope this is sufficient.
Susan

-----Original Message-----
From: Troccia, Michael
Sent: Thursday, February 09, 2006 3:14 PM
To: Stadeli, Susan
Cc: Doerig, Jean-Pierre
Subject: FW: AW: Due Diligence-Wegelin

Susan? Status?

-----Original Message-----
From: Troccia, Michael
Sent: Tuesday, February 07, 2006 1:07 PM
To: Stadeli, Susan
Subject: FW: AW: Due Diligence-Wegelin

Susan: What is the status of this request?

Mike

-----Original Message-----
From: Stadeli, Susan
Sent: Thursday, January 05, 2006 4:22 PM
To: Troccia, Michael
Cc: Doerig, Jean-Pierre
Subject: RE: AW: Due Diligence-Wegelin

Mike,
The spreadsheet for Letsgo which you have is the same one I have, as I got it from Gloria and the dates match. I looked at this again with JP and we have decided to call the customer one more time to just clear up a couple of questions. We will let you know the results once accomplished and we can proceed from there.
Susan

-----Original Message-----
From: Troccia, Michael
Sent: Thursday, January 05, 2006 3:18 PM
To: Stadeli, Susan
Cc: Huber, Gloria; Doerig, Jean-Pierre
Subject: RE: AW: Due Diligence-Wegelin

Confidential Treatment Requested

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EXHIBIT #81

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Susan: As you see, Gloria has referred the Letsgo matter to me. After a close review, one problem I see is that although you asked twice, Wegelin has never answered the following questions: "the nature of this company's business, the length of time which you have maintained a relationship with this company, that the transactions fit within your customer's profile, etc." Also, in one response, Debora Sager says that "the concerned payments are in favor ..." and I want to make sure is that I know what concerned payments she means, so would you please forward the spreadsheet you sent her so I may compare it with what I have. The spreadsheet I have has many different beneficiaries (covering from Feb 2, 2005-July 22, 2005) and the response from Ms. Sager makes it sound like there are only specific payments and they are all for 1 company. We obviously can discuss this first if it is easier and to clear-up any confusion, if you wish. Thanks - Mike

-----Original Message-----
From: Huber, Gloria
Sent: Thursday, January 05, 2006 11:56 AM
To: Stadeli, Susan; Doerig, Jean-Pierre
Cc: Troccia, Michael
Subject: RE: AW: Due Diligence-Wegelin

Susan,

Per our telephone conversation of this morning, it was clarified that the below response pertains to 4 types of investigations:

1- Letsgo - Response to Look back review
2- Afren Management/Loutherex Limited - Response to business alert
3- Letsgo - $30MM - Response to business alert
4- Sima - Response to business alert

As a result, we will do the following:

- I will be assigning Letsgo lookback response and the business alert i/a/o $30MM to Mike Troccia for further review.
- I will conduct a full first review on both business alerts i/n/o Afren Management/Loutherex Limited and Sima.

Once both Mike and I have concluded investigations we will advise you accordingly.

If you have any questions, please call me.

Regards,
Gloria

-----Original Message-----
From: Stadeli, Susan
Sent: Tuesday, January 03, 2006 1:03 PM
To: Huber, Gloria; Doerig, Jean-Pierre
Subject: Fw: AW: Due Diligence-Wegelin

This response concerns Letsgo. I believe it is now sufficient. Do you agree?

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Sager Debora <debora.sager@wegelin.ch>
To: Stadeli, Susan <susan.stadeli@ubs.com>
CC: Compliance <compliance@wegelin.ch>
Sent: Tue Jan 03 12:38:48 2006
Subject: AW: Due Diligence-Wegelin

Dear Ms. Stadeli

Confidential Treatment Requested

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00762 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.684

I refer to your e-mail from 17 november 2005.

The concerned payments are in favor of an other company, which is in charge of all personal expenses of the beneficial owner of Letsgo Ltd., in particular the payment of

- secretary and administration costs,
- salaries,
- insurances,
- travel expenses.

Beneficiaries of the transferred money are in particular people working for the beneficial owner of Letsgo Ltd. and
their names and bank details are known by the General Partner of Wegelin & Co. which is managing this relationship.

Best regards,
Debora Sager

-----Ursprüngliche Nachricht-----
Von: susan.stadeli@ubs.com [mailto:susan.stadeli@ubs.com]
Gesendet: Donnerstag, 17. November 2005 17:45
An: Sager Debora
Betreff: RE: Due Diligence-Wegelin

Dear Ms. Sager,
I very much appreciate your below detailed response. However, before I send it to our Compliance Dept. for their review, I was just wondering if you could provide me with a little more information on the transactions related to Letsgo on the attached spreadsheet and the company's background, as mentioned in my original email. Thank you very much for your usual kind cooperation.
Best regards,
Susan Stadeli

-----Original Message-----
From: Sager Debora [mailto:debora.sager@wegelin.ch]
Sent: Thursday, November 17, 2005 11:25 AM
To: Stadeli, Susan
Cc: Buff Urs; Compliance
Subject: Due Diligence-Wegelin

Dear Mrs. Stadeli

I refer to your e-mail from 5 october 2005.

The first transaction about USD 17mio was about the settlement of the share in profits between Afren Managment Ltd. and Loutherex Limited. The two companies had a joint agreement about a takeover, restructuring and selling of a third company.

The transfer of USD 30 mio in favor of Letsgo Limited Inc. Panama is due to the selling of a 20% participation in an oil services company.

The father of the beneficial owners of SIMA is the sponsor of an university in Africa. They got the aim and objective of being one of the finest universities in Africa.
He became Member of the Board of Trustees to run the affairs of the university.
The following transfers are related to this project, either for material supply or consultancy fees:

7 June 2005 $500'000

Confidential Treatment Requested UBS: LETSGO 00003

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00763 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.685

7 June 2005	$200'000
8 June 2005	$100'000
8 June 2005	$250'000
8 June 2005	$250'000

Furthermore he entered in a credit facility. The regarding payments is:

8 June 2005	$100'000

The next payments are related to his yacht (support and crew salaries):

23 December 2004	$80'000
25 January 2005	$5'000
25 January 2005	$100'000
25 January 2005	$50'000
11 May 2005	$100'000

Finally there were payments for private purchases:

23 March 2005	$65'000	(watches)
15 May 2005	$100'000	(personal expenses)

The collaboration with all of the mentioned customers flew always smoothly and we never had any complaint.
All Transactions within the scope of this business connections are usual and not extraordinary.

Best regards,
Debora Sager

-----Ursprüngliche Nachricht-----
Von: susan.stadeli@ubs.com [mailto:susan.stadeli@ubs.com]
Gesendet: Mittwoch, 5. Oktober 2005 21:17
An: Buff Urs
Betreff: Due Diligence-Wegelin

Dear Mr. Buff,

In our ongoing due diligence efforts, we noticed the following transactions for which we would appreciate some further explanation.

The first one is a rather large amount, so we were wondering whether you could provide us with an idea of the nature of the companies involved and an indication of the underlying transaction and that it fits within your customer's profile.

The second example is again a large amount in favor of your customer "Letsgo Ltd". As we have seen this entity also mentioned as the order party in many payments in the past (see attached spreadsheet), we were again wondering if it would be possible to give us an idea of the nature of this company's business, the length of time which you have maintained a relationship with this company, that the transactions fit within your customer's profile, etc.

As concerns the attached "SIMA" file, we would again appreciate the same information as requested above, since the activity is in round amounts and has recently increased.

We would very much appreciate your contacting the appropriate people in this regard and look forward to hearing from your Bank soon.

Best regards,
Susan Stadeli

Confidential Treatment Requested

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00764 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.686

actimize 145571925

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```
Message_Text
AmtracsTrnRef:"050818021845"
SourceCode:"SWF"
Msgtype:"103"
CreditAdvType:"CHP"
CurrencyCode:"USD"
Amount:"17000000"
ValueDate:"050822"
ChipsSsn:"0128284"
Dbtccref:"JA"
Cdtccref:"JA"
DebitId:[redacted]
DebitName:"WEGELIN & CO.                    GENERAL PARTNERS BRUDERER,
HUMMLER 17 BOHL                           ST.GALLEN"
TranRef:"387991TRC593805"
OrderingBank:""
OrderParty:"AFREN MANAGEMENT LIMITED          1211 GENEVE 11"
CreditId:"P0112"
CreditName:"NORTHERN TRUST INTL BKG. CORP.     NEW YORK
NY 10048"
Beneficiary:"603.426                  LOUTHEREX LTD."
OriginatorToBeneInfo:"JOINT ACTIVITIES AGREEMENT"
BeneDeduct:"0,00"
OrderPartyRef:""
OrderPartyAddress:""
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actimize 139761753

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Message_Text
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Msgtype:"31"
CreditAdvType:"103"
CurrencyCode:"USD"
Amount:"30000000"
ValueDate:"050602"
ChipsSsn:"0235211"
Dbtccref:"KC"
Cdtccref:"KC"
DebitId:"[redacted]
DebitName:"AMERICAN EXPRESS BANK LTD.         AC [redacted]
WORLD FINANCIAL CENTER             NEW YORK, NEW YORK 10285"
TranRef:"050531068311"
OrderingBank:"SBAIPAOLU                BANCO AFRICANO INVESTIMENTOS,
SARL RUA MAJOR KANHANGULO, 34"
OrderParty:"SONANGOL SOC NACIONAL COMBUSTIVEIS EP"
CreditId:[redacted]
CreditName:"WEGELIN & CO.                     GENERAL PARTNERS
BRUDERER, HUMMLER 17 BOHL                          ST.GALLEN"
Beneficiary:[redacted]                LETSGO LIMITED INC PANAMA"
OriginatorToBeneInfo:"/RFB/BLOCO 256 NIGERIA/05 FARM     OUTPAYMENT"
BeneDeduct:"0,00"
```


Confidential Treatment Requested

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00765 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.687

OrderPartyRef:"7049791/OPE"
OrderPartyAddress:""

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For damages that result from e-mail correspondence we reject any liability.

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For damages that result from e-mail correspondence we reject any liability.

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UBS: LETSGO 00006

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56840.688

NOTE: Please do not to alert customers to any possible suspicions and thus trigger "tipping off" restrictions

AML Investigation Report

Regional MLPO ref no:

- To be completed by the Local MLPO and sent to the Regional MLPO
- The **background and points I to IV** should be completed and sent to the Regional MLPO **within 24 hours** of the Local MLPO being made aware of the unusual or suspicious activity. Timeframe for next contact to be agreed.
- The **full report** should be **sent to** the Regional MLPO as soon as practicable
- Where applicable, please be aware of local regulation requiring a SAR to be filed within a certain **time frame**

I) Background and nature of suspicious activity or transaction

Pls complete a short summary of the background, including what the suspicion relates to (organized crime, fraud, terrorism, bribery, insider, etc), what the trigger was (request, media, monitoring, etc), who discovered it, who/what is the subject (customer, PEP, employee, etc). If the suspicion relates to a transaction please provide full details thereof.

01/05/2006, e-mail sent as follows: Susan: As you see, Gloria has referred the Letsgo matter to me. After a close review, one problem I see is that although you asked twice, Wegelin has never answered the following questions: "the nature of this company's business, the length of time which you have maintained a relationship with this company, that the transactions fit within your customer's profile, etc." Also, in one response, Debora Sager says that "the concerned payments are in favor ..." and I want to make sure is that I know what concerned payments she means, so would you please forward the spreadsheet you sent her so I may compare it with what I have. The spreadsheet I have has many different beneficiaries (covering from Feb 2, 2005-July 22, 2005) and the response from Ms. Sager makes it sound like there are only specific payments and they are all for 1 company. We obviously can discuss this first if it is easier and to clear-up any confusion, if you wish. [redacted]

[Regarding related matter of SIMA, the following actions took place: 01/23/2006: E-mail sent upon receipt of investigation from G Huber, to attempt to resolve outstanding question: I have reviewed the below matter and was about to close the file but I want to summarize my understanding and ask a few questions. The father of one of the beneficial owners of SIMA is on the Board of Trustees of a university in Africa and from the transactions I determined the name of the university is ABTI-American University. It is a joint venture with American University in DC and information is readily found on their site. The name of the father of the SIMA BO is not provided but I ran all Trustees, as listed on the site for ABTI, and there were no significant hits on World-Check. Also, the e-mail is very clear about the nature of the payments, their purpose and coordinating with the dates in question. So this left a question: What is the business of SIMA Holdings that they are transferring this amount of money to ABTI? Is it the fathers money held in an account at SIMA? If so, shouldn't he be listed as the Order Party? Otherwise, the actual party to the transfer is disguised and we do not really know the parties with whom we are dealing in such a transaction.

Follow-up sent 01/24/2006 when not clear to Bankers: I think the confusion, and Susan and I discussed briefly yesterday, is that it is not clear the business of SIMA, or why they would make payments on behalf of one of SIMA's BO's fathers. What is the father's connection to SIMA, that SIMA is paying the money? I think we are concerned that we are guessing they manage the father's money. I am not sure anyone from Wegelin ever say it.]

II) General Information

Date of suspicious activity: June 2005	Initial report made by (name):
Date notified to Compliance: Jan 05, 2006	Lexidia file no.:
Responsible Compliance Officer: Michael Troccia	

Confidential Treatment Reque

Permanent Subcommittee on Investigations
EXHIBIT #82

UBS: LETSGO 00041

ph44585 on D330-44585-7600 with DISTILLER

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56840.689

NOTE: Please do not to alert customers to any possible suspicions and thus tr[illegible] "tipping off" restrictions

Location Money Laundering Reporting Officer (if different): **Eric Young**
Location and Legal Entity: NY GSI

III) Details of all involved parties

CE number (incl. booking center, or if applicant)	**Customer name** (incl. domicile and ultimate beneficiary details if applicable)	**IB Business or Function Area**	**Regulated** (by who)	**Entity details** (e.g. nature of business, specific risk factors e.g. PEP, Industry, Country, etc)
	Wegelin & Co Banquers			

IV) Immediate Action

Block business relationship(s)	☐ yes	X no	
Informed Regional MLRO	date: 02/13/2006		
Informed Business, if appropriate	date:	involved from the start	name & rank: Susan Stadeli
Other locations affected	☐ yes	X no	Location(s) and how:
Other Action taken / Comments (e.g. compliance pre-approval for any transaction, measures taken in other location(s))			
To be completed by the Regional MLRO			
IB wide search for relationship with other locations (If additional hit, pls state location and contact above)	☐ yes	X no	
Action taken in other location(s):			
Senior Management Informed	☐ yes	X no	
Group Compliance Informed	☐ yes	X no	

V) Detailed Overview

Confidential Treatment Requested UBS: LETSGO 00042

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00768 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.690

NOTE: Please do not to alert customers to any possible suspicions and thus tri[illegible] "tipping off" restrictions

1. Reason for investigation

Actimize alert

2. Results of KYC review and client documentation / transaction(s) review (as appropriate)

One of the partners of Wegelin called me yesterday to discuss this case. Apparently, both Letsgo and SIMA are owned by a wealthy Italian family which is active in the oil business. In other words, the beneficial owners of Letsgo and SIMA are the same family. The profits of their business activities go either into Letsgo which is owned by the parents or into SIMA which is owned by the two sons. They then distribute their earnings as already explained in previous emails. Two partners of Wegelin personally know the beneficial owners for many years and have a complete understanding of their activities. All transactions are in line with their profiles. See also SIMA matter.

3. Analysis

Based upon the above, the clients knowledge of their client and the factors as a whole, with both matters reviewed, to be closed. Client has been cooperative and provided sufficient explanation to questions asked.

4. Decision

No SAR filed.

VI) Comments and Pending Items

Comments / Issue	Originator	Completed by (date)

Confidential Treatment Requested UBS: LETSGO 00043

ph44585 on D330-44585-7600 with DISTILLER
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56840.691

NOTE: Please do not to alert customers to any possible suspicions and thus trigger "tipping off" restrictions

VII) Assessment

1. **Continuation of relationship(s), i.e. no action needed** X yes ☐ no

Explanation:

See above.

2. **Monitor relationship(s)** - no longer than 6 months ☐ yes X no

Monitor until:

Explanation / Additional Monitoring Requirements:

See above.

3. **Termination of relationship(s)** ☐ yes X no

Exit to be completed by:

Explanation:

See above.

4. **SAR filed (pls attach copy)** ☐ yes X no

- According to (pls state applicable law and article): 31 CFR 103.18 and BSA
- Name of receiving Agency: Financial Crimes Enforcement Network (FinCEN)

Signed by Deputy MLPO:

Date: 2/14/06 Signature

Comments on decision, if necessary:

Signed by Regional MLPO:

Date: Signature _____

Comments on decision, if necessary:

Confidential Treatment Requested UBS: LETSGO 00044

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00770 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.692

Kay Mussell/mussell/AmericanU
06/11/2003 09:37 AM

To Robert Pastor/rpastor/AmericanU@AmericanU, Louis Goodman/goodman/AmericanU@AmericanU, Nana An/nanaan/AmericanU@AmericanU, James
cc
bcc
Subject ABTI assessment

Dear ABTI team members,

I am sending you a copy of a report I prepared for Neil about our trip to Nigeria. It's in the form of a pros/cons list for discussion. I'm looking forward to seeing the draft report when it's prepared. I'm also eager to see the results of the poll in Nigeria and the business plan. Any word on any of that yet?

Let me say again how much I enjoyed working and traveling with each of you. The trip generated plenty of good ideas for the future having little or nothing to do with its main purpose. We should do this more often.

Kay

ABTI-proscons.doc

Permanent Subcommittee on Investigations
EXHIBIT #83

PAU000838

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00771 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.693

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00772 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

ABTI University Project - Nigeria

Positives	Negatives
Fits AU mission as global private university with a public responsibility. ABTI University would be first private institution in the North, which is well behind the South on most educational and social indicators.	Yola is impoverished and isolated. Is it the best place for such an institution? Abuja would be more promising. Electricity and water are unreliable throughout Nigeria and especially in Yola. Cell phone signals unavailable at present, although cellular service is only 3 years old in Nigeria.
Could enhance our reputation as Amanager@ for American-style higher education in the 3rd world	Political factor. Project is completely dependent on power, authority, commitment, financial support of one person with current political clout. What of the future?
High-quality American-style private university in Nigeria would increase options for students, enhance country=s educational system, substitute for dysfunctional public university system	Lack of business plan. Cannot predict financial viability of the project from information currently available. Surveys being conducted in Nigeria to gauge demand and optimum pricing.
Proprietor has deep pockets, is committed to the project, and appears willing to agree to AU stipulations	Khashoggi factor. Is there a risk to AU=s reputation? Role of rampant corruption and graft in Nigeria is unclear.
Capacity to build quickly is demonstrated by early success of ABTI Academy in same location	Given the variable infrastructure in Nigeria, and especially in Yola, can a high-tech campus be created within 1 to 2 years?
Entrepreneurial success by headmaster of academy (cybercafe, gourmet restaurant, printing press, other auxiliary money-making services) supports educational enterprise.	Need for independent budget. Expats at academy on payroll of proprietor=s other businesses. No specific budget for academy.
Implementation committee shows strong desire to succeed and to adapt to AU standards	Luxuries, amenities, conditions of trip which made it successful also insulated visiting team from less favorable realities in Nigeria. Hard to judge actual environment.
Financial incentives for AU could be compelling. No financial risk for us and perhaps a large influx of cash.	Can we pull this off? Recruitment of high-level administrators and faculty to work in Yola could be difficult. Virtually no amenities for expats. Focus of institution (business, high tech) is precisely in the areas where faculty recruitment in the US is costly and difficult.

56840.694

[redacted] = Redacted by the Permanent Subcommittee on Investigations

j doug User
<jdoug52928@aol.com>
12/15/2006 12:33 PM

To Ajuji Ahmed <ajuji.ahmed@g[redacted]>, "Dr. Robert Pastor" <rpastor@[redacted]>, <nanaan@american.edu>
cc Patrick Ukata <pukata@american.edu>, Louis Goodman <goodman@american.edu>
bcc
Subject RE: Accounting and hand over of AAUN account

Dear Dr. Ajuji,

Per my previous email to you, I have discussed with his Excellency on the need to institutionalize AAUN's salary account and have asked that he allow the account to be handed over to AU or AAUN. He has agreed to that.

Right now this is how the accounts works: George sends me the amount he needs or anticipates for salaries a week ahead and I give the founder the figures and the money is then wired to me. There is no budget for that account and no extras paid into my account for AAUN, except as requested by AAUN either for salaries or to pay vendors.

This account can be managed from Dr. Ukata's office here. Since there does not appear to be any massive hiring anticipated, a budget anticipating the salaries and deductions can be sent to the founder and he can send the money quarterly. Right now, it is easier for him to send the money monthly. This is something you have to discuss with him.

I am now working to put together an accounting of all the monies sent to George Peterson for salaries and I will also include a record of all payments I made for AAUN's purchases.

One thing I have to stress here: George Peterson had stated that he does not have full accounting of the account. I don't know what he means by that. There is no stated budget for the account - the account functions as a 'pay as you go account" in that monies are sent in as it is requested for paying either salaries or purchases the founder approved and asked me to pay. When he was putting together the budget last year, I gave him all the information for all expenditures that I handled up to the end of last year. The only outstanding information is this year's transactions which he at least has the salary information since he provided those. I paid the vendors, but that information too he should also have since he negotiates the contracts.

However, for full accounting purposes, I will put together the documents for all purchases and send all wire information to AAUN for salaries.

I would like this account taken over by the deadline of January 30th and no later, sooner if it can be done.

Comments like this from George to me sounds as if there is an deliberate attempt to conceal the account's activity or that there is mishandling of AAUN's money. There is no budget for salaries or other expenditures you guys approved. What we have here is a pay as you go system which, while it has worked before in the past might not be suitable now. We have a fairly good idea of how much is needed for salaries and for the other purchases, these should be part of what should be included in the general budget. So in future if the purchases are approved, the money can also be wired to the AAUN account to take care of the payment to the particular vendors rather than me paying them directly.

Permanent Subcommittee on Investigations
EXHIBIT #84

PAU015995

ph44585 on D330-44585-7600 with DISTILLER

56840.695

That is all for now and please note that as of the end of January, I will close that account unless some feedback is sent to me as to what AAUN wants to do. Thanks

Jamila Abubakar

PAU015996

ph44585 on D330-44585-7600 with DISTILLER

56840.696

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"David Huwiler"
<huwiler@gmail.com>
02/13/2007 03:32 AM

To "Robert Pastor" <rpastor@american.edu>
cc
bcc
Subject Re: Budget

Bob,

The short and precise answer to your question would be "no," but there are several additional comments that I should make in this regard:

1. Most of the operating expense and almost all of the building capital expense did not pass through AAUN accounts. Management had no role in the tender process,. the process of negotiation with contractors, or the approval of contracts. This was done by the Founder directly--or by Phil Osadtsuk, who reports directly to the Founder. Through a process he characterizes as "forensic accounting," George has done the best he can to reconstruct the spending so that the Board will have as complete a picture as we can present. As you know, we have had the discussion in the past with both the Board and the Founder about the advantages of having funds designated for AAUN pass through AAUN accounts. However, this is ultimately the Founder's decision.

2. My understanding is that most of the construction funds did not come from Atiku himself, but from other donors. I have heard informally where some of the funds have originated, but I do not have full information regarding who contributed what. If the Board feels that it needs that information, I think that Chairman Joda should approach the Founder directly on that question. d

On 2/13/07, Robert Pastor <rpastor@american.edu> wrote:
>
> David:
>
> Did I read the one page summary budget incorrectly, or does it say that
> Atiku spent nearly $100 million USD in the past two years for AAUN?
>
> Bob
>
>
> Dr. Robert A. Pastor
> Vice President of International Affairs
> American University
> 3201 New Mexico Ave. N.W. - Suite 265
> Washington, D.C. 20016-8026
> Phone: 202-[redacted]; Fax: 885-1366

Permanent Subcommittee on Investigations
EXHIBIT #85

PAU033157

ph44585 on D330-44585-7600 with DISTILLER
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56840.697

AMERICAN UNIVERSITY

WASHINGTON, DC

January 25, 2010

U.S. Department of Education
Institutional Participation Division
Union Center Plaza
830 First Street, NE
Washington, DC 20202

ATTN: Foreign Gift Team

As required by Section 1209 of the Higher Education Act of 1965, we are reporting the following foreign gifts and contracts which exceeded $250,000 for the period July 1, 1993 through December 31, 2009. A revised and updated list is attached.

Sincerely,

Doug Kudravetz
Assistant Vice President of Finance

Enclosure: Report of Gifts and Contracts 1993-2009

Permanent Subcommittee on Investigations
EXHIBIT #86

ph44585 on D330-44585-7600 with DISTILLER

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00777 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

DATE OF GIFT/CONTRACT (IF RESTRICTED)	ARREGATE DOLLAR AMOUNT	NAME OF FOREIGN STATE	GIFT OR CONTRACT	Description of Conditions and Restrictions (IF RESTRICTED GIFT/CONTRACT)
JANURARY 1 - JUNE 30, 2002 REPORTING PERIOD				
1/8/02	$45,280.00	Nigeria	Contract (Restricted)	Reimbursement for educational assessment travel.
JANURARY 1 - JUNE 30, 2003 REPORTING PERIOD				
4/28/03	$211,980.00	Nigeria	Contract (Restricted)	Assessment to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2003 REPORTING PERIOD				
7/9/03	$1,000,000.00	Nigeria	Gift	Gift for building new School of International Service building in Washington, DC.
8/5/03	$100,000.00	Nigeria	Contract (Restricted)	Assessment to help establish a new American stylize university in Yola, Nigeria.
12/31/03	$750,000.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria
JANURARY 1 - JUNE 30, 2004 REPORTING PERIOD				
12/31/03	$749,930.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2004 REPORTING PERIOD				
12/31/03	$1,499,878.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JANURARY 1 - JUNE 30, 2005 REPORTING PERIOD				
12/31/03	$1,299,940.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2005 REPORTING PERIOD				
12/31/03	$600,000.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JANURARY 1 - JUNE 30, 2006 REPORTING PERIOD				
12/31/03	$1,400,000.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2006 REPORTING PERIOD				
12/31/03	$3,499,980.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JANURARY 1 - JUNE 30, 2007 REPORTING PERIOD				
12/31/03	$2,500,000.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2007 REPORTING PERIOD				
12/31/03	$1,249,980.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JANURARY 1 - JUNE 30, 2008 REPORTING PERIOD				
12/31/03	$1,350,000.00	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/04 to 12/31/08) to help establish a new American stylize university in Yola, Nigeria.
JULY 1 - DECEMBER 31, 2009 REPORTING PERIOD				
11/25/08	$2,317,210.71	Nigeria	Contract (Restricted)	Consultancy Agreement (1/1/09 to 12/31/09) to help establish a new American stylize university in Yola, Nigeria.

Global AML Operations

Reporting Information

Case #: **41123-145114** **Ready for Review:** **Yes**
Assigned To: **MMedeiros**

Reports Completion Indicators:

IR: **No** SAR: **N/A** SAR-SF: **N/A**

Corrected SAR: **No** Corrected SAR-SF: **N/A**

Date determined SAR reportable:
Date determined SAR-SF reportable:

Investigation Report Information

Management Narrative

Bank of America's Global Anti-Money Laundering Unit (GAMLO) reviews accounts identified by activity or relationships that may not be usual for that type of account. The accounts of Sonia M. Falcone, Pierre Falcone and the business entity named Monthigne Corp were reviewed at the request of the Lincoln Scottsdale Phoenix branch-banking center in Arizona. The banking center reported that on 10/14/04 the customer went to two different branches banking centers and made four cash withdrawals that totaled $10,800.00. The banking center believes the customer conducted these transactions in an attempt to avoid CTR reporting.

Internet research conducted for the customers located numerous posting and listings for both Sonia and Pierre Falcone who are husband and wife. Mrs. Falcone is a former beauty queen and Mr. Falcone a recognized international billionaire arms dealer with strong French connections. Falcone served as a consultant to the French agency SOFREMI that is in charge of exporting military equipment under the direction and by order of the French Interior Ministry. In this capacity, Falcone reportedly brokered numerous deals with Africa and South America through a company named Gaydamark, a company owned by a wealthy Russian billionaire and Falcone's business partner. Through Falcone's deals he because of his involvement and knowledge of the Arms for sale programs, Falcone developed a very close and tight relationship with the government of Angola, so much, that he was even granted citizenship. Also because of this close relationship, it was soon discovered that Falcone and the entity for which he held interest on Gaydamark was benefiting financially was well as in many other aspects such as diamonds and Oil. Falcone was brought before a French court on charges of corruption for which he was indicted and sentenced to one year in jail. Additional charges were brought against Falcone but none could be substantiated or proven. Falcone was released and now lives with his wife in the most expensive home ever sold in the state of Arizona. The Falcone's are at the top of the socialite elite and attend numerous benefit functions including donations to both political parties, the Democrats and the Republicans. Mrs. Falcone is one of the most sought out socialites in Arizona, with a circle an intimate wealthy circle of acquaintances and friends.

The accounts for the above customer's were reviewed from 12/17/03 to 07/13/05 and accounts activity totaled $17,077,646.79. Cash in activity totaled $5000.00 during the review period. The account reflects numerous incoming wires originated in France from entities that are directly related to the Falcone's. Incoming wires are also evident in what appears to be proceeds of real estate sales and from loans obtained through other financial institutions. Debits to the account also show outgoing wires, they were conducted to benefit the Beverly Loan Company, as well as individuals sharing the same last name as the Falcone's. Checks from the account show numerous inter-account transfers that reference 'house

Permanent Subcommittee on Investigations
EXHIBIT #87

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00778 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.700

[redacted] = Redacted by the Permanent Subcommittee on Investigations

account' or 'expenses'.

The activity for the accounts of the Falcone's is not unusual. Although Mr. Falcone appears to have been involved in the dealing and sale of Arms, the activity for the accounts at Bank of America shows activity that is normal for this type of high profile customer. The transaction reported by the branch-banking center appears to have been a one-time event.

No SAR

Case #41123-145114

Activity was allowed to happen and/or remained undetected because:

Not Applicable

Action taken and/or planned:

Not Applicable

Suspicious Activity Narrative

Suspicious Activity Report Information

Select Report Type: Initial Report

PART I - Reporting Financial Institution Information

*Name of Financial Institution:	Bank of America NA
Primary Federal Regulator:	OCC
Cost Center Number:	0008256
Cost Center Name:	LINCOLN SCOTTSDALE
Did the activity occur at this location?	Yes
Multiple Branches:	No
If cost center closed, date closed:	
1. Account Number affected (If any):	846035538
Is this account closed:	N/A
2. Account Number affected (If any):	272207365
Is this account closed:	N/A
3. Account Number affected (If any):	4671882187
Is this account closed:	N/A
4. Account Number affected (If any):	272206530
Is this account closed:	N/A

PART II - Suspect Information

Suspect Information Unavailable: No

Sonia m Falcone
6108 E Nauni Valley Drive
SSN: [redacted]
Paradise Valley, AZ 85253
Country: US
Phone number - residence:
Phone number - work:

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Occupation:
DOB: [redacted]
Admission, Confession?
Form of ID used:
ID#:
Issuing Authority:

Relationship to Financial Institution: Customer
Is the relationship an insider relationship?
If Yes, Specify - Still Employed at Financial Institution, Suspended, Terminated, Resigned:
Date of Suspension, Termination, Resignation:

Pierre Falcone
6108 E Nauni Valley Drive
SSN: [redacted]
Paradise City, AZ 85253
Country: US
Phone number - residence:
Phone number - work:
Occupation:
DOB:
Admission, Confession?
Form of ID used:
ID#:
Issuing Authority:

Relationship to Financial Institution: Customer
Is the relationship an insider relationship?
If Yes, Specify - Still Employed at Financial Institution, Suspended, Terminated, Resigned:
Date of Suspension, Termination, Resignation:

MONTHIGNE CORP
6108 E Nauni Valley Drive
SSN:
Paradise City, AZ 85253
Country: US
Phone number - residence:
Phone number - work:
Occupation:
DOB:
Admission, Confession?
Form of ID used:
ID#:
Issuing Authority:

Relationship to Financial Institution: Customer
Is the relationship an insider relationship?
If Yes, Specify - Still Employed at Financial Institution, Suspended, Terminated, Resigned:
Date of Suspension, Termination, Resignation:

PART III - Suspicious Activity Information

Date/range of suspicious activity from: 12/17/03
to: 07/13/05

Dollar amount involved: $17,077,646.79

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Suspicious activity type: BSA/Structuring/Money Laundering
If Other (Describe):
Amount of loss known prior to recovery: $0.00
Dollar amount of recovery: $0.00
Law Enforcement Agency advised:
Agency Name (other Fed/State/Local):
1. Contact at Law Enforcement Agency:
Phone #:
2. Contact at Law Enforcement Agency:
Phone #:

PART IV - Contact for Assistance Information

Contact Name: Maria F. Medeiros
Date Prepared: 08/09/2005
Supplemental Subject Documents: No

Corrected SAR Information

Corrected SAR Loss: $0.00
Corrected SAR Recoveries: $0.00

SAR APPROVALS:

SAR Approved By:
SAR Approval Date:

Corrected SAR Approved By:
Corrected SAR Approval Date:

Suspicious Activity by the Securities and Futures Industries Narrative

Suspicious Activity by the Securities and Futures Industries Report Info

Known/Suspected Fraud Address Information

Edit History:

Rev.	Editor	Edit Date
0.	Grace B. Lee	11/23/2004 02:55:01 PM

** Only past two edits are shown*

ph44585 on D330-44585-7600 with DISTILLER

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BANCO NACIONAL DE ANGOLA

FUNDING AGREEMENT

This Agreement, entered into on 15th of February 2001, constitutes the sole and entire Agreement between the parties hereunto.

WHEREAS: **MAS Inc**, located at 826 Orange Avenue, Suite 151 Coronado, California, 92118, represented by Mr. Mehenou S. Amouzou (hereinafter referred to as "FINANCIER"), and **BANCO NACIONAL DE ANGOLA**, located at Avenida 4 de Fevereiro, 151, Luanda, Angola, represented by Mr. Aguinaldo Jaime, Governor, (hereinafter refrred to as "BENEFICIARY");

NOW, THEREFORE, in consideration of mutual commonance and agreements contained herein, the parties hereto, intending to be legally bound hereby agree as follows:

Article I
Objective

Regarding the development of socio-economic infrastructure in the Republic of Angola, the "BENEFICIARY" grants mandate to the "FINANCIER" which accepts to:

1. Arrange and make available to the "BENEFICIARY" a funding of Three Billion US Dollars ($ 3,000,000,000.00), with scheduled payments of Five Hundred Million US Dollars ($ 500,000,000.00) per year, over six (6) years, to finance and to realize development of socio-economic infrastructure (see design in annex) and also other projects for the near future. ——————

Permanent Subcommittee on Investigations
EXHIBIT #88

PSI-Amouzou-08-0143

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2. Furnish within the framework of this specific agreement and within the limits of the funding for the provision of service necessary, corresponding with the list of the annexed projects in this funding agreement with respect to that of international pricing.

Article II
Funding Conditions

The total funding is Three Billion US Dollars ($ 3,000,000,000.00).

The Funding Procedures are:

1. A Bank Guarantee of One Hundred Fifty Million US Dollars ($ 150,000,000.00) will be issued to "FINANCIER" upon execution of the agreement.

2. After verification and acceptance of the Bank Guarantee by the "FINANCIER", the "BENEFICIARY" will be advised to establish a bank account to receive the money. The original of the Bank Guarantee shall remain with the "FINANCIER" which will have it deposited in a safe deposit account of a bank.

3. The maturity of the guarantee will be eighteen (18) months.

4. At the end of maturity the guarantee shall be returned to the bank which issued it. As soon as the referred documents are received the process shall begin in earnest.

5. The funding of the HUMANITARIAN PROJECTS shall start in forty five (45) days and the remainder of the amount will be scheduled for the total amount requested, which is Three Billion Us Dollars ($ 3,000,000,000.00).

PSI-Amouzou-08-0144

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Article III
Entry into Force

This agreement shall enter into force subject to the approval of its terms by the Permanent Commission of the Council of Ministers of the Republic of Angola.

Article IV
Fund Repayment

1. This Funding Program is unique. It is designed as a humanitarian assistance. It is imperative that the funds be used for their intended and approved purposes only.

2. The "BENEFICIARY" will contribute Thirty (30) percent of the profit generated from the first years of the program and contribute it to assist other needy communities within Angola through Non profit Organization such as MAS Inc. Social Economic Funds.

Article V
Special Dispositions

The "FINANCIER" will disburse the funds through an Account, established at Bank of America to receive the funds.

The funds must be used on project mentioned in this agreement only. The "FINANCIER" reserves the right to cancel this program in case the funds are used for purposes other than that agreed upon.

Article VI
Litigation

Any disagreement between the parties shall be resolved by way of amicable resolution between the "BENEFICIARY" and the "FINANCIER" and/or via arbitration. Furthermore, in the event of a lawsuit arising between the parties the substantive law of the State

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of California shall apply. The prevailing party shall be entitled to reasonable costs and attorney fees.

IN WITNESS WHEREOF, the parties have set their hands this 15th day of February 2001.

BANCO NACIONAL DE ANGOLA	MAS, Inc
Aguinaldo Jaime Governor	Mehenou S. Amouzou President

PSI-Amouzou-08-0146

ph44585 on D330-44585-7600 with DISTILLER

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56840.707

BANCO NACIONAL DE ANGOLA

GABINETE DO GOVERNADOR

Dr. Mehenou S. Amouzou
President
MSA Inc.
826 Orange Avenue
Suite 151, Coronado, CA 92118
United States of America

Luanda, 31st of January of 2202

Dear Dr. Amouzou,

Kindly refer to your recent trip to Angola and the audience granted to you by His Excellency the President of the Republic of Angola, JOSÉ EDUARDO DOS SANTOS, where we discussed the prospects to raise funds to finance the reconstruction and development of the Angolan economy, specially to rebuild the Angola's infrastructure.

In this regard I should like to reiterate your mandate as Advisor to the Government of Angola. In your capacity as Advisor you are entitled to deal with public or private entities in order to achieve the agreed and stated objectives.

I wish you every success in your lofty endeavour for the sake of Angolan people's well-being.

Very sincerely yours,

Dr.Aguinaldo Jaime

Permanent Subcommittee on Investigations
EXHIBIT #89

PSI-Amouzou-11-0039

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00786 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.708

MINUTES OF THE SPECIAL MEETING
BOARD OF DIRECTORS
MSA INC.

July 10, 2002
Coronado, California

The special meeting of the Board of Directors of MSA Inc. was held at 8:30 a.m., Wednesday, July 10, 2002, in executive conference room, (per conference call) 826 Orange Ave suite 151, Coronado, CA.

I. CALL TO ORDER

President Mehenou S. Amouzou, Chairman of the Board of Directors, called the meeting to order.

II. ROLL CALL

The Secretary called the roll, and the following were present:

President Mehenou S. Amouzou
Vice President & Secretary Mr. Albert Lee
Vice President & Director of Operations David Naranjo

The Secretary announced the presence of a quorum

III. OPENING REMARS BY THE PRESIDENT

The President read a letter received from Dr. Aguinaldo Jaime on July 10, 2002 pertaining to the Fifty Million Dollar deposit for the Angola project.

IV. AN IRREVOCABLE RESOLUTION WAS OFFERED AND PASSED STATING THE FOLLOWING:

1. The Board has agreed that Dr. Aguinaldo Jaime be appointed the Acting Special CFO as an overseer of the Fifty Million Dollars to be deposited in an International Prime Bank. This is a requirement by the funding party of the Seven Billion Dollar project for Angola. This position shall be enforced for the approximately three years during which the Fifty Million Dollars remains blocked in the designated International Prime Bank.

Permanent Subcommittee on Investigations
EXHIBIT #90

33 PSI-Amouzou-11-0538 [N TX/RX 5984]

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00787 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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V. IT WAS RESOLVED UPON RECEIPT OF THE FIFTY MILLION DOLLARS FROM THE BANCO NATIONAL DE ANGOLA (BNA) IT WILL BE DEPOSITED IN A INTERNATIONAL PRIIME BANK WITH THE FOLLOWING CONDITIONS:

1. The signatures of the following MSA Inc. Officers will be required for the withdrawal of any funds.

   a. The President of MSA Inc. Dr Mehenou S Amouzou

   b. The Special Acting CFO (Corporate Financial Officer) of MSA Inc. Dr. Aguinaldo Jaime, Dr. Aguinaldo Jaime has full authority regarding withdrawal of the said funds upon the request of Banco Nacional De Angola (BNA)

VI. IT WAS RESOLVED THAT BANCO NACIONAL DE ANGOLA (BNA) SHALL HAVE FULL AND UNCONDITIONAL ACCESS TO THE DEPOSITED FUNDS FOR A PERIOD OF THREE YEARS OR UPON REPLACEMENT OF SAID FUNDS (FIFTY MILLION DOLLAR DEPOSIT) BY ANOTHER SOURCE.

1. Furthermore: any and all interest generated by said Fifty Million Dollar Deposited funds shall be the property of Banco Nacional De Angola (BNA).

2. Banco Nacional De Angola (BNA) shall have full authority regarding withdrawal of the said funds. Suspension of the disbursement program will result should the funds be withdrawn prior to the end of the waiver period.

3. It was agreed and resolved that if the disbursement program does not start within a period of 30days from the date the Fifty Million Dollars are deposited in International Prime Bank, Said Blocked funds shall be released at once to Banco Nacional De Angola (BNA)

VII. MOTION TO ADJOURN

They're being no further business to come before the Board Mr. David Naranjo made a motion to adjourn. Mr. Albert Lee seconded and the motion carried unanimously.

Albert Lee, Vice President and Secretary

ph44585 on D330-44585-7600 with DISTILLER

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56840.710

JUN 19 2002 16:37 FR CU[redacted]UC 3854 925 675 7085 TO 912133456896 P.01/04

CLAIMS -- Transaction Display CENTRY ATONGO 19-JUN-02 16:14:14
CALC 1 SFOC 0
query type CALC txn number 1 category

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VDT: 11-JUN-02 Amt Paid : 50,000,000.00/USD SD Via: FED 1000
ORG_NM6: BNA OI DBT_NM6: CITIBA BKID: CAL ISN: 0611B1Q8024C001354
SND_NM6: MT_UTI : MTI02162008165 OSN:
SENDERS REF/TRN: G0021621154801 MTI: 020611008165
MAPPING SET A1 = INCOMING FED TO BRANCH OR CUSTOMER FED TCN: 1354

DBT A [redacted] CITIBA CDT V 0850005836 MSA
CITIBANK MSA
NEW YORK, NEW YORK

OBI: DEPOSIT TO SECURE FND'ING FRO HUMANITARIAN PROJECTS IN ANGOLA

BBI:

To: Nancy
Fax: 213-[redacted]-
[redacted]

ORG BNA OI BNF
BNA OIL TAXES Y ROYALTIES
UNKNOWN

OGB CITIGB2L CITIBA BBK
CITIBANK N.A.
CITIBANK HOUSE, FLOOR 1: 336, STRAN
D
LONDON,GB
SND

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Qualified? Pos Dupe?
US$= 0.00/USD Special Advice? Charges Ours?
Source of Txn? Preadvice? N
Auto-Record? Y

<<< TRN: 020611-008165 >>>
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RPT# AMT:50,000,000.00 CUR:USD TRDR#
TEST: [ ] VAL:// TYP:ETR/ FNDS:S CHG:DB:N CD:Y COM:X CBL:X

DBT A/[redacted] CDT *V/0850005836 ADV:LTR
CITIBANK MSA
NEW YORK, NEW YORK
SNDR REF NUM:G0021621154801 ORIG TO BNF INFO:
ORDERING BNK:S/CITIGB2L DEPOSIT TO SECURE FND'ING FRO HUMAN
CITIBANK N.A. ITARIAN PROJECTS IN ANGOLA
CITIBANK HOUSE, FLOOR 1: 336, STRAN
D
LONDON,GB
[illegible]
[illegible] TAXES Y ROYALTIES
[illegible]
[illegible] MESSAGE TEXT [illegible]

Permanent Subcommittee on Investigations
EXHIBIT #91

Bank of America Requests [illegible]

BOA-PSI-05082

ph44585 on D330-44585-7600 with DISTILLER

56840.711

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{3600}CTR
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MSA*
*
*
*
{5000} *
BNA OIL TAXES Y ROYALTIES*
UNKNOWN*
*
*
{5100}BCITIGB2L*
CITIGB2L*
*
*
*
{5200}D10990765*
CITIBANK N.A. LONDON*
P.O. BOX 78*
336 STRAND*
LONDON WC2R 1HB, ENGLAND*
{6000}DEPOSIT TO SECURE FND'ING FRO HUMAN*
ITARIAN PROJECTS IN ANGOLA*
    MESSAGE HISTORY SEQUENCE
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CAL THE OWNING BANK IS IN TIMEZONE PST (+00 HOURS)  PRIORITY:   DELIVERY ACK:
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        FEDIN2             SEQ #: 891 11-JUN-2002 06:00:41.77
        FLASHRCV           ABA: [redacted] FED REF:  G0021621154801
                           IMAD: 06110901FT01
        FEDINQ        DEQ  TEXT:
        FEDIN LOG          AMT: 50000000.00 TIME: 11-JUN-2002 06:00:41.93
        ABA INDEX          KEY: 021000089
        *SYS MEMO          CPD: *ORIG1: "MSA"
        *SYS MEMO          CPD: SUBSTITUTING V/0850005836 FOR BNF
        NOF ACC NDX        KEY: [redacted]
        MEMO: CDT
        CR ANHQ       DEQ  TEXT: 020611008165AMOUNT: 50000000.00
        RAM PVT Q     DEQ  TEXT: 020611008165AMOUNT: 50000000.00
        MEMO: MAP
        RAM SRF            KEY: 020611008165MAP1
        RAM FED RCV        AMT: 50000000.00 TIME: 11-JUN-2002 06:00:42.33
        RAM OUT            SEQ #: 4142 11-JUN-2002 06:00:42.31 INFO:
020611008165MAP1 FN
        RAM SND            SEQ #: 4142 11-JUN-2002 06:00:42.31 INFO:
020611008165MAP1 FN
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        MEMO: MAP
        SQR SRF            KEY: [illegible]
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Bank of America Requests Confidential Treatment

BOA-PSI-05083

ph44585 on D330-44585-7600 with DISTILLER

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JUN 19 2002 18:35 FR TO 9-12133456896 P.06/10
11 JUN 2002 11:19 DE FAX 0016192933023 PAG.01

Arbitrag

10/06/02-17:27:54 LocalSwiftAcks-8791-000001

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Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Normal
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Sender : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
Receiver : CITIGB2LXXX
CITIBANK N.A.
LONDON GB

10/6
SWIFT/TELEX EXPEDIDOT

---------- Message Text ----------
20: Sender's Reference
065/DGR/RC/02
23B: Bank Operation Code
CRED
32A: Val Dte/Curr/Interbnk Settld Amt
Date : 11 June 2002
Currency : USD (US DOLLAR)
Amount : $50,000,000.#
50A: Ordering Customer
BNANAOLU
BANCO NACIONAL DE ANGOLA
LUANDA AO
53B: Sender's Correspondent
[redacted]
57D: Account With Institution
BANK OF AMERICA, SAN FRANCISCO/USA
59: Beneficiary Customer
/08500-05836
MSA
70: Remittance Information
DEPOSIT TO SECURE FUNDING FOR
HUMANITARIAN PROJETS IN ANGOLA
71A: Details of Charges
OUR

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---------- Message Trailer ----------
(MAC:9F4CC26E)
(CHK:4C845ECAD2FF)

10/06/02

TOTAL PAG.01

Permanent Subcommittee on Investigations
EXHIBIT #92

Bank of America Requests C

BOA-PSI-05139

ph44585 on D330-44585-7600 with DISTILLER

56840.713

JUN 19 2002 18:36 FR TO 9-12133456896 P.07/10

Dra. Marta

160

12/06/02-00:13:15 BRINTERRECEIVE-0626-000004

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Correspondent Input Reference : 1655 020611CITIGB2LXXX0225436406
---------- Message Header ----------
Swift Output : FIN 199 Free Format Message
Sender : CITIGB2LXXX
CITIBANK N.A.
LONDON GB
Receiver : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
MUR : 020611H21HRULCN

SWIFT/IPD

---------- Message Text ----------
20: Transaction Reference Number
CITI2075-11JUN02
21: Related Reference
065/DGR/RC/02
79: Narrative
ATTN INVESTIGATIONS
RE YR P/O FOR 50000000.00/USD V/D 11/06/02
UNDER YR REF 065/DGR/RC/02
PLEASE NOTE THE BELOW QUERY
...
CITIBANK AND ITS OVERSEAS BRANCHES ARE BOUND BY
US GOVERNMENT REQUIREMENTS TO COMPLY WITH US
GOVERNMENT SANCTIONS REGARDING PAYMENTS TO
SPECIFIC COUNTRIES, INDIVIDUALS AND ENTITIES.
OUR COMPLIANCE DEPARTMENT HAS REQUESTED THAT WE
CONTACT YOU (THE REMITTER) TO OBTAIN FURTHER
INFORMATION CONCERNING THE REFERENCE TO 'MSA' IN
THIS PAYMENT. IN PARTICULAR PLEASE CONFIRM THE
FULL NAME OF 'MSA'. FUNDS WILL BE HELD WAITING
A REPLY. IF NO RESPONSE IS RECEIVED BY 18TH
JUNE, IT MAY BE NECESSARY TO ACTION THIS
PAYMENT IN ACCORDANCE WITH OFAC GUIDELINES.
...
PLEASE REPLY TO THE UNDERSIGNED ADVISING THE
DETAILS REQUESTED
KIND REGARDS
LONDON INVESTIGATIONS
---------- Message Trailer ----------
{MAC:87044298}
{CHK:2F36F1D1E45A}
{DLM:}

TOTAL PAG.01

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00792 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.714

JUN 19 2002 18:36 FR TO 9-12133456896 P.08/10
13 JUN 2002 19:05 DE

Delitraz

13/06/02-07:55:4Z LocalSwiftAcks-9565-000001 1

Possible Duplicate Delivery
Network : APPLI
Session Holder : LocalSwiftAcks
Session : 9564
Sequence : 000001
Delivery Status : Network Aborted

Instance Type and Transmission

Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Normal
Message Input Reference : 1816 020612BNANAOLUAXXX1750704969

Message Header

Swift Input : FIN 199 Free Format Message
Sender : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
Receiver : CITIGB2LXXX
CITIBANK N.A.
LONDON GB

D. G. R. 13/6
SWIFT/TELLX EXPEDIDOS

Message Text

20: Transaction Reference Number
075/DGR/RC/02
21: Related Reference
CITI2075-11JUN02
79: Narrative
ATTN. LONDON INVESTIGATION
RE OUR TELEX ABOVE WE WOULD LIKE INFORM YOU THE FOLLOWING:
MSA STANDS FOR MEHENOU SATOU AMOUSOU INC., WHICH IS AN AMERICAN COMPANY SPECIALISED IN MANAGEMENT AND INVESTMENT, HEADQUARTERED IN CALIFORNIA, SAN DIEGO. ITS PRESIDENT IS DR. MEHENOU SATOU AMOUZOU. THE 50 MILLION DEPOSIT IS A COLATERAL TO GUARANTEE A HUMANITARIAN FUNDING FOR DEVELOPMENT PROJETS FOR THE REPUBLIC OF ANGOLA.
KIND REGARDS
AGUINALDO JAIME - GOVERNOR

Message Trailer

{MAC:1F594C36}
{CHK:83CC3317A9AB}

TOTAL PAG.01

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00793 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.715

JUN 19 2002 18:35 FR TO 9-12133456896 P.02/10

MSA, Inc.

TITLE OF ACCOUNT(S)

Bank may pay out funds on any one of the signatures below:
For Sole Proprietors, place your signature in box number 1.

Authorized Signature(s):

1. [signature] (TYPE OR PRINT NAME)	2. [signature] (TYPE OR PRINT NAME)
Mehenou Sator Amouzou (SIGNATURE)	Jaime Aguinaldo (SIGNATURE) Sole RP
A3003112 6/21/05 (DRIVERS LICENSE / SOCIAL SECURITY NUMBER)	D0000181 8/25/03 (DRIVERS LICENSE / SOCIAL SECURITY NUMBER)
3. (TYPE OR PRINT NAME)	4. (TYPE OR PRINT NAME)
(SIGNATURE)	(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)	(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)
5. (TYPE OR PRINT NAME)	6. (TYPE OR PRINT NAME)
(SIGNATURE)	(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)	(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

For CASC/GLOBAL BANK USE ONLY

You agree that the written information we give you is part of your agreement with us and tells you the current terms of our deposit accounts.

By signing below, you certify under penalty of perjury that the tax reporting information set forth on the reverse is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Type or Print Name _____ Signature _____

Type or Print Name _____ Signature _____

Accounts Established Under This Agreement

The written information we give you and the tax reporting information you gave us on this card apply to each account opened under this agreement

ACCOUNT INFORMATION		DATE OPENED	COMMENTS
TYPE	ACCOUNT #		
DDA	08500-05836		

New Card Accepted 5-23-02

Fictitious Trade Name certificate received _____ Date SFMO

Waived by: _____

Permanent Subcommittee on Investigations
EXHIBIT #93

Bank of America Reque

BOA-PSI-05144

ph44585 on D330-44585-7600 with DISTILLER

56840.716

= Redacted by the Permanent Subcommittee on Investigations

Stella.M.Walsh@bankofamerica.com on 06/20/2002 06:28:28 AM

To: Susana L. Cervantes/CRE/BAC@BofAAudit2000
cc: Brendan T. Hewson/USA/BAC@BankofAmerica, Elizabeth Bass/CRE/BAC@BofAAudit2000, Craig Davidson/USA/BAC@BankofAmerica, Eileen C. Kraft/CRE/BAC@BofAAudit2000
Subject: RE: Assistance

Sue, I spoke to Citibank first thing this morning and there is of course a developing story but in the meantime could you please ensure that the money stays frozen, deeply frozen!

Citibank have done some investigations and the two swift messages with a hand-written word across the top (pages 8 and 9 of your fax) are both genuine. Citi did send the swift and they are the correspondent bank for Banco Nacional De Angola (BNA)- the request, because of the OFAC list was automatically flagged upon receipt and their Compliance and Operations department conducted their own due diligence before releasing the wire to us. However further to my phone call Citi have done further investigations and now consider it to be either a Prime Bank scam or an internal problem within BNA - and extremely unlikely to be genuine. One of the clear coincidences is the signor of the text confirming all is okay with the co signer on Mr Amouza account! The other significant issue is that Mr Amouza is on the "known" list with the International Chamber of Commerce - I couldn't get any further details on this but something somewhere is not right with him.

Citi have tried to make contact with their rep office in Luanda who have the relationship with BNA but so far without luck as the telephone lines are down - that rep office reports to the regional office in South Africa and they have a conference call to discuss the whole issue later this afternoon.

Citi are obviously extremely worried about what has been uncovered and my contact has promised to keep me well informed of events but he's "pleaded" with us not to release that money!!!!

Will keep you posted from this end on events later today.

Regards

Stella

Stella Walsh
Assistant Vice President
EMEA Corporate Security -
International Services
Tel: 0207 [redacted]

-----Original Message-----
From: Cervantes, Susana L.
Sent: 20 June 2002 03:31
To: Walsh, Stella

Permanent Subcommittee on Investigations
EXHIBIT #94

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00795 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.717

Cc: Kraft, Eileen C.; Bass, Elizabeth; Davidson, Craig; Hewson, Brendan T
Subject: Assistance

Stella, we need your assistance in contacting CitiBank London to verify a wire for US Dollars $50 Million, which they initiated. The wire was received by us on June 11, 2002 into the account of MSA, Inc. , signer is Mehenou Amouzou Savings #08500-05836. The savings account was opened on May 15, 2002 with $300.00, while the client Amouzou has other personal accounts as a business accounts, it is odd that the funds were received into a new account paying 2% interest.

The Private Bank met with the Client as he made inquiry as to purchasing a one year certificate of deposit, which had to be flexible so that they could draw funds against it when needed. The purpose of the funds was to assist with the new infrastructure of Angola as well as Humanitarian projects in Angola specifically those for children with special needs.

We believe that Citi Bank may have also made inquiry to the originator Bank , Banco Nacional De Angola Luanda AO as required by OFAC standards, but we may have a fictitious document at hand.

Shortly after the account was opened by Amouzou, another signor was added to the account his name is Aguinaldo Jaime. Jaime is also the signor of the Citibank London swift.

I have contacted Customs who is looking Amouzou as we may have a Prime Bank scam or just funds which were removed from Angola illegally. Amouzou indicated that the funds were from the sale of gold and oil in Angola and he is the principal owner of said funds. Amouzou was at the banking center this afternoon requesting that we release funds for their use. However I had already restricted the funds until we can verify the true owner and the source of said funds.

Amouzou has several addresses here in San Diego, as well as businesses.

When I spoke with Amouzou today he advised me that he and the President had visited the President of the United States in February of this year, however that the relationship was not a good one at this time, what that has to do with the funds I do not know..... smoke screen I guess.

I spoke with Brendan this evening, he advised that he would leave you a voice mail advising who to contact at Citibank London. I will fax you documents that I received today from the Banking center.

Thanks and as always you may reach me at home **REDACTED**.

Notice to recipient:

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00796 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.718

26 JUN 2002 20:06 DE PARA0014156229777 PAG.01

= Redacted by the Permanent Subcommittee on Investigations

BANCO NACIONAL DE ANGOLA

GABINETE DO GOVERNADOR

Ms. Wanda S. Alfaro
Senior Vice President
Banking Center Manager
San Francisco Main Banking Center
Bank of America
San Francisco, CA 94104

Luanda, 25th of June of 2002

Dear Ms. Alfaro,

Please refer to the transfer ordered by Banco Nacional Angola, and made by CITIBANK, by which USD 50,000,000.00 (Fifty Million American Dollars) were to be paid in the account nr. 08500-05836, opened with your bank, to be used as a guarantee deposit for humanitarian projects in Angola.

After extensive consultations with CITIBANK and a reassessment of the underlining transactions, Banco Nacional de Angola has decided that its funds should be sent back to the account with CITIBANK until further notice. Any interests earned should be added to the capital and also be transferred to the following account:

Account nr.	: [redacted]
Beneficiary	: Banco Nacional de Angola
Bank	: CITIBANK N. A.
	London GB
Swift Code	: CITIGB2LXXX

Kindly inform Ms. Elizabeth Bass and Ms. Cervantes of the contents of this letter.

Very sincerely yours,

Aguinaldo Jaime
Governor

TOTAL PAG.01
PAGE.01

JUN 26 2002 12:02 P.05/06 9161949851 81

Permanent Subcommittee on Investigations
EXHIBIT #95

JUN 26 2002 12:44 FR

Bank of America Request

BOA-PSI-054

ph44585 on D330-44585-7600 with DISTILLER

56840.719

Jane C. Sherburne
General Counsel
Global Consumer Group

Citigroup Inc.
399 Park Avenue
New York, NY 10022

Tel 212 793 4942
Tel 212 793 0258

citi

August 16, 2007

By Telecopy

Robert Roach
Laura Stuber
Permanent Subcommittee on Investigations
Committee on Governmental Affairs
United States Senate
SR-193 Russell Senate Office Building
Washington, D.C. 20510-6262

Dear Bob and Laura:

In response to your request, enclosed is a memorandum describing the circumstances surrounding Citi's decision to cease doing business in Angola. The memorandum was prepared in January 2003 by Amin Manekia, Citi's Non-Presence Country Head for Sub-Saharan Africa at that time, for Sebastian Paredes, the then-Citi Country Officer for South Africa. We understand that the memorandum was sent to Jean Paul Votron, who, at that time, was a regional head of Citi's consumer business.

Paredes and Votron are no longer with Citi. Amin now has a different position with Citi, based in Nigeria.

Sincerely yours,

Jane Sherburne

Enclosure

Permanent Subcommittee on Investigations
EXHIBIT #96

PSI-Citi-21-01

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00798 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.720

Jean Paul,

I am writing to you to advise that after considered deliberations between Business, Product, Compliance and Legal, we recommend closure of the accounts of the Central Bank of Angola (know as Banc Nacional de Angola, BNA) with Citigroup. Our recommended decision may potentially result in our being forced to exit the country. This has been taken into account.

Our recommendation is based on the following premises:

- In June of last year, BNA instructed us to pay USD 50,000,000 to a dubious account with Bank of America in San Diego. Although this payment was ultimately reversed a few weeks later, we were never provided a satisfactory explanation of the underlying transaction by the BNA.
- We put all accounts of the BNA with Citigroup on an individual transaction-monitoring basis since July. However we have learnt in this process that a number of payments that have left our counters did not have adequate disclosure of beneficiary details, which may result in our being a conduit in their questionable financial dealings.
- We were advised in November of last year by the outgoing BNA Governor that the BNA had gone ahead with the USD 50,000,000 transaction with another bank using a "fiscal paradise". The Governor advised us that this payment was of "national interest" but did not provide us with a tangible explanation of the underlying mechanics of this repeat transaction. It seems and confirmed by the new BNA Governor in January of this year, that this payment was also reversed and the new Governor was uncomfortable with the original transaction. The new Governor also advised our team on the ground that he had "inherited" several problems from his predecessor, which he was trying to resolve on a "case by case" basis. This does not add to our comfort on the inner workings of the BNA.
- We tried to institute all the Government owned correspondent banks including the BNA on a "pre-defined" funds transfer basis with us but a lack of details in certain transactions with these banks could make the success of this process questionable.
- Unfortunately the players in the Government of Angola are the same with a few key players in positions of power and closely managed under the leadership of the current President Jose Eduardo dos Santos. At the end of the day, we are uncomfortable with the character of the senior officials in the Angola Government and any amount of policing may not deter financial impropriety.

The above action plan can be franchise threatening. As you know we generated revenues of USD 8.2MM against an expense base of USD 1.6MM in 2002 (R/E ratio of 5.1). Planned 2003 revenues are USD 5.5MM. We had forecasted lower revenues in Angola this year based on the reduced business from our earlier attempts to work with the Angola Government owned banks on a pre-defined beneficiary basis. In all likelihood, the reaction of the BNA to our decision would be far reaching and may result in our being asked to leave the country. We should expect a backlash from all the Government owned and private sector banks based on the strong control of the Government in the bank and other priority sectors like oil and gas. I believe that we must work with this contingency in mind and plan to exit the country. This will mean liquidating our present Angola OSUC of approximately USD 127MM, which is substantially cash, collateralized or comprehensively insured. We will come back to you with a detailed action plan on this exit strategy.

Finally, I suggest that this matter be escalated to Derek Maughan, Stan Fischer and Bill Rhodes and other relevant seniors in case they are contacted by the Angolans (directly/indirectly) to influence our decision.

Regards

Sebastian

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00799 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.721

05-AUG-02 18:00
From: david narante To: Fax=2933013
Date: 8/4/2002 Time: 5:54:04 PM
P.03
@002
Page 1 of 1

2-AGO-2002 17:28 DE:DOR 391430 P.1004428748612E5 P:1

Dilitrag SW.-15
096/DOR/RC/02

24/07/02-14:50:20 LocalSwiftAcks-7676-000002 2

---------- Instance Type and Transmission ----------
Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Normal
Message Input Reference : 1448 020724BNANAOLUAXXX1852010310

---------- Message Header ----------
Swift Input : FIN 199 Free Format Message
Sender : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
Receiver : EQBKBSNSXXX
EQUATOR BANK LIMITED NASSAU
NASSAU BS

24/7
SWIFT/TELEX EXPEDIDOS

---------- Message Text ----------
20: Transaction Reference Number
095/DOR/RC/02
79: Narrative
ATT: TREASURY OPERATIONS
WE REFER TO OUR DEPOSIT USD 62,425,753.10 VALUE
DATE 26/07/02.
PLEASE SEND US CONFIRMATION OF RENEWAL FOR TWO
WEEKS.
BEST REGARDS 24 7 02
G. FRAGAO - CNF DEALER

---------- Message Trailer ----------
(MAC:24E2C851)
(CHK:9A9B2350E0B6)

24 7 02 SWIFT
Aprovado
23/07/02

BNA a pedir a
Renovação do depósito a Hong Kong (HSBC Nassau)
no dia 26 de julho de 2002

ATT: DR. ANOUZOU
ROOM 415
Hotel Intercontinental

Permanent Subcommittee on Investigations
EXHIBIT #97

PSI-Heger-01-00282

ph44585 on D330-44585-7600 with DISTILLER

56840.722

MSA INC
INVESTMENT • TRADE • MANAGEMENT
826 Orange Ave. • Suite 151 • Coronado, CA 92118
(619) 293-3002 • Fax (619) 293-3023

Sunday, August 04, 2002

VIA FAX

Mr. Stanley Wayland
President & Managing Director
European American Investment
257 Selegie Road, Selegie Complex.
Singapore

Dear Stanley,

I returned from London at about 5:00 pm California time and I am faxing you the confirmation from swift that Banco Nacional De Angola has $62,425,751.10 deposited into HSBC. I also am including the Letter of Authority from the Banco Nacional De Angola, authorizing MSA Inc. to use the $50M US Treasury Bill as collateral for the purpose of raising funds for reconstruction, infrastructure and development of the Angolan Economy.

The instruction has been giving to HSBC to purchase the $50M US Treasury Bills as soon as possible and I was assured it would be done on Monday and no later than Tuesday of this week in London. We need to know what are the instructions that you had given to Merrill Lynch London to receive the TB for that period of transaction. The quicker you provide the information the sooner it will be done.

Sincerely

Dr. Mehenou Amouzou
President & CEO MSA, Inc.

Permanent Subcommittee on Investigations
EXHIBIT #98

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00801 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.723

From: David Naranjo To: Stanley Wayland

Date: 8/5/2002 Time: 1:30:58 AM

= Redacted by the Permanent Subcommittee on Investigations

FAX COVER

Message:

Date : 8/5/2002

Dear Stanley,

I am faxing you this typed document, which we produced from our copy of the SWIFT documents. Some of the numbers were very hard to read, so we can not vouch it to be 100% correct. However, so you may better understand the documents, Banco National De Angola has a reserve account with HSBC in London. HSBC London advise the Angola government to protect their asset by opening an Offshore account on behalf of Banco Nacional De Angola in Bahamas (HSBC Nassau Branch). Banco Nacional De Angola deal directly with HSBC – London. This information is confidential as I mentioned in the above it was structure by HSBC –London. HSBC London which holds the money will buy the TB today and finalyze on Tuesday.

Take care and have a beautiful day

To: Stanley Wayland	From : David Naranjo
Company : Euro Amereican Investment	Company : MSA Inc.
Fax Number : 011448[redacted]	Fax Number : 619[redacted]
Pages including this cover page: 3	Subject : Typed Copy of Swift

WinFax PRO Cover Page

Permanent Subcommittee on Investigations
EXHIBIT #99

PSI-Heger-01-00279

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00802 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.724

Euro-American Investments, LLC
29402 Castle Road
Laguna Niguel, California 92677
Phone: 949-249-9170 Fax: 949-249-9171
Email: heger@compuserve.com

= Redacted by the Permanent Subcommittee on Investigations

August 11, 2002

INFORMATION SUMMARY

In accordance with the Federal Commission Circular of December 1995, the following information must be supplied for purposes of verification of identity and activities of the client and the nature and the origin of the funds that are to be utilized. All parties have an obligation to respect professionally secrecy and take all appropriate precautions to protect the confidentiality of the information each holds in respect of the other's activities. This legal obligation shall remain in full force and effect at all times.

1. Amount of Funds to be utilized: Fifty Million USDollars ($50,000,000.00) in the form of United States Treasuries.

2. Name of non-individual client: Euro-American Investments

   a.) Jurisdiction in which formed: Carson City, Nevada

   b.) Date of Formations : December 3rd, 2001

   c.) Charter/Registration Number: LLC13087 2001

   d.) Legal form of the entity : Limited-Liability Company

   e.) Registered Office Address : 711 S. Carson Street, Suite 4
   Carson City, Nevada 89701

   f.) Registered Agent for Service: Sandra Miller
   711 S. Carson Street, Suite 4
   Carson City, Nevada 89701
   Phone: 775-[redacted]
   Fax : 775-[redacted]
   Email:

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

PSI-Heger-01-0059

Permanent Subcommittee on Investigations
EXHIBIT #100

g.) Head Administrative Office : 29402 Castle Road
Laguna Niguel, CA 92677
Phone: 949-249-9170
Fax : 949-249-9171
Email: euroamerican@cox.net

Name of Senior Officer:Jan Morton Heger, CEO, Managing Member/Director
Email: euroamerican@cox.net

h.) Names and Addresses of all Members of the LLC
See attachment 1

[redacted] = Redacted by the Permanent Subcommittee on Investigations

i.) Name and addresses of all owners/beneficiaries
See attachment 2

j.) Description of describing Business activities
See attachment 3

4.) Name of Authorized Signatory : Jan Morton Heger, Director & CEO
Nationality : United States Citizen
Passport Number : [redacted]
Date of Issue : 22 APR 98
Date of Expiration : 21 APR 08
Date of Birth : [redacted]
Place of Birth : Lincoln, Nebraska
Home Address : [redacted]
Laguna Niguel, CA 92677
Phone: 949-[redacted]
Legal Domicile : California, USA
Occupation : Attorney at Law
Place of Employment : Law Offices of Jan Morton Heger
Address : Same as home above
Phone : Same as home above
Fax: Same as home above

o.) See attached: Corporate Resolution single signatory Account etc.

5. Legal Advisor: Law Offices of Jan Morton Heger
29402 Castle Road
Laguna Niguel, CA 92677
Ph: 949-249-9170 Fax: 949-249-9171

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

PSI-Heger-01-0060

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00804 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.726

= Redacted by the Permanent Subcommittee on Investigations

6.) Bank Funds Location

Name	: **Wells Fargo Bank**
Address	: 260 Ocean Avenue, Laguna Beach CA 92651
Account Name	: **Jan M. Heger** Wells Fargo Investments, Private Client Services Members of the New York Stock Exchange
Securities Account Number	: W41477598
Account Signatory	: **Jan M. Heger**
Bank Officer Name	: **Fowzia Temori**, Assistant Vice President Personal Banking Manager
Phone:	: 949-376-1788
Fax	: 949-497-6791
SWIFT	: WFBIUS65
Routing No.	:N/A with the above listed account however ABA# [redacted]

7.) Source of wealth **See Attached 4**

8.) Financial Summary of Euro-American Investments LLC (EAI)

a.) Assets Approx	: $5,000.00 EAI
b.) Liabilities	: $ 00.00 EAI
c.) Net Worth	: $5,000.00 EAI
d.) Income EAI	: $150,000.00 (EAI since inception)
d1.) Income (Law Offices)	: $150,000.00 approx per year – Law Offices Jan Morton Heger (approx income).

9.) 3 year History of Funds **See Attachment 5**

10.) Funds are free and clear of any liens or attachments

11.) No other major banking relationships

I hereby confirm and verify that I, Jan Morton Heger, am the sole authorized signatory, have the full authority with regard to the Funds as set forth herein, to execute any and all contracts and/or agreements relating to any Cash or Asset Management Programs, and any Bank Custody Agreements.

I hereby verify and affirm that the above statements are true and correct to the best of my knowledge and belief.

JAN MORTON HEGER, CEO
Euro-American Investments LLC
USA Passport# [redacted]

Witness:
Barbara J. Heger

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00805 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.727

ATTACHMENT NUMBER ONE (1) AND NUMBER (2)

NAMES AND ADDRESSES OF ALL MEMBERS
EURO-AMERICAN INVESTMENTS LLC

Number 1

Jan Morton Heger, Managing Member/Director
[redacted]
Laguna Niguel, California USA 92677

Stanley Wayland, Director
[redacted]
Selegie Complex
Singapore 188350

Charles William Webster, Director
[redacted]
Gwent, NP26 5UX
United Kingdom

Names of Owners/Beneficiaries of Euro-American Investments LLC

Number 2

Jan Morton Heger, Owner/Managing Member/Beneficiary

Stanley Wayland, Member/Beneficiary

Charles Webster, Member/Beneficiary

ALSO SEE ATTACHED LETTER
RE: THE NATION STATE OF ANGOLA
&
CENTRAL BANK OF ANGOLA
Written By
JAN MORTON HEGER, Attorney at Law

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

PSI-Heger-01-0062

ph44585 on D330-44585-7600 with DISTILLER

56840.728

ATTACHEMENT THREE (3)

DESCRIPTION OF BUSINESS ACTIVITIES

Euro-American Investment was founded and formed by Jan Morton Heger, Attorney at Law, for the primary purpose of:

Legal consulting, world wide investments, including but not limited to, Real Estate, Precious Metals, Debt Instruments, Oil and Gas Reserves & Property, Marketing Products (such as Heavy Machinery) and/or other various opportunities that have been presented such as these very funds as have been received from the **Angolan Government, Central Bank of Angola.**

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00807 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.729

ATTACHMENT FOUR (4)

SOURCE OF WEALTH

*****SEE ATTACHED LETTER*****
by
JAN MORTON HEGER
Attorney at Law

RE:

THE NATION OF ANGOLA
&
THE CENTRAL BANK OF ANGOLA

Summary

These funds were received from the Central Bank of Angola for and on behalf of the Angolan Government to manage these funds and for Euro-American Investments to generate a profit, monitor and invest in Angola for the support the people of Angola both with regard to the infrastructure of Angola, food, health, welfare, social services, low cost housing, medical care, aids et.al

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

ph44585 on D330-44585-7600 with DISTILLER
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56840.730

HISTORY OF FUNDS

THE FUNDS HAVE BEEN EARNED THROUGH THE SALE OF ANOLA'S NATURAL RESOURCES WITH INCLUDE OIL, DIAMONDS. GAS AND GOLD ETC.

Registered Offices
711 South Carson Street, Suite 4
Carson City, Nevada 89701

PSI-Heger-01-0065

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00809 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.731

BANCO NACIONAL DE ANGOLA

GOVERNO DO BANCO

FROM: THE GOVERNOR OF BNA - BANCO NACIONAL DE ANGOLA (THE CENTRAL BANK OF ANGOLA)

TO: EURO - AMERICAN INVESTMENT LLC.

LETTER OF AUTHORITY

This is to certify that BNA – Banco Nacional de Angola, the Central Bank of Angola, will supply, on behalf of the Angolan Government, a Fifty Million American Dollar Treasury Bill to be used as collateral by MSA Inc, whose headquarters are at 826, Orange Avenue, Suite 151, Coronado, CA 92118, for the purpose to raise funds to finance the reconstruction, infrastructure and development of the Angolan economy.

Luanda, 2nd of August of 2002

The Governor of BNA

Dr. Aguinaldo Jaime

Permanent Subcommittee on Investigations
EXHIBIT #101

PSI-Amouzou-07-0513

Exp/Arbitrageur

15/08/02-14:53:44 LocalSwiftAcks-8978-000001 1

Instance Type and Transmission

Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Normal
Message Input Reference : 1452 020813BNANAOLUAXXX1092010467

Message Header

Swift Input : FIN 199 Free Format Message
Sender : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
Receiver : EQRKGB2LXXX
HSBC EQUATOR BANK PLC.
LONDON GB

Message Text

20: Transaction Reference Number
107/DGR/RC/02
79: Narrative
YOU WILL RECEIVE IN OUR CURRENT ACCOUNT FROM
CITIBANK/LONDON USD 30,000,000.00 FOR VALUE DATE
13 AUG 02 AND USD 20,000,000.00 FOR VALUE DATE
14 AUG 02. BOTH AMOUNTS ARE TO APPLY FOR THE
EXECUTION OF THE ABOVE INSTRUCTIONS.
PLEASE PURCHASE IN OUR NAME AND ON OUR BEHALF
UNITED STATES TREASURY BILLS OR THE EQUVALENT IN
US GOVERNMENT DEBT OBLIGATIONS WITH A MATURITY OF
AUGUST 2003 IN AN AGGREGATE AMOUNT OF FIFTY
MILLION UNITED STATES DOLLARS (U.S. 50,000,000.00)
TO BE HELD IN OUR NAME OF THE BOOKS OF YOUR
AFFILIATED BANK HSBC BANK USA ISSUER SERVICES.
WE AGREE TO PAY YOUR STANDARD COMMISSION RATE AND
CUSTODIAL FEES.
BEST REGARDS
AGUINALDO JAIME - GOVERNOR

Message Trailer

{MAC:40E6BD9D}
{CHK:8EABEDCDD19A}

[illegible]

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00811 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.733

Jan Morton Heger Esq.

From: "Lena" <lleong@harvestdm.com>
To: "Jan Heger" <euroamerican@cox.net>
Sent: Wednesday, August 14, 2002 2:16 AM
Subject: TREASURY BILL

Dear Jan,

Herewith is a copy of email which was sent to Dr. Amouzou for your reference.

Regards
Stanley Wayland

Quote:

Dear Dr Amouzou

I was very surprised that HSBC London have got the Angola Government to sign a 23-page contract in order to purchase the T-Bill.

1. **T-BILL**

When exactly will HSBC purchase the T-Bill in the name of the Central Bank of Angola? Is it possible to receive a copy of the T-Bill today, UK Time?

2. **SWIFT**

You stated that HSBC require the Central Bank of Angola to send the SWIFT instructing HSBC to buy the T-Bill in their name. **Please can you get a copy of the SWIFT and send it to me?**

3. **LEDGER PRINTOUT**

Will HSBC give you a Ledger Printout showing the account name, account number with ledger balance. If yes, please can you fax this to me today, UK time.

4. **ASSIGNMENT AGREEMENT**

We can only complete the assignment agreement once the above documentation is supplied. I forgot that we also requested from you a letter from HSBC that they are purchasing the T-Bill on behalf of their client which is Central Bank of Angola. Is there any chance that you can get a copy of this letter today, UK time?

PSI-Heger-01-0026

Permanent Subcommittee on Investigations
EXHIBIT #102

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00812 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.734

Wells Fargo Investments
(Member of the New York Stock Exchange)
Account Name : Mr. Jan M. Heger
Laguna Niguel, California 92677

Securities Account Number : W41477598
For the benefit of: Jan M. Heger, CEO
Euro-American Investments, LLC

Bank Officer Name : Paul D'Epagnier

6. **CONCLUSION**

The Central Bank of Angola is the client and owner of the funds and therefore, do not need to answer HSBC's question about why they must transfer the T-Bill to Wells Fargo.

The simplest and best reply is that you, as client want to deposit and hold this T-Bill in the Securities account with Wells Fargo Investment (Member of the New York Stock Exchange) and that we do not want this to be left in London. No other explanation is required to HSBC London.

As Central Bank of Angola is the client, HSBC must and are required to follow the client's instructions, i.e. this is what we request and instruct you (HSBC) to carry out.

We await your soonest response as we are under pressure as we will be able to begin private placement investment on Monday next week, if the T-Bill and the above documentation is supplied, latest tomorrow.

God Bless you,

Best regards
Stanley Wayland

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00813 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.735

09/09/02 MON 15:39 [TX/RX NO 5775]

SEP-09-2002 MON 01:28 PM WELLS FARGO INVESTMENTS FAX NO. 4499 P. 03

WELLS FARGO LB 0968 PAGE 03

Attn: THOMAS

Jan Heger

[redacted]

BANCO NACIONAL DE ANGOLA

= Redacted by the Permanent Subcommittee on Investigations

GABINETE DO GOVERNADOR

DEED OF ASSIGNMENT

I Dr. Aguinaldo of sound mind and body hereby certify under penalty that I am the authorized signatory and have the legal right as Governor of the Central Bank of Angola to state that the Central Bank of Angola is the sole unencumbered owner of the Forty Nine Million, Nine Hundred and Ninety Four Thousand, Three Hundred and Sixty Three United States Dollars of U. S. Treasury Bill, which is attached hereto and marked as "Exhibit A".

FOR VALUABLE CONSIDERATION of which is hereby acknowledged as received know all men by there presence that I Dr. Aguinaldo Jaime, Passport Nº D0000181 do hereby freely, irrevocably, and unconditionally assign, convey, and transfer any and all right, title, and interest to **Euro-American Investments LLC** of this instrument or certificate described as United States Treasury Bill.

This assignment shall be for the period of one (1) year and five (5) Banking Days from the date of this Deed of Assignment in order to satisfy the terms of the agreement between MSA Inc. and Euro-American Investments, LLC dated 18th July, 2002. Specifically is the fact that the Treasury Bill, including any and all right, title and interest earned, will be returned to the Central Bank of Angola unencumbered at the end of the term of this assignment, free of any and all liens, as per the agreement dated 18th July 2002. Any and all original certificates shall forthwith be forwarded directly to Euro-American Investments LLC via bonded courier addressed as follows: Wells Fargo Investments (Member of the New York Stock Exchange), Account name: Mr. Jan M. Heger, Laguna Niguel, California 92677, Securities Account Nº [redacted] for the benefit of Jan M. Heger, CEO, Euro-American Investments, LLC, Bank Officer Name: Paul D'Epagnier.

This assignment and all of its terms shall be construed according to the Laws of England, Jurisdiction of which shall be London, England, Any and all disputes arising in connection with this assignment shall be finally and fully settled by binding arbitration. Arbitration shall be held in London and conducted in accordance with the rules of the International Chamber of Commerce.

This assignment shall be considered enforceable and valid as would an original when electronically transmitted via Facsimile to Euro-American Investment at 0065-8333 0769. An original of this assignment shall be forwarded by the undersigned to 257, Selegie Road, #04-291/293D, Selegie Complex, Singapore 188350.

Dated this 20th day of August, 2002.

Dr. Aguinaldo Jaime

Witness

Strictly Confidential

HSBC-PSI 037243

Permanent Subcommittee on Investigations
EXHIBIT #103

SEP-09-02 MON 04:34 PM 7184884488 P. 04

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00814 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

ph44585 on D330-44585-7600 with DISTILLER

56840.736

= Redacted by the Permanent Subcommittee on Investigations

HSBC

"Exhibit A"

Banco Nacional de Angola
Collateral Account

[redacted]

Statement of Assets
as of
August 14, 2002

Collateral:

- **$50,749,000 US Treasury NT Stripped Principal due August 15, 2003 (CUSIP: 912820 BG 1)**
- **Purchase Price: 98.512641%**
- **Market Value: $49,994,180.18**
- **Cash: $183.19**
- **TOTAL: $49,994,363.37**

Strictly Confidential

Permanent Subcommittee on Investigations
EXHIBIT #104

HSBC-PSI 037272

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00815 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.737

SEP-11-02 WED 12:38 PM HSBC BANK USA FAX NO. 7184884488 P. 02

```
*****************************************************************************
* PRINT NUMBER CBLRCVQ53365 PRINTED BY CBL OPR SYS ON 11SEP2002 AT 11:25:57  *
*                           PRINT CLASS RX RECEIVE                          *
*                                                                           *
* IRN 254046336              SERVICE IN  SWF01     HASH 1111                *
* SRN 11MRMDUS33AXXX898082   SERVICE OUT           OSN  898882              *
*                                                                           *
* SENDER ADDRESS            BNANAOLU                                        *
* ROUTE CODE (BONAAOLA)     BANCO NACIONAL DE ANGOLA (HO)                   *
*                           LUANDA                                          *
*                           ANGOLA                                          *
*****************************************************************************
* *** REMARK ***  AUTHENTICATOR CORRECT                                     *
* *** MEMO ***                                                              *
* ATTN:  FRANK J. GODINO, CORPORATE TRUST                                   *
*****************************************************************************
                    AS RECEIVE HEADER WITH TRANSLATED TEXT
-----------------------------------------------------------------------------
{1:F01MRMDUS33AXXX4176898082}
{2:O1991612020911BNANAOLUAXXX19630106990209111112N}
-----------------------------------------------------------------------------
MT199 FREE FORMAT MESSAGE
20  TRN                          122/DGR/RC/02
79  NARRATIVE
    HSBC BANK USA,ISSUER SERVICES
    AT: FRANK J.GODINO
    RE:USD 50.749.000 US TREASURY NT STRIPPED
    PRINCIPAL DUE AUGUST 15TH,2003 (CUSIP:912820 BG 1)
    THIS IS MY AUTHORITY FOR YOU TO TRANSFER THE
    DESCRIBED TREASURY BEARING CUSIP 912820 BG 1 TO
    JAN MORTON HEGER,WELLS FARGO SECURITIES (MEMBERS
    OF THE NEW YORK STOCK EXCHANGE) TO ACCOUNT NUMBER
    W41477696 FORTHWITH AND CLOSE OUR ACCOUNT AT HSBC
    USA BANK,ISSUER SERVICES AND SECURITIES WITH
    REGARD TO THIS MATTER..
    THANK YOU FOR YOUR PROMPT ATTENTION.
    DR.AGUINALDO JAIME,GOVERNOR
    BANCO NACIONAL DE ANGOLA
TRAILER
{5:
{MAC:C74D8C29}
{CHK:CB18ACDB1898}}
-----------------------------------------------------------------------------
PRINT NUMBER CBLRCVQ53365 PRINTED BY CBL OPR SYS ON 11SEP2002 AT 11:26:57
END OF MESSAGE
```

1

HSBC-PSI 037315

002 HSBC BANK USA FAX 3026362910 [TX/RX NO 5867]

Permanent Subcommittee on Investigations
EXHIBIT #105

ph44585 on D330-44585-7600 with DISTILLER

56840.738

HSBC

Note
12 Sep 2002 17:13

From:	John Kearney	Tel:	860[redacted]
Title:	Senior Vice President	Location:	Connecticut
WorkGroup:	HSBC Equator	Mail Size:	5189

To: Frank Godino/HBUS/HSBC@HSBCAMERICAS

[redacted] = Redacted by the Permanent Subcommittee on Investigations

cc: Kevin P Quinn/HBUS/HSBC@HSBCAMERICAS
Jonathan R Weinberg/HBUS/HSBC@HSBCAMERICAS
Rodney Goodwin/HBUS/HSBC@HSBCAMERICAS
equator.lds@netangola.com
Donna Lewkowicz/HBUS/HSBC@HSBCAMERICAS

Subject: RE: Tbills

Frank - We discussed this matter directly with the Governor of BNA on 3 separate occasions on Tuesday and Wednesday of this week. The Governor having reviewed the matter in detail, reiterated the instructions that were sent to HSBC USA by authenticated SWIFT. I have copied you with an e-mail from my colleague Liliana de Sousa in this regard.

Accordingly our recommendation is to proceed pursuant to the instructions received from BNA.

Presumably the normal transaction filters (OFAC / ML etc) will be in effect.
Regards
John
Frank Godino on 12 Sep 2002 16:46

Frank Godino on 12 Sep 2002 16:46

Note
12 Sep 2002 16:46

From:	Frank Godino	Tel:	212[redacted]
Title:	Vice President	Location:	8-10 East 40th
WorkGroup:	Corporate Trust	Mail Size:	1645

To: John Kearney
cc: Kevin P Quinn, et al
Subject: RE: Tbills

John,

To confirm our conversation regarding the transfer of BNA's Treasury Bills, I will be delivering the securities to the account of Jan Morton Heger at Wells Fargo Bank, and in turn will close the Collateral Account established pursuant to the August 14, 2002 Collateral Agreement.

I appreciate your help in confirming the delivery instructions, but as I mentioned, it is unusual to deliver corporate customer assets to a personal account.

Strictly Confidential
Not for Circulation

HSBC-PSI 037220

Permanent Subcommittee on Investigations
EXHIBIT #106

ph44585 on D330-44585-7600 with DISTILLER
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56840.739

WELLS FARGO

Online Brokerage

Wells Fargo Investments, LLC

Banking

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Balances | Positions | History | Gain/Loss Summary

View Watchlist | Asset Allocation Model | Account Download

Account W41477598

Balances

09/13/02 01:56 PM ET
> Asset Allocation Model

Cash	
Cash	$0.00
Money Market Funds	$100.85
Total	**$100.85**
Securities *	
Market Value (cash)	$49,927,128.75
Total	**$49,927,128.75**
Total Account Value	**$49,927,229.60**

*denotes previous market closing value

System response and account access times may vary due to a variety of factors, including trading volumes, market conditions and system performance.

This is not an official tax record or confirmation. Always refer to your statements and/or trade confirmations for complete and accurate records of your account.

Prices and balances on this page are updated using 20 minute delayed quotes except where noted.

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What's New | How Do I...

Quotes

Enter Symbol(s) go

Symbol Lookup

DJIA	8,339.39	-40.02 ▼
NASDAQ	1,285.00	5.30 ▲

Smart Links

Money Movement Requests

Permanent Subcommittee on Investigations
EXHIBIT #107

PSI-Heger-01-0013

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00818 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.740

= Redacted by the Permanent Subcommittee on Investigations

Arbitrage

20/09/02-10:53:17 LocalSwiftAcks-6883-000001 1

---------- **Instance Type and Transmission** ----------
Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Normal
Message Input Reference : 1051 020920BNANAOLUAXXX1984010778
---------- **Message Header** ----------
Swift Input : FIN 199 Free Format Message
Sender : BNANAOLUXXX
BANCO NACIONAL DE ANGOLA
LUANDA AO
Receiver : MRMDUS33XXX
HSBC BANK USA
NEW YORK,NY US

D. G. R. 2079
SWIFT/TELEX EXPEDIDOS

---------- **Message Text** ----------
20: Transaction Reference Number
128/DGR/RC/02
79: Narrative
ATT: FRANK J. GODINO
HSBC BANK USA, ISSUER SERVICES
RE: USD 50,749,000 US TREASURY NT STRIPPED
PRINCIPAL DUE AUGUST 15TH, 2003 (CUSIP:
912820 BG 1).
THIS IS MY AUTHORITY FOR YOU TO FORTHWITH TRANSFER
THE DESCRIBED US TREASURY BEARING CUSIP
912820 BG 1 TO
JAN MORTON HEGER ESQ.
ATTORNEY-CLIENT TRUST ACCOUNT
BANK :COMERICA BANK
BANK ADRDRESS :611 ANTON BLVD, COSTA MESA,
CALIFORNIA 92626-4558
ACCOUNT NO [redacted]
ACCOUNT MANE :JAN M. HEGER, ATTORNEY-CLIENT TRUST
ACCOUNT
A.B.A. NUMBER :121137522
S.W.I.F.T.CODE:MNBDUS23
IN ADDITION PLEASE CLOSE OUR ACCOUNT AT HSBC USA
BANK, ISSUER SERVICES AND SECURITIES WITH REGARD
TO THIS MATTER.
THANK YOU FOR YOUR PROMPT ATTENTION.
AGUINALDO JAIME-GOVERNOR
---------- **Message Trailer** ----------
(MAC:95F56386)
(CHK:FF020AE4DF03)

20.09.2002

HSBC-PSI 037216

Strictly Confidential
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:34 (TX/RX NO 6162)

Permanent Subcommittee on Investigations
EXHIBIT #108

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00819 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.741

10/25/2002 15:25 FAX 860 633 6799 EQUATOR USA 002/002
/02 16:02 FAX 2125251300 HSBC BANK USA 002
16 OCT 2002 21:13 DE PARA00121252513 00 PAG.01

BANCO NACIONAL DE ANGOLA

= Redacted by the Permanent Subcommittee on Investigations

GABINETE DO GOVERNADOR

October 16th of October, 2002

HSBC Bank USA
Issuer Services
452, Fifth Avenue
New York, NY 10018
Attn: Frank J. Godino

Re: Banco Nacional de Angola Collateral Account
A/c #: [redacted]

Dear Mr. Godino,

Please accept this letter as new instructions to cancel all previous and pending trade requests for the above referenced account. The $50,748,000 US Treasury Bill (CUSIP # 912820BG1) purchased on August 14, 2002 should remain on deposit in the account until maturity, which is August 15, 2003, continual a new Safekeeping Receipt is issued, with the wording "Safekeeping Receipt is negotiable against U.S. Treasury CUSIP 912820 BG1".

Please confirm that the security remains in the account as of the date above, and you acknowledge and agree to the above instructions. Please kindly deliver the original of this document and the new Safekeeping Receipt via your Representative Office in Luanda to Banco Nacional de Angola headquarters and 2 copies to the Governor of Banco Nacional de Angola at fax nr. (00 244 2) 390579.

Very truly yours,

Dr. [illegible]
Governor of Banco Nacional de Angola

Acknowledged and Agreed,
HSBC Bank USA as Collateral Agent

Frank J. Godino

HSBC-PSI 037228

Strictly Confidential

Permanent Subcommittee on Investigations
EXHIBIT #109

TOTAL PAG.01

4:38 [TX/RX NO 8916]

HSBC

Warren L. Tischler
Senior Vice President
Head of Issuer Services

October 25, 2002

Dr. Aguinaldo Jaime
Governor of Banco Nacional de Angola
Luanda, Angola

Dear Governor Jaime:

I am pleased to enclose an original of your letter dated October 16th, 2002 on which Frank J. Godino from my office has affixed his signature and the Corporate Seal of HSBC Bank USA indicating that the Bank as Collateral Agent has acknowledged and agreed to the terms in the letter.

I hereby attest to Mr.Godino's signature and I confirm that he has the authority to sign the letter.

Yours truly,

cc: Mr. John Kearney
HSBC Equator
45 Glastonbury Boulevard
Glastonbury, CT 06033

HSBC Bank USA
10 East 40th Street, New York, NY 10016-0200
Tel: (212) 525-1311 Fax: (212) 525-1300

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Subcommittee Members And Staff Only

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00821 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.743

BANCO NACIONAL DE ANGOLA

[redacted] = Redacted by the Permanent Subcommittee on Investigations

GABINETE DO GOVERNADOR

October 16th, 2002

HSBC Bank USA
Issuer Services
452, Fifth Avenue
New York, NY 10018
Attn: Frank J. Godino

Re: Banco Nacional de Angola Collateral Account
A/c #[redacted]

Dear Mr. Godino,

Please accept this letter as new instructions to cancel all previous and pending trade requests for the above referenced account. The $50,749,000 US Treasury Bill (CUSIP # 912820BG1) purchased on August 14, 2002 should remain on deposit in the account until maturity, which is August 15, 2003, conditional a new Safekeeping Receipt is issued, with the wording "Safekeeping Receipt is negotiable against U.S. Treasury CUSIP 912820 BG1".

Please confirm that the security remains in the account as of the date above and you acknowledge and agree to the above instructions. Please kindly deliver the originals of this document and the new Safekeeping Receipt via your Representative Office in Luanda to Banco Nacional de Angola headquarters and fax copies to the Governor of Banco Nacional de Angola at fax nr. (00 244 2) 390579.

Very truly yours,

Dr. Aguinaldo Jaime
Governor of Banco Nacional de Angola

Acknowledged and Agreed,
HSBC Bank USA as Collateral Agent

Frank J. Godino

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Subcommittee Members And Staff Only

HSBC-PSI 037229

IOD 150-005

[redacted] = Redacted by the Permanent Subcommittee on Investigations

November 1, 2002

Dr. Aguinaldo Jaime
Governor of Banco Nacional de Angola
Luanda, Angola

RE: Banco Nacional de Angola Collateral Account

Dear Governor Jaime:

"This document replaces all previous safekeeping receipts issued by HSBC Bank USA, all of which are hereby canceled and withdrawn. The original of this document has the seal of HSBC Bank USA, and only the original with the seal can be relied upon for the statements contained herein."

Further, this document is intended only to be for the benefit of, and relied upon by, Banco Nacional de Angola for the purposes of confirming that the $50,749,000 US Treasury Strip (CUSIP #912820BG1) purchased on August 14, 2002 should remain on deposit in account number [redacted] until maturity, which is August 15, 2003. This Safekeeping Receipt is negotiable against US Treasury Strip, CUSIP #912820BG1.

Very truly yours,

Marcia A. Markowski
Vice President

ACKNOWLEDGED AND AGREED,
Banco Nacional de Angola

_____
Dr. Aguinaldo Jaime
Governor

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Permanent Subcommittee on Investigations
EXHIBIT #110

HSBC-PSI 037210

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00823 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.745

"Liliana de Sousa" <equator.lds@netangola.com> on 05 Nov 2002 05:16

To: Camillus P Hughes, et al
cc: Kevin P Quinn, et al

Subject: RE: HSBC Equator and Central Bank of Angola

****
This message originated from the Internet. Its originator may or may not be who they claim to be and the information contained in the message and any attachments may or may not be accurate.
****

Dear Cam,

Thank you very much for all your assistance in this matter which is most sensitive.

I met with the Governor this morning to let him know that HSBC Bank USA is not comfortable about the issue of the document as requested by BNA. The Governor showed great concern as he was confident this time things would move and, according to him, a first disbursement of $50mm is pending until this document is in place or another solution is found.

Meanwhile I think it appropriate to clarify that the pressure to have the receipt issued yesterday, happened because BNA has been waiting for this receipt for 20 days, since October 16th, date when HSBC USA acknowledged and agreed with the issue of the Safekeeping Receipt in accordance with BNA's request. Assuming the non issue of the document is the cause of the delay for a first disbursement under the arrangements between the Government and the other entity involved, BNA's pressure is understandable.

The following information (confidential) may help understand the objectives of BNA.

"
Mr. Heger, is the CEO & Managing Director of Euro-Investments LLC. This company wrote to the US Department of the Treasury on August 6, 2002 to Secretary O'Neil inquiring whether Euro-American may accept investment funds from BNA under an arrangement whereby Euro-American would engage a U.S. Charity to apply those funds and investment proceeds to humanitarian aid for Angola.

The U.S Department of Treasury, responded that their letter was forwarded to the Department of the Treasury's Office of Foreign assets Control ("OFAC") for direct response, but the acceptance of investment funds from the Central Bank of Angola and the performance of humanitarian services in Angola are not prohibited by the Regulations provided that these activities do not involve the proscribed transactions. If no proscribed transactions are involved, no OFAC authorization is required."

Maybe, you could investigate about the above company (in such a way that neither BNA or them know we are doing so), and hopefully the information obtained would give us all the peace of mind that we can continue to assist BNA in the implementation of, what they firmly believe, an important

Strictly Confidential

Permanent Subcommittee on Investigations
EXHIBIT #111

HSBC-PSI 037400

ph44585 on D330-44585-7600 with DISTILLER
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56840.746

accomplishment for Angola. In case the information obtained would be negative, we would have to advise BNA not to proceed with the negotiations.

In view of the above and supposing the information that you may obtain on Euro-American is positive, please let me know your thoughts. From my side, I will revert to you as soon as I have some reaction from the Governor who is making the necessary contacts prior to proposing any other solution in case the issue of a Safekeeping receipt is definitely excluded.

Thank you and best regards,
Liliana

-----Original Message-----
From: Camillus.P.Hughes@HSBCRepublic.Com
[mailto:Camillus.P.Hughes@HSBCRepublic.Com]
Sent: terça-feira, 5 de Novembro de 2002 1:00
To: equator.lds@netangola.com; Rodney.Goodwin@equator-africa.Com
Cc: Kevin.P.Quinn@us.hsbc.Com; Donna.Lewkowicz@equator-africa.Com;
Carolyn.M.Wind@us.hsbc.Com; Paul.L.Lee@us.hsbc.Com
Subject: HSBC Equator and Central Bank of Angola

This concerns your request to have HSBC Bank USA issue a "safekeeping receipt" with respect to the Central Bank of Angola's custody account holdings with wording indicating that the receipt is "a negotiable instrument" (account maintained with our Issuer Services Division presently contains approximately USD50MM in U.S. Treasury Bills). We have the following issues:

You have advised that this request is being made in connection with a confidential lending arrangement that the Central Bank of Angola is working on and that this document is being requested by the lenders to provide assurances that the Central Bank is serious about moving forward with the lending arrangement. Further, you have indicated that the lenders had requested collateral for the lending arrangment which the Central Bank of Angola does not wish to provide directly. If the securities are to be utilized to secure a lending facility why not enter into a standby letter of credit arrangement or have the account blocked via some type of pledge arrangement.This would be the way a custody account would typically be used as collateral and not via some type of negotiable receipt.

HSBC Issuer Services does not issue "negotiable safekeeping receipts". We can provide a confirmation indicating the securities holdings in the account or respond to an audit confirmation request concerning the holdings in the account. Issuer Services does not have a process to issue "negotiable safekeeping receipts" of the kind that you have asked for which are essentially bearer instruments. Were we to issue such a document we would be exposed as the Central Bank could at any time request us to transfer the Treasury Bills presently held in its custody account to a third party and we would have no way to prevent the transfer.

So called "Negotiable safekeeping receipts" of the type you mention in and of themselves are problematic instruments. These bearer instruments

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have been used in scams and have a negative connotation associated with them. A request to have us issue something like this to support what sounds like a secured credit facility is very unusual. Furthermore, your indicating that the transaction details are confidential and that there is tremendous pressure to have the receipt issued today makes the entire transaction look suspect to us.

This request coupled with the unusual request we received last month to transfer these same securities to an account maintained at another bank that was not in the name of the Central Bank concerns us. During Aug. 02 we were requested to transfer these very same securities to Wells Fargo for the account of an attorney. At that time we were advised by HSBC Equator that this transaction was ok and was being requested in connection to a confidential deal that the Central Bank was working on. The transaction request was eventually processed but was rejected by Wells Fargo as the attorney's account had been closed.

We are concerned that these unusual requests continue to come to us and that we are placed under tremendous pressure to agree to them. Based on what I see here it appears to me that this is part of some elaborate scam to defraud the Central Bank of its securities.

Please Clarify,

C. Hughes

****
The information contained in this E-mail is confidential. It may also be legally privileged. If you are not the addressee you may not copy, forward, disclose or use any part of it. If you have received this message in error, please delete it and all copies from your system and notify the sender immediately by return E-mail.

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56840.748

Matthew J W KING@HSBC
10/02/2000 01:30 PM

To: Ann JOHNS

cc: Tony STEWARTJONES/IBEU/HSBC@HIBM
Barbara OLDS@HIBM
John KEARNEY@HIBM
Mildred JOHNSON@HIBM
Carolyn Wind/HBUS/HSBC@Republic
harcourt.f.j.l@mhub1.com
John ALLISON/HGHQ/HSBC@HSBC
Subject: Memo: Re: BANCO NACIONAL DE ANGOLA (BNA)

No GHQ CMP objections. The ACO should however satisfy himself that appropriate account opening documentation is obtained and that no regulatory notifications are required on the basis that this constitutes a significant change to NAS' business profile. I believe FIG have no objections but John Allison will no doubt let you know if this is not the case.

Kind regards

Matthew King
Ann JOHNS @ HIBM

HSBC

02 Oct 2000 15:46

To: Matthew J W KING@HSBC@HSBCMERIDIAN
cc: Tony STEWARTJONES/IBEU/HSBC
Barbara OLDS
John KEARNEY
Mildred JOHNSON

From: Ann JOHNS
Subject: BANCO NACIONAL DE ANGOLA (BNA)

Dear Matthew,

I understand there has been some confusion over what is required in respect of our above referenced client. By way of explanation I provide the following.

Equator Bank Limited, Nassau (EBL), a 100% subsidiary of Equator Holdings and a sister bank of HSBC Equator Bank plc, London (HEQB) has had an excellent relationship with Banco Nacional de Angola, the central bank of Angola for the past twenty years.

During this time EBL has earned in excess of USD80 million from

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HSBC-PSI 034050

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revolving short term tra finance lines which ar ervi by an assignment of oil proceeds.

Angola is the second largest oil producer in Africa after Nigeria and is currently lifting some 750,000 barrels per day. With the price of oil at its current level and the IMF tightening up the Angolan economy under its Staff Monitored Program, which includes the requirement to build the country's' reserves BNA has significant funds to deposit.

Over the past several weeks EBL has received USD103.6 million on deposit from BNA. On 29th September we received a further USD24 million which BNA has requested us to place with EBL. Unfortunately we cannot accept these funds in Nassau as they would cause us to contravene our trigger ratios.

We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions.It is for this reason that we approached HSBC Nassau, with whom EBL shares an office.

I have discussed this with Gary Jones who advises that he has been in touch with FCC, who state they have no objections providing it remains solely a deposit relationship. He has also spoken and FIG, who state they have no objections subject to the compliance issues being satisfied.

We hope the above clarifies the situation but should you have any further queries in this regard I can be contacted on 020 7821-8797.

Regards
Ann Johns
HSBC Equator Bank

HSBC-PSI 034051

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56840.750

HSBC Equator

Member HSBC Group Member HSBC Group
COVER SHEET

FACSIMILE

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

To: Fred Harcourt, CEO - HSBC Bahamas

Date:

File Ref:

Fax No:

Total no. of pages = cover +

From: John Kearney, SVP - HSBC Equator

If you do not receive all pages, please telephone or telex immediately.

Cc: Ann Johns, HSBC Equator - London

Barbara Olds, HSBC Equator – Glastonbury

Fax No: 242-326-5706 *Tel No:*

☐ *Yes* ☐ *No*

☐ *Yes* ☐ *No*

Subject: Banco Nacional de Angola (BNA)

10/13

Pls file w/ BNA deposit file

This facsimile is intended for the named recipient only ... *you have received this facsimile in error, please notify us immediately. Disclo*... *Thank you.*

Dear Fred – I refer to our earlier discussio... deposit account at the request of BNA. You've asked that I p... osit account opening request.

BNA is the central bank for Angola and ha... nty years. We maintain sizeable (high eight figures) secur... tains sizeable deposits with us.

Recently the level of deposits maintained by BNA has increased significantly. This is due to the following:

1) Substantial increases in the price of oil coupled with increases in oil production (Angola is a major oil producer), and

2) An in principal agreement with the IMF to increase Angola's foreign currency reserves.

3) HSBC Equator's marketing efforts to win this business from Citibank.

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HEQB-PSI 0001391

Permanent Subcommittee on Investigations
EXHIBIT #113

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56840.751

HSBC Equator

Member HSBC Group Member HSBC Group
COVER SHEET

FACSIMILE

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

To: Fred Harcourt, CEO - HSBC Bahamas

Fax No:

From: John Kearney, SVP - HSBC Equator

Cc: Ann Johns, HSBC Equator - London

Barbara Olds, HSBC Equator – Glastonbury

Fax No: 242-326-5706 *Tel No:*

Subject: Banco Nacional de Angola (BNA)

Date:

File Ref:

Total no. of pages = cover +

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Urgent: ☐ *Yes* ☐ *No*

Confidential: ☐ *Yes* ☐ *No*

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Dear Fred – I refer to our earlier discussion with respect to HSBC Bahamas opening a deposit account at the request of BNA. You've asked that I provide you with some background on the deposit account opening request.

BNA is the central bank for Angola and has been a client of HSBC Equator for over twenty years. We maintain sizeable (high eight figures) secured lending facilities for them. BNA also maintains sizeable deposits with us.

Recently the level of deposits maintained by BNA has increased significantly. This is due to the following:

1) Substantial increases in the price of oil coupled with increases in oil production (Angola is a major oil producer), and

2) An in principal agreement with the IMF to increase Angola's foreign currency reserves.

3) HSBC Equator's marketing efforts to win this business from Citibank.

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56840.752

MEMORY TRANSMISSION REPORT

TIME : 19/10/00 10:09
TEL NUMBER: +860-633-6799
NAME : EQUATOR

FILE NBR	:	518
DATE	:	19/10 10:08
TO	:	912423265706
DOC. PAGES	:	02
START TIME	:	19/10 10:08
END TIME	:	19/10 10:09
SENT PAGES	:	02

FILE NBR : 518 *** [redacted]

HSBC Equator

Member HSBC Group Member HSBC Group
COVER SHEET

FACSIMILE

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

HEQB-PSI 0001394

To: Fred Harcourt, CEO - HSBC Bahamas

Date:

File Ref:

Fax No:

Total no. of pages = cover +

From: John Kearney, SVP - HSBC Equator

If you do not receive all pages, please telephone or telex immediately.

Cc: Ann Johns, HSBC Equator - London
Barbara Olds, HSBC Equator – Glastonbury

Fax No: 242-326-5706 *Tel No:*

Urgent: ☐ *Yes* ☐ *No*

Confidential: ☐ *Yes* ☐ *No*

Subject: Banco Nacional de Angola (BNA)

This facsimile is intended for the named recipient only and may contain privileged and confidential information. If you have received this facsimile in error, please notify us immediately. Disclosure of the contents to anyone in any manner is prohibited. Thank you.

Dear Fred – I refer to our earlier discussion with respect to HSBC Bahamas opening a deposit account at the request of BNA. You've asked that I provide you with some background on the deposit account opening request.

[illegible] bank for Angola and has been a client of HSBC Equator for over twenty years. We [illegible]

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Presently, due to capital weighting constraints, we are unable to accept any further deposits from BNA. BNA has indicated to us that they would like to deposit an additional USD 200-300MM. In this regard, we have encouraged BNA to open deposit account with HSBC Bahamas for the following reasons;

1) The safety aspect of placing funds with the HSBC Group.

2) Deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K.

3) The interest spread on the deposits (37.5 to 50 basis points) is attractively priced, and

4) We anticipate that attractive banking business will develop from growing the relationship with HSBC (e.g. Asset Management)

Should you have any questions or require any further information, please do not hesitate to contact me.

Sincerely Yours,

John P. Kearney
Senior Vice President

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56840.754

Pierre Nasser10/25/200608:25:04 AM

Dear Abijah,

Can you please advise me on the status regarding the following:

Ownership: Please provide us with background information on all owners with 5% or more shares in the bank.
New USA Patriot Act Certificate reflecting the change in ownership.
Most Recent Financial Report/Annual Report.
Independent Auditor's Report.
Management: Any changes to the management structure.

Regards
Pierre Nasser
Payment Services Regulatory Risk Unit
Tel: 302-636-2711
Fax: 302 636-2211
E-mail: Pierre.Nasser@us.hsbc.com
Pierre Nasser/HBUS/HSBC

Pierre Nasser/HBUS/HSBC
03/17/06 04:50 PM

To Abijah DARKO/HIBM/HSBC
cc PSRR@HSBC
Subject Banco Africano de Investimento

Dear Abijah,

In accordance with HSBC Bank USA's "Know Your Customer" Policy and Procedures, and to **satisfy regulatory requirements**, we perform periodical reviews of our client profiles.

In reviewing the profile of Banco Africano de Investimento,Angola, we require the following updates:

Ownership: Please provide us with background information on all owners with 5% or more shares in the bank.
New USA Patriot Act Certificate reflecting the change in ownership.
Most Recent Financial Report/Annual Report.
Independent Auditor's Report.
Management: Any changes to the management structure.

If you have any questions, comments, or concerns please do not hesitate to contact me.

Regards
Pierre Nasser
Payment Services Regulatory Risk Unit
Tel: 302-636-2711
Fax: 302 636-2211
E-mail: Pierre.Nasser@us.hsbc.com

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HSBC-PSI 036627

Permanent Subcommittee on Investigations
EXHIBIT #114

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56840.755

PPM

Princely P Muro/HBUS/HSBC
12/21/06 04:09 PM

To Alan T Ketley/HBUS/HSBC@HSBC
cc
bcc
Subject Fw: Banco Africano de Investimentos

Alan,

The above subject's KYC profile is currently in CS denied status (see approve/deny history extract below)

The GRM Abijah Darko obtained the missing background information on the four shareholders. However, the SPV nature of these entities and the delay in disclosure of the beneficial owners thereunder raises concern (see summary of reasons/ownership section updated by Pierre).

This is a sizable HSBC Group client (GRM noted in her 10/26/06 email being forwarded to you on separate cover that August YTD income was USD820k globally, and it's projected that we will hit USD1mn by year end.

Your guidance on how we should proceed will be greatly appreciated.

AM Approved: (Old Status In Process), 10/27/2006 02:34 PM: Princely P Muro
GRM Abijah Darko to provide additional background information on the following shareholders with 5% >: Arcinella Assets SA (7%), Sforza Properties (British Virgin Islands) (6.5%), Dabas Management Ltd (5%), and ABL (5%).

CS Denied: (Old Status AM Approved), 10/27/2006 02:44 PM: Gillian E Bachstein
The primary reason for denying this profile at this point in time is due to insufficient detail on beneficial ownership information. As noted above, there are four beneficial owners totaling a significant amont of ownership (23.5%) for whom we have no background information. Other notable factors are

1. Angola has no AML Laws/Regs and are lacking in Procedures for detecting and dealing with money laundering and financial crimes (though there has been some AML efforts in regards to it's diamond industry).
2. Client's completion of the KYC questionnaire was weak (stated it has AML Policies and Procedures but no copies of such were provided).

A 30-day waiver has been provided by Compliance to facilitate the Visa Account opening process. We will need the missing background information on the beneficial owners in order to move this profile along in the approval process.

Thanks & regards,
Princely

--- Forwarded by Princely P Muro/HBUS/HSBC on 12/21/06 03:47 PM ---

From: Paul DiBenedetto on 27 Oct 2006 18:11

To: **PSRR**
cc: **Alan T Ketley, et al**
Subject: Fw: Banco Africano de Investimentos

We are today opening a sub account (A/C [redacted]) under Banco Africano de Investimentos, for the purpose of Visa Settlement Transactions only. Please include this information into the existing KYC for Banco Africano.

Thank you.

Paul DiBenedetto
Vice President
HSBC Bank USA N.A.

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Permanent Subcommittee on Investigations
EXHIBIT #115

HSBC-PSI 036689

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56840.756

PPM

(302) 636 2097

---- Forwarded by Paul DiBenedetto/HBUS/HSBC on 10/27/06 03:08 PM ----

Alan T Ketley/HBUS/HSBC
10/27/06 02:31 PM

To Paul DiBenedetto/HBUS/HSBC@HSBC
cc Gillian E Bachstein/HBUS/HSBC
Subject Fw: Banco Africano de Investimentos

Paul

Upon further consideration, the waiver stands but on the condition that the profile be AM approved within 30 days otherwise the account may need to be frozen

I understand that we have been waiting from some crucial KYC information from this client for some while - they should understand that having accommodated them in this way they should be more responsive to our KYC Inquiries.

Alan T. Ketley
Senior Vice President, Anti Money Laundering
Tel: 212 525 6147 / Fax: 212 382 7580
---- Forwarded by Alan T Ketley/HBUS/HSBC on 10/27/2006 02:29 PM ----

Alan T Ketley/HBUS/HSBC
10/27/2006 02:17 PM

To Paul DiBenedetto/HBUS/HSBC
cc
Subject Re: Banco Africano de Investimentos

Paul

I understand that anew account is required for Banco Africano de Investimentos and that our normal procedure is to attach an approved KYC to the account opening request so that the operations area can issue an account number.

Since the KYC for this bank is currently under revision, an approved KYC cannot be included with the account opening request.

Please treat this e-mail as authorization from Compliance to establish a Visa Settlement Account for this bank.

I shall be grateful if you will ensure that the full details of the nature and purpose of this new account are added to the KYC.

Alan T. Ketley
Senior Vice President, Anti Money Laundering
Tel: 212 525 6147 / Fax: 212 382 7580
Paul DiBenedetto/HBUS/HSBC

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56840.757

PPM

Paul DiBenedetto/HBUS/HSBC
10/27/2006 01:38 PM

To Alan T Ketley/HBUS/HSBC@HSBC
cc
Subject Re: Banco Africano de Investimentos

Alan,

Thanks, if you send to me I can attach to whomever needs it.

Paul DiBenedetto
Vice President
HSBC Bank USA N.A.
(302) 636 2097

Alan T Ketley/HBUS/HSBC

Alan T Ketley/HBUS/HSBC
10/27/06 01:36 PM

To Paul DiBenedetto/HBUS/HSBC@HSBC
cc George Tsugranes/HBUS/HSBC, Sharyn Malone/HBUS/HSBC
Subject Re: Banco Africano de Investimentos

I will issue a waiver - let me know who needs it.

Paul DiBenedetto

```
From: Paul DiBenedetto
Sent: 10/27/2006 01:35 PM
To: Alan T Ketley
Cc: George Tsugranes; Sharyn Malone
Subject: Re: Banco Africano de Investimentos
```

Alan,

Understood, but until the profile is Reapproved we can not attach to the CSV File and therefore the account can not be opened.

Please reconsider.

Paul DiBenedetto
Vice President
HSBC Bank USA N.A.
(302) 636 2097

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56840.759

PPM

23

Abijah
DARKO/HCZA/HSBC@HIBM
01/11/07 05:48 AM

To Princely P Muro/HBUS/HSBC@HSBC
cc Pierre Nasser/HBUS/HSBC@HSBC
bcc
Subject BAI Shareholder Information

Princely,

Please find below the response that BAI provided:

"We are pleased to provide the following information pursuant to your request. Please note this information is provided to HSBC on a confidential basis with the understanding this is not to be transmitted to persons outside the bank except as may be required by law. Shares in BAI are not traded on any public stock exchange.

Re: KYC
HSBC Compliance Unit request for a listing of the shareholders or names of the beneficial owners of Arcinella Assets, S.A. and Sforza Properties (British Virgin Islands).

Both Arcinella and Sforza are special purpose companies, the beneficial ownership of which is Mr. Jose Paiva, in his role as Chairman of BAI. The shares are being held temporarily – in effect on a custodial basis – by the Bank until final shareholder registrations can be concluded. The shareholders are (and will be) individuals of Angolan nationality with the intention that no one individual will have a shareholding more than 1%.

This is in line with the Bank's strategy, and also the strategy of our main shareholder Sonangol, to encourage and to facilitate on an orderly basis share ownership by private individuals over time as they are able to generate wealth and then purchase shares. As you know there is not yet a public stock exchange operating in Angola. Nevertheless, BAI is endeavoring to achieve a broader distribution of our shares until such time this public vehicle does commence operations."

I hope this is satisfactory for our purposes, but let me know if anything else is needed.

Thanks and regards,

Abi

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Permanent Subcommittee on Investigations
EXHIBIT #116

HSBC-PSI 036686

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56840.759

PPM

Abijah DARKO/HCZA/HSBC@HIBM

Abijah DARKO/HCZA/HSBC@HIBM
04/20/2007 08:01 AM

To Princely P Muro/HBUS/HSBC@HSBC
cc Gillian E Bachstein/HBUS/HSBC@HSBC, Sarata KONE/HCZA/HSBC@HIBM
Subject Re: BAI Shareholder Information

Princely,

Firstly, apologies for the late reply, and thank you for informing me of PSSR's concerns regarding this name.

I would like to express my views on the issues that have been raised:

1)BAI has advised that the SPVs do have individual shareholders, however, the bank confirmed that this information would be disclosed this year. It was also confirmed that not a single shareholder in the SPV's holds more than 5%. Since the company was not in a position to disclose the individual shareholders, they elected to name the Chairman as the beneficial owner. I have recently followed up with BAI on this issue, and they should be able to provide me with the information in the next few weeks

2)Mario Palhares - Mr. Palhares is now Chairman of Banco de Negócios Internacional. And though Mr. Palhares has other business interests, documented in BNI's file, there has been no other evidence which leads me to believe that he has ties with Sonangol outside of what has been documented.

3)Comments on Sonangol's shareholding are noted. We are aware that in the past Sonangol held 17.5% of BAI's shares, however this changed between 2004/2005, and is documented in BAI's audited annual reports. We would also like to point out that whilst there may be some information on other internet websites discussing BAI's shareholding, it might be helpful to point out that not all pages on websites are updated on a regular basis; this would likely explain why stale information is on the Wikipedia and Sonangol websites.

This is the most update information I have available on the issue, and I will follow up with the customer to obtain further details on the SPV and the individuals with ownership in these SVPs.

Kind regards,

Abi

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com
Princely P Muro/HBUS/HSBC@HSBC

Princely P Muro/HBUS/HSBC@HSBC HBUS
04/06/2007 11:35 PM
Mail Size: 12492

To Abijah DARKO/HCZA/HSBC@HIBM
cc Gillian E Bachstein/HBUS/HSBC@HSBC
Subject Re: BAI Shareholder Information
Entity --- Blank ---

Pierre Nasser12/14/200602:35:53 PM

H #8

Abijah DARKO/HCZA/HSBC@HIBM
12/14/06 01:06 PM

To Pierre Nasser/HBUS/HSBC@HSBC
cc Matthew J Nardo/HBUS/HSBC@HSBC, Paul DiBenedetto/HBUS/HSBC@HSBC, Princely P Muro/HBUS/HSBC@HSBC, PSRR@HSBC
bcc
Subject Fw: Banco Africano de Investimentos outstandings

Hello Pierre,

I received your voice mail regarding the update; I tried calling you but did not get through.

Please find below the email I sent earlier in the week. Kindly confirm receipt.

Thanks and regards,

Abi

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com
—— Forwarded by Abijah DARKO/HCZA/HSBC on 12/14/2006 07:53 PM ——

Abijah DARKO/HCZA/HSBC HCZA
12/12/2006 05:49 PM
Mail Size: 13459

To Pierre Nasser/HBUS/HSBC@HSBC
cc
Subject Fw: Banco Africano de Investimentos outstandings
Entity — Blank —

Pierre,

The outstanding information is as follows:

Arcinella Assets, S.A. - 7%
Sforza Properties (British Virgin Islands) - 6.5%
The above shareholders were created as special purpose vehicles and there are various individuals with interests in these firms. I have confirmed that there is no single individual with shareholding of 5% or more. BAI advised that in the course of 2007 they will be disclosing the individuals holding shares in these SPVs.

Dabas Management, Ltd. - 5%
ABL - 5%
These two shareholders were also created as special purpose vehicles. BAI has asked that we maintain confidentiality of the beneficial owners, and that this information be contained within our Compliance/KYC unit. BAI has disclosed that the beneficial owner of Dabas Management Ltd is José Paiva and the beneficial owner of ABL is Manuel Vicente, both of whom are also members of the Board. The SPVs were created to allow these individuals, who are well-known in the Angolan market, some privacy in relation to this investment.

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HSBC-PSI 036603

Permanent Subcommittee on Investigations
EXHIBIT #117

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00839 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.761

Pierre Nasser12/14/200602:35:53

Please do not hesitate to contact me if any additional information is required.

Kind regards,

Abi

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com
----- Forwarded by Abijah DARKO/HCZA/HSBC on 12/11/2006 03:25 PM -----

Pierre Nasser/HBUS/HSBC@HSBC

Pierre Nasser/HBUS/HSBC@HSBC HBUS
11/30/2006 04:38 PM
Mail Size: 11078

To aedarko@yahoo.com
cc Abijah DARKO/HCZA/HSBC@HIBM, Matthew J Nardo/HBUS/HSBC@HSBC, Paul DiBenedetto/HBUS/HSBC@HSBC, Princely P Muro/HBUS/HSBC@HSBC, PSRR, Sarata KONE/HCZA/HSBC@HIBM, Carmel Kisten/HCZA/HSBC@HIBM
Subject Re: Banco Africano de Investimentos outstandings
Entity — Blank —

Dear Abijah,

As pointed out by my email of Nov 20 2006 below, the 30 day temporary waiver issued by Compliance has expired. Unless you can urgently confirm the status, this matter will be escalated to Compliance.

Regards
Pierre Nasser
Payment Services Regulatory Risk Unit
Tel: 302-636-2711
Fax: 302 636-2211
E-mail: Pierre.Nasser@us.hsbc.com
Pierre Nasser/HBUS/HSBC

Pierre Nasser/HBUS/HSBC
11/20/06 04:29 PM

To Abijah DARKO/HCZA/HSBC@HIBM
cc Matthew J Nardo/HBUS/HSBC@HSBC, Paul DiBenedetto/HBUS/HSBC@HSBC, Princely P Muro/HBUS/HSBC@HSBC, PSRR
Subject Re: Banco Africano de Investimentos outstandings

Dear Abijah,

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00840 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.762

Pierre Nasser12/14/200602:35:53

Please advise the current status on the outstanding information. The 30 day waiver provided by Compliance will expire on Nov 27.

Regards
Pierre Nasser
Payment Services Regulatory Risk Unit
Tel: 302-636-2711
Fax: 302 636-2211
E-mail: Pierre.Nasser@us.hsbc.com
Abijah DARKO/HCZA/HSBC@HIBM

Abijah DARKO/HCZA/HSBC@HIBM
10/30/06 10:20 AM

To Pierre Nasser/HBUS/HSBC@HSBC
cc Princely P Muro/HBUS/HSBC@HSBC, Matthew J Nardo/HBUS/HSBC@HSBC, Paul DiBenedetto/HBUS/HSBC@HSBC
Subject Banco Africano de Investimentos outstandings

Pierre,

Thank you for your help in updating BAI's KYC profile.

I am aware there are some items outstanding and I am keen to close these issues as soon as possible.

Please provide me with the full breakdown of outstandings, as I would like to contact the customer within the next day or two to obtain the necessary information.

Looking forward to your reply.

Kind regards,

Abi

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com

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56840.763

PPM

#16

Abijah
DARKO/HCZA/HSBC@HIBM
02/14/2007 05:06 AM

To Princely P Muro/HBUS/HSBC@HSBC
cc Pierre Nasser/HBUS/HSBC@HSBC, PSRR@HSBC
bcc
Subject BAI AML practices

Princely,

Unfortunately I have not yet received a copy of the AML policy for BAI, but I am sending an updated AML practices questionnaire, based on discussions with BAI. This will hopefully suffice until a copy of their AML policy is provided.

Please let me know if any other details are needed.

Thanks and regards,

Abi

BAI AML Practices Questionnaire-HBUS.doc

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com
Princely P Muro/HBUS/HSBC@HSBC

Princely P
Muro/HBUS/HSBC@HSBC
HBUS
02/13/2007 12:15 AM
Mail Size: 18522

To Abijah DARKO/HCZA/HSBC@HIBM
cc Pierre Nasser/HBUS/HSBC@HSBC, PSRR@HSBC
Subject Re: Fw: BAI YTD August revenues
Entity — Blank —

Abijah,

Unfortunately BAI appeared on a recent Banknotes Audit list for which an update from PCM is required by Feb 14, 2007 (Wed)

As discussed, please pull whatever strings and obtain a copy of the AML policy and your English translation where relevant (use our AML questionnaire as a guide).

As always, your prompt attention will be greatly appreciated.

Regards,
Princely

Abijah DARKO/HCZA/HSBC@HIBM

Abijah
DARKO/HCZA/HSBC@HIBM
02/07/2007 05:25 AM

To Princely P Muro/HBUS/HSBC@HSBC
cc Pierre Nasser/HBUS/HSBC@HSBC, PSRR@HSBC

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Permanent Subcommittee on Investigations
EXHIBIT #118

HSBC-PSI 036656

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00842 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.764

PPM

Subject Re: Fw: BAI YTD August revenues

Princely,

I have contacted BAI this morning regarding the AML policy, and I will revert as soon as this has been provided to me.

Thanks,

Abi

Tel: +27 11 676 4298
Fax: +27 11 783 9119
email: abijah.darko@za.hsbc.com
Princely P Muro/HBUS/HSBC@HSBC

Princely P Muro/HBUS/HSBC@HSBC
HBUS
02/06/2007 11:05 PM
Mail Size: 64120

To Abijah DARKO/HCZA/HSBC@HIBM
cc Pierre Nasser/HBUS/HSBC@HSBC, PSRR@HSBC
Subject Re: Fw: BAI YTD August revenues
Entity — Blank —

Abijah,

Many thanks for the horis report

In going over our records, it appears that one of the deficiencies noted in our Oct 31st email remains outstanding (Oct email being sent to you on separate cover):

- Client's completion of the KYC questionnaire was weak (stated it has AML Policies and Procedures but no copies of such were provided)

For your ease of reference, we have attached a copy of BAI's completed HSBC AML questionnaire. As BAI confirmed that they have their AML policies and procedures documented, please urgently provide a copy for our files.

[attachment "BAI AML Questionnaire.tif" deleted by Abijah DARKO/HCZA/HSBC]

Thanks,
Princely

Abijah DARKO/HCZA/HSBC@HIBM

Abijah DARKO/HCZA/HSBC@HIBM
02/05/2007 03:07 AM

To Princely P Muro/HBUS/HSBC@HSBC
cc PSRR@HSBC
Subject Re: Fw: BAI YTD August revenues

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56840.765

HSBC

Please complete the questions below in accordance with our "Know Your Customer" policy and "due diligence" requirements. The completed document may be faxed to 212 642-4065 or 302 636-2211.

With the passage of The USA Patriot Act in October 2001, due diligence and know your customer for correspondent banking became law. As part of our efforts to perform due diligence and know your customer on our clients we ask that you answer the following questions.

** Any information provided by you will be recorded in our files and be treated as confidential within our Group and will not be divulged outside to third parties.*

Account Name: Banco Africano de Investimentos

Account Number:

1. **Does your Bank/Institution have KYC and Anti-Money Laundering (AML) policies and procedures documented?**

☑ Yes

☐ If No, Why Not? : _____

2. **Does your Bank/Institution KYC and AML Policies and Procedures require identification documentation and verification when opening an account?**

☑ Yes, all individuals are required to provided ID and residential details during the account opening request. Companies are required to provide copies registration documents, information on shareholding, and copies by-laws as part of the account opening process. These requirements are stated on BAI's account opening checklist/documents.

☐ If No, Why Not? : _____

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1

Permanent Subcommittee on Investigations
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HSBC-PSI 036660

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56840.766

3. **Does your Bank/Institution have a screening process regarding the procedures for the establishment of new accounts (including obtaining information on the source of funds)?**

☒Yes, the Legal division is responsible for reviewing all account opening requests. Only upon approval from the Legal division are accounts opened.

☐ **If No, Why Not? :**_____

4. **Does your Bank/Institution offer accounts or services to anonymous customers?**

☒No – Angolan law prohibits the opening of anonymous accounts.

☐ **If yes, In what circumstances are they allowed? :**_____

5. **Does your Bank/Institution have an ongoing system in place to monitor and report suspicious activity?**

☐ **If No, Why Not? :**_____

☒**If yes, what are the procedures when unusual transactions are detected as a result of your Bank/Institution ongoing monitoring process?**

Whenever unusual transactions are detected, they are reported to Business Heads and the Internal Audit/Legal areas. The issue would be escalated to the Board as needed, and from there it would be reported to the Central Bank and to the national agency responsible for investigation of financial crimes.

6. **How are your Bank/Institution KYC and AML Policies and Procedures communicated and enforced within your network of domestic and foreign offices?**

KYC/AML policies are communicated to domestic and foreign offices by means of a circular.

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7. **Does your Bank/Institution have a formal / independent Anti-Money Laundering Compliance function?**

   ☐ **If No, Why Not? :**_____

   ☒ **If yes, Does compliance provide Anti Money Laundering Training to its employees/ how often? :** This responsibility rests mainly with Legal Department and Internal audit, who are responsible for providing AML training to the bank's employees at least once a year.

8. **Please specify any future or planned enhancements to your Anti-Money Laundering policy or procedure:**

There are currently no changes/enhancements planned to BAI's AML policy, however, they are investigating the possibility of implementing new systems. As the bank gets closer to purchase/implementation of the system, they will be abl to confirm if that system will include any enhancements in terms of KYC.

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56840.768

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Judy P Stoldt/HBUS/HSBC
05/11/2006 11:14 AM

To Alan T Ketley/HBUS/HSBC@HSBC
cc "George Tsugranes" <george.tsugranes@us.hsbc.com>
bcc
Subject Re: Banco Africano de Investimentos

Alan,

I spoke with Tom today and found out the following:

- In addition to BAI, Banco BIC is also interested in a card program. He is not sure if it has been implemented yet but has emails from the RM in February asking questions on how to set it up.
- There is no AML monitoring taking place but we can get a report on a regular basis that would show us all the cardholders and their activity.
- The Client Services team that can give us the report is here in Buffalo and is managed by Denise Kajdasz.
- The system that generates the reports, Smart Data, has the ability to show us only the transactions we are interested in (over a certain $, going to certain types of industries such as gambling)

I can reach out to Denise to get a copy of the reports for a recent month. Once we had a chance to look at them, we can determine what we should monitor.

Judy P. Stoldt
Vice President - Anti-Money Laundering Compliance
Tel: (716) 841-6425
Alan T Ketley/HBUS/HSBC

Alan T Ketley/HBUS/HSBC
05/11/2006 09:19 AM

To "Judy Stoldt" <judy.p.stoldt@us.hsbc.com>, "George Tsugranes" <george.tsugranes@us.hsbc.com>
cc
Subject Banco Africano de Investimentos

Judy, George

I have become aware that we have a credit card issuing program for the above Angolan bank. The KYC for that bank has the following text by way of explanation

[redacted] Collateral account for Credit Card Reimbursement Line 500K

[redacted] ACH, (41) Credit Cards Expense Account- For reimbursement of CC expenses, funded monthly, monitored and reported weekly

HSBC issues credit cards to BAI. These cards are 100% cash collateralized; the collateral is kept in a blocked account on our books. There is an account set up especially for the credit cards expense and the account is debited monthly for the full payment of the cards. The cards have a $10,000 limit. The cardholders are in turn, high-end clients of BAI. They are executives of oil and diamond companies; executives of banks; and some government officials.

Can you find out more about this product (Tom Kelly may be able to help here) and most specifically how (if?) it is being monitored for AML.

If it is not being monitored then we will need to figure out what can be done

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ph44585 on D330-44585-7600 with DISTILLER
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56840.769

Thanks

Alan T. Ketley
First Vice President, Anti Money Laundering
Tel: 212 525 6147
Fax: 212 382 7580

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ph44585 on D330-44585-7600 with DISTILLER
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56840.770

23

PPM

Alan T Ketley/HBUS/HSBC
05/29/2007 05:34 PM

To Princely P Muro/HBUS/HSBC@HSBC
cc Gillian E Bachstein/HBUS/HSBC@HSBC
bcc
Subject Re: Fw: BAI Shareholder Information

Princely

Many thanks - I'm satisfied with the answers on ownership. My concerns with the bank now lie in the nature of the holders of the credit cards under the corporate card program. It is my belief that we do not understand the degree of risk that we have here - largely because we did not seem to know that the holders are PEPs.

Alan T. Ketley
Senior Vice President, Anti Money Laundering
Tel: 212 525 6147 / Fax: 212 382 7580

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Permanent Subcommittee on Investigations
EXHIBIT #121

ph44585 on D330-44585-7600 with DISTILLER
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56840.771

PPM

Alan T Ketley/HBUS/HSBC
04/05/2007 10:03 AM

To Princely P Muro/HBUS/HSBC@HSBC, Gillian E Bachstein/HBUS/HSBC
cc "George Tsugranes" <george.tsugranes@us.hsbc.com>, Gyanen Kumar/HBUS/HSBC
bcc
Subject BAI, Angola

Princely, Gillian

I've been reviewing the profile for BAI and am trying to understand how much influence Sonangol might exercise over the bank; given Gyanen's knowledge of the bank I have also copied this note to him.

On the face of it their ownership is 8.5% and the determination by George that the bank not be an SCC due to the low level of ownership looks valid.

A deeper review presents a rather different picture as Jose Paiva is also a director of Sonangol so the three entities (Sforza, Dabas and Arcinella) of which he is beneficial owner could represent additional Sonangol control; the beneficial owner of ABL is also president of Sonangol - put it all together and we have potential Sonangol control of 32% which, when combined with the likelihood of voting the treasury stock means that the bank appears to be a closer subsidiary of Sonangol than the profile indicates.

I found nothing at all on Gilleti. Palhares previous role is well documented - I was unable to determine if he has any links to Sonangol but think it probable as he was the bank's former president and must have dealt with the major shareholders.

33.75% of the shares are widely held but it would take very little to bring effective Sonangol control to over 51%. Indeed the Wikipedia entry on Sonangol describes BAI as a subsidiary of Sonangol while Sonangol's website indicates that they own 17.5% of BAI.

So what.

Ordinarily partial ownership by a state owned oil company would be a point of interest and little more but the fact that this information is so deeply buried and you had to really fight to obtain details of ownership of Sforza, Dabas and Arcinella suggests a desire to veil the bank's ownership for reasons that I do not understand (unless it is also to 'protect' Paiva from undesirable attention - but since he is chairman he is likely to attract that attention anyway.) Please ask the GRM (Abi) to comment and give us a deeper understanding of this but I'd appreciate it if you have any insights.

Lastly, I've not seen this profile before and the description of the users of the credit cards raises my interest. The profile indicates that the users are 'executives of oil and diamond companies.... and some government officials' - some of these individuals would be SCCs if we banked them directly. I have asked for Worldchecks on all the card holders to find out more but by copy of this note I'm asking George Tsugranes to reach out to Lisa Harmon in Fraud to determine precisely what monitoring is done on card usage.

Thanks

Alan T. Ketley
Senior Vice President, Anti Money Laundering
Tel: 212 525 6147 / Fax: 212 382 7580

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EXHIBIT #122

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00851 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

Call Report KYC/Business opportunities

Client Banco Africano de Investimentos **Deal or CAO**

Main details

Date of Call 25 Apr 2007
Products
Country of Call Angola **Location Details**

Subject KYC/Business opportunities

Call type

Attendees

Reported on behalf of DARKO, Abijah
Internal (HSBC) MARTYN, Kevin ; DARKO, Abijah
External Attendees GILETTI, Theodore
Other attendees

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Detailed Description

Existing Attachments

KYC TG was reminded that additional details on the SPVs/shareholding were outstanding. He advised shareholders of the SPVs had not yet been published, as there were still some details to be finalized. TG confirmed that the SPVs in question did not have any link with the President of Angola. AD requested an update on the situation at TG s earliest convenience, as this was an important issue for the Compliance team. TG was also reminded that l's AML policy had not been provided to HSBC. He advised that he would provide information on their AML policy within the next few weeks.

vate Banking We asked TG to inform us on BAI s strategy/activities for Private Banking. TG advised that they had not yet implemented any specific program, but they were looking at a sort of joint venture with one of their correspondents. Exchange controls in Angola limit the scope of PB activity d the servicing of high net worth individuals by international banks, as limited funds can be invested outside of Angola. We invited him to meet JJ lomon from Private Banking during his upcoming visit to the UK, which TG accepted.

Permanent Subcommittee on Investigations
EXHIBIT #123

HSBC-PSI 036577

56840.773

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00852 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

Systems BAI is considering implementing a new software system, but the bank is still reviewing vendors. They advised that they would be open to any recommendations. It was suggested that BAI consider attending the SIBOS conference later in the year, as a number of vendors would be present.

Pipeline transaction - There was a USD15m cement LC which we had been requested to confirm. Approvals had been obtained from forfaiting, but the LC had not yet been channelled to HSBC. TG advised that the applicant seemed to have made other arrangements and the deal had come to a standstill. BAI was encouraged to alert us to any similar transactions in the pipeline.

Follow-up Tasks

Description	Assignee

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56840.774

#15

APPENDIX A TO SUBPART I OF PART 103 –
CERTIFICATION REGARDING CORRESPONDENT ACCOUNTS
FOR FOREIGN BANKS

[OMB Control Number 1505-0184]

The information contained in this Certification is sought pursuant to Sections 5318(j) and 5318(k) of Title 31 of the United States Code, as added by sections 313 and 319(b) of the USA PATRIOT Act of 2001 (Public Law 107-56).

This Certification should be completed by any **foreign bank** that maintains a **correspondent account** with any U.S. bank or U.S. broker-dealer in securities (a **covered financial institution** as defined in 31 C.F.R. 103.175(f)). An entity that is not a foreign bank is not required to complete this Certification.

A **foreign bank** is a bank organized under foreign law and located outside of the United States (see definition at 31 C.F.R. 103.11(o)). A **bank** includes offices, branches, and agencies of commercial banks or trust companies, private banks, national banks, thrift institutions, credit unions, and other organizations chartered under banking laws and supervised by banking supervisors of any state (see definition at 31 C.F.R. 103.11(c)).*

A **Correspondent Account** for a foreign bank is any account to receive deposits from, make payments or other disbursements on behalf of a foreign bank, or handle other financial transactions related to the foreign bank.

Special instruction for foreign branches of U.S. banks: A branch or office of a U.S. bank outside the United States is a foreign bank. Such a branch or office is not required to complete this Certification with respect to Correspondent Accounts with U.S. branches and offices of the same U.S. bank.

Special instruction for covering multiple branches on a single Certification: A foreign bank may complete one Certification for its branches and offices outside the United States. The Certification must list all of the branches and offices that are covered and must include the information required in Part C for **each** branch or office that maintains a Correspondent Account with a Covered Financial Institution. Use attachment sheets as necessary.

A. The undersigned financial institution, BANCO AFRICANO DE INVESTIMENTOS ("**Foreign Bank**") hereby certifies as follows:

* A "foreign bank" does not include any foreign central bank or monetary authority that functions as a central bank, or any international financial institution or regional development bank formed by treaty or international agreement.

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EXHIBIT #124

HSBC-PSI 036651

ph44585 on D330-44585-7600 with DISTILLER
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56840.775

B. **Correspondent Accounts Covered by this Certification:** Check one box.

☐ This Certification applies to **all** accounts established for Foreign Bank by Covered Financial Institutions.

☒ This Certification applies to Correspondent Accounts established by HSBC BANK USA (name of Covered Financial Institution(s)) for Foreign Bank.

C. **Physical Presence/Regulated Affiliate Status:** Check one box and complete the blanks.

☒ Foreign Bank maintains a **physical presence** in any country. That means:

- Foreign Bank has a place of business at the following street address: RUA MAJOR KANHANGULO, Nº 34, LUANDA, where Foreign Bank employs one or more individuals on a full-time basis and maintains operating records related to its banking activities.
- The above address is in ANGOLA (insert country), where Foreign Bank is authorized to conduct banking activities.
- Foreign Bank is subject to inspection by BANCO NACIONAL DE ANGOLA (insert Banking Authority), the banking authority that licensed Foreign Bank to conduct banking activities.

☐ Foreign Bank does not have a physical presence in any country, but Foreign Bank is a **regulated affiliate**. That means:

- Foreign Bank is an affiliate of a depository institution, credit union, or a foreign bank that maintains a physical presence at the following street address: _____, where it employs one or more persons on a full-time basis and maintains operating records related to its banking activities.
- The above address is in _____ (insert country), where the depository institution, credit union, or foreign bank is authorized to conduct banking activities.
- Foreign Bank is subject to supervision by _____, (insert Banking Authority), the same banking authority that regulates the depository institution, credit union, or foreign bank.

☐ Foreign Bank does **not** have a physical presence in a country and is **not** a regulated affiliate.

D. **Indirect Use of Correspondent Accounts:** Check box to certify.

☒ No Correspondent Account maintained by a Covered Financial Institution may be used to indirectly provide banking services to certain foreign banks. Foreign Bank hereby certifies that it does not use any Correspondent Account with a Covered Financial Institution to indirectly provide banking services to

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ph44585 on D330-44585-7600 with DISTILLER
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56840.776

any foreign bank that does not maintain a physical presence in any country and that is not a regulated affiliate.

E. **Ownership Information:** Check box 1 or 2 below, **if applicable.**

☐ 1. **Form FR Y-7 is on file.** Foreign Bank has filed with the Federal Reserve Board a current Form FR Y-7 and has disclosed its ownership information on Item 4 of Form FR Y-7.

☐ 2. **Foreign Bank's shares are publicly traded.** Publicly traded means that the shares are traded on an exchange or an organized over-the-counter market that is regulated by a foreign securities authority as defined in section 3(a)(50) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(50)).

If **neither** box 1 or 2 of Part E is checked, complete item 3 below, **if applicable.**

☒ 3. Foreign Bank has no **owner(s)** except as set forth below. For purposes of this Certification, **owner** means any person who, directly or indirectly, (a) owns, controls, or has power to vote 25 percent or more of any class of voting securities or other voting interests of Foreign Bank; or (b) controls in any manner the election of a majority of the directors (or individuals exercising similar functions) of Foreign Bank. For purposes of this Certification, (i) **person** means any individual, bank, corporation, partnership, limited liability company or any other legal entity; (ii) **voting securities or other voting interests** means securities or other interests that entitle the holder to vote for or select directors (or individuals exercising similar functions); and (iii) members of the same family* shall be considered one **person.**

Name	Address
PLEASE ATTACHED LIST	
OF SHAREHOLDERS.	

F. **Process Agent:** complete the following.

The following individual or entity: CT CORPORATION SYSTEM
is a resident of the United States at the following street address:
111 EIGTH AVE, 13TH FLOOR, NY, NY 10011, **and**
is authorized to accept service of legal process on behalf of Foreign Bank from the

* The same family means parents, spouses, children, siblings, uncles, aunts, grandparents, grandchildren, first cousins, stepchildren, stepsiblings, parents-in-law and spouses of any of the foregoing. In determining the ownership interests of the same family, any voting interest of any family member shall be taken into account.

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Secretary of the Treasury or the Attorney General of the United States pursuant to Section 5318(k) of title 31, United States Code.

G. **General**

Foreign Bank hereby agrees to notify in writing each Covered Financial Institution at which it maintains any Correspondent Account of any change in facts or circumstances reported in this Certification. Notification shall be given within 30 calendar days of such change.

Foreign Bank understands that each Covered Financial Institution at which it maintains a Correspondent Account may provide a copy of this Certification to the Secretary of the Treasury and the Attorney General of the United States. Foreign Bank further understands that the statements contained in this Certification may be transmitted to one or more departments or agencies of the United States of America for the purpose of fulfilling such departments' and agencies' governmental functions.

I, Victor Carrasco (name of signatory), certify that I have read and understand this Certification, that the statements made in this Certification are complete and correct, and that I am authorized to execute this Certification on behalf of Foreign Bank.

Banco Internacional de Investimento
[Name of Foreign Bank]

[Signature]

Victor Carrasco
[Printed Name]

Financial Department Manager
[Title]

Executed on this 20 day of September, 2006.

Received and reviewed by:

Name: George Magnus
Title: VP Compliance
For: HSBC Bank USA NA
[Name of Covered Financial Institution]

Date: 10/25/06

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Notes to the financial statements
For the year ended on 31December 2005

As a consequence of the analysis procedure performed in respect of the significantly old items outstanding in the bank reconciliations (see Note 6), the Bank decided to utilize KZ 172 526 thousand, equivalent to USD 2 136 thousand, of the provision for banking risks, to adjust the outstanding items for which could not be properly explained.

The setting up / update of the provision for banking risks were based upon what is described in Note 4 (j) and is broken down as follows:

	Thousands of Kwanzas	Thousands of Dollars
Assets collateralizing credits (Note 30)	15 730	195
Various contingencies	311 590	3 857
Bank reconciliations	32 315	400
TOTAL	**359 635**	**4 452**

The amounts provided for various contingencies were prudentially arrived at and envisage protecting the Bank against risk exposures, should the underlining facts be confirmed.

The provision for bank reconciliations was based upon the current and prudent assessment of the still underlining risk of the analytical work and recovery that the Bank finalized in 2005 and aims at covering the eventual risk of losses pertaining to items not reconciled and of amounts pending collection that shall not be collected during the year of 2006.

20. Share capital and reserves

The share capital is equivalent to USD 32 500 thousand, is represented by 3 250 000 shares with a face value of USD 10, each and is fully paid up. However, this share capital is denominated in Kwanzas, amounting to AKZ 6 531 818, which computation was based upon the exchange rate prevailing at the official formation date, which was USD 1: KZR 0,200979.

The Bank continued restructuring its controlling shareholders group that was started in 2004 and, during the course of the year, 12,45% of the share capital's face value, were transacted amongst the shareholders. This restructuring is backed by the respective authorization granted by the Banco Nacional de Angola, by the end of the 2003 year, as well as by resolutions of the General Shareholders' Meetings. In view of the changes made, as of 31 December 2005, the shareholding composition is as follows:

Shareholder	No. of shares	USD	KZ	% Held
BAI's Own Shares (Treasury Stock)	381 875	3 818 750	767 489	11,75%
SONANGOL, UEE	276 250	2 762 500	555 205	8,5%
Investec Bank, Limited	243 750	2 437 500	489 886	7,5%
Arcinella - Assets, S.A.	227 500	2 275 000	457 227	7,0%
Sforza Properties (British Virgin Islands)	211 250	2 112 500	424 568	6,5%
Dabas Management, Limited	162 500	1 625 000	326 591	5,0%
Amercon International	162 500	1 625 000	326 591	5,0%
ABL	162 500	1 625 000	326 591	5,0%
Theodore Gillett	162 500	1 625 000	326 591	5,0%
Mário Palhares	162 500	1 625 000	326 591	5,0%
Other	1 096 875	10 968 750	2 204 488	33,75%
	3 250 000	**32 500 000**	**6 531 818**	**100,0%**

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21/06/2005 11:16 SALA MERCADOS.BAI SEDE 338339 → 0012126424065 NUM877 PG5

(C) #16

HSBC

Please complete the questions below in accordance with our "Know Your Customer" policy and "due diligence" requirements. The completed document may be faxed to 212 642-4066 or 302 636-2211.

With the passage of The USA Patriot Act in October 2001, due diligence and know your customer for correspondent banking became law. As part of our efforts to perform due diligence and know your customer on our clients we ask that you answer the following questions.

** Any information provided by you will be recorded in our files and be treated as confidential within our Group and will not be divulged outside to third parties.*

Account Name: Banco Africano de Investimentos, Angola

Account Number: [redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

1. Does your Bank/Institution have KYC and Anti-Money Laundering (AML) policies and procedures documented?

   ☒ Yes

   ☐ If No, Why Not? : _____

2. Does your Bank/Institution KYC and AML Policies and Procedures require identification documentation and verification when opening an account?

   ☒ Yes

   ☐ If No, Why Not? : _____

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HSBC-PSI 036663

Permanent Subcommittee on Investigations
EXHIBIT #125

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3. Does your Bank/Institution have a screening process regarding the procedures for the establishment of new accounts (including obtaining information on the source of funds)?

   ☒ Yes

   ☐ If No, Why Not? : _____

4. Does your Bank/Institution offer accounts or services to anonymous customers?

   ☒ No

   ☐ If yes, In what circumstances are they allowed? : _____

5. Does your Bank/Institution have an ongoing system in place to monitor and report suspicious activity?

   ☐ If No, Why Not? : _____

   ☒ If yes, what are the procedures when unusual transactions are detected as a result of your Bank/Institution ongoing monitoring process?
   LEGAL DEPARTMENT IS INFORMED AND FORMAL COMPLAIN IS PRESENTED TO NATIONAL CRIMINAL DEPARTMENT (DNIC)

6. How are your Bank/Institution KYC and AML Policies and Procedures communicated and enforced within your network of domestic and foreign offices?
   THROUGH TRAINNING SESSONS AND ON JOB TRAINNING

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7. **Does your Bank/Institution have a formal / independent Anti-Money Laundering Compliance function?**

☒ **If No, Why Not?** : THIS FUNCTION IS DONE BY THE INTERNAL AUDITORS TOGETHER WITH THE LEGAL DEPARTMENT

☐ **If yes, Does compliance provide Anti Money Laundering Training to its employees/ how often?** : _____

8. **Please specify any future or planned enhancements to your Anti-Money Laundering policy or procedure:**

_____

14/06/05

20/06/05

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February 9, 2010

Sen. Carl Levin, Chairman
Sen. Tom Coburn, Ranking Republican Member
Permanent Subcommittee on Investigations
Senate Committee on Homeland Security and Government Affairs
U.S. Senate
199 Russell Senate Office Building
Washington, D.C. 20510-6250

Dear Sens. Levin and Coburn:

I write to further amplify my testimony on February 4, 2010 before the Subcommittee.

In response to Sen. Coburn's questions to me concerning why my name did not appear on the Multiple Listing Service sheets for the property at 3620 Sweetwater Mesa Road, I should also have made clear in my response that I asked that I not be identified as the buyer's agent because of confidentiality agreements agreed to by both seller and buyer.

When Sen. Coburn asked me if I had ever kept my name off documents associated with other real estate sales, I told him that I had done so on other occasions and that the last time I thought this had happened was approximately twenty years ago, but that I could not recall the circumstances. I now recall that at that time a client whose sister was also a real estate agent wanted me to handle a real estate transaction but did not want the sister to know this. I agreed on that occasion to take my name off the listing in deference to the client's wishes.

I ask that this supplementary information be made part of the record of today's Subcommittee hearing.

Sincerely,

Neal Baddin

Permanent Subcommittee on Investigations
EXHIBIT #126

United States Department of State
Washington, D.C. 20520

MAY 27 2010

Dear Mr. Chairman:

Thank you for your letter of January 27 addressed to Retired Ambassador Barrie Walkley requesting information about former Gabonese President Omar Bongo's interest in purchasing C-130 aircraft. The State Department is pleased to respond to the questions in your letter. We regret the delay in our reply.

The Department has asked Ambassador Walkley to provide his recollections of the events in question. Enclosed please find the responses he prepared in consultation with the Department. We hope this information is useful to you. Please do not hesitate to contact us again if we can be of further assistance.

Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

The Honorable
Carl Levin, Chairman,
Permanent Subcommittee on Investigations,
Committee on Homeland Security and Governmental Affairs,
United States Senate.

Permanent Subcommittee on Investigations
EXHIBIT #127

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[illegible]

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

January 27, 2010

VIA EMAIL (SmithMC@state.gov)

The Honorable Barrie Walkley
2450 Port Louis Place
Washington, D.C. 20521-2450

Dear Ambassador Walkley:

Pursuant to its authority under Senate Resolution 73, Section 12(e), 11th Congress, the United States Senate Permanent Subcommittee on Investigations is currently reviewing matters relating to how senior foreign political officials, their relatives, and close associates - referred to in international agreements as Politically Exposed Persons or PEPs - have used the services of U.S. professionals and U.S. financial institutions to bring millions of dollars in funds suspected of being the proceeds of foreign corruption into the United States. Along these lines, I would appreciate it if you could respond to the following questions by Friday, January 29, 2010:

1) Do you know Jeffrey Birrell? How do you know him? What countries does he represent?

2) Were you familiar with Jeffrey Birrell's attempt to broker a deal to purchase 6 C 130 planes from Saudi Arabia for Gabon in 2005-06? If yes, please describe your knowledge of the attempted deal.

3) Did you contact anyone in the United States government to discuss this transaction? If so, who did you contact? Did you contact any DDTC officials? Did you write to the Assistant Secretary of State? Did your Defense attaché contact the Department of Defense?

4) Did you have any communications with Former Gabonese President Omar Bongo or anyone in the Gabonese government about the transaction? Do you know what President Bongo was he seeking the planes for? Did you understand what Delta Synergie was/is? Did you know where funding was coming from?

5) The Subcommittee has obtained copies of emails between Mr. Birrell and yourself about the transaction. Mr. Birrell first contacted you about this transaction in 2005, and in an October 4, 2005 email, you wrote back:

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"Regarding the C-130, we'll do all we can to help. Please talk to the Charge when you are in Libreville, as well as our Defense Attache."

Did Mr. Birrell talk to your staff? Please provide a description as to what you or your staff did to help Mr. Birrell and describe why you provided this help to him.

Mr. Birrell also wrote to you on October 24, 2005:

". . . to follow up on your kind offer to assist President Omar Bongo (via a private company in Gabon i.e. Delta Synergie) obtain two C-130E aircraft for regional commercial transport operations."-"It would be very helpful to know the status of this submission and to know how the process can be moved along. President Omar Bongo raised this matter with you directly many months ago and he is very interested in a timely resolution. These types of aircraft are in great demand and any further delay in this process could greatly impair this purchase. ... [A] call from you or [your staff] to ... DDTC ... to determine the status of this submission would be most helpful and may speed the approval process." [Emphasis in original.]

Did President Bongo raise the C-130 issue with you personally? What was the setting? What did he say?

Did it raise any concern for you that he was trying to buy the planes through a private company? Was that common? Did he have other private business deals while President?

Did you or your staff call DDTC to determine the status of the request to get approval to buy the planes?

Did you urge approval of the aircraft sale? If so, why?

What was your understanding of why President Bongo wanted the cargo planes?

6) In an undated 2006 email to you, Mr. Birrell wrote:

"If the now-approved re-export is tossed up to the Hill, the deal is dead. President Omar Bongo will just back out and all of this will have been for nothing. Worse than that, the President will see this

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as another indication of his lesser status in Washington and it will prove to be problematic in other areas. And after all, these air craft will be put to good use - as we have discussed on many occasions."

Did you have many discussions with Mr. Birrell about the planes? What were the good uses you discussed?

The aircraft sale never happened. Do you know why?

Thank you for your assistance in this matter. If you have any questions, or would like additional information please contact Laura Stuber (Senator Levin) at 202/224-9579 or Justin Rood (Senator Coburn) at 202/224-3721.

Sincerely,

Carl Levin

Carl Levin
Chairman

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Enclosure: Information from Retired Ambassador Barrie Walkley

The State Department has asked me to respond to a series of questions contained in a recent letter from the United States Senate Permanent Subcommittee on Investigations. The responses, which are provided below, are keyed to the numbered items in the letter from the Permanent Subcommittee. The Embassy's actions associated with Gabon's plan to purchase C-130 aircraft were appropriate (given the information available) and designed to support activities consistent with United States interests in seeing enhanced African peacekeeping and crisis-response capabilities.

1. I met Jeffrey Birrell after I arrived in Gabon in 2004 to serve as ambassador. Initially, I understood him to be working on behalf of the Gabonese government and focusing on environmental issues associated with the establishment of Gabon's National Parks. Later, he was associated with Gabon's attempts to purchase two C-130s. At the time, I understood him to represent Gabon. I do not know what other countries he may have represented.

2. Gabon wished to buy two used C-130s. Former President Omar Bongo, now deceased, asked me if two used C-130s might be available for purchase in the U.S. Through the Embassy's Defense Attache Office, we requested information on that possibility. We were subsequently informed that no planes in the U.S. were available and relayed that message to President Bongo. Gabon then considered purchasing used C-130s from Saudi Arabia. I do not recall if Mr. Birrell was involved in the search for planes in the U.S., but he purported to act as a representative of Gabon in the attempt to purchase C-130s from Saudi Arabia. The problem, I've heard, might have been that Saudi Arabia wished to sell six C-130s as a package; Gabon wished to buy only two and the deal ultimately fell through. However, I never knew the specific details of this deal.

3. I discussed Gabon's wish to buy two used C-130s from Saudi Arabia with several elements of the U.S. Government. I discussed the issue with those holding the relevant military portfolios in the Africa Bureau's Office of Regional and Security Affairs. I also discussed the matter with individuals responsible for approving the necessary licenses for Gabon to purchase the Saudi Arabian C-130s; that office could well have been the State Department Directorate of Defense Trade Controls (DDTC). At this distance from the events, I do not recall the names of the individuals involved. My interest in these discussions was to understand the process involved so that I could explain it to President Bongo. As explained in item 2 above, the Embassy's Defense Attaché at my request contacted the Department of Defense to seek information regarding the possibility of used C-130s being available for purchase in the U.S. I do not recall ever writing to the Assistant Secretary of State regarding the C-130s.

4. In an initial discussion in his office at the Presidency, President Omar Bongo told me Gabon wished to purchase two used C-130s and asked if there might be planes available in the U.S. In a subsequent meeting, he explained the reasons Gabon wished to purchase the planes. He said that Gabon is primarily tropical rainforest with a poor network of roads; as a result, the best mode of transportation is by air. He said the planes would be used to transport material around the country; in addition, they would be used for the transport of military equipment and personnel. They would also be available for regional humanitarian assistance operations and for the transport of regional or African Union peacekeeping forces. President Bongo said that with C-

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C-130s Gabon could make a significant contribution to regional peacekeeping efforts because airlift is a much-needed component in African operations. He said that he realized the maintenance of the planes might be expensive. In order to help finance the planes, he said they would be available for commercial use and that they could also be leased to the UN. Other than the e-mail reference quoted in the Committee's letter, I did not then, and do not now, know what Delta Synergie is. I did not know where the funding was coming from; all I knew was that, as related above, President Bongo indicated that Gabon would purchase the planes.

5. I cannot recall the precise subject of the October 4, 2005 e-mail quoted in the question. I do not know if Mr. Birrell talked to my staff. However, I do remember that Mr. Birrell contacted me generally to ask if I had any information about the progress of the request for approval for Gabon to buy Saudi Arabia's C-130s. I provided the same assistance to Mr. Birrell that I provided American businessmen in general, when appropriate: information about a process. I was willing to provide this information, when appropriate, to Mr. Birrell because he was following up for, and on behalf of, President Bongo on an issue that President Bongo had personally raised with me. In addition, several of the reasons President Bongo gave me for Gabon's desire to purchase the planes, such as assistance to humanitarian relief efforts and regional peacekeeping operations, coincided with United States interests in seeing enhanced crisis-response capabilities by African countries.

As aforementioned, President Bongo raised the issue with me personally in his office. See item 4 above for an explanation.

President Bongo's plan to have a private company involved in the purchase of the planes did not at the time raise a particular concern. He had explained that the cost of maintaining the planes could be offset by making them available for commercial use when not needed otherwise, and also on occasion leased to the UN. I do not know if this organization was common. I do not have details of President Bongo's "other private business deals while President."

I did contact an office at the State Department to discuss the process by which Gabon could request "approval to buy the planes" from Saudi Arabia; that office certainly could have been DDTC.

I do not recall "urging" approval of the aircraft sale. I did attempt to relay the reasons that President Bongo gave me for Gabon's interest in purchasing two C-130s.

See item 4 above for my understanding of why President Bongo wished the planes to be purchased.

6. I had several discussions with Mr. Birrell regarding the planes. The "good uses" to which the planes would be put (and to which Mr. Birrell refers in the quoted 2006 e-mail) are undoubtedly those expressed to me by President Omar Bongo and mentioned above in item 4: they would be used to transport military personnel and equipment around Gabon but they would also be available for humanitarian relief efforts, for regional peacekeeping operations and for possible use by UN agencies.

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I do not know definitively why the aircraft sale never happened. I did not discuss this matter with Mr. Birrell. I recall hearing somewhere that the deal fell apart because Saudi Arabia wished to sell all six C-130s as a package, while Gabon wished only to buy two.

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INTERNATIONAL MONETARY FUND
WASHINGTON, D.C. 20431

Telephone Number
1-202-623-4861

April 29, 2010

Senator Carl Levin
Chairman, Permanent Subcommittee on
Investigations
U.S. Senate
SR-199 Russell Senate Office Building
Washington, DC 20510

Dear Senator Levin,

Thank you for your letter of April 1, 2010 to the Managing Director on whose behalf I am replying. In your letter, you raised a number of issues concerning the maintenance of bank accounts by central banks in "offshore jurisdictions."

Allow me to begin by emphasizing that there is no widely-accepted definition of "offshore financial center" (OFC). The Fund, in conducting its OFC assessment program (2000–2008) recognized that a range of criteria have been used to identify OFCs, including where: (i) the orientation of business and business ownership is primarily toward nonresidents; (ii) financial systems have external assets and liabilities out of proportion to domestic intermediation; and (iii) the financial system is perceived to offer a favorable regulatory environment, such as light regulation, banking secrecy, and low or zero taxation.

Before turning to your specific questions, let me assure you that the Fund is committed to promoting good governance in its members in areas within its mandate and expertise. The Fund's contributions in this area cover public resource management and transparency, tax administration, supervision of financial sector soundness, and anti-money laundering and combating the financing of terrorism. The Fund's standards for transparency in fiscal policy and in monetary and financial policies are particularly important tools, and its Guide on Resource Revenue Transparency has received a lot of interest. Also, under the Financial Sector Assessment Program (FSAP), many Fund members, including larger and more systemically important OFCs, are assessed for compliance with a wide range of financial sector standards and undergo broader vulnerability analysis that is integral to the FSAP.

Permanent Subcommittee on Investigations
EXHIBIT #128

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More generally, a 1997 decision of the Executive Board provides guidance to staff on addressing issues of poor governance and corruption with significant impact on macroeconomic performance. In this regard, Fund-supported programs regularly include conditions focused on improving governance. In addition, as discussed below, the Fund has put in place a robust framework to ensure safeguards for the use of its financial resources.

I now turn to the three areas in which you sought guidance.

1. Please provide a description of any IMF policies or practices with respect to Central Banks maintaining bank accounts in offshore jurisdictions with secrecy laws, including whether the IMF would require a Central Bank that borrows funds from the IMF to disclose any deposits in such accounts.

While the Fund has no specific policies or practices on the maintenance of either foreign or so-called "offshore" accounts by central banks, it has established a range of policies to help guide members' management of foreign exchange reserves and to ensure adequate reporting to the Fund of aggregate data on such reserves.

- The Fund's Guidelines for Foreign Exchange Reserves Management (www.imf.org/external/np/mae/ferm/eng/), aim to help members articulate appropriate objectives and principles for reserves management and build adequate institutional and operational foundations. Moreover, members are required under Article VIII, Section 5 of the Fund's Articles of Agreement to report to the Fund data on official holdings at home and abroad of gold, foreign exchange and international reserve assets. The data is reported in aggregate and there is no requirement to break it down by jurisdiction or banking institution.

- In the context of financial assistance, the Fund has in place policies to safeguard the use of its resources. More specifically, it attaches conditions on its financial assistance that are designed to ensure that Fund resources are used for appropriate purposes and are repaid to it in a timely manner. In particular, such conditions encompass public financial management and require safeguards assessments of central banks. Under the latter, staff review the governance, audit, internal control and transparency frameworks in the central banks of borrower countries to obtain reasonable assurance of the adequacy of such frameworks. While our financial assistance work may yield information concerning specific central bank accounts at home or abroad, any such information is provided to the staff and management on a confidential basis, and is not shared even with the Fund's Executive Board.

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2. To the IMF's knowledge, how many Central Banks maintain bank accounts in countries outside of their home jurisdictions and, of those, how many maintain bank accounts in offshore jurisdictions with secrecy laws? If known, please provide a list of the Central Banks with Bank accounts in offshore jurisdictions with secrecy laws and the jurisdictions they use.

- It is standard practice for central banks to maintain bank accounts outside their home jurisdictions. In this regard, the Fund's balance of payment manual (www.imf.org/external/pubs/ft/bop/2007/bopman6.htm) clarifies that reserve assets, other than gold bullion, "must be claims on nonresidents." Hence, reserve assets may be held as foreign currency government securities, in holdings with other central banks, and in deposits with foreign commercial banks. In addition, some central banks have outsourced the management of part of their reserves and, for this purpose, in some cases have opened custody accounts with third parties. However, as explained above, the Fund does not have policies requiring reporting of foreign or "offshore" central bank accounts.

3. Had BNA disclosed or was the IMF otherwise aware of BNA's bank accounts in the Bahamas or any other offshore jurisdiction with secrecy laws? If so, please provide a description of those BNA accounts. Did BNA use the deposits in those accounts to "satisfy the IMF's demands for greater foreign currency reserves"?

- As mentioned in the response to the previous questions, the IMF's members are not required to provide information to Fund staff regarding the existence or use of any specific bank accounts maintained by a member country's central bank.

Please do not hesitate to contact me again should you require any further assistance.

Sincerely yours,

Sean Hagan
General Counsel
Director of the Legal Department

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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

April 1, 2010

VIA EMAIL (mschrader@imf.org)

Mr. Dominique Strauss-Kahn
Managing Director
International Monetary Fund
700 19th Street, NW, Suite HQ1-3-544
Washington, DC 20431, USA

Dear Mr. Strauss-Kahn:

The United States Senate Permanent Subcommittee on Investigations of the United States Senate Committee on Homeland Security and Governmental Affairs (hereinafter "the Subcommittee") recently conducted an investigation into how politically powerful foreign officials, their relatives and close associates have used the services of U.S professionals and financial institutions to bring large amounts of suspect funds into the United States to advance their interests and to circumvent U.S. anti-money laundering and anti-corruption safeguards. The Subcommittee developed case histories that exposed some of the tactics being used by these persons, also called politically exposed persons (PEPs), and their facilitators to bring suspect funds into the United States, and identified some of the legal gaps, poor due diligence practices and inadequate PEP controls that, at times, have made these tactics possible. This investigation culminated in a February 4, 2010 hearing and the release of a 330 page report, *Keeping Foreign Corruption Out of the United States: Four Case Histories.*

One of the Subcommittee's case histories involved Banco Nacional de Angola (BNA), the Angolan Central Bank. Dr. Aguinaldo Jaime, a senior Angolan government official, was the head of BNA when he attempted, on two occasions in 2002, to transfer $50 million in government funds to a private account in the United States, only to have the transfers reversed by the U.S. financial institutions involved. Partly as a result of those transfers and the corruption concerns they raised, in 2003, Citibank closed not only the account it had maintained for BNA, but all other Citibank accounts for Angolan government entities, and closed its office in Angola. In contrast, HSBC continues to provide banking services to BNA in the United States and elsewhere.

In a development the Subcommittee believes is unusual, and may be unique, for a Central Bank, BNA apparently opened one and possibly more offshore accounts into which it deposited millions of dollars over a period of at least 20 years. According to an internal HSBC email obtained by the Subcommittee, BNA first opened an offshore account in the 1980s, at Equator Bank Ltd. (EBL) in the Bahamas. EBL was a "sister bank" of Equator Bank in London, which was later purchased by HSBC and became HSBC Equator Bank (HEQB). In addition, in 2000, BNA sought to open a second offshore account at HSBC's branch in the Bahamas, often referred to as HSBC Nassau. BNA asked to open that account after EBL had accepted the maximum ~~amounts of deposits it could from BNA. In a recent letter to the Subcommittee, HSBC noted that~~

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"BNA may have intended to use the potential deposits to satisfy the IMF's demands for greater foreign currency reserves."

Internal HSBC documents also indicate that BNA chose to open offshore accounts at least in part to avoid being subject to Mareva injunctions, meaning legally enforceable court orders to freeze funds. In an internal email obtained by the Subcommittee, dated October 2, 2000, from HEQB to HSBC London, HEQB stated, "We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions. It is for this reason that we approached HSBC Nassau, with whom EBL shares an office." In 2002, HSBC sent an email stating that "BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions." When asked about this statement, HSBC told the Subcommittee that it is a "legitimate choice" for a client to choose to be in a jurisdiction where they won't be subject to certain attachments, and there was "nothing unusual" about a client wanting to avoid Mareva injunctions. When the Subcommittee asked HSBC USA whether HSBC maintained offshore accounts for BNA in the Bahamas, HSBC USA said that it was unable to answer questions about a client's non U.S. banking activities and that it was constrained further by secrecy laws in the Bahamas.

Copies of the referenced documents are enclosed. To assist the Subcommittee in its analysis of this matter, we would appreciate receiving guidance on the following matters:

1) Please provide a description of any IMF polices or practices with respect to Central Banks maintaining bank accounts in offshore jurisdictions with secrecy laws, including whether the IMF would require a Central Bank that borrows funds from the IMF to disclose any deposits in such accounts.
2) To the IMF's knowledge, how many Central Banks maintain bank accounts in countries outside of their home jurisdictions and, of those, how many maintain bank accounts in offshore jurisdictions with secrecy laws? If known, please provide a list of the Central Banks with bank accounts in offshore jurisdictions with secrecy laws and the jurisdictions they use.
3) Had BNA disclosed or was the IMF otherwise aware of BNA's bank accounts in the Bahamas or any other offshore jurisdiction with secrecy laws? If so, please provide a description of those BNA accounts. Did BNA use the deposits in those accounts to "satisfy the IMF's demands for greater foreign currency reserves"?

Thank you for your assistance in this matter. Should you have questions, please contact Subcommittee Counsel Laura Stuber at (202) 224-9579.

Sincerely,

Carl Levin
Chairman
Permanent Subcommittee on Investigations

Enclosures

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Matthew J W KING@HSBC
10/02/2000 01:30 PM

To: Ann JOHNS

cc: Tony STEWARTJONES/IBEU/HSBC@HIBM
Barbara OLDS@HIBM
John KEARNEY@HIBM
Mildred JOHNSON@HIBM
Carolyn Wind/HBUS/HSBC@Republic
harcourt.j.k@mhub1.com
John ALLISON/HGHQ/HSBC@HSBC
Subject: Memo: Re: BANCO NACIONAL DE ANGOLA (BNA)

No GHQ CMP objections. The ACO should however satisfy himself that appropriate account opening documentation is obtained and that no regulatory notifications are required on the basis that this constitutes a significant change to NAS' business profile. I believe FIG have no objections but John Allison will no doubt let you know if this is not the case.

Kind regards

Matthew King
Ann JOHNS @ HIBM

HSBC

02 Oct 2000 15:46

To: Matthew J W KING@HSBC@HSBCMERIDIAN
cc: Tony STEWARTJONES/IBEU/HSBC
Barbara OLDS
John KEARNEY
Mildred JOHNSON

From: Ann JOHNS
Subject: BANCO NACIONAL DE ANGOLA (BNA)

Dear Matthew,

I understand there has been some confusion over what is required in respect of our above referenced client. By way of explanation I provide the following.

Equator Bank Limited, Nassau (EBL), a 100% subsidiary of Equator Holdings and a sister bank of HSBC Equator Bank plc, London (HEQB) has had an excellent relationship with Banco Nacional de Angola, the central bank of Angola for the past twenty years.

During this time EBL has earned in excess of USD80 million from

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HSBC-PSI 034050

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revolving short term tra finance lines which ar servi by an assignment of oil proceeds.

Angola is the second largest oil producer in Africa after Nigeria and is currently lifting some 750,000 barrels per day. With the price of oil at its current level and the IMF tightening up the Angolan economy under its Staff Monitored Program, which includes the requirement to build the country's reserves BNA has significant funds to deposit.

Over the past several weeks EBL has received USD103.6 million on deposit from BNA. On 29th September we received a further USD24 million which BNA has requested us to place with EBL. Unfortunately we cannot accept these funds in Nassau as they would cause us to contravene our trigger ratios.

We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions.It is for this reason that we approached HSBC Nassau, with whom EBL shares an office.

I have discussed this with Gary Jones who advises that he has been in touch with FCC, who state they have no objections providing it remains solely a deposit relationship. He has also spoken and FIG, who state they have no objections subject to the compliance issues being satisfied.

We hope the above clarifies the situation but should you have any further queries in this regard I can be contacted on 020 7821-8797.

Regards
Ann Johns
HSBC Equator Bank

HSBC-PSI 034051

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HSBC Equator

Member HSBC Group Member HSBC Group
COVER SHEET

FACSIMILE

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

To: Fred Harcourt, CEO - HSBC Bahamas

Date:

File Ref:

Fax No:

Total no. of pages = cover +

From: John Kearney, SVP - HSBC Equator
Cc: Ann Johns, HSBC Equator - London
Barbara Olds, HSBC Equator – Glastonbury

If you do not receive all pages, please telephone or telex immediately.

Fax No: 242-326-5706 Tel No:

☐ Yes ☐ No

☐ Yes ☐ No

Subject: Banco Nacional de Angola (BNA)

This facsimile is intended for the named recipient only. If you have received this facsimile in error, please notify us immediately. Disclo... Thank you.

Dear Fred – I refer to our earlier discussio... deposit account at the request of BNA. You've asked that I p... osit account opening request.

BNA is the central bank for Angola and ha... nty years. We maintain sizeable (high eight figures) secu... tains sizeable deposits with us.

Recently the level of deposits maintained by BNA has increased significantly. This is due to the following:

1) Substantial increases in the price of oil coupled with increases in oil production (Angola is a major oil producer), and

2) An in principal agreement with the IMF to increase Angola's foreign currency reserves.

3) HSBC Equator's marketing efforts to win this business from Citibank.

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HEQB-PSI 0001391

Permanent Subcommittee on Investigations
EXHIBIT #113

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HSBC Equator

Member HSBC Group Member HSBC Group
COVER SHEET

FACSIMILE

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

To: Fred Harcourt, CEO - HSBC Bahamas

Fax No:

From: John Kearney, SVP - HSBC Equator

Cc: Ann Johns, HSBC Equator - London

Barbara Olds, HSBC Equator – Glastonbury

Fax No: 242-326-5706 *Tel No:*

Subject: Banco Nacional de Angola (BNA)

Date:

File Ref:

Total no. of pages = cover +

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Urgent: ☐ *Yes* ☐ *No*

Confidential: ☐ *Yes* ☐ *No*

This facsimile is intended for the named recipient only and may contain privileged and confidential information. If you have received this facsimile in error, please notify us immediately. Disclosure of the contents to anyone in any manner is prohibited. Thank you.

Dear Fred – I refer to our earlier discussion with respect to HSBC Bahamas opening a deposit account at the request of BNA. You've asked that I provide you with some background on the deposit account opening request.

BNA is the central bank for Angola and has been a client of HSBC Equator for over twenty years. We maintain sizeable (high eight figures) secured lending facilities for them. BNA also maintains sizeable deposits with us.

Recently the level of deposits maintained by BNA has increased significantly. This is due to the following:

1) Substantial increases in the price of oil coupled with increases in oil production (Angola is a major oil producer), and

2) An in principal agreement with the IMF to increase Angola's foreign currency reserves.

3) HSBC Equator's marketing efforts to win this business from Citibank.

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MEMORY TRANSMISSION REPORT

TIME : 19/10/00 10:09
TEL NUMBER: +860-633-6799
NAME : EQUATOR

FILE NBR	:	518
DATE	:	19/10 10:08
TO	:	912423265706
DOC. PAGES	:	02
START TIME	:	19/10 10:08
END TIME	:	19/10 10:09
SENT PAGES	:	02
FILE NBR : 518		[redacted]

HSBC Equator

FACSIMILE

Member HSBC Group Member HSBC Group
COVER SHEET

HSBC Equator (USA) Incorporated
45 Glastonbury Boulevard, Glastonbury, CT 06033 USA
Tel: (860) 633-9999 Fax: (860) 633-6799 Telex: 99356 EQUATORBK

HEQB-PSI 0001394

To: Fred Hartcourt, CEO - HSBC Bahamas

Fax No:

From: John Kearney, SVP - HSBC Equator

Cc: Ann Johns, HSBC Equator - London
Barbara Olds, HSBC Equator - Glastonbury

Fax No: 242-326-5706 *Tel No:*

Date:
File Ref:
Total no. of pages = cover +
If you do not receive all pages, please telephone or telex immediately.

Urgent: ☐ *Yes* ☐ *No*
Confidential: ☐ *Yes* ☐ *No*

Subject: Banco Nacional de Angola (BNA)

This facsimile is intended for the named recipient only and may contain privileged and confidential information. If you have received this facsimile in error, please notify us immediately. Disclosure of the contents to anyone in any manner is prohibited. Thank you.

Dear Fred – I refer to our earlier discussion with respect to HSBC Bahamas opening a deposit account at the request of BNA. You've asked that I provide you with some background on the deposit account opening request.

[illegible] back for Angola and has been a client of HSBC Equator for over twenty years. We [illegible]

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Presently, due to capital weighting constraints, we are unable to accept any further deposits from BNA. BNA has indicated to us that they would like to deposit an additional USD 200-300MM. In this regard, we have encouraged BNA to open deposit account with HSBC Bahamas for the following reasons;

1) The safety aspect of placing funds with the HSBC Group.

2) Deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K.

3) The interest spread on the deposits (37.5 to 50 basis points) is attractively priced, and

4) We anticipate that attractive banking business will develop from growing the relationship with HSBC (e.g. Asset Management)

Should you have any questions or require any further information, please do not hesitate to contact me.

Sincerely Yours,

John P. Kearney
Senior Vice President

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EMBASSY OF THE REPUBLIC OF ANGOLA
2100-2108 16th STREET N.W. WASHINGTON, DC 20009
TEL: (202) 785-1156 FAX: (202) 785-1258/822-9049

Ref.: 118 /EMB/ANG/EUA/SP/03/10

March 16, 2010

The Honorable Carl Levin
Chairman, Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
U.S. Senate
Washington, DC 20510-6250

Phone: (202) 224-3721
Fax: (202) 224-7042

Dear Mr. Chairman,

I am writing in reference to the report, "Keeping Foreign Corruption out of the United States: Four Case Histories", prepared by the Permanent Subcommittee on Investigations and released in conjunction with a hearing on the subject 4 February 2010. Although Case Study IV paints Angola in less than favorable light, I understand the central purpose of the report in identifying legal gaps, poor due diligence practices, and inadequate PEP (Politically Exposed Persons) controls related to U.S. anti-money laundering and anticorruption safeguards.

Firstly, in an extraordinarily difficult environment marked by colonial struggle, three decades of civil war (instigated and financed by exterior

Permanent Subcommittee on Investigations
EXHIBIT #129

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powers), and destroyed infrastructure and social services, it would be worthy informing that in reference to the Case Study IV item C, this dossier goes back to the time when Dr. Aguinaldo Jaime was Governor of Banco Nacional de Angola and that the transaction in question was approved by the Permanent Commission of the Council of Ministers for the purpose of "private placement transaction" to rise funds from the proceeds to finance ongoing projects of the public investment programs, such as roads, schools, hospitals, housing, water production, energy and telecommunications systems.

I am pleased to forward a Memorandum from the Minister of External Relations of Angola in response to your Committee on Homeland Security and Government Affairs in request for information letter dated January 8, 2010, regarding Dr. Aguinaldo Jaime and the Subcommittee investigation.

Secondly, it is with shock and surprise that the Government of Angola received the focus and attention given to the Mr. Pierre Falcone, as indicated in the exhibit B of the Permanent Subcommittee on Investigation.

The Embassy herewith, is pleased to submit the official position in relation to Mr. Pirre Falcone in relation to his sentencing by the Paris Court, which states "*There was no proof of any illicit arms dealing in any court, not outstanding the fact that the arms in question where neither French nor that they did not transit through French territory. At the time, there wasn't any international embargo against the legitimate Government of Angola to acquire arms, and these were purchased by Angola in a perfectly licit transaction between two sovereign states …*"

Lastly, as to exhibit D, Case Banco Africano de Investimentos (BAI): Angola financial system is emerging and BAI is the country's first investment bank. As we speak, financial system reforms are underway. For example, bilaterally a US/Angola Agreement was reached to provide technical assistance to financial institutions through the Ministry of Finance.

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However, rather than dwell on the Case Study details, many of which relate to events that took place prior to the 2001 Patriot Act, the 2003 UN Convention Against Corruption and Presidential Proclamation 7750 in 2004, I prefer to look forward as the Angolan President H.E. José Eduardo dos Santos has chosen to do publicly.

Prior to the December 2009 congress of the MPLA, the majority political party in Angola, President dos Santos declared publicly that lack of supervision over spending had led to fraud and wasted public funds. In a speech to the MPLA party, he said: "Irresponsible people, people of bad faith, have taken advantage of this circumstance to squander resources and to carry out illicit and even damaging and fraudulent acts of management."

He then announced a policy of "zero tolerance" on corruption.

On 8 February of this year, President dos Santos presided at the swearing-in of a new government, reorganized in accordance with the recently approved new Constitution. He stated that an Administrative Integrity Law would be passed to ensure that public servants carry out their jobs with "honesty, honor and integrity of character." Included would be a requirement for government officials to make public full financial statements. The goal, he said, is to implement a "strategy to moralize those who provide services to the state" and to discourage "those who want to use public goods as a source of illicit enrichment."

The respected international consulting firm Ernst & Young has been retained to assist the Angolan government to carry out a complete overhaul of the way public money is managed. Additionally, in December 2009, the Angola and U.S. signed an agreement to establish a resident consultant from the U.S. Treasury Department in Luanda to help the country to improve its bond-issuing and debt management systems.

While it is true that many observers will await concrete actions supporting the President's words, positive indications have already appeared. In December 2009, an inquiry was opened by the Attorney General into the

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alleged illegal transfer of more than $100 million from the country's central bank to a foreign bank. As of 23 February 2010, nearly 20 arrests have been made -- and the investigation continues.

Relations between the United States and Angola are very good and moving toward an even more effective level of communications. The U.S. Government and private sector participated fully in a range of policy discussions during Angola Day events in Washington last November. Initial meetings related to the U.S. Angola Strategic Partnership Dialogue also were held in Washington last November. And, the first council meeting related to the U.S.-Angola Trade and Investment Framework Agreement-TIFA is now being rescheduled for this Spring.

The Angolan Government is confident that a number of concrete steps are being taken to implement policies that will maximize transparency and minimize conflicts of interest and opportunities for possible illegitimate activities in the public sector. In addition to contributing to the climate of "zero tolerance" envisaged by President dos Santos, these actions also address concerns of your subcommittee -- and the international community -- related to the financial activities of politically exposed persons.

I look forward to discussing this topic further with you at a convenient future date.

Sincerely,

Josefina Pitra Diakité
Ambassador

EMBASSY of ANGOLA
WASHINGTON, DC USA

Enclosures:

- Memorandum from the Minister of External Relations of Angola.
- Communiqué from the Government of the Republic of Angola (Official position related to the PSI exhibit B).

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EMBASSY OF THE REPUBLIC OF ANGOLA

2100-2108 16th STREET N.W. WASHINGTON, DC 20009
TEL: (202) 785-1156 FAX: (202) 785-1258/822-9049

UNOFFICIAL TRANSLATION

MESSAGE/FAX

S.E. MRS. JOSEFINA PITRA DIAKITE
AMBASSADOR OF ANGOLA TO
THE UNITED STATES OF AMERICA

WASHINGTON

OF. Nº 72/GMRE/2010

Re: Report of the US Senate Permanent Subcommittee on Investigations

Excellency,

This serves to acknowledge receipt of your Of. nº 08/EMB/ANG/EUA/SP/01/10, and forward a Memorandum of the official Government position in relation to the investigation process of the US Senate Permanent Subcommittee on Investigations.

Please accept the assurances of my highest esteem and consideration.

Office of the Minister of External Relations, Luanda, January 02, 2010.

THE MINISTER

ASSUNÇÃO A. DE SOUSA ANJOS

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Memorandum

Subject: US Senate Investigation

This dossier is in reference to the period in which Dr. Aguinaldo Jaime exercised the functions of Governor of the National Bank of Angola. At the time Mr. Mehenou Amouzou, Chairman of the Board of MSA, Inc. Corporation presented to the BNA a Memorandum of Understanding (MoU) proposing to be an agent in the international market for humanitarian financing, utilizing "private placement" modality, which would permit the Government of Angola to obtain financial resources to perpetually fund projects of its public investment program, such as roads, schools, hospitals, housing, water production, energy and telecommunications systems. The BNA signed the referred MoU with the knowledge of the Permanent Commission for the Council of Ministers, which approved it.

It is worthy to note that, to date, such funding proposals continue to be submitted to the Government of Angola, however, such financial instruments have lost the importance they had then, for today, the Government of Angola has other alternative financial mechanisms at bilateral and multilateral levels.

In light of the macroeconomic imbalance and due to low external reserves of Angola at the time, such funding proposals required, beyond state guarantees, also required guarantees in currency or in securities. The MSA Group proposed to manage an amount up to 2 billions USD dollars, for public investment financing, which required a guarantee in the amount of USD 50 millions. The 50 millions deposit from BNA would have served to served as guarantee, within the framework of the proposed humanitarian financing.

The first option was for the 50 million guarantees in US treasure securities, an option which seemed of lesser risk and would raise no doubts of ownership of the securities, which was the BNA. When this alternative appeared too difficult to realize, a currency deposit was opted for. The so

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called various attempts to transfer, was one and only, and same operation: the amount to guarantee the realization of the proposed financing by MSA Group.

All the steps taken by Dr. Aguinaldo Jaime, in this process, at no moment were for personal advantage and the pertinent Angolan entity were fully appraised of the agreement between BNA and MSA Group, and was approved by the Permanent Commission of the Council of Ministers.

The intermediary for Dr. Aguinaldo Jaime, in this process, was Mr. Mehenou Satou Amouzou, Chairman of the MSA Inc. Corporation, having no contact whatsoever with Dr. Morton Heger. It was the MSA Corporation which had the responsibility to contact the financing entities, to raise the resources.

Mr. Satou Mehenou Amazou presented himself to Angola with letters of recommendations from USA and Africa entities, by which his credibility was never in question.

Luanda, February 2, 2010.

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EMBAIXADA DA REP. DE ANGOLA NOS E.U.A.
NR. 125 ASS.
DATA 03/02/10 HR 12H00

REPÚBLICA DE ANGOLA
MINISTÉRIO DAS RELAÇÕES EXTERIORES
GABINETE DO MINISTRO

MENSAGEM/ FAX

À
EXMA SRª JOSEFINA PITRA DIAKITÉ
EMBAIXADORA DE ANGOLA NOS
ESTADOS UNIDOS DE AMÉRICA

WASHINGTON

OF. Nº 72 / /GMRE/2010

ASSUNTOS: INVESTIGAÇÃO DO SUBCOMITÉ PERMANENTE DE INVESTIGAÇÃO DO SENADO DOS E.U.A

Excelência,

Em resposta ao vosso Of. nº 08/EMB/ANG/EUA/SP/01/10, serve o presente para enviar o Memorando que espelha a posição oficial do Governo referente ao processo de *Investigação do Subcomité Permanente de Investigação do Senado dos Estado Unidos da América.*

Sem outro assunto de momento, queira aceitar os protestos de elevada consideração.

GABINETE DO MINISTRO DAS RELAÇÕES EXTERIORES, em Luanda, aos 02 de Janeiro de 2010.

O MINISTRO
ASSUNÇÃO A. DE SOUSA ANJOS

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MEMORANDO

ASSUNTO: INVESTIGAÇÃO DO SENADO DOS EUA

Este *dossier* remonta ao período em que o Dr. Aguinaldo Jaime exercia as funções de Governador do Banco Nacional de Angola.

Na altura, o Sr. Mehenou Amouzou, Presidente do Conselho de Administração da empresa MSA, Inc apresentou ao BNA um Memorandum of Understanding (MOU) por via do qual se propunha agenciar no mercado internacional um Financiamento Humanitário, na modalidade *private placement*, que permitiria ao Governo de Angola obter recursoso financeiros para financiar projectos constantes do seu Programa de Investimentos Públicos, como estradas, escolas, hospitais, habitação social, sistemas de produção e distribuição de água e energia e telecomunicações. O BNA assinou o referido MOU e dele deu conhecimento à Comissão Permanente do Conselho de Ministros, que o aprovou.

De notar que, ainda hoje, continuam a chegar ao Governo de Angola este tipo de propostas de financiamento. Elas perderam a importância que, na altura, tinham porque o Governo de Angola dispõe, hoje, de outras alternativas de financiamento, a nível bilateral e multilateral.

Face aos desequilíbrios macroeconómicos e ao baixo nível das reservas externas de Angola, na época, tais propostas de financiamento exigiam, para além de garantias do Estado, a constituição de uma garantia, em dinheiro ou em títulos. O Grupo MSA propunha-se agenciar um montante até USD 2 biliões, para financiamento de investimentos públicos, para tal exigindo a constituição de uma garantia de USD 50 Milhões. O depósito de 50 Milhões do BNA serviria para a constituição da garantia, no quadro do financiamento humanitário proposto.

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A primeira opção foi pela constituição de uma garantia de 50 Milhões em Títulos do Tesouro dos EUA, opção que se revelava de menor risco e não suscitava dúvidas quanto à titularidade do título, que era do BNA. Quando tal alternativa se revelou difícil de concretizar, optou-se pela constituição de um depósito em dinheiro. O que se apelida de várias tentativas de transferência são uma única e mesma operação: a constituição de uma garantia para viabilizar o financiamento proposto pelo Grupo MSA.

Todos os passos dados pelo Dr. Aguinaldo Jaime, neste processo, em nenhum momento visaram a busca de qualquer vantagem pessoal e foram dados a conhecer às entidades competentes do Governo de Angola, no quadro dos entendimentos alcançados entre o BNA e o grupo MAS, aprovados pela Comissão Permanente do Conselho de Ministros.

O interlocutor do Dr. Aguinaldo Jaime, neste processo, foi o Sr. Mehenou Satou Amouzou, Presidente da empresa MSA, Inc, não tendo havido quaisquer contactos com o Dr. Morton Heger. Era a empresa MSA que tinha a responsabilidade de contactar as entidades financiadoras, para a disponibilização dos recursos. O Sr. Satou Mehenou Amouzou apresentou-se em Angola com cartas de recomendação de entidades dos EUA e África, pelo que a sua credibilidade nunca foi questionada.

Luanda, 2 de Fevereiro de 2010

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EMBASSY OF THE REPUBLIC OF ANGOLA
2100-2108 16th STREET N.W. WASHINGTON, DC 20009
TEL: (202) 785-1156 FAX: (202) 785-1258/822-9049

UNOFFICIAL TRANSLATION

GOVERNMENT OF THE REPUBLIC OF ANGOLA

COMMUNIQUÉ

It was with shock that the Government of Angola learned of the Paris Court sentence, that tried and found guilty French citizen that at critical phase assisted the Government of Angola to create conditions to guarantee the defense of State institutions and the democratic process, in the face of an armed insurgency condemned by the International Community and by the United Nations in particular.

There was no proof of any illicit arms dealing in any Court, not withstanding the fact that the arms in question where neither French, nor that, they did not transit through French territory. At the time, there wasn't any international embargo against the legitimate Government of Angola to acquire arms, and these were purchased by Angola in a perfectly legal transaction between two sovereign states. Furthermore, not even its signatories were considered part in the entire judicial process.

In view of these facts, all indicates that, this was an imbalanced and unfair process biased by considerations and motivations of political nature and apparently, above all, motivated by a spirit of vengeance, that some Angolans that were supported by the Special French Services failed to reach their objective to take power by armed force.

The Government of the Republic of Angola vehemently repudiates the abusive manner with which the name of Angola was constantly utilized in

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this process, constituting on one hand, violation of the principle of mutual respect between two states with diplomatic relations, on the other hand, that of state secret in relatively sensitive issues of Defense and National Security.

Government of the Republic of Angola, October 28, 2009.

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EMBASSY OF THE REPUBLIC OF ANGOLA

2100-2108 16th STREET N.W. WASHINGTON, DC 20009
TEL: (202) 785-1156 FAX: (202) 785-1258/822-9049

GOVERNO DA REPÚBLICA DE ANGOLA

COMUNICADO

Foi com estupefacção que o Governo de Angola tomou conhecimento da sentença do Tribunal Correccional de Paris, que julgou e condenou cidadãos franceses que em tempo oportuno ajudaram o Governo angolano a criar condições para garantir a defesa de instituições do Estado e do processo democrático, face a uma subversão armada condenada pela comunidade internacional e penas Nações Unidas em particular.

Não foi provado em Tribunal qualquer comércio ilícito de armas, até porque estas não eram francesas nem transitaram em território francês. Não havia na altura qualquer embargo internacional contra a aquisição de armas pelo governo legítimo de Angola e estas foram adquiridas por Angola num negócio perfeitamente licito entre dois Estados soberanos. Tanto assim, é que nem os seus signatários foram considerados parte em todo este processo judicial.

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Perante estes factos, tudo indica que este foi um processo desequilibrado e injusto, viciado por considerações e motivações de natureza política e parecendo, acima de tudo, eivado de um espírito de vingança, porque certos angolanos que foram apoiados pelos Serviços Especiais franceses falharam nos seus desígnios de conquista do poder pela força das armas.

O Governo da República de Angola repudia com veemência a forma abusiva como foi reiteradamente utilizado nesse processo o nome de Angola, constituindo isso quer uma violação do principio do respeito mútuo entre dois Estados com relações diplomáticas, quer do segredo de Estado inerente a questões sensíveis relativas à Defesa e Segurança nacionais.

Governo da República de Angola, aos 28 de Outubro de 2009.

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RESPONSE TO SUPPLEMENTAL QUESTION FOR THE RECORD
FROM

SENATOR CARL LEVIN

Chairman, Permanent Subcommittee on Investigations

to

JANICE AYALA

Assistant Director
Office of Investigations
Immigration & Customs Enforcement (ICE)

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
HEARING ON

KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES

February 4, 2010

Q. One of the recommendations in the Subcommittee's report, *Keeping Foreign Corruption Out of the United States: Four Case Histories,* was that "Congress and the Administration should consider making significant acts of foreign corruption a legal basis for designating a PEP and any family member inadmissible to enter, and removable from, the United States."

Do you support this recommendation?

RESPONSE: Section 212(f) of the Immigration and Nationality Act, 8 U.S.C. § 1182(f) allows for the President, by Proclamation, to suspend entry of any aliens or class of aliens, whose entry would be detrimental to the U.S. Presidential Proclamation No. 7750, 69 Fed. Reg. 2287 (Jan. 12, 2004), already provides for suspension of the entry of aliens, as immigrants or nonimmigrants, who have committed, participated in, or are beneficiaries of corruption in the performance of public functions where the corruption has or had a serious adverse effects on "the international economic activity of U.S. businesses, U.S. foreign assistance goals, the security of the United States against transnational crime and terrorism, or the stability of democratic institutions and nations." For purposes of the proclamation, corrupt acts include embezzlement; bribery; theft of government property; electoral fraud; procurement fraud; interference in judicial, regulatory, and legislative proceedings; and other criminal and illicit activities. The Proclamation further provides for the suspension of the entry of spouses, children, and dependent household members of the politically exposed person (PEP), as stated in §(1)(d) of the Proclamation. The existing Proclamation No. 7750 has the force of law and allows the US to deny entry to PEPs and their family members who are reasonably suspected of being involved in corruption. DHS supports the Department of State's position that legislation is not necessary and would not be productive with respect to the question of entry.

U.S. Immigration and Customs Enforcement (ICE) has over 63 offices in 44 countries and provides investigative support to host country counterparts on cases involving PEPs. ICE and the U.S. Department of State, International Narcotics and Law Enforcement Bureau Crime office work together to implement Proclamation No. 7750 by actively pursuing corrupt, senior-level public officials and those who bribe them.

Permanent Subcommittee on Investigations
EXHIBIT #130

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However, Proclamation No. 7750 does not address removability. With respect to aliens already in the United States, the measure the Subcommittee recommends would provide the Department of Homeland Security a tool to remove from the United States a designated PEP or his or her spouses, children and dependent household members of the PEP which would help to further U.S. efforts to combat foreign public corruption. Often these individuals, and their family members, are difficult to identify until long after their actions are uncovered. They, for example, may have been provided an immigration benefit that authorizes their continued presence in the United States. Having the means to remove them would send a message to would-be perpetrators that the United States is not a safe haven for those who engage in significant acts of foreign corruption.

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Question from Senator Ensign

In your testimony before the Committee, you note that the Department of the Treasury "has been focused for several years on the question of how best to enhance access to beneficial ownership information to combat the abuse of legal entities." You also referenced Assistant Secretary Cohen's testimony before the Full Committee in November, in which the Department expressed concerns about S. 569, as introduced.

During that hearing, Secretary Cohen committed to sending the Committee the Treasury's recommendations by the end of 2009 on how the legislation could be improved to strike the right balance between the needs of law enforcement with the need to not place additional burdens on businesses. Does Treasury have a timeline for completing its work on these recommendations? When can we expect to see the Department's proposals?

Response

Assistant Secretary Cohen testified that the Treasury Department would continue to work with the Congress and private and public sector stakeholders to draft amendments to S. 569. As you recall, Assistant Secretary Cohen testified that any legislation would require that five issues be addressed: 1) definition of beneficial ownership; 2) documentation requirements; 3) transfer; 4) liability; and 5) funding.

Since November, the Treasury Department has engaged in a two-prong approach to addressing these five issues: 1) meeting with key stakeholders to discuss the five elements; and 2) working on draft amendments to S. 569.

Treasury has had several meetings with private and public sector interests, including many Offices of Secretaries of State. The discussions have centered on the five issues raised in November and potential solutions. As a result of these discussions, Treasury has been drafting amendments to S. 569. Treasury plans to begin the Treasury and OMB clearance process in the coming weeks.

Question from Senator Carper

S. 569, about which Treasury Assistant Secretary Cohen testified last November and is currently pending before this Committee, has been drafted in such a way that states receiving Homeland

Permanent Subcommittee on Investigations
EXHIBIT #131

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Security grants "shall, not later than the beginning of fiscal year 2012" collect and then maintain beneficial ownership information not on accounts, but on some subset of business entities at the time of formation. S. 569 provides states with no funding for this purpose above levels currently set for Homeland Security grants, nor does the bill mandate that the states verify the information provided to them. Given that the bill ensures there are no consequences for states refusing to comply with this mandate and that many states have already expressed concerns with the legislation as currently written – is it the Administration's position that this is the best approach to addressing this problem of anti-money laundering and terrorist financing enforcement? Would a better alternative be to collect the beneficial ownership information on all bank and other financial account holders as opposed to placing a mandate on already strapped Homeland Security grant funding to the states to set up a completely new system that tracks beneficial ownership that cannot verify on only a small subset of business entities? If not, why?

Response

This question raises two important points which Assistant Secretary Cohen spoke about at the hearing: 1) concerns about funding; and 2) the need for a comprehensive solution to this problem.

As Assistant Secretary David Cohen testified at the hearing, the Treasury Department believes that states already rely upon State Homeland Security grant funds to finance first responders in preparing for and responding to emergency situations. Thus, in our view, S. 569 should not authorize states to draw from the State Homeland Security grant program to defray the costs of implementation.

On the second point, Treasury has been focused on a three-pronged approach: 1) enhancing the availability of beneficial ownership when legal entities are formed; 2) clarifying and strengthening customer due diligence requirements with respect to beneficial ownership for U.S. financial institutions; and 3) clarifying international standards regarding beneficial ownership and facilitating global implementation. Treasury strongly believes that all elements are essential to addressing this complex issue. As Assistant Secretary Cohen testified, legal entities provide a means for illicit actors to gain access to the international financial system. In order to adequately address this problem we must have a comprehensive solution that deals with all three elements of the three-pronged approach. Focusing on only one element would leave a tremendous gap, which illicit actors would use to gain access to the international financial system.

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RESPONSE TO SUPPLEMENTAL QUESTION FOR THE RECORD
FROM
SENATOR CARL LEVIN
Chairman, Permanent Subcommittee on Investigations
to
THE HONORABLE DAVID T. JOHNSON
Assistant Secretary for International Narcotics
and Law Enforcement Affairs
U. S. Department of State

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
HEARING ON
KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES
February 4, 2010

Q. One of the recommendations in the Subcommittee's report, *Keeping Foreign Corruption Out of the United States: Four Case Histories,* was that "Congress and the Administration should consider making significant acts of foreign corruption a legal basis for designating a PEP and any family member inadmissible to enter, and removable from, the United States."

Do you support this recommendation?

RESPONSE: The State Department believes that it is not necessary, and may be counterproductive, to enact a new, separate provision to make significant acts of foreign corruption a legal basis for designating a politically exposed person (PEP) and any family member inadmissible to enter the United States. The legal basis for such action already exists and is being used robustly. Presidential Proclamation 7750 (PP 7750) was issued under Section 212(f) of the Immigration and Nationality Act (INA). That provision of law allows the President by proclamation to "suspend the entry of all aliens or any class of aliens as immigrants or non-immigrants" into the United States whenever such entry "would be detrimental to the interests of the United States." For all intents and purposes, any proclamation issued under 212(f) has the force of law.

Furthermore, enactment of the PP 7750 authority as a legislative provision might likely complicate administration of visa denial/revocation for significant acts of corruption. While the application of PP 7750 and the other presidential proclamations that have been issued using 212(f) authority in relation to specific countries (e.g., Zimbabwe, Belarus, Burma, Serbia) has been administered centrally in Washington, under State Department practice, the change proposed would disperse worldwide the authority for visa revocations and denials for this target group. In the application to date of PP 7750, centralization has proved to be advantageous for the reasons described below.

Permanent Subcommittee on Investigations
EXHIBIT #132

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Consistency, Coherence and Uniform Standards: At the time PP 7750 was being written in 2003, some of the Department's geographic bureaus expressed concern that the process would not be even-handed and impartial across regions, and that countries of lesser foreign policy importance to the U.S. would be disproportionately targeted. That has not proved to be the case to date largely because final decision-making responsibility rests with the Under Secretary for Political Affairs, by delegation from the Secretary. Moreover, centralization reinforces the policy priority this issue holds with posts and bureaus, and with our interagency partners.

Coordination with U.S. Law Enforcement: Many corrupt PEPs may have property, bank accounts and other assets in the U.S. and/or foreign jurisdictions with which the U.S. works closely on asset recovery, or may be a co-conspirator in transnational corruption matters under investigation by U.S. law enforcement. Consequently it is not unusual for there to be an open U.S. law enforcement investigation or a possible extradition request involving individuals against whom visa sanctions are being considered. Because of the notoriety of the targets and consequent need for confidentiality, the existence of such investigations is often known only to a small circle of Washington-based officials. Centralization of the administration of the visa revocation/denial authority allows for easy coordination with law enforcement interests, so that a visa sanction does not interfere with U.S. ability to pursue questioning, indictment, arrest, or asset forfeiture. Conversely, decentralized administration of a new legislative provision might frustrate use of these anti-kleptocracy tools and hinder these more forceful efforts against the officials.

Access to Information: The Department is better positioned than officers in the field to draw upon all relevant information available, including from other government agencies, to build the best possible case against the corrupt PEP for visa denial or revocation. Centralized processing enables these additional sources of information to be readily available, contributing to strong and consistent results. Moreover, the rigorous review process that each case undergoes ensures that the U.S. is certain of the grounds for each decision--well beyond rumor and innuendo--and not being drawn into political intrigues or other efforts by one or another faction to discredit opponents. Thus, when the decision is challenged, typically in Washington, Washington-based officials are fully aware of and comfortable with the action. For powerful corrupt individuals not accustomed to being denied anything they want, the current Washington-based process helps reinforce the seriousness of their predicament, along with U.S. resolve to carry out its international commitments to combat corruption worldwide.

Amendments and Revisions: As the Department has gained experience in implementing various other Presidential Proclamations, it has sometimes become necessary to revise the language to broaden or more specifically describe the targeted group. While not always the case, it is likely that such adjustments can be more easily and quickly accomplished administratively and procedurally by amending a Presidential Proclamation rather than a complex and detailed piece of legislation such as the INA.

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Deportation: Authority for deportation rests exclusively with the Department of Homeland Security. I understand that DHS is addressing that aspect of your question.

I would like to reiterate my availability to provide additional information on specific cases in a closed setting. Thank you again for your interest in and support for combating high-level corruption.

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WILMERHALE

Reginald J. Brown

+1 202 663 6430(t)
+1 202 663 6363(f)
reginald.brown@wilmerhale.com

March 24, 2010

By Email

Hon. Carl Levin, Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Levin:

On behalf of HSBC Bank USA, N.A. ("HBUS"), thank you for the opportunity to provide written responses for the record, as well as for the opportunity to appear before the Permanent Subcommittee on Investigations on February 4, 2010. HBUS has attempted below to answer the questions for the record, but wanted to also respond at greater length to the questions posed to Wiecher Mandemaker during the hearing regarding Banco Nacional de Angola ("BNA") and its account relationships in the Bahamas. Those questions were principally based on two documents, Exhibits 112 and 113, which recounted conversations from nearly ten years ago, primarily between employees of a now defunct HSBC entity. Among other things, HBUS wants to be clear for the record that these conversations and associated actions took place two years prior to the 2002 events involving BNA that are described in the Committee's report.

Moreover, the record suggests that BNA was not attempting to seek out a tax haven secrecy regime – for example, HBUS understands that BNA, as a foreign central bank, would likely be exempt from paying local taxes on its deposit income in most countries. Instead, it appears that the subject BNA funds simply could not be kept with the initial bank of choice, HSBC Equator ("HEQB"), due to capital weighting constraints, and HSBC Bahamas was a reasonable alternative both because of the interest spread and the absence of exposure to Mareva injunctions in that jurisdiction. The document, HSBC-PSI 034051, from Ann Johns is consistent with this view as it says "we are currently holding the funds at HEQB <u>but know that BNA prefers</u> to keep their deposits in an offshore account to avoid possible Mareva injunctions" (emphasis added). As previously noted to your staff, BNA may have intended to use the potential deposits to satisfy the IMF's demands for greater foreign currency reserves; such reserves likely could not serve their intended function, of course, if they were readily subject to civil attachment proceedings in the United Kingdom. Finally, please note that

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Permanent Subcommittee on Investigations
EXHIBIT #133a

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in the same document referencing Mareva injunctions, Ann Johns and others indicated that they would only open the BNA account if doing so was in accordance with compliance requirements (HSBC-PSI 034051, Exhibit 112). She was then told that there were no "[Group Compliance] objections" (HSBC-PSI 034050, Exhibit 112). We have also inquired with BNA directly about its offshore banking practices, and were informed that BNA's outside auditors (reportedly Ernst & Young) fully audit all offshore accounts. See the attached BNA response [HSBC-PSI 037962].

The following responses address your specific questions:

(1) *Please provide the current and past policy of HSBC regarding HSBC clients who seek to avoid Mareva injunctions.*

HBUS and its parent, HSBC Holdings plc ("HSBC Group"), do not have specific policies addressing Mareva injunctions. HSBC clients independently select the banking jurisdiction of their choice in compliance with applicable local laws and regulations. If HSBC were to determine that a client was seeking to use the Bank's facilities for unlawful purposes, such activity would provide a basis to close the client's accounts and, where appropriate, to take other actions in consultation with regulators.

(2) *Please explain whether or not HSBC supports locating client accounts in an offshore jurisdiction in order to avoid Mareva injunctions.*

Bank clients may select the jurisdiction in which to conduct their business based on a variety of reasons, including independent assessments regarding the legal regimes of various countries. A client, for example, could choose to locate an account in the United States and might do so because Mareva injunctions are not necessarily available in the United States. In the specific instance referenced in Exhibits 112-113, the entity in question was Angolan, and thus any location of an account outside of Angola would be "offshore." The independent choice by BNA to locate an account in a country other than the United Kingdom because of potentially more favorable treatment, is one that HSBC would not have cause to object to absent evidence suggesting an unlawful purpose. While a former employee of the now defunct HSBC entity noted in HEQB-PSI 0001393 (Exhibit 113) that "we have encouraged BNA to open deposit account with HSBC Bahamas" in part because "deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K.," it should be noted that the former employee was reiterating the preference previously articulated by the client to avoid Mareva injunctions (see HSBC-PSI 034051, in which Ann Johns notes on October 2, 2000 that HEQB "know[s] that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions"). Accordingly, a fair reading of the documents suggests that the former

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employee was not seeking to provide BNA with advice on this subject as opposed to simply posing a lawful solution consistent with the client's preference.

(3) *Have HSBC policies ever condoned, supported, facilitated, or encouraged locating client accounts in a jurisdiction in order to avoid, or reduce the likelihood of, the accounts being subject to legal orders or judicial decisions?*

No, HSBC's policies direct all employees to comply with the applicable laws in every jurisdiction in which it operates.

(4) *Does HSBC currently provide one or more accounts in an offshore secrecy jurisdiction, including the Bahamas, for BNA? If so, please provide a list of those accounts, the bank maintaining those offshore accounts, and the opening dates of those accounts. If HSBC provided offshore accounts for BNA in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.*

HSBC Group is headquartered in London with over 8,500 offices in 86 countries, including the Bahamas, and provides banking services to BNA as previously noted in the record. HSBC Group adheres to the laws of the countries in which it operates and has informed HBUS that it will comply with requests for additional client related information if served in accordance with local laws and/or established treaties and procedures. The Equator Bank Nassau and HSBC Bahamas accounts referenced in Exhibits 112 and 113 were subsidiaries of HSBC Group at the time (not owned by HBUS). Equator Bank Nassau ceased operations in the early 2000s and HSBC Equator USA Incorporated, referenced in Exhibit 113, was also an HSBC Group subsidiary (not owned by HBUS) and has since ceased operations.

With respect to the Permanent Subcommittee's reference to the Bahamas as an offshore secrecy jurisdiction, we respectfully note that the OECD's March 22, 2010 Progress Report by the Global Forum in Implementing the Internationally Agreed Tax Standard classified the Bahamas, along with the United States and others, as "jurisdictions that have substantially implemented the internationally agreed tax standard." See http://www.oecd.org/tax/progressreport. Moreover, the "Agreement Between The Government Of The Commonwealth Of The Bahamas And The Government Of The United States Of America For The Provision Of Information With Respect To Taxes And For Other Matters," available at http://www.oecd.org/dataoecd/20/14/35514646.pdf, acknowledges "The Bahamas has taken significant steps in the international fight against money laundering and other financial crimes, and the United States recognizes The Bahamas as a cooperating country with respect to all relevant international efforts to counter money laundering activities."

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WILMERHALE

(5) *Does HSBC currently provide one or more accounts in an offshore secrecy jurisdiction, including the Bahamas, for the central bank of any other country? If so, please provide a list of those accounts, the bank maintaining those offshore accounts, and the opening dates of those accounts. If HSBC provided offshore accounts in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.*

HSBC Group provides banking services for various central banks around the world. As noted above, HSBC Group has offices in the Bahamas and provides banking services to BNA. HSBC Group adheres to the laws of the countries in which it operates and will cooperate with requests for additional client related information if served in accordance with local laws and/or established treaties and procedures.

* * * *

Thank you for the opportunity to provide this response.

Sincerely,

Reginald J. Brown
Sara K. Kasper

Enclosure

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BANCO NACIONAL DE ANGOLA

GABINETE DO GOVERNADOR

18 March 2010

Krishna Pated
Group General Manager/HSBC
Chief Executive Officer, Africa

Subject: Us Senate Investigation

Dear, Chief Executive Officer, Africa

We acknowledge receipt of your letter of 15 March on the above subject, and on to answer you His Excellency the Governor of BNA Dr Abrahão Pio dos Santos Gourgel responding as follows:

1. The transfer of 50 Million to the United States of America took place in the framework of a context entered into between BNA and the American based group MSA, Inc, and was previously approved by the Government of Angola. The amount was to be used to buy US treasury bills, which constituted collateral to raise funds to finance projects, approved by the council of Ministers. Thus, the transfer was an official transaction, duly authorized, and not a private one.

2. The funds were returned to BNA accounts since the transaction was not authorized in the United States.

3. Yes, the placing of deposits offshore is controlled by BNA senior management and the Government of Angola is kept informed about all deposits.

4. All BNA accounts, including the deposits placed offshore are fully audited by external auditors.

Yours Sincerely

Nelson Gomes
Director of Office of the Governor

MOD: 190-09

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HSBC-PSI 037962

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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510–6250

February 19, 2010

VIA U.S. MAIL & EMAIL (Reginald.Brown@WilmerHale.com)

Mr. Wiecher H. Mandemaker
Director, General Compliance, Personal Financial Services
Anti-Money Laundering Compliance
HSBC Bank USA, N.A.
c/o Reginald J. Brown, Esq.
Wilmer, Cutler, Pickering, Hale and Dorr LLP
1875 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Mandemaker:

As follow up to the Permanent Subcommittee on Investigations' hearing, *Keeping Foreign Corruption Out of the United States: Four Case Histories,* please find attached some questions for the record. These questions, along with your responses, may be included in the hearing record. The responses should be submitted to the Subcommittee by Friday, March 19, 2010. Please email responses to Mary Robertson, Chief Clerk, Permanent Subcommittee on Investigations, at mary_robertson@hsgac.senate.gov.

Thank you for your assistance in this matter. The Subcommittee will be sending you a copy of the final hearing record when it becomes available. If you or your staff have any questions or would like additional information, please contact Laura Stuber at 202/224-9505.

Sincerely,

Carl Levin

Carl Levin
Chairman
Permanent Subcommittee on Investigations

Attachment

SUPPLEMENTAL QUESTION FOR THE RECORD
FROM

SENATOR CARL LEVIN

Chairman, Permanent Subcommittee on Investigations

to

WIECHER H. MANDEMAKER

Director, General Compliance, Personal Financial Services
Anti-Money Laundering Compliance
HSBC Bank USA, N.A.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
HEARING ON

KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES

February 4, 2010

Please provide the answers to the following question by March 19, 2010:

At the hearing, you were asked about HSBC PSI 034050-51 (Exhibit #112) and HEQB-PSI 0001391-3 (Exhibit 113). Exhibit 112 is an e-mail from Ann Johns at HSBC regarding Banco Nacional de Angola (BNA), the central bank of Angola. It notes the following: "Equator Bank Limited, Nassau (EBL), a 100% subsidiary of Equator Holdings and a sister bank of HSBC Equator Bank plc, London (HEQB) has had an excellent relationship with Banco Nacional de Angola, the central bank of Angola for the past twenty years. ... Over the past several weeks EBL has received USD 103.6 million on deposit from BNA. On 29th September we received a further USD24 million which BNA has requested us to place with EBL. Unfortunately we cannot accept these funds in Nassau as they would cause us to contravene our trigger ratios. We are currently holding the funds at HEQB but know that BNA prefers to keep their deposits in an offshore account to avoid possible Mareva injunctions. It is for this reason that we approached HSBC Nassau, with whom EBL shares an office." Exhibit 113 is a fax written by John Kearney at HSBC Equator which notes: "In this regard, we have encouraged BNA to open deposit account with HSBC Bahamas for the following reasons ... 2) Deposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K. ..." With regard to these documents, please respond to the following (and for each question please note that the term "HSBC" refers to HSBC and any of its subsidiaries, parent companies or other affiliated entities):

1. Please provide the current and past policy of HSBC regarding HSBC clients who seek to avoid Mareva injunctions.

2. Please explain whether or not HSBC supports locating client accounts in an offshore jurisdiction in order to avoid Mareva injunctions.

3. Have HSBC policies ever condoned, supported, facilitated, or encouraged locating client accounts in a jurisdiction in order to avoid, or reduce the likelihood of, the accounts being subject to legal orders or judicial decisions?

PLEASE RETURN COMPLETED QUESTIONS TO:
Mary D. Robertson, Chief Clerk, Permanent Subcommittee on Investigations
199 Russell Senate Office Building, Washington, D.C. 20510
202/224-9868 – mary_robertson@hsgac.senate.gov

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4. Does HSBC currently provide one or more accounts in an offshore secrecy jurisdiction, including the Bahamas, for BNA? If so, please provide a list of those accounts, the bank maintaining those offshore accounts, and the opening dates of those accounts. If HSBC provided offshore accounts for BNA in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.

5. Does HSBC currently provide one or more accounts in an offshore secrecy jurisdiction, including the Bahamas, for the central bank of any other country. If so, please provide a list of those accounts, the bank maintaining those offshore accounts, and the opening dates of those accounts. If HSBC provided offshore accounts in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.

✧ ✧ ✧

PLEASE RETURN COMPLETED QUESTIONS TO:
Mary D. Robertson, Chief Clerk, Permanent Subcommittee on Investigations
199 Russell Senate Office Building, Washington, D.C. 20510
202/224-9868 – mary_robertson@hsgac.senate.gov

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WILMERHALE

Reginald J. Brown

+1 202 663 6430(t)
+1 202 663 6363(f)
reginald.brown@wilmerhale.com

April 29, 2010

By Hand Delivery

Hon. Carl Levin, Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Levin:

On behalf of HSBC Bank USA, N.A. ("HBUS"), thank you for your letter of April 2, 2010 addressed to Mr. Wiecher H. Mandemaker, Director, General Compliance, Personal Financial Services Anti-Money Laundering Compliance, HBUS.

I am writing today to inform you that HBUS has decided to end all of its account relationships with Angolan headquartered private banks, which include the following 15 entities:

Banco Africano de Investimentos
Banco BIC, S.A.
Banco Comercial Angolano
Banco de Comercio e Industria
Banco de Desenvolvimento de Angola
Banco de Fomento Angola
Banco de Negocios Internacional
Banco de Poupanca e Credito, S.A.R.L.
Banco Espirito Santo Angola, SA
Banco Millennium Angola S.A.
Banco Privado Atlantico SA
Banco Regional do Keve, S.A.
Banco Sol SARL
Banco Caixa Geral Totta Angola
Banco VTB Africa SA

* * *

We are continuing to review your letter and also anticipate providing a supplemental response in writing or via a briefing with your staff. We appreciate your understanding and look forward to continuing our dialogue on topics raised during the Subcommittee's inquiry and in connection with its hearing on February 4, 2010.

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Permanent Subcommittee on Investigations
EXHIBIT #133b

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WILMERHALE

Hon. Carl Levin, Chairman
April 29, 2010
Page 2

Sincerely,

Reginald Brown/SK

Reginald J. Brown

cc: Ranking Member Coburn

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[illegible]

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

April 2, 2010

VIA U.S. MAIL & EMAIL Reginald.Brown@WilmerHale.com)

Mr. Wiecher H. Mandemaker
Director, General Compliance, Personal Financial Services
Anti-Money Laundering Compliance
HSBC Bank USA, N.A.
c/o Reginald J. Brown, Esq.
Wilmer, Cutler, Pickering, Hale and Dorr LLP
1875 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Mandemaker:

The Permanent Subcommittee on Investigations is in receipt of HSBC's letter dated March 24, 2010. Although HSBC responded to some of the questions posed in the Subcommittee's letter dated February 19, 2010, HSBC recommended that other questions be directed to HSBC Group. Since you are HSBC's U.S. representative and therefore have access to the following information, please provide answers to the questions below which were initially posed in the February 19th letter.

1) Does HSBC Group currently provide one or more accounts in an offshore secrecy jurisdiction for Banco Nacional de Angola (BNA)? If so, please provide a list of those accounts, the bank maintaining those offshore accounts, and the opening dates of those accounts. If HSBC Group provided offshore accounts for BNA in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.

2) Does HSBC Group currently provide one or more accounts in an offshore secrecy jurisdiction, including the Bahamas, for the central bank of any other country? If so, please provide a list of those accounts, the bank maintaining those offshore accounts and the opening dates of those accounts. If HSBC Group provided offshore accounts in the past, please provide a list of those offshore accounts, the locations of those offshore accounts, and the dates those accounts were opened and closed.

Moreover, I note for the record that your additional comments regarding BNA's accounts with HSBC in the Bahamas discuss many issues, but do not dispute the key issues that were raised at the hearing: that HSBC knew that BNA, "prefer[red] to keep their deposits in an offshore

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account to avoid possible Mareva injunctions," and that HSBC "encouraged BNA to open deposit account[s] in the Bahamas" because, among other things, "[d]eposits with the Bahamas are not subject to the Mareva injunctions associated with the U.K."

Please provide a response to the questions in this letter by April 16, 2010. Should you have questions, please contact Laura Stuber of my staff at (202) 224-9579.

Sincerely,

Carl Levin
Chairman
Permanent Subcommittee on Investigations

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MICHAEL JAY BERGER (State Bar # 100291)
LAW OFFICES OF MICHAEL JAY BERGER
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone: (310) 271-6223
Facsimile: (310) 271-9805

Attorney for Teodoro Nguema -Obiang

DECLARATION OF TEODORO NGUEMA-OBIANG

I, TEODORO NGUEMA-OBIANG declare,

1. I have personal knowledge of the facts set forth herein. If called as a witness herein, I could and would testify competently and truthfully as set forth herein.

2. This declaration is in response to the inquiry of Diana Baxa, attorney of City National Bank, 400 N. Roxbury Drive, Beverly Hills, CA 90210 as to the source of funds for the March 15, 2004 Incoming Wire Transfer of $999,950.00.

3. The wire transfer was from one of my companies in Equatorial Guinea. The funds that were transferred to me did not come from any illegal source. It was either from Somagui Forestal or Sofoca.

I declare under penalty of perjury that the foregoing is true and correct, and that this Declaration is executed on September 30, 2004 at Beverly Hills, California.

Dated: September 30, 2004

By: _____
TEODORO NGUEMA-OBIANG

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 67

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subj: **LA Times Opinion**
Date: 11/21/2006
To: teono@[redacted]

Dear Mr. Nguema:

Attached hereto as a pdf file is the opinion piece that appeared in the LA Times this Sunday entitled "New in the 'bu."

I had a good meeting today with Jean Charles today. I will summarize this in a separate e-mail to you that I will write tomorrow.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 94

SEN004492

Subj: **Your party was awesome!**
Date: 9/15/2007
To: teono@[redacted]
BCC: GeorgeannNicol, zilin78@[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

Thank you very much for inviting me to your party and for being so nice to me at the party. I appreciate the super VIP treatment that you gave me. I appreciate you telling your friends that I am your attorney. I am proud to work for you.

Your party was AWESOME! The food was great, the drinks were better than great, the house, the view, the DJ, the white tiger were all SO COOL! Best of all were the people that I met there because of you. I had a great time, as did my associates Georgeann and Zi.

Thank you again for including me.

Sincerely,

Michael Berger

Michael Jay Berger
Law Offices of Michael Jay Berger
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone (310) 271-6223
Fax (310) 271-9805

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 94

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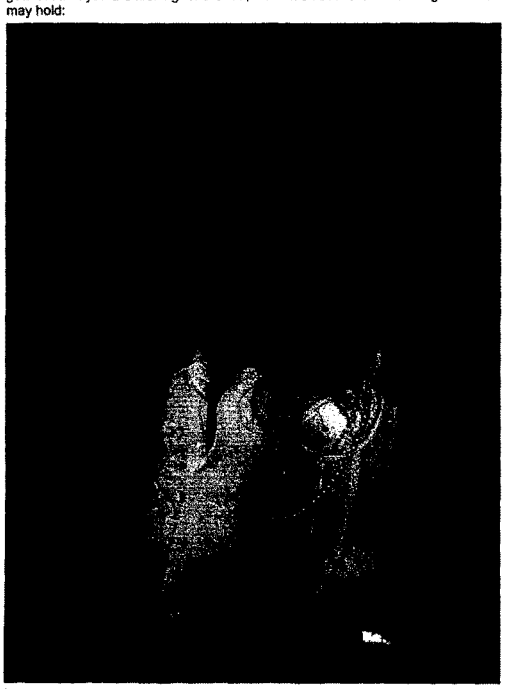
[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subj: **Thank You!**
Date: 10/28/2007
To: teono@[redacted]

Dear Mr. Nguema:

Thank you **very** much for inviting me to the Kandy Halloween party @ The Playboy Mansion and getting me the VIP treatment. I had an awesome time. I met many beautiful women, and I have the photos, e-mail addresses and phone numbers to prove it. If the word gets out that you are looking for a bride, women all over the world will go even more crazy for you. Here is a sample of what your future may hold:



Your loyal friend and attorney,

Michael Berger

Michael Jay Berger
Law Offices of Michael Jay Berger
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone (310) 271-6223
Fax (310) 271-9805
Website www.bankruptcypower.com

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 94

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56840.838

Jose A. Mendoza – CA State Bar # 186827
THE LAW DEPARTMENT
COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY
11611 San Vicente Boulevard, Ninth Floor
Los Angeles, California 90049-6510
Telephone: (310) 207-2561
Facsimile: (310) 447-1902

Attorneys for Respondents COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY, FRAN HUGHES, and NEAL WARREN BADDIN

BEVERLY HILLS/GREATER LOS ANGELES ASSOCIATION OF REALTORS

ARBITRATION COMPLAINT CASE NUMBER AB06-15

MIRZO INTERNATIONAL, INC., SILVA MIRZOIAN, JOHN DAVID KERRIGAN,	**CASE NUMBER: AB06-15**
Complainants,	
vs.	**DECLARATION OF TEODORO NGUEMA OBIANG**
JEFFREY HYLAND; HILTON & HYLAND; NEAL WARREN BADDIN; FRANCINE R. HUGHES; COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY,	
Respondents.	

DECLARATION OF TEODORO NGUEMA OBIANG

I, Teodoro Nguema Obiang, declare and state as follows:

1. I am the Minister of Forestry for The Republic of Equatorial Guinea. The facts set forth below are true of my own personal knowledge, and, if called upon to testify thereto, I

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 98

SEN007574

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could and would competently do so under oath.

2. In or about March 2001, I initially listed my home on Antelo Road near Mulholland Drive and the 405 Freeway ("the Antelo Property") with John Kerrigan of Mirzo International, Inc ("Kerrigan"). During the listing and sale of the Antelo Property, I became dissatisfied with the way Kerrigan handled that transaction. As a result, I decided to use Coldwell Banker Residential Brokerage Company and Neal Baddin (collectively "Coldwell Banker") in my search for other properties in Southern California.

3. In or about October 2004, my attorney, Michael Berger, had referred Coldwell Banker to me since I did not want to use Kerrigan in my purchase of real property.

4. During our first meetings with Coldwell Banker, Mr. Baddin asked both my attorney and me why Kerrigan was not representing me in purchasing the Sweetwater Property as and/or other properties in Southern California. I told Coldwell Banker that I was unhappy with the way Kerrigan handled the Antelo Property transaction and therefore did not want to use Kerrigan.

5. On or about November 1, 2004, I authorized Mr. Berger, as then President of my company, Beautiful Vision, Inc., to sign an Exclusive Retainer Agreement to Locate Real Property ("Buyer's Exclusive") with Coldwell Banker for the real property located at 3620 Sweetwater Mesa Road, Malibu, California 90265 (the "Sweetwater Property"). Attached hereto as Exhibit "A" is a true and correct copy of the Buyer's Exclusive.

6. Thereafter Coldwell Banker showed me numerous other properties.

7. Over a period of 13 months, I authorized Coldwell Banker to present four (4) signed offers on my behalf for the Sweetwater Property. In December 2005, I asked Mr. Baddin for a commission credit if I purchased the Sweetwater Property. This was the **first and only time** that I ever discussed a commission credit with Mr. Baddin. Eventually, I reached an

Confidential Treatment Requested **SEN007575**

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agreement with Neal Baddin to receive a commission credit of 50% for my purchase of the Sweetwater Property. The fourth and final offer was accepted by the seller of the Sweetwater Property on or about January 6, 2006.

8. On or about March 31, 2006, I asked, and Coldwell Banker agreed, to sign a Confidentiality Agreement with me. In that Confidentiality Agreement, I demanded that Coldwell Banker not disclose my identity or any particulars of the Sweetwater Property transaction to any third-party not related to that transaction.

9. Coldwell Banker and **not Kerrigan** represented me in the purchase of the Sweetwater Property and therefore Coldwell Banker deserves 100% of its commission. **I was adamant that I did not want to use Kerrigan in my purchase of the Sweetwater Property before Coldwell Banker was referred to me by my attorney!** If I had not been represented by Coldwell Banker, then I would have been represented by a different brokerage. In any event, I would not have been represented by Mirzo.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ____ day of January 2007 at Los Angeles, California.

_____
TEODORO NGUEMA OBIANG

Confidential Treatment Requested SEN007576

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2819245

ENDORSED - FILE
In the office of the Secretary of State
of the State of California

OCT 2 7 2005

ARTICLES OF INCORPORATION OF

Unlimited Horizon, Inc.

I

The name of this corporation is UNLIMITED HORIZON, Inc.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the state of California of this corporation's initial agent for service of process is Michael Jay Berger, 9454 Wilshire Blvd. 6th Floor, Beverly Hills, CA 90212-2929.

IV

This corporation is authorized to issue only one class of stock, designated "common stock." The total number of shares which this corporation is authorized to issue is 10,000.

V

The liability of the directors of the company for monetary damages shall be eliminated to the fullest extent permissible under California law.

Dated: October 21, 2005

MICHAEL JAY BERGER

OFFICE OF THE SECRETARY OF STATE

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 99

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CorporateSecurity

Master Case Information

Inv. Cost Center #:	12538 - AML Concord		
Case #:	50819-120111	Completed:	Yes
Date Opened:	08/19/2005	Hours:	0
Inv. Activity:	Anti-Money Laundering	Expenses:	$0.00
Escalation:	No	*Last Update:*	08/23/2005 02:34:58 PM
Date Closed:	08/23/2005	*By:*	Joseph L. Frank

Initial Information

Priority:	High	Input By:	BDesa
Source:	AML Risk Monitoring		
Inv. Type:	M: Suspicious Activity		
System Source:	STM-WEB		
Contact Name:	Jim Price	Phone:	(925) 675-2128
Initial Amount:	$7,854,341.83	Date Orig:	10/01/2004
Date Detected:			
Assigned To:	JPrice	Date Assigned:	08/22/2005
Assigned By:	Lorena M. Garcia	External Ref. #:	007890-01
Assisted By:			
Related Case:			
Intent Amount:	$0.00		

Initial Info: **The purpose of this STM is to report wire transfer activity involving an account at Bank of America in Beverly Hills, California.**
Beautiful Vision Inc opened business checking account #02139-06465 on October 19, 2004. The owner/president of the business is identified as Michael Jay Berger, however the authorized signer on the account is Teodoro Nguema Obiang. This individual appears to be the son of Teodoro Obiang Nguema Mbsago (President of Equitorial Guinea).
The account at Bank of America has been involved with 3 wire transfers totaling $7,854,341.83.
We believe these transactions are potentially suspicious due to the large dollar amount involving an account that appears to be controlled by a senior politically exposed person.

Cost Center Information

Company #: 318
Cost Center #: 0000213
BEVERLY-WILSHIRE BRANCH
9461WILSHIRE BLVD
BEVERLY HILLS, CA 90212-2793

Hierarchy Code	Hierarchy Code Description
H	Consumer Bank
HA	Banking Center Channel
HAL	Los Angeles / Central California
HALD	La/Central Ca-Westside
HALDD	West Side Region
HALDDB	West Side Region Subtotal B

Account Monitoring Notification Information

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1 UNION BANK OF CALIFORNIA ®

BANK–DEPOSITOR AGREEMENT
Business Deposit Accounts

Please sign in black ink only and line out unused signature spaces.

UNLIMITED HORIZON, INC.
(GENERAL ACCOUNT)

	ACCOUNT NUMBER	DATE OPENED	INPUT BY	REVIEWED BY	DATE PURGED
1	0720115409	8/28/2006	ub50026	BOS Olivia Rodriguez UB #26479	
2.					
3					
4					
5.					

Depositor Agreement—To: Union Bank of California, N.A. ("Bank")

The organization named below ("Organization") agrees that the deposit account(s) it opens with Bank now or hereafter, as listed on the Agreement, is/are to be governed by this Agreement, the terms and conditions of Bank's disclosure brochure, and Bank's schedule(s) of fees and charges, as these may be amended by Bank from time to time on reasonable notice; that the brochure and schedule(s) have been received; and that the Sole Proprietor, or the Connecting Officer(s) named below, acting in the number designated, may establish such account(s) and designate the individual(s) authorized to sign thereon, and access such account(s) on line at the Bank's Website and perform authorized functions, all on such terms as may be agreed upon with Bank.

BY SIGNING THIS AGREEMENT, THIS ORGANIZATION IS DELIBERATELY AND INTENTIONALLY GIVING UP THE RIGHT TO A JURY TRIAL AND AGREEING TO THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES DESCRIBED IN YOUR DISCLOSURE BROCHURE.

TAX CERTIFICATION
Taxpayer Identification Number:

☒ Use the Employer Identification Number [redacted] or ☐ Use the Social Security Number

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Name of person or entity whose T.I.N. is listed above:

Certification Instructions—You must cross out item (2) below if you have been notified by the Internal Revenue Service (IRS) that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

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),

(2) I am not subject to backup withholding, either because I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and

(3) I am a U.S. person (including a U.S. resident alien).

☐ If you are a foreign person, corporation, partnership, estate, or trust, please check this box and provide us with the appropriate IRS Form W-8 (i.e., W-8BEN, W-8ECI, W-8EXP, or W-8IMY).

ADDRESS: WILSHIRE BLVD SUITE 625
BEVERLY HILLS CA 90212
PHONE NUMBER: 310-271-6223

Business Information (Complete appropriate section)

SOLE PROPRIETORSHIP Date:

The undersigned is doing business under the trade name of:

(Name of your proprietorship) and agrees to the Agreement above.

Type or Print Name _____ Signature _____
ID No. _____ ID No. _____

(Check One)
☐ **LIMITED LIABILITY COMPANY** Date:
☐ **PARTNERSHIP** (Includes a general, limited, or limited liability partnership) **JOINT VENTURE**

Name of Organization:
Doing Business As:

The undersigned hold(s) the position(s) described below and is/are authorized to make this certification for the Organization. If the Organization is a Partnership, a Limited Partnership, a Limited Liability Partnership, or a Joint Venture, the undersigned is the sole/are all of the general partner(s)/joint venturers. If the Organization is a Limited Liability Company, the undersigned are all of the Members of the Organization or has/have been designated, pursuant to its Articles of Organization and/or its Operating Agreement, as its only Manager(s). Each of the undersigned, acting alone, may open account(s) and designate the individual(s) authorized to sign thereon and access such account(s) on line at the Bank's Website and perform authorized functions. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms as conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Connecting Officer(s) (General Partner(s)/Joint Venturers/Members/Manager(s)):

Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____
Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____

FORM 00332-OASIS (Rev. 7/2004)

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 99

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ENTER ACCOUNT NUMBER > 0720115409

TITLE: UNLIMITED HORIZON, INC. (GENERAL ACCOUNT)

BANK–DEPOSITOR AGREEMENT
Business Deposit 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.

SIGNATURE(S) (Sign in black ink)	TYPED NAME AND TITLE	Signing Instructions:
MICHAEL JAY BERGER	MICHAEL JAY BERGER President	NO SPECIAL INSTRUCTIONS
**********	**********	
**********	**********	
**********	**********	
**********	**********	
**********	**********	

(LINE OUT UNUSED SPACES)

NO. OF SIGNATURES REQUIRED (TO WITHDRAW): 1 DATE: 8/28/2006 CHEXSYSTEMS: Record ☒ No Record

Bank may pay out funds as instructed below:
For Sole Proprietors: with your signature alone or with any one of the other signatures above unless you specify another number here ___
For all other businesses: with any one of the signatures above unless you specify another number here 1

(Check One) ☒ CORPORATION ☐ ASSOCIATION (Includes a lodge or club) Date: 8/28/2006

Name of Organization: UNLIMITED HORIZON, INC.
Doing Business As: (GENERAL ACCOUNT)

RESOLVED, that this organization open an account or accounts with Bank and that the President, Secretary, Treasurer, Vice President, Assistant Secretary or Assistant Treasurer, any two acting together ("Contracting Officers"), are hereby authorized to establish such accounts upon such terms as shall be agreed upon by the Contracting Officers with Bank. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms as conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Contracting Officers:

Type or Print Name: MICHAEL JAY BERGER Signature: [signature]
ID No.: [redacted] TIN: [redacted]
ID No.: [redacted]

Type or Print Name: ___ Signature: ___
ID No.: ___ TIN: ___
ID No.: ___

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Resolved further, that the individuals whose signatures appear on this Agreement, acting in such number as the Contracting Officers shall direct, are authorized to withdraw funds from any such account in any manner and access such account(s) on line at the Bank's Website and perform such functions as agreed upon by the Contracting Officers with Bank, including by means other than drafts.

The undersigned hereby certifies that the foregoing resolutions were duly adopted by the governing body of this organization and are in effect; that all signatures or initials appearing on this Agreement are those of the persons authorized in accordance with the resolutions; and that the Depositor Agreement is the binding obligation of the organization.

Signature: [signature] Secretary

Check this box ☐ if you are a nonprofit organization operated for religious, charitable, educational or other similar purposes.

ELECTRONIC FUNDS TRANSFER: (Sole Proprietorship Only)

The Bank is authorized to pay out funds through the use of any electronic funds transfer system (e.g., ATM or Bill Pay Option) as requested by any of us.

BUSINESS CASH RESERVE ACCOUNT – (Check One) ☐ Pre-Approval ☐ Essential/Established (Package requirements were met)

Employee No: [redacted] Initials: ___

The accountholder(s) below acknowledge they have either 1) accepted a pre-approved Business Cash Reserve Account and agree to be bound by the terms of the Acceptance Certificate that has been provided to them, or 2) received a Business Cash Reserve and agree to be bound by the terms of the Business Cash Reserve Account Agreement and Disclosure Statement that will be provided to them.

Account Number: ___ Accountholders Initials: ___ ___ ___ ___ Date Initialed: ___

PSI-Union_Bk_Calif-01-000008

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1 UNION BANK OF CALIFORNIA ®

BANK--DEPOSITOR AGREEMENT
Business Deposit Accounts

Please sign in black ink only and line out unused signature spaces.

UNLIMITED HORIZON, INC.
(SPECIAL ACCOUNT)

ACCOUNT NUMBER	DATE OPENED	INPUT BY	REVIEWED BY	DATE PURGED
1. 0720115417	8/18/2006	ub50026	BOS Olivia Rodriguez UB #26479	
2.				
3.				
4.				
5.				

Depositor Agreement– To: Union Bank of California, N.A. ("Bank")

The organization named below ("Organization") agrees that the deposit account(s) it opens with Bank now or hereafter, as listed on the Agreement, is/are to be governed by this Agreement, the terms and conditions of Bank's disclosure brochure, and Bank's schedule(s) of fees and charges, as these may be amended by Bank from time to time on reasonable notice; that the brochure and schedule(s) have been received; and that the Sole Proprietor, or the Contracting Officer(s) named below, acting in the number designated, may establish such account(s) and designate the individual(s) authorized to sign thereon, and access such account(s) on line at the Bank's Website and perform authorized functions, all on such terms as may be agreed upon with Bank.

BY SIGNING THIS AGREEMENT, THIS ORGANIZATION IS DELIBERATELY AND INTENTIONALLY GIVING UP THE RIGHT TO A JURY TRIAL AND AGREEING TO THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES DESCRIBED IN YOUR DISCLOSURE BROCHURE.

TAX CERTIFICATION
Taxpayer Identification Number:

☒ Use the Employer Identification Number or ☐ Use the Social Security Number

[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Name of person or entity whose T.I.N. is listed above:

Certification Instructions--You must cross out item (2) below if you have been notified by the Internal Revenue Service (IRS) that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

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),

(2) I am not subject to backup withholding, either because I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and

(3) I am a U.S. person (including a U.S. resident alien).

☐ **If you are a foreign person, corporation, partnership, estate, or trust, please check this box and provide us with the appropriate IRS Form W-8 (i.e., W-8BEN, W-8ECI, W-8EXP, or W-8IMY).**

ADDRESS: WILSHIRE BLVD SUITE 625
BEVERLY HILLS CA 90212
PHONE NUMBER: 310-271-6223

Business Information (Complete appropriate section)

SOLE PROPRIETORSHIP Date:

The undersigned is doing business under the trade name of:

(Name of your proprietorship) and agrees to the Agreement above.

Type or Print Name _____ **Signature** _____
ID No. _____ ID No. _____

(Check One) Date:

☐ **LIMITED LIABILITY COMPANY**
☐ **PARTNERSHIP** (Includes a general, limited, or limited liability partnership) /JOINT VENTURE

Name of Organization:

Doing Business As:

The undersigned hold(s) the position(s) described below and is/are authorized to make this certification for the Organization. If the Organization is a Partnership, a Limited Partnership, a Limited Liability Partnership, or a Joint Venture, the undersigned is the sole/are all of the general partner(s)/joint venturers. If the Organization is a Limited Liability Company, the undersigned are all of the Members of the Organization or has/have been designated, pursuant to its Articles of Organization and/or its Operating Agreement, as its only Manager(s). Each of the undersigned, acting alone, may open account(s) and designate the individual(s) authorized to sign thereon and access such account(s) on line at the Bank's Website and perform authorized functions. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms or conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Contracting Officer(s) (General Partner(s)/Joint Venturers/Members/Manager(s)):

Type or Print Name _____ **Signature** _____
ID No. _____ TIN _____
ID No. _____

Type or Print Name _____ **Signature** _____
ID No. _____ TIN _____
ID No. _____

FORM 00332-OASIS (Rev. 7/2004)

PSI-Union_Bk_Calif-01-000009

ENTER ACCOUNT NUMBER > 0720315417

TITLE: UNLIMITED HORIZON, INC. (SPECIAL ACCOUNT)

BANK–DEPOSITOR AGREEMENT
Business Deposit 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.

SIGNATURE(S) (Sign in black ink)	TYPED NAME AND TITLE	Signing Instructions:
MICHAEL JAY BERGER	MICHAEL JAY BERGER President	NO SPECIAL INSTRUCTIONS
**********	**********	
**********	**********	
**********	**********	
**********	**********	
**********	**********	

(LINE OUT UNUSED SPACES)

NO. OF SIGNATURES REQUIRED (TO WITHDRAW): 1 DATE: 8/28/2006 CHEXSYSTEMS: Record [X] No Record

Bank may pay out funds as instructed below:
For Sole Proprietors: with your signature alone or with any one of the other signatures above unless you specify another number here ___
For all other businesses: with any one of the signatures above unless you specify another number here ___

(Check One)
[X] CORPORATION [ ] ASSOCIATION (Includes a lodge or club) Date: 8/28/2006

Name of Organization: UNLIMITED HORIZON, INC.
Doing Business As: (SPECIAL ACCOUNT)

RESOLVED, that this organization open an account or accounts with Bank and that the President, Secretary, Treasurer, Vice President, Assistant Secretary or Assistant Treasurer, any two acting together ("Contracting Officers"), are hereby authorized to establish such accounts upon such terms as shall be agreed upon by the Contracting Officers with Bank. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms as conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Contracting Officers:

Type or Print Name: MICHAEL JAY BERGER Signature: [signature]
ID No.: [redacted] TIN: [redacted]
ID No.: [redacted]

Type or Print Name: ___ Signature: ___
ID No.: ___ TIN: ___
ID No.: ___

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Resolved further, that the individuals whose signatures appear on this Agreement, acting in such number as the Contracting Officers shall direct, are authorized to withdraw funds from any such account in any manner and access such account(s) on line at the Bank's Website and perform such functions as agreed upon by the Contracting Officers with Bank, including by means other than drafts.

The undersigned hereby certifies that the foregoing resolutions were duly adopted by the governing body of this organization and are in effect; that all signatures or initials appearing on this Agreement are those of the persons authorized in accordance with the resolutions; and that the Depositor Agreement is the binding obligation of the organization.

Signature: [signature] Secretary

Check this box [ ] if you are a nonprofit organization operated for religious, charitable, educational or other similar purposes.

ELECTRONIC FUNDS TRANSFER: (Sole Proprietorship Only)

The Bank is authorized to pay out funds through the use of any electronic funds transfer system (e.g., ATM or Bill Pay Option) as requested by any of us.

BUSINESS CASH RESERVE ACCOUNT – (Check One) [ ] Pre-Approval [ ] Essential/Established (Package requirements were met)
Employee No: ab50026 Initials: ___

The accountholder(s) below acknowledge they have either 1) accepted a pre-approved Business Cash Reserve Account and agree to be bound by the terms of the Acceptance Certificate that has been provided to them, or 2) received a Business Cash Reserve and agree to be bound by the terms of the Business Cash Reserve Account Agreement and Disclosure Statement that will be provided to them.

Account Number: ___ Accountholders Initials: ___ ___ ___ ___ Date Initialed: ___

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1

UNION BANK OF CALIFORNIA®

☒ New ☐ Change in Service

BUSINESS ATM CARD, DEBIT BUSINESSCARD™, AND TELESERVICES AGREEMENT

I. CLIENT INFORMATION

FULL LEGAL BUSINESS NAME: Unlimited Horizon, INC. DATE: 8/28/06

MAILING ADDRESS: 9454 Wilshire Blvd # 625.

CITY: Beverly Hills STATE: CA ZIP CODE: 90212.

TELEPHONE NUMBER (PRIMARY): 310-777-6223 TELEPHONE NUMBER (SECONDARY): TAX ID#: [redacted]

II. AGREEMENT

By signing below on behalf of the Client Organization named above, I/we: acknowledge receipt from Union Bank of California, N.A. ("Bank") of its disclosure booklet for business deposit accounts, *All About Business Accounts and Services*; agree that this Organization shall be bound by its provisions governing ATM cards, including Debit BusinessCards, and telephone banking services (Teleservices); by all future amendments thereto, and by the daily transaction limits that Bank will disclose in writing at the time this Organization's ATM card(s) is/are delivered; request that an ATM card and Personal Identification Number (PIN) be issued, for Full Service or Deposit Service, as indicated, and request that Teleservices access and a PIN be issued, to the person(s) listed in Section III hereof (each an "Authorized User") and to such other person(s) as this Organization may hereafter from time to time designate as Authorized User(s) by delivering to Bank a writing similar in form and substance to the Designation of Authorized Users in Section III hereof and signed by a Contracting Officer, and agree that each such person may act alone in connection with ATM card transactions, Teleservices Information Services (calling about accounts to request balance information or to ask if checks or other debits, or deposits or other credits, have posted), Teleservices Copy Services (ordering copies of checks and statements), and Teleservices Transaction Service (making payments and transfers, placing stop payment orders, ordering checks, etc.) on the account(s) listed in this agreement and on such other account(s) as this Organization may hereafter designate to Bank in a writing signed by a Contracting Officer, notwithstanding other or different signing requirements for such account(s) set forth in any other agreement between Bank and this Organization.

Contracting Officer(s):

PRINTED NAME AND TITLE: Michael Berger, President

SIGNATURE: [signature]

PRINTED NAME AND TITLE: Michael Berger, Secretary

SIGNATURE:

PRINTED NAME AND TITLE:

SIGNATURE:

PRINTED NAME AND TITLE:

SIGNATURE:

(LINE OUT UNUSED SPACES)

☐ Check this box if there is only one Contracting Officer.

III. DESIGNATION OF AUTHORIZED USERS

This Organization authorizes each person listed below (each an "Authorized User"), acting alone, to use the services indicated for transactions on each account listed in this agreement.

ACCESS TYPE
- ☐ Full Service ATM Card
- ☐ Deposit Only ATM Card
- ☐ Debit BusinessCard (full service)
- ☐ Telephone BillPay Option
- ☐ Teleservices Information Services
- ☐ Teleservices Copy Services
- ☐ Teleservices Transaction Services

PRINTED NAME AND TITLE: Michael Berger, President

SIGNATURE: [signature]

FOR CP CONTROL USE ONLY — CLIENT IDENTIFICATION NUMBER: [redacted]

ACCESS TYPE
- ☐ Full Service ATM Card
- ☐ Deposit Only ATM Card
- ☐ Debit BusinessCard (full service)
- ☐ Telephone BillPay Option
- ☐ Teleservices Information Services
- ☐ Teleservices Copy Services
- ☐ Teleservices Transaction Services

PRINTED NAME AND TITLE:

SIGNATURE:

FOR CP CONTROL USE ONLY — CLIENT IDENTIFICATION NUMBER:

ACCESS TYPE
- ☐ Full Service ATM Card
- ☐ Deposit Only ATM Card
- ☐ Debit BusinessCard (full service)
- ☐ Telephone BillPay Option
- ☐ Teleservices Information Services
- ☐ Teleservices Copy Services
- ☐ Teleservices Transaction Services

PRINTED NAME AND TITLE: AURELIA

SIGNATURE:

FOR CP CONTROL USE ONLY — CLIENT IDENTIFICATION NUMBER: 8/18/06

(LINE OUT UNUSED SPACES)

FOR BANK USE ONLY	
OFFICE NUMBER:	044-027
OFFICE/BOS/BNFE APPROVAL:	FSO
EMPLOYEE NUMBER:	0-F-8026

IV. ACCESS TO ACCOUNTS

This Organization designates the following primary checking and savings accounts for ATM/Teleservices access by the Authorized Users designated above in this agreement. (Only the Organization's primary checking and primary savings accounts can be accessed through network (non-Union Bank of California) ATMs.)

TYPE OF ACCOUNT	ACCOUNT NUMBER	ATM NICKNAME
CHECKING	072015409	General
SAVINGS		

(LINE OUT UNUSED SPACES)

This Organization designates the following additional checking, savings or money market account(s) (up to a total of ten) for ATM/Teleservices access by Authorized Users duly designated under this agreement.

TYPE OF ACCOUNT	ACCOUNT NUMBER	NICKNAME
☒ Chk. ☐ Sav. ☐ MMK	072015417	Special
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		
☐ Chk. ☐ Sav. ☐ MMK		

(LINE OUT UNUSED SPACES)

▬▬ = Redacted by the Permanent Subcommittee on Investigations

V. THIS ORGANIZATION'S AUTHORIZATION

a. CORPORATION/UNINCORPORATED ASSOCIATION RESOLUTIONS

RESOLVED: The President, any Vice President, the Secretary and/or Treasurer of this Organization, acting alone, is authorized to enter into this Business ATM Card, Debit BusinessCard, and Teleservices Agreement with Bank, and from time to time designate Authorized Users in addition to or in place of those set forth above and to specify or change access type(s) of each such Authorized User, or to remove the same, and to designate other or additional of this Organization's accounts to be subject to this agreement.

FURTHER RESOLVED: This authorization is in addition to any other authorizations in effect and shall remain in force until Bank receives written notice of its revocation at each of its offices where this Organization maintains a deposit account described in this agreement.

Certification by Secretary: I certify that: (i) I am the Secretary or Assistant Secretary of the Organization named above; (ii) the foregoing resolution is a complete and accurate copy of a resolution adopted by this Organization's Board of Directors (or by this Organization's members, if it is an unincorporated association); (iii) the resolution is in full force and has not been revoked or changed in any way; and (iv) the person(s) listed above as Contracting Officer(s) is/are the officer(s) described in the foregoing resolution.

SIGNATURE: [signature] DATE: 8/28/06

b. PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY CERTIFICATION

Check One:
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Limited Liability Partnership
- ☐ Limited Liability Company
- ☐ Other _____

ORGANIZATION CERTIFICATION: By signing below, the undersigned declare(s) under penalty of perjury under the laws of the State of California that the following is true and correct:

The undersigned hold(s) the office(s) or position(s), if any, described below and is/are authorized to make this declaration on behalf of the Organization named above.

If this Organization is a Partnership, Limited Liability Partnership, or a Limited Partnership, the undersigned is the sole/are all of the general partner(s).

If this Organization is a Limited Liability Company, the undersigned is/are Member(s) of the Organization or have been designated by its Articles of Organization and/or its Operating Agreement as its only manager(s).

Each person listed as a Contracting Officer, acting alone, is authorized to enter into the Business ATM Card, Debit BusinessCard, and Teleservices Agreement with Bank and from time to time to designate Authorized Users in addition to or in place of those set forth above and to specify or change the access type(s) of each Authorized User, or to remove the same, and to designate other or additional of this Organization's accounts to be subject to this agreement.

This authorization is in addition to any other certifications or authorizations in effect and shall remain in full force until the Bank receives written notice of its revocation at each of its offices where this Organization maintains a deposit account subject to this agreement.

SIGNATURE: DATE:

TITLE (General Partner, Member, Manager)

SIGNATURE: DATE:

TITLE (General Partner, Member, Manager)

(LINE OUT UNUSED SPACES)

Callback 9.21

FORM 6201 (Rev. 01/2003) eForm — Distribute the signed, one original form with clearly signature to CP using the burgundy bag. Give client a copy of the form.

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BOS
Olivia Rodriguez
UB #26479
2819245

072 0115409
072 0115417

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

OCT 27 2005

ARTICLES OF INCORPORATION OF

Unlimited Horizon, Inc.

I

The name of this corporation is UNLIMITED HORIZON, Inc.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the state of California of this corporation's initial agent for service of process is Michael Jay Berger, 9454 Wilshire Blvd. 6th Floor, Beverly Hills, CA 90212-2929.

IV

This corporation is authorized to issue only one class of stock, designated "common stock." The total number of shares which this corporation is authorized to issue is 10,000.

V

The liability of the directors of the company for monetary damages shall be eliminated to the fullest extent permissible under California law.

Dated: October 21, 2005

MICHAEL JAY BERGER

OFFICE OF THE SECRETARY OF STATE

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ph44585 on D330-44585-7600 with DISTILLER

56840.849

CorporateSecurity

Master Case Information

Inv. Cost Center #:	12538 - AML Concord		
Case #:	50819-120111	Completed:	Yes
Date Opened:	08/19/2005	Hours:	0
Inv. Activity:	Anti-Money Laundering	Expenses:	$0.00
Escalation:	No	*Last Update:*	08/23/2005 02:34:58 PM
Date Closed:	08/23/2005	*By:*	Joseph L. Frank

Initial Information

Priority:	High	Input By:	BDesa
Source:	AML Risk Monitoring		
Inv. Type:	M: Suspicious Activity		
System Source:	STM-WEB		
Contact Name:	Jim Price	Phone:	(925) 675-2128
Initial Amount:	$7,854,341.83	Date Orig:	10/01/2004
Date Detected:			
Assigned To:	JPrice	Date Assigned:	08/22/2005
Assigned By:	Lorena M. Garcia	External Ref. #:	007890-01
Assisted By:			
Related Case:			
Intent Amount:	$0.00		

Initial Info: **The purpose of this STM is to report wire transfer activity involving an account at Bank of America in Beverly Hills, California.**
Beautiful Vision Inc opened business checking account #02139-06465 on October 19, 2004. The owner/president of the business is identified as Michael Jay Berger, however the authorized signer on the account is Teodoro Nguema Obiang. This individual appears to be the son of Teodoro Obiang Nguema Mbsago (President of Equitorial Guinea).
The account at Bank of America has been involved with 3 wire transfers totaling $7,854,341.83. We believe these transactions are potentially suspicious due to the large dollar amount involving an account that appears to be controlled by a senior politically exposed person.

Cost Center Information

Company #: 318
Cost Center #: 0000213
BEVERLY-WILSHIRE BRANCH
9461WILSHIRE BLVD
BEVERLY HILLS, CA 90212-2793

Hierarchy Code	Hierarchy Code Description
H	Consumer Bank
HA	Banking Center Channel
HAL	Los Angeles / Central California
HALD	La/Central Ca-Westside
HALDD	West Side Region
HALDDB	West Side Region Subtotal B

Account Monitoring Notification Information

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 99

BAC-PSI-05948

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56840.850

Account/Card #: **0213906465, 0213941114**
Account Type: **Checking** Open Date: **10/19/2004**

Account Name:

Domiciling State (Entity):

Additional Customer(s) / Account #(s):

Account Status:

Tax ID Number:

Comments:

Mailed By:
Mailed Date:

Account Closure Referral Information

Send To:

Account/Card #:

Account Name:

Domiciling State (Entity):

Account Status:

Account Closure Reason:

If other, describe:

Add to Hot File:

Report to ChexSystems:

Banking Center or Region concurrence to close:
If Yes, Name of Officer: Date:
If No, Escalation Committee concurrence: Date:
Comments:

Inv. Mail Code:
Mailed By:

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00929 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.851

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Mailed Date:

Involved Party 1

Relationship:	**Customer**	Suspect?:	**Yes**
Last Name:	**BEAUTIFUL VISION INC**		
First Name:		Middle Initial:	
AKA:			
Address:	**12038 Crest Ct**		
City:	**Beverly Hills**	State:	**CA**
Zip Code:	**90210**	Country:	**US**
Telephone (wk):	**310**[redacted]	Ext.:	
Telephone (hm):			
SSN/TIN:	[redacted]	SSN or TIN?:	**T**
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Customer Risk:	**Senior Foreign Political Figure**		
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel. #:	

Hot File Information

Comments:

Mailed By:
Mailed Date:

Involved Party 2

Relationship:	**Customer**	Suspect?:	**Yes**
Last Name:	**Nguema Obiang**		
First Name:	**Teodoro**	Middle Initial:	
AKA:			
Address:			
City:		State:	
Zip Code:		Country:	
Telephone (wk):		Ext.:	
Telephone (hm):			
SSN/TIN:		SSN or TIN?:	
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Customer Risk:	**Senior Foreign Political Figure**		
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel.#:	

Hot File Information

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56840.852

Comments:

Mailed By:
Mailed Date:

Involved Party 3

Relationship:	**Unknown**	Suspect?:	**No**
Last Name:			
First Name:		Middle Initial:	
AKA:			
Address:			
City:		State:	
Zip Code:		Country:	**US**
Telephone (wk):		Ext.:	
Telephone (hm):			
SSN/TIN:		SSN or TIN?:	**S**
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel.#:	

Involved Party 4

Relationship:	**Unknown**	Suspect?:	**No**
Last Name:			
First Name:		Middle Initial:	
AKA:			
Address:			
City:		State:	
Zip Code:		Country:	**US**
Telephone (wk):		Ext.:	
Telephone (hm):			
SSN/TIN:		SSN or TIN?:	**S**
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel.#:	

Involved Party 5

Relationship:	**Unknown**	Suspect?:	**No**
Last Name:			
First Name:		Middle Initial:	
AKA:			
Address:			

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City:
Zip Code:
Telephone (wk):
Telephone (hm):
SSN/TIN:
Birth Date:
Form of ID used:
Issuing Authority:
Occupation:
Arrest Date:
Agency Contact:

State:
Country: US
Ext.:

SSN or TIN?: S
Gender:
ID Number:

Adm/Conf:
Arrest. Agency:
Contact Tel.#:

REDACTED

REDACTED

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00932 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00933 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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REDACTED

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REDACTED

Activity was allowed to happen and/or remained undetected because:

Not Applicable

Action taken and/or planned:

Not Applicable

Edit History:	Rev.	Editor	Edit Date
	8.	Joseph L. Frank	08/23/2005 02:34:58 PM
	7.	Joseph L. Frank	08/23/2005 02:34:44 PM

** Only past ttwo edits are shown*

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00934 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.856

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail mikeberger@aol.com

FACSIMILE TRANSMITTAL SHEET

TO: Teodoro Nguema	FROM: Michael Jay Berger
COMPANY:	DATE: 1/10/2008
FAX NUMBER: (310)[redacted]	TOTAL NO. OF PAGES INCLUDING COVER: 11
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
Resumes for Chef, Butler and Driver	YOUR REFERENCE NUMBER:

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

As per your request, I am sending you the resumes of two private chefs, one butler and two drivers. The butler's name is [redacted]. His resume and his letters of recommendation are impressive.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 103

SEN000008

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00935 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.857

Sauman Investigative Service
INC.
Investigative and security consulting
419 Main Street, Suite 240 Huntington Beach, CA 92648
Phone (714) 960-7957 Fax (714) 969-3868 E-mail robsaur@yahoo.com

INVOICE FOR SERVICES

Date of invoice- October- 10 - 2006 Date of service-October -1-06 thru October- 31-06

CASE NUMBER	06109	
CASE NAME	Sweetwater Malibu LLC	
SERVICE PROVIDED	Various corporate services and consulting	
FLAT RATE		
HOURLY RATE	$38.00 per contractor per Hour x 2	
TWO MAN TOTAL	24 hrs x 31 days x 2 @ $1,824.00 per day	$56,544.00
TOTAL MILES	N/C	
TELEPHONE	N/C	
PARKING	N/C	
VIDEOTAPE/PHOTO	N/C	
LODGING	N/A	
MEALS	N/A	
CLERICAL	N/C	
MAIL/SHIPPING	N/C	
MISC. EXPENSES		
	TOTAL DUE	$56,544.00
	LESS RETAINER	0
	BALANCE DUE	$ 56,544.00

Payment due in full upon receipt

1012

UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
9454 WILSHIRE BLVD. • SUITE 625
BEVERLY HILLS, CA 90212-2929

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
BEVERLY HILLS, CA 90212-2075
16-49-1220

10/28/2006

PAY TO THE ORDER OF Sauman Investigative Services $ **56,544.00

Fifty-Six Thousand Five Hundred Forty-Four Only********** DOLLARS

Security Features Included. Details on back.

MEMO
Security

⑈001012⑈ ⑆122000496⑆ 0720115409⑈

734

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 104

SEN000874

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00936 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.858

Dear Mr. Nguema:

I met for 2 hours today with your designer Ron Gucciardo and his partner Said Falati. I convinced them to accept 25% commission on all items, not the 30% in their draft contract and not the 35% fee on the upholstery fabric invoice that you signed off on. The job has an approximate budget of $4,000,000.00. 5% of $4,000,000.00 is $200,000.00. I feel good about saving you money.

This reduction in the Designer's fee is included in a revised version of their proposed contract that I prepared and had them sign. I have attached a copy of this revised agreement hereto as a pdf file. As part of the pdf file I have also included a copy of the revised check request form and the 2 checks that I wrote to Ron Gucciardo. This revised agreement has several other changes that are to your benefit, such as the change that makes clear that the $50,0000.00 payment that you made on July 12 is "to pay for the design process for the entire job," not an "engagement fee . . to initiate the design process" as their original draft said. To open the pdf file attachment, you will need Adobe Acrobat reader, software that you can get for free at www.adobe.com.

If the revised contract meets with your approval, please sign it and fax it back to me. You can call me to discuss the contract and any other matter at any time.

Today I started to use computer checks for the Unlimited Horizon accounts. I used the first two checks to pay the reduced invoice amount for upholstery fabric of $15,222.66, not the $16,440.47 that you signed off on. The checks look great, and using them cuts in half the time that it takes me to write checks. Also, these checks are from accounts that are exclusively dedicated to your work, making my accountings easier and quicker to prepare.

I enjoy working for you.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 106

SEN003438

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00937 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.859

UBOC Case Report

02-Mar-09

Case ID: 2004046243

OBIANG,T-Wire Review-High Risk/Terroris

Date Opened:	10/21/2004		
DateClosed:	11/8/2004	**FIU Vice President**	50
Priority:	Medium	**FIU Vice President:**	Diana Young
Status:	CSR-Closed	**Shared Investigator ID:**	
Resolution:		**Shared Investigator**	
Manager Closed	Yes		
Loss Branch ID:	77912	**Risk:**	$0.00
Loss Cost Center:		**Prevented:**	$0.00
Loss Branch Location:	ESCROW	**Proc Prevent:**	$0.00
	530 "B" STREET 5TH FLOOR	**Proc Recovery**	$0.00
	SAN DIEGO CA	**Inv Risk:**	$0.00
		Inv Recovery:	$0.00
Legal Entity:	Union Bank of California, NA	**Net Loss:**	$0.00
Category:	911 Wire Review-High Risk/Terroris	**Settlements:**	$0.00
SubCategory:		**NLAS:**	$0.00
Type:	External	**BSA Amount:**	$6,254,586.01

Lost or Stolen Items

When Lost:		**Address Lost:**	
# of Items Lost:	0	**PIN With Card**	No
Check Numbers Startin	0	**PIN Revealed:**	No
Ending Check Number:	0	**Other Used:**	No
Other Missing Items:		**New Account #**	

Case Closing Notes FROM 3/01 TO 09/04, NUMEROUS WIRES WERE RECEIVED FROM TEODORO NGUEMA OBIANG, A KNOWN PEP. NO LOSS TO UBOC.

Executive Summary HIGH RISK COUNTRY, EQUATORIAL GUINEA GOVERNMENT AND RELATED OFFICIALS/FAMILY MEMBERS SCRUB

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 109

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00938 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.860

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[redacted]
ADDITIONAL WIRES.
ON 10-15-04, A WIRE SEARCH WAS PERFORMED ON THE GOVERNMENT AND THE OFFICIALS/FAMILY MEMBERS OF THE
HIGH RISK COUNTRY, EQUATORIAL GUINEA. THE FOLLOWING WIRE WAS CAPTURED:
DATE: 3-19-01
AMOUNT: $6,221,100
BY ORDER PARTY: #76923450 TEODORO NGUEMA OBIANG
C/O EMBASSY BANKING DIVISION
AFRICA & CARIBBEAN REGION
DEBIT PARTY: RIGGS BANK NA IN WASHINGTON, D.C.
CREDIT PARTY: #[redacted] BEVERLY HILLS ESCROW IN BEVERLY HILLS, CA (BANK CLIENT)
ORIGINATING BANK INFO- RE: ESCROW #30946 LL PROPERTY @3131 ANTELO ROAD, LOS ANGELES, CA
TEODORO NGUEMA OBIANG IS A KNOWN PEP (POLITICALLY EXPOSED PERSON).
FURTHER WIRE SEARCH IN NOVEMBER 2004 REVEALED THE FOLLOWING ADDITIONAL WIRES FROM MR. OBIANG:
DATES AND AMOUNTS: 10/9/03 $1500; 11/25/03 $3532.30; 12/8/03 $3081.95; 1/2/04 $3000; 1/5/04 $611.01; 2/10/04 $3000; 3/19/04
$4000 TOTAL: $18,725.26
BY ORDER PARTY: TEODORO NGUEMA OBIANG C/O EMBASSY BANKING DIVISION #25773624 (FEB & MAR PAYMENTS)
OR #76923450 (OCT-JAN PAYMENTS)
DEBIT PARTY: RIGGS BANK NATIONAL ASSOCIATION IN WASHINGTON D.C.
CREDIT PARTY: CARLA M KULUNGIAN #1301073100 (BANK CUSTOMER)

THE FOLLOWING WIRE WAS RECEIVED ON 9/27/04 FOR $14,760.75:
BY ORDER PARTY: SOMAGUI FORESTAL IN BATA/EQUATORIAL GUINEA
INSTRUCTING PARTY: CCEI BANK GUINEA EQUATORIAL IN MALABU, EQUATORIAL GUINEA
DEBIT PARTY: CITIBANK N.A. IN NEW YORK, NY
CREDIT PARTY: CARLA M KULUNGIAN #1301073100 (BANK CUSTOMER)
A GOOGLE SEARCH REVEALED THAT SOMAGUI FORESTAL IS OWNED BY TEODORO NGUEMA OBIANG. ALL OF THE
WIRES REFERENCED SALARY/EXPENSES REIMBURSEMENT. THESE ADDITIONAL WIRES OCCURRED AT 16530
VENTURA BLVD IN ENCINO,CA.
SEE RELATED [redacted] ON CARLA M KULUNGIAN (TIN #[redacted]).

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00939 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00940 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

ICMS Case #2004046243
Client Data:

Name: Teodoro Obiang-Non-Client/Wire Originator

Related Cases	LexisNexis	LN Fed/State	World-Check	Neg News	Internet	Email	Pacer	Wires
Y-2004050234	None	None	None	None	None	None	None	2/26/2009

2007233872
2008286772
2008291550

Wires transfers included in the amended SAR posted to Carla M. Kulungian #1301073100, with the exception of the wire transfer to Beverly Hills Escrow for $6,221,100.

56840.862

GIFTS EDD Transaction Profiling

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EDD Main | Transaction Profiler | View Reports | Admin | USER NAME : McCarthy, John

RESULTS FOR PROFILE: BY ANY PARTY ID

Transaction Description	Transaction Code	Original Amount	Value Date	Internal Reference Number	Debit Party
Fed In	RFE	6,221,100.00	19 Mar 2001	010319029689	F 054000030 RIGGS BANK NA WASHINGTON, D C

Credit Party	By Order Party	Third Party	Instructing Party	Fourth Party	Originating Party
[redacted] BEVERLY HILLS ESCROW TTEE FOR ESC. TRUST ACCT. CO 693-02 118 S. BEVERLY DR., STE. 222 BEVERLY HILLS, CA 90212	76923450 TEODORO NGUEMA OBIANG C/O EMBASSY BANKING DIVISION AFRICA & CARIBBEAN REGION G 4001				

Fifth Party	Originating Bank Info.
	RE: ESCROW #[redacted]LL PROPERTY @ 3131 ANTELO ROAD, LOS ANGELES, CA

Bank to Bank Info.	Reference Number
21515 HAWTHORNE BLVD TORRANCE, CA 90503	

****

Total Transaction: 1 Total Amount: 6,221,100.00

[redacted]

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00941 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.863

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00942 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

ICMS Case #2004050234
Client Data:

Carla M. Kulungian

Related Cases	Info 1 & 2	L/N	Fed/State	W/C	Neg News	Internet
Y-2004046243	Acct Purged	None	None	None	None	None
Sig Card	**Email**	**Pacer**				
3/9/2009	None	None				

Account #1301073100 Account opened 3/8/2002; closed on 11/19/2004

Pro 9	Names Assoc	680/622	S/Space	Credits	Debits	Lan Ammo	Branch #
Acct Purged	Acct Purged	Acct Purged	Acct Purged	3/11/2009	3/9/2009	3/10/2009	3/12/2009

Account #6091001740 Account opened 4/3/2001; closed on 11/19/2004

Pro 9	Names Assoc	680/622	S/Space	Credits	Debits	Lan Ammo	Branch #
Acct Purged	Acct Purged	Acct Purged	Acct Purged	3/11/2009	3/9/2009	3/10/2009	3/12/2009

No Statements or Transaction Activity outside of seven years.
No Additional Wire Activity found.
No Case Notes or Case Summary.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 114

56840.864

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ON SEPTEMBER 29, 2005, A WELL-ESTABLISHED ACCOUNTANCY CORPORATION WHO HAS BEEN A CLIENT OF UNION BANK OF CALIFORNIA, N.A. ENCINO PRIORITY OFFICE SINCE SEPTEMBER 1991, OPENED A CHECKING ACCOUNT IN THE NAME OF SWEET PINK, INC. EVE JEFFERS WHO OWNES SWEET PINK, INC. IS A KNOWN HIP-HOP ARTIST AND ACTRESS. MS. JEFFERS WAS REFERRED TO THE ACCOUNTANCY CORPORATION BY HER ATTORNEY. THE BANK RECEIVED A COPY OF A FAX FROM THE REFERRING ATTORNEY ADDRESSED TO THE ACCOUNTANCY CORPORATION INDICATING MS. JEFFERS IS THE PRESIDENT, SECRETARY AND CHIEF FINANCIAL OFFICER. THE COMMUNICATION FURTHER STATES "MR. OBIANG" WILL ALSO HAVE SIGNING AUTHORITY ACTING ALONE. SWEET PINK, INC. IS A CALIFORNIA CORPORATION WITH ARTICLES OF INCORPORATION FILED WITH THE SECRETARY OF STATE ON 9/16/05, FILING NO. C2802127. MS. JEFFERS IS A SIGNER ON THE CHECKING ACCOUNT ALONG WITH FOUR OTHER CPA'S FROM THE ACCOUNTANCY CORPORATION. THE SIGNATURE CARD HAS NOT BEEN SIGNED MR. OBIANG.

MS. JEFFERS REPORTED TO THE BANK HER ADDRESS IS 12038 CREST COURT, BEVERLY HILLS, CA 90210, SOCIAL SECURITY NUMBER [redacted] AND DATE OF BIRTH 11/10/79. ID PROVIDED WAS A CA DL [redacted] AND US PASSPORT # [redacted]

ON OCTOBER 19, 2005, TWO INCOMING WIRE TRANSFERS IN THE AMOUNT OF $29,947.50 EACH WERE RECEIVED AND CREDITED TO THE ACCOUNT OF SWEET PINK, INC. THE WIRES ORIGINATED FROM S BLOGOFRPP BELGOLAISE, PARIS, FR, 6, AVENUE VELASQUEZ, PARIS F-750008, FRANCE BY ORDER OF SOMAGUI FORESTAL, BATA, EQUATORIAL GUINEA.

OUR INVESTIGATION OF THE SOURCE OF THE FUNDS REVEALED SOMAGUI FORESTAL IS OWNED BY TEODORO NGUEMA OBIANG, THE SON OF THE PRESIDENT OF EQUATORIAL GUINEA. THIS INFORMATION WAS FOUND IN THE UNITED STATES SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS MONEY LAUNDERING AND FOREIGN CORRUPTION: ENFORCEMENT AND EFFECTIVENESS OF THE PATRIOT ACT CASE STUDY INVOLVING RIGGS BANK REPORT PREPARED BY THE MINORITY STAFF OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS RELEASED ON JULY 15, 2004. THIS FINDING PROMPTED FURTHER INVESTIGATION.

THE MAILING ADDRESS USED FOR THE CHECKING ACCOUNT BELONGS TO THE ACCOUNTANCY CORPORATION. A SEARCH OF THE CREST COURT ADDRESS SHOWED THE OWNER OCCUPANT AS SVETLANA SAFIEVA. THE PROPERTY WAS PURCHASED IN MAY 29, 2001.

SVETLANA SAFIEV AND GEORGY SAFIEV (WITHOUT AN "A" AT THE END OF THEIR NAME) ARE NAMED AS EXECUTIVES FOR A SUSPENDED CORPORATION IN THE NAME OF EVLANA REAL ESTATE HOLDINGS, WHICH WAS FILED WITH THE CALIFORNIA SECRETARY OF STATE ON 5/21/01, FILING NO. C2245518. EVLANA REAL ESTATE HOLDINGS USED THE CREST COURT ADDRESS. WE HAVE BEEN UNABLE TO FIND A SOCIAL SECURITY NUMBER FOR EITHER SVETLANA OR GEORGY. A POTENTIAL RELATIVE AT THE CREST COURT ADDRESS IS EUGENIA SAFIEVA, SOCIAL SECURITY NUMBER [redacted] ISSUED IN CALIFORNIA 2001.

THEODORO N. OBIANG IS LISTED AS A CURRENT RESIDENT ALONG WITH SEVERAL OTHERS. THE SOCIAL SECURITY NUMBER AND ADDRESS FOR OBIANG USED FOR THIS REPORTING WAS TAKEN LEXIS/NEXIS. MS. JEFFERS IS NOT LISTED AS AN OCCUPANT. NOR COULD WE FIND ANY OTHER AFFILIATION OF MS. JEFFERS TO THE CREST COURT PROPERTY ADDRESS.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 115

PSI-Union_Bank_of_California-04-0191

ph44585 on D330-44585-7600 with DISTILLER

56840.865

DATE : 20060828
DIN : [redacted]
POSTACCT : 1664609603
AMOUNT : 1000000

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD. 6TH FLOOR (310) 271-6223
BEVERLY HILLS, CA 90212-2929

2296

Date 8/28/06

11-35/1210
1664

Pay to the Order of Unlimited Horizon, Inc. $10,000.00
Ten thousand 00/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800.457.1782

Value Customer Since 1996

For open spread chargement

[redacted] 16646 09603

For Unlimited Horizon, Inc.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 118

PSI-Union_Bk_Calif-01-000026

Subj: **Proof of Opening Union Bank Accounts for Unlimited Horizon**
Date: 8/28/2006
To: teono@[redacted]
CC: melindadehaven@[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

The rest of this e-mail is a copy of a fax that I sent to you five minutes ago. The attachments are with the fax only.

Sincerely,

Michael Berger

Dear Mr. Nguema:

Attached hereto is proof of my opening two business checking accounts for Unlimited Horizon, Inc. at Union Bank today and wire transfer information for these two accounts. From the funds that I am holding for you in my client trust account, I deposited $20,000.00 into the general account for Unlimited Horizon, Inc. and $10,000.00 into the special account for Unlimited Horizon, Inc. The general checking account information has been given to Paychex and will be used to allow Paychex to debit the general account to make your payroll for the period ended August 31, 2006.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 121

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00945 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.867

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Subj: **Bills that I have not paid yet**
Date: 10/15/2006
To: teono@[redacted]
CC: harmony30009@[redacted]

Dear Mr. Nguema:

As of today, I have spent or transferred to the Unlimited Horizon Accounts all of the funds that you wired to my client trust account. As of today, the remaining balance in the Unlimited Horizon General Account is $12,110.24 and the remaining balance in the Special Account is $9,836.46. The general account has been debited by Paychex twice a month to pay your payroll. The Special account has not been used at all, except for one electronic debit of $158.54 to pay for a starter kit including checks, deposit slips, and deposit stamp and a $5.00 service fee.

All further payments on your behalf will be made through the Unlimited Horizon accounts and all checks prepared by me on your behalf will be computer checks. Unlike my client trust account which is used for many clients, the 2 Unlimited Horizon accounts are used exclusively for your business. This makes the preparation of checks and accountings easier, and enables me to copy you on all bank statements.

The following is a list of invoices that you have approved but that have not yet been paid due to my being low on funds for you. The remaining funds in the Unlimited Horizon accounts may be needed for payroll or small but urgent bills that may arise before I receive the next transfer of funds from you.

Ron Gucciardo	$16,440.47	(for fabric)
George Nagler	$8,000.00	(professional services, no bill attached)
DWP	$3,203.84	(from Crest Court Property)
Serra Canyon Property Owners Association	$3,800.00	(assessment)

the following check requests were approved by you, but were sent to me without any backup -- no bill and not estimate)

Geary's	$28,695.00
Amazon.com	$1,099.00
William Sonora Material Cuisine	$3,089.00
Pottery Barn	$2,302.00
House Gadget	$2,698.00

I need a current bill for Southern California Edison. The bill that was submitted along with the September 9 check request was paid on September 1. I do not have a copy of the current bill.

Robert Saurman sent me his bill for October services directly but you have not signed an approval for this bill. The bill amount is $56,544.00

In addition to these bills, payroll continues. Accordingly, the need for the transfer of additional funds is clear.

I am double checking my accounting for the period of September 1 through October 13 to be sure that it is perfect. I will send it to you tomorrow.

By separate e-mail and fax, I am sending you a request for a wire transfer of $200,000.00.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 122

SEN004465

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00946 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.868

UNION BANK OF CALIFORNIA ®

BANK--DEPOSITOR AGREEMENT
Business Deposit Accounts

Please sign in black ink only and line out unused signature spaces.

BERGER, MICHAEL JAY
DBA LAW OFFICE OF MICHAEL JAY BERGER

ACCOUNT NUMBER	DATE OPENED	INPUT BY	REVIEWED BY	DATE PURGED
1. 0720115581	10/16/2006	ub50026	BOS J. Georges UB #46329	
2.				
3.				
4.				
5.				

Depositor Agreement--To: Union Bank of California, N.A. ("Bank")

The organization named below ("Organization") agrees that the deposit account(s) it opens with Bank now or hereafter, as listed on the Agreement, is/are to be governed by this Agreement, the terms and conditions of Bank's disclosure brochure, and Bank's schedule(s) of fees and charges, as these may be amended by Bank from time to time on reasonable notice; that the brochure and schedule(s) have been received; and that the Sole Proprietor, or the Contracting Officer(s) named below, acting in the number designated, may establish such account(s) and designate the individual(s) authorized to sign thereon, and access such account(s) on line at the Bank's Website and perform authorized functions, all on such terms as may be agreed upon with Bank.

BY SIGNING THIS AGREEMENT, THIS ORGANIZATION IS AGREEING TO THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES DESCRIBED IN YOUR DISCLOSURE BROCHURE.

TAX CERTIFICATION
Taxpayer Identification Number:

☒ Use the Employer Identification Number or ☐ Use the Social Security Number

[redacted]

= Redacted by the Permanent Subcommittee on Investigations

Name of person or entity whose T.I.N. is listed above:

Certification Instructions--You must cross out item (2) below if you have been notified by the Internal Revenue Service (IRS) that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

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),

(2) I am not subject to backup withholding, either because I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and

(3) I am a U.S. person (including a U.S. resident alien).

☐ **If you are a foreign person, corporation, partnership, estate, or trust, please check this box and provide us with the appropriate IRS Form W-8 (i.e., W-8BEN, W-8ECI, W-8EXP, or W-8IMY).**

ADDRESS: 7566 MULHOLLAND DRIVE
LOS ANGELES CA 90046
PHONE NUMBER: 310-271-6223

Business Information (Complete appropriate section)

SOLE PROPRIETORSHIP Date: 10/16/2006

The undersigned is doing business under the trade name of:
DBA LAW OFFICE OF MICHAEL JAY BERGER
(Name of your proprietorship) and agrees to the Agreement above.

Type or Print Name: BERGER, MICHAEL JAY Signature: [signature]
ID No. [redacted] ID No. [redacted]

(Check One)
☐ **LIMITED LIABILITY COMPANY** Date:
☐ **PARTNERSHIP** (Includes a general, limited, or limited liability partnership) /JOINT VENTURE
Name of Organization:
Doing Business As:

The undersigned hold(s) the position(s) described below and is/are authorized to make this certification for the Organization. If the Organization is a Partnership, a Limited Partnership, a Limited Liability Partnership, or a Joint Venture, the undersigned is the sole/are all of the general partner(s)/joint venturers. If the Organization is a Limited Liability Company, the undersigned are all of the Members of the Organization or has/have been designated, pursuant to its Articles of Organization and/or its Operating Agreement, as its only Manager(s). Each of the undersigned, acting alone, may open account(s) and designate the individual(s) authorized to sign thereon and access such account(s) on line at the Bank's Website and perform authorized functions. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms as conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Contracting Officer(s) (General Partner(s)/Joint Venturers/Members/Manager(s)):

Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____

Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____

FORM 00332-OASIS (Rev. 08/2006)

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 123

PSI-Union_Bk_Calif-01-000629

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00947 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.869

ENTER ACCOUNT NUMBER > 0720115581

BANK--DEPOSITOR AGREEMENT
Business Deposit Accounts

TITLE
BERGER, MICHAEL JAY
DBA LAW OFFICE OF MICHAEL JAY BERGER

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(S) (Sign in black ink)	TYPED NAME AND TITLE	Signing Instructions:
MICHAEL JAY BERGER	MICHAEL JAY BERGER Owner	NO SPECIAL INSTRUCTIONS
**********	**********	
**********	**********	
**********	**********	
**********	**********	
**********	**********	

(LINE OUT UNUSED SPACES)

NO. OF SIGNATURES REQUIRED (TO WITHDRAW): 1 DATE: 10/16/2006 CHEXSYSTEMS: Record ☒ No Record existing

Bank may pay out funds as instructed below:
For Sole Proprietors: with your signature alone or with any one of the other signatures above unless you specify another number here 1 for the other signers
For all other businesses: with any one of the signatures above unless you specify another number here

(Check One)
☐ CORPORATION ☐ ASSOCIATION (Includes a lodge or club) Date:

Name of Organization:
Doing Business As:

RESOLVED, that this organization open an account or accounts with Bank and that the President, Secretary, Treasurer, Vice President, Assistant Secretary or Assistant Treasurer, any two acting together ("Contracting Officers"), are hereby authorized to establish such accounts upon such terms as shall be agreed upon by the Contracting Officers with Bank. Any one person named below may apply for and accept on behalf of this Organization, a business checking overdraft line of credit, upon such terms as conditions as may be required by Bank, and may obligate this Organization to repay all sums owing under such line.

Contracting Officers:

Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____

Type or Print Name _____ Signature _____
ID No. _____ TIN _____
ID No. _____

Resolved further, that the individuals whose signatures appear on this Agreement, acting in such number as the Contracting Officers shall direct, are authorized to withdraw funds from any such account in any manner and access such account(s) on line at the Bank's Website and perform such functions as agreed upon by the Contracting Officers with Bank, including by means other than drafts.

The undersigned hereby certifies that the foregoing resolutions were duly adopted by the governing body of this organization and are in effect; that all signatures or initials appearing on this Agreement are those of the persons authorized in accordance with the resolutions; and that the Depositor Agreement is the binding obligation of the organization.

Signature _____ Secretary

Check this box ☐ if you are a nonprofit organization operated for religious, charitable, educational or other similar purposes.

ELECTRONIC FUNDS TRANSFER: (Sole Proprietorship Only)

The Bank is authorized to pay out funds through the use of any electronic funds transfer system (e.g., ATM or Bill Pay Option) as requested by any of us.

BUSINESS CASH RESERVE ACCOUNT -- (Check One) ☐ Pre-Approval ☐ Essential/Established (Package requirements were met)
Employee No: ub50026 Initials: _____

The accountholder(s) below acknowledge they have either 1) accepted a pre-approved Business Cash Reserve Account and agree to be bound by the terms of the Acceptance Certificate that has been provided to them, or 2) received a Business Cash Reserve and agree to be bound by the terms of the Business Cash Reserve Account Agreement and Disclosure Statement that will be provided to them.

Account Number: _____ Accountholders Initials: _____ _____ _____ _____ Date Initialed: _____

PSI-Union_Bk_Calif-01-000630

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00948 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.870

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subj: **Time to Wire Additional Funds to Unlimited Horizon, Inc.**
Date: 11/1/2006
To: teono@[redacted]

Dear Mr. Nguema:

Our July, 2006 agreement requires me to send you an e-mail "whenever the balance in the checking account of Unlimited Horizon, Inc. falls below $50,000.00." The balances as of today in the two Unlimited Horizon, Inc. accounts are as follows (after the clearing of all checks that have been written and sent out):

General Account $53,354.51
Special Account $ 336.46

Per our in person discussion on October 29, 2006, I suggest that the wire transfer be sent to my new client trust account at Union Bank. I will transfer it from there to the Unlimited Horizon, Inc. General Account. I will send you a separate e-mail and fax requesting a $200,000 wire transfer and providing wire transfer information for this new account.

Have a great trip.

Sincerely,

Michael Berger

P.S. This confirms what I told you in a message to your cell phone yesterday. The stop payment placed on check #1028 for $20,523.50 check to Starlink Tours per your verbal instruction was successful. The stop payment confirmation number is 3040095.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 125

SEN004477

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00949 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.871

November 24, 2006 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

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072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,944.15	[redacted]	DEUTSCHE BANK TRUST CO. AMERICAS	[redacted]

Originator : SOMAGUI FORESTAL
Originator's Bank: F.B.F. (FORTIS BANQUE FRANCE)
INFORMATION
Originator to Benef: REGLEMENT FACTURE
Ordering Bank: F.B.F. (FORTIS BANQUE FRANCE) 29-30 QUAI DE DION BOUTON
PUTEAUX, FR
Originator: SOMAGUI FORESTAL AVENIDA ASONGO
BATA / EQUATORIAL GUINEA

$.00

$199,944.15
PSI-Union_Bk_Calif-01-000642
1

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 126

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00950 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.872

January 3, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

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MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,929.97	[redacted]	BANK OF AMERICA N.A.	[redacted]
		Originator :	TEODORO NGUEMA OBIANG	
		Originator's Bank:	CCEI BANK GE	

INFORMATION

Originator to Benef: REGLEMENT FACTURE
Ordering Bank: CCEI BANK GE CALLE PRESIDENTE NASSER
MALABO,GQ
Originator: TEODORO NGUEMA OBIANG BATA / GUINEE EQUATORIALE

$.00

$199,929.97
PSI-Union_Bk_Calif-01-000643
1

January 30, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

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072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,930.49	[redacted]	BANK OF AMERICA N.A.	[redacted]

Originator : TEODORO NGUEMA OBIANG
Originator's Bank: CCEI BANK GE
INFORMATION
Originator to Benef: REGLEMENT FACTURE
Ordering Bank: CCEI BANK GE CALLE PRESIDENTE NASSER
MALABO, GQ
Originator: TEODORO NGUEMA OBIANG BATA / EQUATORIAL GUINEA

$.00

$199,930.49
PSI-Union_Bk_Calif-01-000644
1

March 14, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

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MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,930.[redacted]		BANK OF AMERICA N.A.	[redacted]
	Originator :		SOMAGUI	
	Originator's Bank:		CCEI BANK GE	
			INFORMATION	

Originator to Benef: REGLEMENT FACTURE
Ordering Bank: CCEI BANK GE CALLE PRESIDENTE NASSER
MALABO,GQ
Originator: SOMAGUI BATA / GUINEE EQUATORIALE

$.00

$199,930.11
PSI-Union_Bk_Calif-01-000645
1

March 23, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

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Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,929.63	[redacted]	BANK OF AMERICA N.A.	[redacted]

Originator : SOMAGUI
Originator's Bank: CCEI BANK GE

INFORMATION

Originator to Benef:	REGLEMENT FACTURE	ATTORNEY-CLIENT TRUST ACCOUNT
Ordering Bank:	CCEI BANK GE MALABO,GQ	CALLE PRESIDENTE NASSER
Originator:	SOMAGUI	BATA / GUINEE EQUATORIALE

$.00

$199,929.63

PSI-Union_Bk_Calif-01-000646
1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00954 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.876

April 5, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

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072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,906.21	[redacted]	JPMORGAN CHASE BANK	[redacted]
	Originator :		[redacted]	SWF OF 07/04/03
	Originator's Bank:		NATIXIS (EX NATEXIS BANQUES POPULAI INFORMATION	

Originator to Benef: PAGO FACT.
Ordering Bank: NATIXIS (EX NATEXIS BANQUES POPULAIRES)
CHARENTON-LE-PONT PARIS, FR
Originator: 00182851001 86 SOMAGUI
BATA / EQUATORIAL GUIENA

$.00

$199,906.21
PSI-Union_Bk_Calif-01-000647
1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00955 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.877

May 10, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

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072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,942.86	[redacted]	DEUTSCHE BANK TRUST CO. AMERICAS	[redacted]

Originator : SOMAGUI
Originator's Bank: F.B.F. (FORTIS BANQUE FRANCE)
INFORMATION
Originator to Benef: REGLEMENT FACTURE
Ordering Bank: F.B.F. (FORTIS BANQUE FRANCE) 29-30 QUAI DE DION BOUTON
PUTEAUX, FR
Originator: SOMAGUI BATA / EQUATORIAL GUINEA

$.00

$199,942.86
PSI-Union_Bk_Calif-01-000649
1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00956 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.878

June 6, 2007 1 H

WIRE SERVICES DEPARTMENT
POST OFFICE BOX 60691
LOS ANGELES, CA 90060

0720115581 (310) 550-6522

1

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072
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Incoming wires received via the Federal Reserve wire system by foreign or domestic banks are processed and charged as incoming domestic wires. Incoming wires received via the S.W.I.F.T. network are processed and charged as incoming international wires. Thank you for your business.

Incoming Wire Transfer Credits

Type	Amount	Our TRN	Received From	Reference
1000	$199,906.10	[redacted]	JPMORGAN CHASE BANK	[redacted]
	Originator :		[redacted]	SWF OF 07/06/04
	Originator's Bank:		NATIXIS (EX NATEXIS BANQUES POPULAI	

INFORMATION
Originator to Benef: REGLEMENT FACTURE
Ordering Bank: NATIXIS (EX NATEXIS BANQUES POPULAIRES)
CHARENTON-LE-PONT PARIS, FR
Originator: [redacted] SOMAGUI
BATA / EQUATORIAL GUINEA

$.00

$199,906.10
PSI-Union_Bk_Calif-01-000650
1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00957 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.879

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CY30Z 0B0200
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Page 1 of 1
Statement Number: 0720115581
10/16/06 - 10/31/06

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Visit us at www.uboc.com

Thank you for banking with us since 2006

See images of paid checks, initiate domestic and international wires, reduce your exposure to check fraud, and more with Union Bank's Treasury Management Services on the Web. For more information, contact your Banking Officer or visit unionbank.com/cashmanagement.

IOLTA Summary

Account Number: 0720115581

Days in statement period: 16

Balance on 10/16	$	**0.00**
Additions		6,720.32
Subtractions		-514.69
Other withdrawals	-514.69	
Balance on 10/31	$	**6,205.63**

Statement Average Ledger Balance $ 3,369.00

Interest		
Paid this period	$	0.32
Paid year-to-date	$	0.32
Interest Rates		
10/16/06-10/31/06		0.25 %
Annual Percentage Yield Earned		0.21 %

We waived your service charge this statement period.

Additions

Date	Description	Reference		Amount
10/16	OFFICE DEPOSIT	47485313	$	100.00
10/17	OFFICE DEPOSIT	45405600		500.00
10/17	OFFICE DEPOSIT #[redacted]	47621750		745.00
10/19	OFFICE DEPOSIT	45578779		2,500.00
10/30	OFFICE DEPOSIT	44076050		2,875.00
10/31	INTEREST PAYMENT			0.32
Total			**$**	**6,720.32**

Other withdrawals
including fees and adjustments

Date	Description	Reference		Amount
10/23	DEPOSITED ITEM RETURNED	99310657	$	500.00
10/23	RETURN ITEM FEE	99300658		6.00
10/24	DELUXE CHECK CHECK/ACC. PPD	56125058		8.37
10/31	TRANSFER TO STATE BAR			0.32
Total			**$**	**514.69**

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000631

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00958 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.880

Statement of Accounts

UNION BANK OF CALIFORNIA
SEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CY30 1 B 0000
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Page 1 of 1
Statement Number: 0720115581
11/1/06 - 11/30/06

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Pay Federal and state taxes, payroll, sales, corporate or property taxes with InstaTax® on the Web. And you'll receive immediate confirmation of the payments you've sent. Visit uboc.com to put InstaTax to work for you.

IOLTA Summary

Account Number: 0720115581

Days in statement period: 30

Balance on 11/1	$		**6,205.63**
Additions			224,322.90
Subtractions			-199,954.61
Checks		-199,929.15	
Other withdrawals		-25.46	
Balance on 11/30	$		**30,573.92**

Statement Average Ledger Balance $ 52,602.35

Interest

Paid this period	$	10.46
Paid year-to-date	$	10.78
Interest Rates		
11/1/06-11/30/06		0.25 %
Annual Percentage Yield Earned		0.24 %

Additions

Date	Description	Reference		Amount
11/1	OFFICE DEPOSIT	[redacted]	$	2,000.00
11/3	OFFICE DEPOSIT	[redacted]		5,400.00
11/14	DEPOSIT CORRECTION	[redacted]		50.00
11/14	OFFICE DEPOSIT	[redacted]		2,242.00
11/17	OFFICE DEPOSIT	[redacted]		6,353.29
11/20	UBOC CHECKING TRANSFER [redacted]	[redacted]		2,500.00
11/22	OFFICE DEPOSIT	[redacted]		2,000.00
11/24	WIRE TRANS TRN [redacted]	[redacted]		199,944.15
11/29	OFFICE DEPOSIT	[redacted]		3,823.00
11/30	INTEREST PAYMENT	[redacted]		10.46
Total			$	**224,322.90**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0107	11/29	[redacted]	$ 199,929.15				

Other withdrawals

including fees and adjustments

Date	Description	Reference		Amount
11/24	WIRE TRAN FEES [redacted]	93056160	$	15.00
11/30	SERVICE CHARGE			9.00
11/30	TRANSFER TO STATE BAR			1.46
Total			$	**25.46**

PSI-Union_Bk_Calif-01-000632

ph44585 on D330-44585-7600 with DISTILLER
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56840.881

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CY30 3 B 1200
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
12/1/06 - 12/29/06

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Visit us at www.uboc.com

Thank you for banking with us since 2006

Holiday Greetings! Thank you for choosing Union Bank. We wish you the very best in 2007.

IOLTA Summary

Account Number: 0720115581

Days in statement period: 29

Balance on 12/1	$		**30,573.92**
Additions			13,484.00
Subtractions			-6,234.00
Checks		-6,069.00	
Other withdrawals		-165.00	
Balance on 12/29	$		**37,823.92**

Statement Average Ledger Balance $ 35,331.88

Interest

Paid this period	$	6.85
Paid year-to-date	$	17.63

Interest Rates

12/1/06-12/29/06	0.25 %
Annual Percentage Yield Earned	0.24 %

Additions

Date	Description	Reference		Amount
12/1	OFFICE DEPOSIT	[redacted]	$	925.00
12/5	OFFICE DEPOSIT			5,700.00
12/11	OFFICE DEPOSIT			750.00
12/15	OFFICE DEPOSIT			3,850.00
12/19	OFFICE DEPOSIT			2,250.00
12/29	INTEREST PAYMENT			6.85
12/29	TRANSFER FROM STATE BAR			2.15
Total			$	**13,484.00**

Checks

Number	Date	Reference		Amount	Number	Date	Reference		Amount
0108	12/6	[redacted]	$	299.00	0161*	12/11	47452208	$	5,000.00
0109	12/1	[redacted]		770.00	**Total**			$	**6,069.00**

* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

Other withdrawals *including fees and adjustments*

Date	Description	Reference		Amount
12/7	DEPOSITED ITEM RETURNED	[redacted]	$	150.00
12/7	RETURN ITEM FEE	[redacted]		6.00
12/29	SERVICE CHARGE			9.00
Total			$	**165.00**

PSI-Union_Bk_Calif-01-000633

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

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CY30 5 B 1200

MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
12/30/06 - 1/31/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 33

Balance on 12/30	$		**37,823.92**
Additions			445,909.30
Subtractions			-420,802.59
Checks		-420,787.75	
Other withdrawals		-14.84	
Balance on 1/31	$		**62,930.63**

Statement Average Ledger Balance $ 66,889.83

Interest

Paid this period	$	14.84
Paid year-to-date	$	14.84
Interest Rates		
1/2/07-1/31/07		0.25 %
Annual Percentage Yield Earned		0.24 %

Additions

Date	Description	Reference		Amount
1/2	OFFICE DEPOSIT	[redacted]	$	5,000.00
1/3	WIRE TRANS TRN [redacted]	[redacted]		199,929.97
1/4	OFFICE DEPOSIT	[redacted]		5,440.00
1/9	OFFICE DEPOSIT	[redacted]		5,820.00
1/12	OFFICE DEPOSIT	[redacted]		2,774.00
1/16	OFFICE DEPOSIT	[redacted]		3,750.00
1/22	OFFICE DEPOSIT	[redacted]		2,500.00
1/22	OFFICE DEPOSIT # [redacted]	[redacted]		15,000.00
1/23	OFFICE DEPOSIT	[redacted]		5,000.00
1/30	WIRE TRANS TRN [redacted]	[redacted]		199,930.49
1/31	INTEREST PAYMENT			14.84
1/31	OFFICE DEPOSIT	46059022		750.00
Total			**$**	**445,909.30**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0112	1/3	13259781	$ 299.00	0115	1/24	[redacted]	15,000.00
0113	1/4	47206026	199,929.97	0116	1/31	[redacted]	199,930.49
0114	1/17	45873585	5,628.29	**Total**			**$ 420,787.75**

Other withdrawals

Date	Description	Reference		Amount
1/31	SERVICE CHARGE		$	9.00
1/31	TRANSFER TO STATE BAR			5.84
Total			**$**	**14.84**

including fees and adjustments

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00961 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.883

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512360
LOS ANGELES CA 90051-0380

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CY30 2 B 0000

MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
2/1/07 - 2/28/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 28

Balance on 2/1	$		**62,930.63**
Additions			52,861.36
Subtractions			-10,049.91
Checks		-10,000.00	
Other withdrawals		-49.91	
Balance on 2/28	$		**105,742.08**

Statement Average Ledger Balance $ 89,009.69

Interest

Paid this period	$	16.66
Paid year-to-date	$	31.50
Interest Rates		
2/1/07-2/28/07		0.25 %
Annual Percentage Yield Earned		0.24 %

Additions

Date	Description	Reference		Amount
2/2	OFFICE DEPOSIT	[redacted]	$	2,549.00
2/5	ACCT SERVC CHG REVERSAL	[redacted]		27.00
2/8	OFFICE DEPOSIT	[redacted]		15,429.70
2/14	OFFICE DEPOSIT # [redacted]	[redacted]		11,939.00
2/15	OFFICE DEPOSIT # [redacted]	[redacted]		15,000.00
2/26	OFFICE DEPOSIT	[redacted]		7,000.00
2/28	INTEREST PAYMENT	[redacted]		16.66
2/28	OFFICE DEPOSIT	[redacted]		900.00
Total			$	**52,861.36**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0117	2/21	[redacted]	$ 4,000.00	0118	2/22	[redacted]	$ 6,000.00
				Total			$ **10,000.00**

Other withdrawals

including fees and adjustments

Date	Description	Reference		Amount
2/21	DELUXE CHECK CHECK/ACC. PPD	[redacted]	$	16.50
2/21	DELUXE CHECK CHECK/ACC. PPD	[redacted]		16.75
2/28	SERVICE CHARGE			9.00
2/28	TRANSFER TO STATE BAR			7.66
Total			$	**49.91**

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56840.884

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

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CY30 18 B 1230

MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
3/1/07 - 3/30/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 30

Balance on 3/1	$		**105,742.08**
Additions			419,945.41
Subtractions			-431,575.51
Checks		-430,549.74	
Other withdrawals		-1,025.77	
Balance on 3/30	$		**94,111.98**

Statement Average Ledger Balance $ 97,707.20

Interest		
Paid this period	$	19.77
Paid year-to-date	$	51.27
Interest Rates		
3/1/07-3/30/07		0.25 %
Annual Percentage Yield Earned		0.24 %

Additions

Date	Description	Reference	Amount
3/5	OFFICE DEPOSIT	[redacted]	$ 1,000.00
3/9	OFFICE DEPOSIT	[redacted]	2,688.90
3/14	WIRE TRANS TRN[redacted]	[redacted]	199,930.11
3/14	OFFICE DEPOSIT	[redacted]	26.00
3/15	OFFICE DEPOSIT	[redacted]	1,000.00
3/16	OFFICE DEPOSIT	[redacted]	9,026.00
3/19	OFFICE DEPOSIT	[redacted]	3,200.00
3/23	WIRE TRANS TRN[redacted]	[redacted]	199,929.63
3/26	OFFICE DEPOSIT	[redacted]	2,000.00
3/27	OFFICE DEPOSIT	[redacted]	1,125.00
3/30	INTEREST PAYMENT		19.77
Total			**$ 419,945.41**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0119	3/16	11665987	$ 25.00	0132*	3/21	11371945	$ 1,039.00
0120	3/22	11475864	26.00	0133	3/22	13219667	26.00
0122*	3/9	10303878	13.00	0134	3/16	47237835	5,000.00
0123	3/6	12126086	10,500.00	0135	3/16	46563726	1,000.00
0124	3/6	03446237	1,125.00	0136	3/19	47371661	7,500.00
0125	3/9	10071867	26.00	0138*	3/29	12632812	18.00
0126	3/26	02241237	19.00	0139	3/22	45302025	4,000.00
0127	3/21	27030108	22.00	0140	3/23	47796198	199,929.63
0128	3/20	13697987	26.00	0141	3/30	13156883	26.00
0129	3/14	45520574	199,930.11	**Total**			**$ 430,549.74**
0130	3/26	12189311	299.00				

* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

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56840.885

Statement Number: 0720115581
3/1/07 - 3/30/07

Other withdrawals	Date	Description	Reference		Amount
including fees and adjustments	3/21	DEPOSITED ITEM RETURNED	[redacted]	$	1,000.00
	3/21	RETURN ITEM FEE	[redacted]		6.00
	3/30	SERVICE CHARGE			9.00
	3/30	TRANSFER TO STATE BAR			10.77
	Total			**$**	**1,025.77**

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ph44585 on D330-44585-7600 with DISTILLER

56840.886

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072
PO BOX 512380
LOS ANGELES CA 90051-0380

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CY30 11 B 0030
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
3/31/07 - 4/30/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 31

Balance on 3/31	$		**94,111.98**
Additions			282,230.61
Subtractions			-255,297.11
Checks		-225,745.21	
Payments		-29,485.50	
Other withdrawals		-66.40	
Balance on 4/30	$		**121,045.48**

Statement Average Ledger Balance $ 116,067.30

Interest

Paid this period	$	23.40
Paid year-to-date	$	74.67
Interest Rates		
4/2/07-4/30/07		0.25 %
Annual Percentage Yield Earned		0.23 %

Additions

Date	Description	Reference		Amount
4/5	WIRE TRANS TRN [redacted]	[redacted]	$	199,906.21
4/6	OFFICE DEPOSIT	[redacted]		48,026.00
4/12	OFFICE DEPOSIT	[redacted]		7,500.00
4/23	OFFICE DEPOSIT	[redacted]		5,500.00
4/26	OFFICE DEPOSIT	[redacted]		6,975.00
4/27	OFFICE DEPOSIT	[redacted]		4,300.00
4/30	INTEREST PAYMENT			23.40
4/30	OFFICE DEPOSIT	[redacted]		10,000.00
Total			$	**282,230.61**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0137	4/3	[redacted]	$ 1,299.00	0149	4/27	[redacted]	$ 299.00
0143*	4/6	[redacted]	26.00	0152*	4/26	[redacted]	40.00
0144	4/12	[redacted]	26.00	0153	4/27	[redacted]	274.00
0145	4/6	[redacted]	6,000.00	0154	4/27	[redacted]	3,500.00
0146	4/6	[redacted]	199,906.21	0155	4/26	[redacted]	2,875.00
0147	4/12	[redacted]	8,000.00	**Total**			$ **225,745.21**
0148	4/12	[redacted]	3,500.00				

* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

Payments

	Date	Description	Account code	Reference		Amount
online and electronic banking	4/13	WIRE TRANS TRN 0413025753 041307		[redacted]	$	29,485.50

Other withdrawals

	Date	Description	Reference		Amount
including fees and adjustments	4/5	WIRE TRAN FEES [redacted]	[redacted]	$	15.00
	4/13	WIRE TRAN FEES			28.00
	4/30	SERVICE CHARGE			9.00

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56840.887

Statement Number: 0720115581
3/31/07 - 4/30/07

Other withdrawals	Date	Description	Reference	Amount
continued	4/30	TRANSFER TO STATE BAR		$ 14.40
	Total			**$ 66.40**

ph44585 on D330-44585-7600 with DISTILLER

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56840.888

Statement of Accounts

UNION BANK OF CALIFORNIA
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LOS ANGELES CA 90051-0380

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CY30 20 B 1200
MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
5/1/07 - 5/31/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 31

Balance on 5/1	$		**121,045.48**
Additions			213,321.74
Subtractions			-212,553.43
Checks		-212,510.78	
Other withdrawals		-42.65	
Balance on 5/31	$		**121,813.79**

Statement Average Ledger Balance $ 131,185.96

Interest		
Paid this period	$	27.65
Paid year-to-date	$	102.32
Interest Rates		
5/1/07-5/31/07		0.25 %
Annual Percentage Yield Earned		0.24 %

Additions

Date	Description	Reference		Amount
5/1	OFFICE DEPOSIT	[redacted]	$	400.00
5/4	OFFICE DEPOSIT			4,420.80
5/8	OFFICE DEPOSIT			2,362.43
5/10	WIRE TRANS TRN [redacted]			199,942.86
5/11	OFFICE DEPOSIT			2,269.00
5/18	OFFICE DEPOSIT			1,899.00
5/23	OFFICE DEPOSIT			2,000.00
5/31	INTEREST PAYMENT			27.65
Total			$	**213,321.74**

Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
0142	5/21	11502104	$ 299.00	0197	5/18	[redacted]	$ 640.00
0156*	5/4	12431396	262.50	0198	5/16		6,500.00
0157	5/17	13591682	299.00	0199	5/25		299.00
0158	5/21	10340687	299.00	0200	5/25		299.00
0160*	5/11	45138481	750.00	0201	5/25		299.00
0191*	5/14	10177021	299.00	0202	5/25		299.00
0192	5/16	10710852	26.00	0203	5/30		12.50
0193	5/17	13707856	299.00	0204	5/30		1,209.00
0194	5/11	47206440	199,929.63	0205	5/29		210.15
0195	5/17	13624210	40.00	0206	5/29		200.00
0196	5/17	13624209	40.00	**Total**			$ **212,510.78**

* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

Other withdrawals

including fees and adjustments

Date	Description	Reference		Amount
5/10	WIRE TRAN FEES [redacted]	[redacted]	$	15.00
5/31	SERVICE CHARGE			9.00
5/31	TRANSFER TO STATE BAR			18.65
Total			$	**42.65**

PSI-Union_Bk_Calif-01-000640

ph44585 on D330-44585-7600 with DISTILLER
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56840.889

Statement of Accounts

UNION BANK OF CALIFORNIA
BEVERLY HILLS 072 C
PO BOX 512380
LOS ANGELES CA 90051-0380

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CY30 4 B 1000

MICHAEL JAY BERGER
LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Statement Number: 0720115581
6/1/07 - 6/29/07

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IOLTA Summary

Account Number: 0720115581

Days in statement period: 29

Balance on 6/1	$		**121,813.79**
Additions			355,895.47
Subtractions			-477,709.26
Checks		-212,771.44	
Payments		-153,778.08	
Other withdrawals		-111,159.74	
Balance on 6/29	$		**0.00**

Statement Average Ledger Balance $ 87,018.65

Interest

Paid this period	$	0.00
Paid year-to-date	$	102.32
Interest Rates		
6/1/07-6/29/07		0.25 %
Annual Percentage Yield Earned		0.00 %

We waived your service charge this statement period.

Additions

Date	Description	Reference		Amount
6/1	OFFICE DEPOSIT	[redacted]	$	525.00
6/1	OFFICE DEPOSIT # [redacted]			153,194.37
6/6	WIRE TRANS TRN [redacted]			199,906.10
6/7	OFFICE DEPOSIT			1,270.00
6/8	OFFICE DEPOSIT # [redacted]			1,000.00
Total			$	**355,895.47**

Checks

Number	Date	Reference		Amount	Number	Date	Reference		Amount
0159	6/5	[redacted]	$	936.50	0212	6/7	[redacted]	$	200,685.47
0207*	6/5			271.50	0213	6/8			5,000.00
0211*	6/1			5,877.97	**Total**			$	**212,771.44**

* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

Payments

	Date	Description	Account code	Reference		Amount
online and electronic banking	6/4	CAPITAL ONE ARC CHECK PYMT ARC 209		[redacted]	$	356.00
	6/4	CAPITAL ONE ARC CHECK PYMT ARC 210				926.94
	6/7	SOCALGAS ARC PYMT ARC 0208				125.14
	6/8	WIRE TRANS TRN [redacted]				152,370.00
	Total				$	**153,778.08**

Other withdrawals

	Date	Description	Reference		Amount
including fees and adjustments	6/1	FEE FOR PURCHASE OF CASHIER CHECKS	[redacted]	$	8.00
	6/8	WIRE TRAN FEES [redacted]			28.00
	6/12	CLOSING TRANSACTION			111,123.74
	Total			$	**111,159.74**

ph44585 on D330-44585-7600 with DISTILLER
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56840.890

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH:310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

16-49 72
1220
0720115581

107

DATE 11/29/06

PAY TO THE ORDER OF Unlimited Horizon Inc $ 199,929.15

One hundred + ninety nine thousand nine hundred twenty nine 15/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4436

FOR [redacted] 0107

PostngDate: 20061129
AccountNum: 720115581
Serial: 107
Amount: 199,929.15
DIN (Posting Reference # or Seq #): 47383524

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2075
[redacted]
FOR DEPOSIT ONLY
UNLIMITED HORIZONS, INC.
GENERAL ACCOUNT
0720115409

3-28-09 54

PostngDate: 20061129
AccountNum: 720115581
Serial: 107
Amount: 199,929.15
DIN (Posting Reference # or Seq #): 47383524

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000652

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00969 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.891

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH. 310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

18-49 72
1220
0720115581

113

DATE 1/4/07

PAY TO THE ORDER OF Unlimited Horizon, Inc. $ 199,929.97

One hundred ninety nine thousand nine hundred twenty nine and 97/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4456

FOR

[redacted]: 0720115581" 0113

PostngDate: 20070104
AccountNum: 720115581
Serial: 113
Amount: 199,929.97
DIN (Posting Reference # or Seq #): 47206026

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2076
[redacted]
FOR DEPOSIT ONLY
UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
0720115409

PostngDate: 20070104
AccountNum: 720115581
Serial: 113
Amount: 199,929.97
DIN (Posting Reference # or Seq #): 47206026

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000657

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH. 310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

16-49 72
1220
0720115581

140

DATE 3/23/07

PAY TO THE ORDER OF Unlimited Horizon $199,929.63

one hundred ninety nine thousand nine hundred twenty nine 63/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4486

FOR

[redacted] 0720115581 0140

PostngDate: 20070323
AccountNum: 720115581
Serial: 140
Amount: 199,929.63
DIN (Posting Reference # or Seq #): 47796198

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2075
FOR DEPOSIT ONLY
UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
0720115409

[redacted]

PostngDate: 20070323
AccountNum: 720115581
Serial: 140
Amount: 199,929.63
DIN (Posting Reference # or Seq #): 47796198

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000678

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00971 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.893

= Redacted by the Permanent Subcommittee on Investigations

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH. 310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

16-49 72
1220
0720115581

146

DATE 4/6/07

PAY TO THE ORDER OF Unlimited Horizon Inc. $199,906.21

One hundred ninety nine Thousand nine hundred six & 21/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4484

FOR

[redacted] ⑆ 0720115581⑈ 0146

PostngDate: 20070406
AccountNum: 720115581
Serial: 146
Amount: 199,906.21
DIN (Posting Reference # or Seq #): 46394645

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2075
[redacted] 4
FOR DEPOSIT ONLY
UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
0720115409

[redacted]

PostngDate: 20070406
AccountNum: 720115581
Serial: 146
Amount: 199,906.21
DIN (Posting Reference # or Seq #): 46394645

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000686

= Redacted by the Permanent Subcommittee on Investigations

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH. 310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

16-49 72
1220
0720115581

194

DATE May 11, 2007

PAY TO THE ORDER OF Unlimited Horizon Inc, $199,929 63

one hundred ninety nine thousand nine hundred twenty nine 63/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4486

FOR

[redacted] 0720115581 0194

PostngDate: 20070511
AccountNum: 720115581
Serial: 194
Amount: 199,929.63
DIN (Posting Reference # or Seq #): 47206440

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2075
FOR [redacted] ONLY
UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
0720115409

PostngDate: 20070511
AccountNum: 720115581
Serial: 194
Amount: 199,929.63
DIN (Posting Reference # or Seq #): 47206440

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000697

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00973 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.895

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
PH. 310-271-6223
9454 WILSHIRE BLVD. SUITE 625
BEVERLY HILLS, CA 90212

16-49 72
1220
072011558

212

DATE 6/7/07

PAY TO THE ORDER OF Unlimited Horizon Inc. $200,685.47

two hundred thousand six hundred eighty five 47/100 DOLLARS

UNION BANK OF CALIFORNIA
BEVERLY HILLS #72
9460 WILSHIRE BLVD., BEVERLY HILLS, CA 90212-2075
800 238 4486

FOR

[redacted] 072011558 ⑈ 0212

PostngDate: 20070607
AccountNum: 720115581
Serial: 212
Amount: 200,685.47
DIN (Posting Reference # or Seq #): 46790279

PAY TO THE ORDER OF
UNION BANK OF CALIFORNIA
BEVERLY HILLS, CA 90212-2075
P [redacted] 4
FOR DEPOSIT ONLY
UNLIMITED HORIZON, INC.
GENERAL ACCOUNT
072011558

PostngDate: 20070607
AccountNum: 720115581
Serial: 212
Amount: 200,685.47
DIN (Posting Reference # or Seq #): 46790279

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 128

PSI-Union_Bk_Calif-01-000718

UBOC Case Notes

15-Jun-07

CaseID 2007233872

BERGER,M-Wire Review-High Risk/Terroris

Log Date Log Time	Who Alternate Inv.	Notes
6/15/2007 3:17 PM	James W Martin	Case Jacket The case jacket was populated in a manner consistent with UBOC Policy. QC Comments This case was the result of a bank monitoring system that detected wire transfers greater than $50,000 from a high risk jurisdiction. The investigator documented suspicious account activity [redacted] Documentation The documentation consists of both internal bank documents and external research. The supporting documentation in the file was adequate to support the investigative findings. Case Summary Report The case summary report was clear and concise and fully supports the investigative findings. [redacted]
6/13/2007 5:45 AM	John McCarthy	Investigation initiated on 06/12/07. Investigation conducted and case file populated according to standard UBOC IU procedures. Suspicious activity with the appearance of money laundering on behalf of PEP Teodoro Obiang by attorney Michael Jay Berger detected, including the use of front corporate vehicles to facilitate international fund transfers detected in multiple accounts. [redacted]
6/12/2007 1:57 PM	Carol Olson	6/12/07CRO-APPROVED FOR IMMEDIATE CLOSURE EFFECTIVE 6/12/07 SONYA MOSS-CBG COMPLIANCE JANET JONES-CBG COMPLIANCE LETTER DATE 6/12/07 FEDEX'D ON 6/12/07(8595 4929 4710, 4731 & 4742 CLOSURE EFFECTIVE IMMEDIATELY NO OTHER AREAS OF THE BANK WERE AFFECTED

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00975 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.897

UBOC Case Notes

15-Jun-07

CaseID 2007233872

BERGER,M-Wire Review-High Risk/Terroris

Log Date Log Time	Who Alternate Inv.	Notes
4/20/2007 1:36 PM	MRU Staging	Analyst Name: Marcial Gonzalez Wire Alert #24504Referral Date: 4/3/2007 CUSTOMER NAME: MICHAEL JAY BERGER DBA LAW OFFICE OF MICHAEL JAY BERG ADDRESS: 7566 MULHOLLAND DRIVE, LOS ANGELES CA 90046 PRIMARY ACCT # 0720115581 TYPE OF ACCT: Business checking ACCT OPENED: 10/06 INTRODUCTION: This account appeared on the January 2007 Wire Alert Report for wire transfers for an individual customer with a dollar value equal to or greater than $50,000.00to or from a high risk jurisdiction. TRANSACTIONS: For the month of January 2007, Michael Jay Berger DBA Law Office of Michael Jay Berg, had the following wire transactions: An incoming wire received on 1/30/2007 from CCEI Bank GE by order of Teodoro Nguema Obiang, referenced as: "Reglement Facture", for a total of $199,930.49. An incoming wire received on 1/3/2007 from CCEI Bank GE by order of Teodoro Nguema Obiang, referenced as: "Reglement Facture", for a total of $199,929.97. A review of Lexis Nexis revealed a Teodoro Nguema Obiang Mbasogo as the president of Equatorial Guinea. Person sending wire Teodoro Nguema Obiang. From the following web site: http://www.dictatorofthemonth.com/Obiang/Mar2005ObiangEN.htm. Major Achievements: Repressive dictator known for his survival in power for more than 25 years despite multiple attempts to overthrow him. Currently at odds with the USA over the last attempt to remove him from power. Now a tricky situation due to major oil/ natural gas strikes in the country by US companies. World check had a negative hit on Teodoro Nguema Obiang Mbasogo and one negative hit on Teodoro Nguema Obiang (per World Check Teodoro Nguema Obiang is the president's son). CUSTOMER BACKGROUND: Michael Jay Berger DBA Law Office of Michael Jay Berg has been a UBOC account holder since 08/06. HISTORIC REVIEW OF TRANSACTIONS: OTHER ACCOUNTS: A search of the bank systems resulted in the identification of the following accounts: CONCLUSION: The MRU believes that this wire alert should be referred to Investigations because of the following reasons: The MRU was not able to establish the relationship or business relationship between Michael Jay Berger DBA Law Office of Michael Jay Berg and Teodoro Nguema Obiang. The MRU was unable to determine the economic purpose of the outgoing wires.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00976 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.898

UBOC Case Summary Continuation

Case ID 2007233872

15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

Once these accounts were established, the client began to receive wire credits from Equatorial Guinea (EG). Between 11/24/06 and 06/06/07, the client received eight wires in amounts just under $200,000 each from EG. The originator on the wires was Teodoro Nguema Obiang, Somagui Forestal or Somagui. The originating banks for the wires were Fortis Banque France, Puteaux, France; CCEI Bank GE, Malabo, EG; and Natixis, Paris, France. Although all the funds did not originate from high-risk jurisdictions, all of the wire transfers were originated from Obiang, a known PEP involved in past and current cases involving money laundering, political corruption, bribery, and narcotics trafficking, or one of his known companies. Therefore, these wire credits were deemed suspicious in nature. The aggregate total of all suspicious wire transactions received from Obiang in the client's IOLTA was $1,599,419. Additionally, on 06/01/07, the client deposited a $153,101 cashier's check from Comerica Bank payable to Teodoro Nguema Obiang into the IOLTA account. The memo section of the cashier's check noted "To Close Acct. 1894004249." For the same reason as indicated with the wire credits, this deposit was also considered suspicious in nature. The aggregate total of all suspicious credits to the client's IOLTA account was $1,752,520.

Once the wire credits were received in the client's IOLTA account, the client would write checks payable to his company, Unlimited Horizon, Inc., for roughly the same amount of each wire credit. Between 11/29/06 and 05/11/07, the client wrote seven checks totaling $1,399,485 to Unlimited Horizon, Inc. Additionally, the client sent a $152,370 wire to Guernsey's Auction House in New York City on 06/08/07. Although this investigation was unable to specifically identify the source or purpose of the transaction, the wire transaction to Guernsey's was made seven days after the deposit of the $153,101 Comerica cashier's check and two days after the receipt of the 06/06/07 $199,906 wire from Obiang. This wire transaction was deemed suspicious in nature due to the fact that criminal elements often purchase high-value goods, such as art pieces and precious metals, items exclusively handled by auction houses, in order to further obscure the origin of illegal funds. Therefore, the total debits from the client's IOLTA account which were deemed suspicious in nature totaled $1,551,855.

The investigation determined that once the funds were deposited from the client's IOLTA account into account # 0720115409, the client utilized the funds in order to support the activities of a third corporate entity, Sweetwater Malibu LLC. Sweetwater Malibu LLC, whose managing member was listed as Teodoro Nguema Obiang, was listed as a realty management company by LexisNexis; however, a review of all debits made by Ultimate Horizon, Inc. showed that Sweetwater Malibu was merely a vehicle to fund the personal activities and estate of Teodoro Nguema Obiang. In examining all items related to the accounts of Ultimate Horizon, Inc. since the account was opened, this investigation found no legitimate business purpose for the Ultimate Horizon, Inc. other than to fund the activities of Sweetwater/Obiang and obscure the source of funds used to support Obiang's affluent lifestyle at his estimated $35 million estate located at 3620 Sweetwater Mesa Road, Malibu, California 90265-4939. Examples of debits examined in the Ultimate Horizon, Inc. account, #0720115409, include roughly $54,000 per month for a personal security detail from Saurman Investigative Services, more than $10,000 per month in electricity bills, the payroll expenses of staff at Obiang's estate, and Department of Motor Vehicle registration renewals for a Rolls Royce limousine, Ferraris, and a Bentley. Information obtained from internet research indicated the Obiang's monthly Minister of Forestry salary was only $5,000. Since the client was deemed to be utilizing his UBOC accounts to (1) operate a shell company in order to obscure the true origin of funds derived from questionable sources and (2) utilized those deposits in Ultimate Horizon accounts to fund the activities of another corporate vehicle to further obscure the nature of transactions, all debits paid from the Ultimate Horizon, Inc. accounts, # 0720115409 and #0720115417, were deemed suspicious in nature. The total of these suspicious transactions was $1,656,359.

The aggregate total of all suspicious activity detected during this investigation was $4,960,734. This suspicious activity consisted of the use of multiple corporate vehicles by Michael Berger, the lawyer of Politically Exposed Person (PEP) Teodoro Nguema Obiang, in order to disguise the identity of the his client as well as to place, layer, and integrate Obiang's funds derived via international wire transactions from Equatorial Guinea, a high risk jurisdiction. Therefore, the detailed actions had the appearance of money laundering activity conducted by a UBOC client on behalf of Obiang.

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00977 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.899

UBOC Case Summary Continuation

Case ID 2007233872

15-Jun-07 BERGER,M-Wire Review-High Risk/Terroris

No Cash Transaction Reports (CTRs) were detected based on the client's tax identification numbers or account numbers. A check of the UBOC Retail KYC system did not detect a current KYC profile for the client or his businesses.

No additional suspicious activity was detected in any of the examined accounts which would indicate a violation of the Bank Secrecy Act (BSA) or other criminal statutes.

LexisNexis, civil court and criminal history, public records and World Check searches were conducted on Michael Berger, Teodoro Nguema Obiang, Ultimate Horizon, Inc., Sweetwater Malibu LLC, and other individuals identified during the investigation. Information derived from LexisNexis indicated Michael Berger had multiple past personal civil judgments and active tax liens. Information obtained from internet research also indicated Michael Berger had his law license suspended by the California State Bar in 1997 for a fraud scheme involving one of his clients. Furthermore, in 2004 Michael Berger represented Teodoro Nguema Obiang in a Federal Civil matter where Obiang sued City National Bank for closing his bank account for suspicious transactions and releasing those deposits to the District Attorney for New York County. The case was remanded to a California State court, where no additional information was available on the matter. A synopsis of information obtained regarding the activities of Teodoro Nguema Obiang was detailed in previous paragraphs, however LexisNexis indicated that Obiang had a Social Security Number (SSN) linked to another subject, identified as Osvaldo Cano. Given Obiang's status as a government minister of a foreign country, it was deemed highly unlikely that he would hold a valid Social Security Number. No additional negative information pertaining to this investigation was revealed in the queries.

Subjects:

Michael Jay Berger
DBA Law Office of Michael Jay Berger
7566 Mulholland Drive
Los Angeles, CA 90046-1239
SSN: [redacted]
DOB: 03/28/57
CADL: [redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Teodoro Nguema Obiang
3620 Sweetwater Mesa Road
Malibu, CA 90265-4939
SSN: [redacted]
DOB: 06/25/69
CADL: [redacted]

** - *INFORMATION OBTAINED FROM LEXISNEXIS*

Unlimited Horizon, Inc.
9454 Wilshire Boulevard, Suite 625
Beverly Hills, CA 90212-2900
EIN: [redacted]

Sweetwater Malibu LLC
468 North Camden Drive #200
Beverly Hills, CA 90210-4507
EIN: [redacted]

** - *INFORMATION OBTAINED FROM LEXISNEXIS*

Conclusion:

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00978 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.900

Bank Operations Support

June 12, 2007

MICHAEL JAY BERGER
dba LAW OFFICE OF MICHAEL JAY BERGER
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212

Re: 0720115581

Dear Client:

We are closing your account as stated in our previous letter.

Sincerely,
Union Bank of California
Bank Operations Support

AS

1980 SATURN STREET, MONTEREY PARK, CALIFORNIA 91755-7417
P.O. BOX 512380, LOS ANGELES, CA 90051-2380

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 136

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00979 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.901

UNION BANK OF CALIFORNIA

FINANCIAL INVESTIGATIONS

June 12, 2007

Unlimited Horizon Inc
9454 Wilshire Blvd Ste 625
Los Angeles CA 90212

Re: 0720115409 and 0720115417

Dear Mr. Berger,

This letter is to inform you that we have made the decision to close your Union Bank of California account(s) referenced above. We do not believe it is in the best interest of the bank to continue your relationship with Union Bank. Your account(s) will be closed effective 6/12/07. This action is taken in accordance with terms and conditions governing the accounts as set forth in our disclosure and agreement titled *All About Business Accounts and Services* (the "Account Agreement"). The Account Agreement provides that either you or the bank may close the accounts at any time (refer to page 81 of the enclosed Account Agreement).

As a result of this action, deposits will not be accepted after 6/12/07. Deposits made to your accounts may be subject to holds. Please refer to page 89 of the Account Agreement for the details on holds for uncollected funds. Checks and debits presented for payment after 6/12/07 will be returned account closed.

A cashier's check for any remaining balance(s) will be mailed to you after the account(s) closes. Your branch has been instructed not to assist you in this matter. Please refer any questions you may have to me at 415-765-2864.

Sincerely,

Carol for Nancy Hall

Nancy Hall
Vice President
Financial Investigations Unit

Enclosure: All About Business Accounts and Services
Member FDIC
NRH/CRO

400 CALIFORNIA STREET, 14TH FLOOR, SAN FRANCISCO, CALIFORNIA 94104

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 138

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00980 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.902

CASHIER'S CHECK

Bank Operations Support/AS
(OFFICE OF ISSUE)

9407720

REMITTER: CLOSING ACCOUNT #0720115409 & 0720115417 PER PREVIOUS NOTIFICATION

DATE: June 12, 2007

PAY TO THE ORDER OF UNLIMITED HORIZON, INC.

$ ***250,014.65***

*** $250,014DLS AND 65CTS ***

UNION BANK OF CALIFORNIA
UNION BANK OF CALIFORNIA, N.A.
SAN FRANCISCO, CALIFORNIA
800-238-4486

UNLIMITED HORIZON, INC.
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212-2900

(AUTHORIZED SIGNATURE)

[redacted]

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 139

SEN004570

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00981 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.903

CorporateSecurity

Master Case Information

Inv. Cost Center #:	12538 - AML Concord		
Case #:	50819-120111	Completed:	Yes
Date Opened:	08/19/2005	Hours:	0
Inv. Activity:	Anti-Money Laundering	Expenses:	$0.00
Escalation:	No	*Last Update:*	08/23/2005 02:34:58 PM
Date Closed:	08/23/2005	*By:*	Joseph L. Frank

Initial Information

Priority:	High	Input By:	BDesa
Source:	AML Risk Monitoring		
Inv. Type:	M: Suspicious Activity		
System Source:	STM-WEB		
Contact Name:	Jim Price	Phone:	(925) 675-2128
Initial Amount:	$7,854,341.83	Date Orig:	10/01/2004
Date Detected:			
Assigned To:	JPrice	Date Assigned:	08/22/2005
Assigned By:	Lorena M. Garcia	External Ref. #:	007890-01
Assisted By:			
Related Case:			
Intent Amount:	$0.00		

Initial Info: **The purpose of this STM is to report wire transfer activity involving an account at Bank of America in Beverly Hills, California.**
Beautiful Vision Inc opened business checking account #02139-06465 on October 19, 2004. The owner/president of the business is identified as Michael Jay Berger, however the authorized signer on the account is Teodoro Nguema Obiang. This individual appears to be the son of Teodoro Obiang Nguema Mbsago (President of Equitorial Guinea).
The account at Bank of America has been involved with 3 wire transfers totaling $7,854,341.83. We believe these transactions are potentially suspicious due to the large dollar amount involving an account that appears to be controlled by a senior politically exposed person.

Cost Center Information

Company #: 318
Cost Center #: 0000213
BEVERLY-WILSHIRE BRANCH
9461WILSHIRE BLVD
BEVERLY HILLS, CA 90212-2793

Hierarchy Code	Hierarchy Code Description
H	Consumer Bank
HA	Banking Center Channel
HAL	Los Angeles / Central California
HALD	La/Central Ca-Westside
HALDD	West Side Region
HALDDB	West Side Region Subtotal B

Account Monitoring Notification Information

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 142

BAC-PSI-05948

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00982 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.904

Account/Card #: **0213906465, 0213941114**
Account Type: **Checking** Open Date: **10/19/2004**

Account Name:

Domiciling State (Entity):

Additional Customer(s) / Account #(s):

Account Status:

Tax ID Number:

Comments:

Mailed By:
Mailed Date:

Account Closure Referral Information

Send To:

Account/Card #:

Account Name:

Domiciling State (Entity):

Account Status:

Account Closure Reason:

If other, describe:

Add to Hot File:

Report to ChexSystems:

Banking Center or Region concurrence to close:

If Yes, Name of Officer: Date:

If No, Escalation Committee concurrence: Date:

Comments:

Inv. Mail Code:
Mailed By:

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00983 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.905

Mailed Date:

Involved Party 1

Relationship:	**Customer**	Suspect?:	**Yes**
Last Name:	**BEAUTIFUL VISION INC**		
First Name:		Middle Initial:	
AKA:			
Address:	**12038 Crest Ct**		
City:	**Beverly Hills**	State:	**CA**
Zip Code:	**90210**	Country:	**US**
Telephone (wk):	**3105501915**	Ext.:	
Telephone (hm):			
SSN/TIN:	[redacted]	SSN or TIN?:	**T**
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Customer Risk:	**Senior Foreign Political Figure**		
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel. #:	

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Hot File Information

Comments:

Mailed By:
Mailed Date:

Involved Party 2

Relationship:	**Customer**	Suspect?:	**Yes**
Last Name:	**Nguema Obiang**		
First Name:	**Teodoro**	Middle Initial:	
AKA:			
Address:			
City:		State:	
Zip Code:		Country:	
Telephone (wk):		Ext.:	
Telephone (hm):			
SSN/TIN:		SSN or TIN?:	
Birth Date:		Gender:	
Form of ID used:		ID Number:	
Issuing Authority:			
Occupation:		Adm/Conf:	
Customer Risk:	**Senior Foreign Political Figure**		
Arrest Date:		Arrest. Agency:	
Agency Contact:		Contact Tel.#:	

Hot File Information

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00984 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.906

BEAUTIFUL VISION, INC.
TITLE OF ACCOUNT(S) special acct
Bank may pay out funds on any one of the signatures below:
For Sole Proprietors: place your signature in box number 1.

= Redacted by the Permanent Subcommittee on Investigations

Authorized Signature(s)

TEODORO NGUEMA-OBIANG

1. Teodoro Nguema Obiang
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

2.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

3.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

4.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

5. Signer #
Name: Teodoro Nguema - Obiang
Address: 12028 Cass Court
Date of Birth: 6/25/69
Primary ID: Passport #
Second ID: Kingdom To
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

Exp 4.5.07
Republica de Equatorial

acct # 02139-06465

For CASC/GLOBAL BANK USE ONLY

You agree that the written information we give you is part of your agreement with us and tells you the current terms of our deposit accounts.
By signing below, you certify under penalty of perjury that the tax reporting information set forth on the reverse is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Type or Print Name — Signature
Type or Print Name — Signature

Accounts Established Under This Agreement

The written information we give you and the tax reporting information you gave us on this card apply to each account opened under this agreement.

ACCOUNT INFORMATION		DATE OPENED	COMMENTS
TYPE	ACCOUNT #		
CK	02139-06465	10/19/04	
CD	02135-00057	11-1-04	
CD	02132-00049	11-1-04	

Signer #
Name: MICHAEL BEGER
Address: 25 Ala MUZ HOLLAH DR
Date of Birth: 2/28/1957
Primary ID: CD L#
Iss. Date: 3/04 Exp Date: 3/28/0
Second ID:

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 143

Bank of America Requests Confidential Treatment

BAC-PSI-03036

You authorize each person who has signed on the reverse to operate each account opened under this master agreement. The authority to operate each account includes authority to sign checks and other items and to give us other instructions to withdraw funds, to endorse and deposit checks and other items that are payable or belong to you, and to transact other business relating to each account. We may rely on this authorization for each account until we receive written notice revoking the authorization at the office where we maintain the account.

By signing below, each of you certifies under penalty of perjury that the tax reporting information set forth below is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Business Information (Complete appropriate section)

SOLE PROPRIETOR Date: _____

You are doing business under the trade name of _____
(Name of your proprietorship). You agree to the Authorization above. We may establish one or more accounts for you now and additional accounts from time to time on your instruction.

Type or Print Name _____ Signature _____

☒ **LIMITED LIABILITY COMPANY** Date: _____

☐ **PARTNERSHIP** (includes a general, limited, or limited liability partnership)

Name of Organization: _____

Doing Business As: _____

The organization adopts the Authorization above. Each person who signs below is authorized, acting alone, to establish for the organization one or more accounts with us now and additional accounts from time to time. If the Partnership box is checked, the persons who sign below certify that they are OWNERS or CO-PARTNERS and constitute all of the general partners of the partnership. If the Limited Liability Company box is checked, the persons who sign below certify that they are MEMBERS of this company or CO-MEMBERS and constitute all of the members of the company.

OWNER(S)/MEMBER(S):

1. _____ Signature _____ Type or Print Name _____
2. _____ Signature _____ Type or Print Name _____
3. _____ Signature _____ Type or Print Name _____
4. _____ Signature _____ Type or Print Name _____

☒ **CORPORATION** Date: 10/18/04

☐ **ASSOCIATION** (includes a lodge or club)

Name of Organization: Beautiful Union, Inc. (Special Account)

Doing Business As: _____

RESOLVED that this organization establish one or more deposit accounts with Bank of America (the Bank) and that this organization adopts for each account the Authorization in the Bank's agreement entitled Master Agreement Business Deposit Accounts. RESOLVED that the persons whose names and titles appear below are each authorized, acting alone, to establish for this organization one or more deposit accounts now and additional accounts from time to time, and to designate from time to time persons to operate each account.

Authorized By

Michael Jay Berg — Type or Print Name — Signature

Michael Jay Berg — Type or Print Name/Title — Signature

I certify that this resolution was adopted by this organization in accordance with law and its charter documents, and is now in force. I certify that the persons whose names, titles and signatures appear above are authorized to establish accounts for this organization and to designate persons to operate each account. I certify that each person who has signed on the reverse is authorized to operate each account established under this agreement. I certify that all of the signatures are genuine.

Signature _____ Secretary

Check this box ☐ if you are a nonprofit organization operated for religious, charitable, educational or other similar purposes.

If this is an agency account or other similar account, complete the appropriate Business Information section above and check the appropriate box below:

☐ Attorney Trust ☐ Real Estate Broker Trust ☐ Special Funds
☐ Insurance Agent/Broker Trust ☐ Sales or Business Agent ☐ Other: _____

Tax Reporting Information

Taxpayer Identification Number:

☐ Use the Employer Identification Number [redacted] OR ☐ Use the Social Security Number

Name of person or entity whose T.I.N. is listed above: _____

Withholding Status: Please tell us whether:

☐ You are (The entity listed above is) exempt from backup withholding.

☐ You have (The entity listed above has) been notified by the IRS that you are (the entity is) currently subject to backup withholding because of underreporting interest or dividends.

Nonresident Alien Status (if applicable): ☐ Check here and complete and sign the applicable form(s) W-8 if all beneficial owners are considered foreign persons under United States tax law.

For CDA & CASC Only

Business Address: _____

00-14-443 10-1999 PLEASE FILL OUT REVERSE SIDE Bank of America, N.A. Member FDI

Bank of America Requests Confidential Treatment

BAC PSI-00007

= Redacted by the Permanent Subcommittee on Investigations

Bank of America

Master Agreement
Business Deposit Accounts

Authorization

You begin or continue a deposit account relationship with us by giving us information about your business and by signing below. The written information we give you is part of your agreement with us and tells you the current terms of our deposit accounts. We may change the agreement at any time. We inform you of changes that affect your rights and obligations. You acknowledge receipt of the deposit agreement. The agreement includes a provision for alternative dispute resolution.

You authorize each person who has signed on the reverse to operate each account opened under this master agreement. The authority to operate each account includes authority to sign checks and other items and to give us other instructions to withdraw funds, to endorse and deposit checks and other items that are payable or belong to you, and to transact other business relating to each account. We may rely on this authorization for each account until we receive written notice revoking the authorization at the office where we maintain the account.

By signing below, each of you certifies under penalty of perjury that the tax reporting information set forth below is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Business Information (Complete appropriate section)

SOLE PROPRIETOR Date: _____

You are doing business under the trade name of _____ (Name of your proprietorship). You agree to the Authorization above. We may establish one or more accounts for you now and additional accounts from time to time on your instruction.

Type or Print Name _____ Signature _____

☐ **LIMITED LIABILITY COMPANY** Date: _____

☐ **PARTNERSHIP** (includes a general, limited, or limited liability partnership)

Name of Organization: _____

Doing Business As: _____

The organization adopts the Authorization above. Each person who signs below is authorized, acting alone, to establish for the organization one or more accounts with us now and additional accounts from time to time. If the Partnership box is checked, the persons who sign below certify that they are OWNERS as CO-PARTNERS and constitute all of the general partners of the partnership. If the Limited Liability Company box is checked, the persons who sign below certify that they are MEMBERS of this company as CO-MEMBERS and constitute all of the members of the company.

OWNER(S)/MEMBER(S):

1. Signature _____ Type or Print Name _____
3. Signature _____ Type or Print Name _____
3. Signature _____ Type or Print Name _____
4. Signature _____ Type or Print Name _____

☒ **CORPORATION** Date: 10/18/04

☐ **ASSOCIATION** (includes a lodge or club)

Name of Organization: Beautiful Vision, Inc.

Doing Business As: _____

RESOLVED that this organization establish one or more deposit accounts with Bank of America (the Bank) and that this organization adopts for each account the Authorization in the Bank's agreement entitled Master Agreement Business Deposit Accounts. RESOLVED that the persons whose names and titles appear below are such authorized, acting alone, to establish for this organization one or more deposit accounts now and additional accounts from time to time, and to designate from time to time persons to operate each account.

Authorized Persons:

Michael Jay Berger [signature]
Type or Print Name/Title Signature

Michael Jay Berger [signature]
Type or Print Name/Title Signature

I certify that this resolution was adopted by this organization in accordance with law and its charter documents, and is now in force. I certify that the persons whose names, titles and signatures appear above are authorized to establish accounts for this organization and to designate persons to operate each account. I certify that each person who has signed on the reverse is authorized to operate each account established under this agreement. I certify that all of the signatures are genuine.

[signature]
Signature Secretary

Check this box ☐ if you are a nonprofit organization operated for religious, charitable, educational or other similar purposes.

If this is an agency account or other similar account, complete the appropriate Business Information section above and check the appropriate box below:

☐ Attorney Trust ☐ Real Estate Broker Trust ☐ Special Funds
☐ Insurance Agent/Broker Trust ☐ Sales or Business Agent ☐ Other: _____

Tax Reporting Information

Taxpayer Identification Number:

☐ Use the Employer Identification Number: [redacted] OR ☐ Use the Social Security Number _____

Name of person or entity whose T.I.N. is listed above: _____

Withholding Status: Please tell us whether:

☐ You are (The entity listed above is) exempt from backup withholding.

☐ You have (The entity listed above has) been notified by the IRS that you are (the entity is) currently subject to backup withholding because of underreporting interest or dividends.

Nonresident Alien Status (if applicable): ☐ Check here and complete and sign the applicable Form(s) W-8 if all beneficial owners are considered foreign persons under United States tax law.

= Redacted by the Permanent Subcommittee on Investigations

Bank of America Requests Confidential Treatment

BAC-PSI-03038

ph44585 on D330-44585-7600 with DISTILLER

= Redacted by the Permanent Subcommittee on Investigations

Authorized Signature

1. Michael Joe Soper
(TYPE OR PRINT NAME)
(SIGNATURE)
[redacted]
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

2.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

3.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

4.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

5.
(TYPE OR PRINT NAME)
(SIGNATURE)
(DRIVERS LICENSE / SOCIAL SECURITY NUMBER)

Signer Phone:
Name: Michael Joe Soper
Address: 7566 Mulholland Drive
Date of Birth: 3/2/[illegible]
Primary ID: [redacted]
Second ID: CA DRIVER LICENSE 8705
Issue 3/04 Exp. 3/2[illegible]
Exp 6/08

For CASC/GLOBAL BANK USE ONLY

You agree that the written information we give you is part of your agreement with us and tells you the current terms of our deposit accounts.
By signing below, you certify under penalty of perjury that the tax reporting information set forth on the reverse is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Type or Print Name — Signature

Type or Print Name — Signature

Accounts Covered Under TIN Agreement

The written information we give you and the tax reporting information you gave us on this card apply to each account opened under this agreement.

ACCOUNT INFORMATION		DATE OPENED	COMMENTS
TYPE	ACCOUNT #		
CK.	02137-06466	10/19/04	
CK.	02139-4114	8/18/05	

Fictitious Trade Name certificate received: _____ Date

Waived by: _____

Bank of America Requests Confidential Treatment

BACIPSI-08039

Amount:	$500,000.00	Sequence Number:	5860369021
Account:	213706466	Capture Date:	11/01/2004
Bank Number:	51000035	Check Number:	0

02137 — 06466
ACCOUNT NUMBER

Confidential

Checking Deposit

Checking Deposit 05-14-4013 02-2002

NAME (PLEASE PRINT) Beautiful Vision, Inc.
ADDRESS 9454 Wilshire Blvd
CITY Beverly Hills, STATE CA ZIP CODE
DATE 11-1-04

LIST CHECKS BY BANK NO	DOLLARS	CENTS
CURRENCY		
COIN		
CHECKS 11-35	500,000	00
TOTAL OF CHECKS LISTED ON REVERSE SIDE		
SUBTOTAL		
LESS CASH RECEIVED		

PLEASE SIGN IN TELLER'S PRESENCE FOR CASH RECEIVED

Bank of America.

Bank of America, N.A. • Member FDIC

TOTAL DEPOSIT $ 500,000

Redacted By
Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 148

BAC-PSI-03067

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00989 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.911

Amount:	$500,000.00	Sequence Number:	5860369022
Account:	16071664609603	Capture Date:	11/01/2004
Bank Number:	12100035	Check Number:	1607

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL (310) 271-6223
BEVERLY HILLS, CA 90212

1607

Date 11/1/04

11-35/1210
1654

Pay to the order of Beautiful Vision Inc. $500,000.00

Five Hundred Thousand 00/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800.457.1782

Valued Customer Since 1996

For

[redacted] 16646 09603 0050000000

= Redacted by the Permanent Subcommittee on Investigations

[redacted]

Michael J Berger
02137 06466
Beautiful Vision, Inc.

Bank of America Requests Confidential Treatment

BAC-PSI-03068

ph44585 on D330-44585-7600 with DISTILLER

Amount:	$1,000,000.00	Sequence Number:	5860369020
Account:	16061664609603	Capture Date:	11/01/2004
Bank Number:	12100035	Check Number:	1606

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL (310) 271-6223
BEVERLY HILLS, CA 90212

1606

Date 11/1/04

11-35/1210
1554

Pay to the order of Beautiful Vision, Inc. $1,000,000.00

One Million dollars Dollars

Bank of America

Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800.457.1782

Customer Since 1996

For Special account

⑆121000358⑆ 1606 ⑈16646⑈09603⑈ ⑈0100000000⑈

[redacted]

BEAUTIFUL VISION Inc.

= Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 149

BAC-PSI-02398

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00991 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.913

Amount:	$1,600,000.00	Sequence Number:	5860369018
Account:	16081664609603	Capture Date:	11/01/2004
Bank Number:	12100035	Check Number:	1608

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL (310) 271-6223
BEVERLY HILLS, CA 90212

1608

Date 11/1/04

11-35/1210
1664

Pay to the order of Beautiful Vision Inc. $1,600,000.00

one million six hundred thousand 00/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800 457 1789

Valued Customer Since 1996

For Special CO acct

⑆121000358⑆1608⑈16646⑈09603⑈ ⑈0160000000⑈

[redacted]

BEAUTIFUL VISION INC
CO#02135-00057
CO#02132-00087

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 150

BAC-PSI-02400

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00992 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.914

Amount:	$3,300,000.00	Sequence Number:	9330833914
Account:	1397085076	Capture Date:	03/31/2005
Bank Number:	12100035	Check Number:	2019689139

VOID AFTER 90 DAYS

Bank of America

2019689139

Pay To The Order Of ***TEODORO NGUEMA OBIANG***

0905012513

PURCHASER:
BEAUTIFUL VISION INC
VOID OVER $3,300,000.00

Cashier's Check
ISSUED IN US DOLLARS
San Francisco, California

TWO SIGNATURES REQUIRED FOR AMOUNTS OVER $150,000.

[redacted]

0330000000

THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK

2019689139

NOTICE: The void date will be enforced if this instrument has been reported lost, stolen or destroyed.

For information about this instrument contact:
Bank of America, N.A.
WorldMoney® Service Center
P.O. Box 37048
San Francisco, CA 94137 U.S.A.
Telex: 34346 ACOY
Telephone: 888.217.4038

[redacted]

MAR 2 1 2005

PAGUESE A LA ORDEN DE
CUALQUIER BANCO
VALOR EN CUENTA
FECHA: 15 MAR 2005
OCEI-BANK

PAYEE'S ENDORSEMENT

REF. ELE 9820/10/05

A/C [redacted]

= Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 155

BAC-PSI 07630

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00993 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.915

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00994 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 156

BAC-PSI-03040

Bank of America Requests Confidential Treatment

20041029

10/29/0402137-06466-501

Your Bank of America

Business Checking Statement

0213 P
E 0-1

BEAUTIFUL VISION,INC.
SPECIAL ACCOUNT
9454 WILSHIRE BLVD SUITE 625
BEVERLY HILLS CA 90212-2900

Statement Period:
October 19 through October 29, 2004

Account Number: 02137-06466

At Your Service
Call: 310.247.2080

Written Inquiries
Bank of America
Beverly-Wilshire Branch
PO Box 37176
San Francisco, CA 94137-0001

Customer since 2004
Bank of America appreciates your business and we enjoy serving you.

Our free Online Banking service allows you to check balances, track account activity, pay bills and more. With Online Banking you can also view up to 18 months of this statement online. Enroll at www.bankofamerica.com/smallbusiness.

Summary of Your Business Checking Account

Beginning Balance on 10/19/04	$0.00	Number of 24 Hour Customer Service Calls	
		Self-Service	0
Total Deposits and Other Credits	+ 2,000.00	Assisted	0
Ending Balance	$2,000.00		

Bank of America News

You could win up to $50,000 by paying your bills. Register at www.bankofamerica.com, and for every bill you pay online with Online Banking and Bill Pay through November 30, you'll be entered for a chance to win. For complete rules and to enter, visit www.bankofamerica.com/billpaysweeps. No purchase necessary. Void where prohibited. Must be 18 to enter.

Reminder: our goal is to authorize more purchases made with your ATM or Check Card, even if a purchase may create an overdraft on your account. If we authorize your card purchase at a time when you do not have enough available funds to cover the purchase, an insufficient funds fee may apply. Please see the Business Schedule of Fees for fee details.

Deposits

56840.916

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00995 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

BAC-PSI-03065

Bank of America Requests Confidential Treatment

20050831

08/31/0502137-06466-501

0213 PF
E 1-1

BEAUTIFUL VISION,INC.
GENERAL ACCOUNT
12038 CREST CT
BEVERLY HILLS CA 90210-1348

Your Bank of America

Business Checking Statement

Statement Period:
July 30 through August 10, 2005

Account Number: 02137-06466

Premier Banking Service & Support
Call: 1.800.621.1236

Written Inquiries
Bank of America
Beverly-Wilshire Branch
PO Box 37176
San Francisco, CA 94137-0001

Our free Online Banking service allows you to check balances, track account activity, pay bills and more. With Online Banking you can also view up to 18 months of this statement online. Enroll at www.bankofamerica.com/smallbusiness.

Summary of Your Business Checking Account

Beginning Balance on 07/30/05	$5,675.33	Number of checks paid	1
Total Checks, Withdrawals, Transfers, Account Fees	- 5,675.33	Number of 24 Hour Customer Service Calls	
		Self-Service	0
		Assisted	1
Ending Balance	$0.00	6 of your Customer Service Calls are free of charge each statement period.	

Important Information About Your Account

Your account has been closed.

Bank of America News

The Bank of America Business Debit Card provides more than an easy way to pay for everyday expenses, it can help you keep track of them too. All debit card purchases are directly deducted from your business checking account and neatly itemized on your monthly statements. You'll see details for all of your transactions, so monitoring expenses is easy.

Checks Paid

56840.917

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00996 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

20050831

08/31/0502139-41114-501

Your Bank of America

Business Checking Statement

0213 P
E 0-2

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 157

BEAUTIFUL VISION,INC.
PAYROLL ACCOUNT
12038 CREST CT
BEVERLY HILLS CA 90210-1348

Statement Period:
August 18 through August 31, 2005

Account Number: 02139-41114

At Your Service
Call: 310.247.2080

Written Inquiries
Bank of America
Beverly-Wilshire Branch
PO Box 37176
San Francisco, CA 94137-0001

Customer since 2004
Bank of America appreciates your business and we enjoy serving you.

Our free Online Banking service allows you to check balances, track account activity, pay bills and more. With Online Banking you can also view up to 18 months of this statement online. Enroll at www.bankofamerica.com/smallbusiness.

Summary of Your Business Checking Account

Beginning Balance on 08/18/05	$0.00
Total Deposits and Other Credits	+ 100,019.87
Total Checks, Withdrawals, Transfers, Account Fees	- 80,045.77
Ending Balance	$19,974.10

Number of 24 Hour Customer Service Calls	
Self-Service	0
Assisted	0

Bank of America News

The Bank of America Business Debit Card provides more than an easy way to pay for everyday expenses, it can help you keep track of them too. All debit card purchases are directly deducted from your business checking account and neatly itemized on your monthly statements. You'll see details for all of your transactions, so monitoring expenses is easy.

Deposits

Number	Date Posted	Amount

BAC-PSI-02516

56840.918

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00997 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

20050831
08/18 $100,000.00

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Account Activity

Date Posted	Description	Reference Number	Amount
	Other Deposits and Credits		
08/31	Check Card Purchase Cr Adj on 08/29(Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref. #[redacted]		$19.87
	Withdrawals, Transfers and Account Fees		
08/22	Check Card Purchase on 08/19 (Card #[redacted]), Vzw*vzwrlss Vzserve Vw 800-350-2830 NJ Ref #[redacted]		$100.10
08/23	Check Card Purchase on 08/22 (Card #[redacted]), Pago Internacional Sevilla ES Ref #[redacted]		36.71

Continued on next page

BEAUTIFUL VISION,INC.
08/31/0502139-41114-501
PAYROLL ACCOUNT

Statement Period: August 18 through August 31, 2005
Account Number: 02139-41114

Account Activity Continued

Date Posted	Description	Reference Number	Amount
	Withdrawals, Transfers and Account Fees		
08/23	Check Card Purchase on 08/22 (Card #[redacted]), Blue Hawaiian Helicopte 808-8718844 HI Ref #[redacted]		4,385.70
08/24	Money Transfer-Calif Trn: 050823-075160 Sender Ref: 01050823008833nn Src: Bank Funds Tfr Benf: Ksl Grand Wailea Resort Orig: Michael Jay Berger		70,000.00
08/24	Processing Fee For Money Tfr-CA Trn: 050823-075160		30.00
08/29	Check Card Purchase on 08/26 (Card #[redacted]), Chevron [redacted] Fontana CA Ref #[redacted]		37.93
08/29	Check Card Purchase on 08/26 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]		100.00
08/29	Check Card Purchase on 08/26 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]		300.00
08/29	Check Card Purchase on 08/26 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]		700.00
08/29	Check Card Purchase on 08/26 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]		2,052.55

Bank of America Requests Confidential Treatment

56840.919

20050831

08/29	Check Card Purchase on 08/26 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]	2,216.05
08/31	Check Card Purchase on 08/29 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]	14.52
08/31	Check Card Purchase on 08/29 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]	28.48
08/31	Check Card Purchase on 08/29 (Card #[redacted]), The Venetian-Front DES Las Vegas NV Ref #[redacted]	43.73
	Total Withdrawals, Transfers and Account Fees	$80,045.77

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Daily Balance

Date	Amount	Date	Amount	Date	Amount
08/18	$ 100,000.00	08/23	95,477.49	08/29	20,040.96
08/22	99,899.90	08/24	25,447.49	08/31	19,974.10

California

Page 2 of 2

Your Bank of America Business Checking Statement

0213 PF
E 4-2

Statement Period:
September 1 through September 16, 2005

Account Number: 02139-41114

At Your Service
Call: 310.247.2080

Written Inquiries
Bank of America
Beverly-Wilshire Branch
PO Box 37176
San Francisco, CA 94137-0001

BEAUTIFUL VISION,INC.
PAYROLL ACCOUNT
12038 CREST CT
BEVERLY HILLS CA 90210-1348

Our free Online Banking service allows you to check balances, track account activity, pay bills and more. With Online Banking you can also view up to 18 months of this statement online. Enroll at www.bankofamerica.com/smallbusiness.

Summary of Your Business Checking Account

Beginning Balance on 09/01/05	$19,974.10
Total Deposits and Other Credits	+ 50,000.00
Total Checks, Withdrawals, Transfers, Account Fees	- 69,974.10
Ending Balance	$0.00

Number of checks paid	4
Number of 24 Hour Customer Service Calls	
Self-Service	0
Assisted	0

Important Information About Your Account

Your account has been closed.

Effective November 1, 2005, users of Bank of America Business Deposit Cards will no longer be able to obtain balance information at the ATM for linked checking, savings or money market accounts.

Bank of America News

Did you know that you can open a Certificate of Deposit (CD) for as little as $1,000? CDs are a safe, secure way to invest your money. Whether you're saving for that special purchase, a dream vacation, or want to complement your retirement, we have the solution for you. To find out more, visit your local banking center or call the number on this statement.

Deposits

Number	Date Posted	Amount
	09/12	$50,000.00

Continued on next page

Bank of America Requests Confidential Treatment

BAC-PSI-02519

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 00999 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.921

BEAUTIFUL VISION,INC.
PAYROLL ACCOUNT

Statement Period: September 1 through September 16, 2005
Account Number: 02139-41114

Checks Paid

* Gap in check sequence

Date Paid	Number	Amount	Date Paid	Number	Amount
09/08	101	$ 2,328.70	09/16	* 108	5,453.89
09/01	* 103	2,398.14	Total of 4 Checks Paid		$11,480.73
09/12	* 106	1,300.00			

Account Activity

Date Posted	Description	Reference Number	Amount
	Withdrawals, Transfers and Account Fees		
09/06	Check Card Purchase on 09/04 (Card #[redacted]), L 'ermitage Hotel Beverly Hills CA Ref #[redacted]		$150.15
09/06	Check Card Purchase on 09/05 (Card #[redacted]), L 'ermitage Hotel Beverly Hills CA Ref #[redacted]		303.38
09/06	Check Card Purchase on 09/01 (Card [redacted]), Mgm Grand Grdn Box Offi Las Vegas NV Ref #[redacted]		817.50
09/06	Check Card Purchase on 09/02 (Card #[redacted]), L 'ermitage Hotel Beverly Hills CA Ref #[redacted]		5,600.00
09/07	Check Card Purchase on 09/06 (Card #[redacted]), L 'ermitage Hotel Beverly Hills CA Ref #[redacted]		14.61
09/07	Check Printing Charge (includes Delivery Charges And All Applicable Taxes)		54.13
09/12	Check Card Purchase on 09/07 (Card #[redacted]), Air France [redacted] New York NY Ref #[redacted]		6,957.56
09/12	Check Card Purchase on 09/10 (Card #[redacted]), Grand Wailea Resort & S Wailea, Maui HI Ref #[redacted]		7,472.69
09/12	Money Transfer-Calif Trn: [redacted] Sender Ref: [redacted]nn Src: Bank Funds Tfr Benf: Ksl Grand Wailea Resort Orig: Michael Berger		37,093.35
09/12	Processing Fee For Money Tfr-CA Trn: [redacted]		30.00
	Total Withdrawals, Transfers and Account Fees		$58,493.37

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Daily Balance

Date	Amount	Date	Amount	Date	Amount
09/01	$ 17,575.96	09/07	10,636.19	09/12	5,453.89
09/06	10,704.93	09/08	8,307.49	09/16	.00

FACTS - FDIC Insured Account Disclosure Information

Bank of America wants you to know that for transactions posting to your account on or after November 18, 2005, you will be charged an International Transaction Fee when you use your Check Card or ATM Card for foreign purchases or ATM cash withdrawals in currency other than U.S. dollars. The International Transaction Fee will be 3% of the U.S. dollar amount for each converted purchase or 1% of the U.S. dollar amount for each converted ATM cash withdrawal. This International Transaction Fee will appear as a separate item on your banking statement for each international transaction.

Bank of America Requests Confidential Treatment

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01000 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.922

Amount:	$100,000.00	Sequence Number:	6960383170
Account:	213941114	Capture Date:	08/18/2005
Bank Number:	51000065	Check Number:	0

DEPOSIT TICKET

BEAUTFUL VISION INC.

CASH

16.66 100000.—

DATE 8/18/05

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

SIGN HERE IF CASH RECEIVED FROM DEPOSIT

TOTAL ITEMS

SUBTOTAL

LESS CASH

NET DEPOSIT $ 100 000.—

Bank of America

Beverly-Wilshire
9461 Wilshire Blvd
Beverly Hills CA
310.247 2080

[redacted] 1 5⑈00 10000000⑈

[redacted]

E3548 S4E LA,CA 4015
08/18/05 :::::::::: CA49

[redacted]

Tran 00088 08/18/2005 17:31
Entity NCS CC 0000213 T1r 00012
Account ##########1114
R/T# 540930135
Deposit $100,000.00

= Redacted by the Permanent Subcommittee on Investigations

Bank of America Requests

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 158

BAC-PSI-02596

ph44585 on D330-44585-7600 with DISTILLER

56840.923

Amount:	$100,000.00	Sequence Number:	6960383171
Account:	213906465	Capture Date:	08/18/2005
Bank Number:	12200066	Check Number:	296

BEAUTIFUL VISION,INC.
SPECIAL ACCOUNT
9454 WILSHIRE BLVD SUITE 625
BEVERLY HILLS, CA 90212

296

DATE Aug 15, 2005

PAY TO THE ORDER OF Beautiful Vision $ 100,000.00

One hundred thousand $ XX/100 DOLLARS

Bank of America
Beverly Wilshire
9461 Wilshire Blvd
Beverly Hills CA
310.247.2080

FOR General Acct. Payroll [redacted] ⑆02139⑈06465⑈ ⑈0010000000⑈

[redacted]

= Redacted by the Permanent Subcommittee on Investigations

BAC-PSI-02597

Bank of America Requests Confidential Treatment

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01002 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.924

= Redacted by the Permanent Subcommittee on Investigations

Amount:	$50,000.00	Sequence Number:	5360318070
Account:	213941114	Capture Date:	09/12/2005
Bank Number:	51000095	Check Number:	0

DEPOSIT TICKET
FOR CLEAR COPY, PRESS FIRMLY

DATE
CURRENCY
COINS
CHECKS LIST EACH SEPARATELY
1 16-66 50,000.00
TOTAL 50,000.00
PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED

16-66/1220
213

TOTAL ITEMS

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITH DRAWAL.

SEAUTIFUL VISION,INC.
PAYROLL ACCOUNT
12038 CREST CT
BEVERLY HILLS, CA 90210

Bank of America
Beverly-Wilshire
9461 Wilshire Blvd
Beverly Hills CA
310.247.2080

$ 50000.00

⑆510000956⑆ 02139⑈41114⑈ 5⑈0005000000⑈

BANK OF AMERICA,NA LAC
[redacted]
5360318070

COUPONS
COIN
BILLS
CASH RETURNED
LESS DEPOSIT
CHECK
SPLIT CHECK
THIS SIDE FOR BANK USE ONLY

Tran 00014 09/12/2005 12:56
Entity WCS CC 0000013 Tlr 00005
Account ********1114
R/T# [redacted]
Deposit $50,000.00

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 159

BAC-PSI-02598

ph44585 on D330-44585-7600 with DISTILLER

56840.925

Amount:	$50,000.00	Sequence Number:	5360318071
Account:	213906465	Capture Date:	09/12/2005
Bank Number:	12200066	Check Number:	265

BEAUTIFUL VISION, INC.
SPECIAL ACCOUNT
9454 WILSHIRE BLVD SUITE 625
BEVERLY HILLS, CA 90212

265

DATE Sept 9, 2005

PAY TO THE ORDER OF Beautiful Vision $ 50,000.00

Fifty thousand & xx/100 DOLLARS

Bank of America
Beverly Wilshire
9461 Wilshire Blvd
Beverly Hills CA
310.247.2080

FOR Employee Payroll Acct.

⑈000265⑈ ⑆122000661⑆ 02139⑈06465⑈ ⑈0005000000⑈

= Redacted by the Permanent Subcommittee on Investigations

BANK OF AMERICA, NA LAC
[redacted]
09/12/05
[redacted]

Michael J Kim
02139 49114

BAC-PSI-02599

Bank of America Requests Confidential Treatment

SQN Signature Print (Page 1 of 1)

Account Number : 00000001664609603
Account Name : LAW OFFICES OF MICHAEL JAY BERGER
Account Status : A
Source Indicator :
Special Instructions:
Special Instructions:
Transfer From :
Transfer To :
Date Added :
Date Updated : 08-02-1996

Signer Name :
Group :
Signer Message:
Delete Date :
Scan Date : 08-02-1996

Signer Name :
Group :
Signer Message:
Delete Date :
Scan Date : 08-26-1999

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 165

BAC-PSI-04678

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01005 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.927

JUL 6 2005

CITY NATIONAL BANK
The way up.

Page 1 (0)

Account #: [redacted]

This statement: June 30, 2005
Last statement: May 31, 2005

Contact us:
213 673-7700

Wilshire/Westwood Office
10889 Wilshire Boulevard
Los Angeles CA 90024

cnb.com

009 0830N
CITY NATIONAL BANK
REFERENCE OBIANG, 009-609326
CNB LEGAL DEPT ATTN: DIANE WEMPLE BAXA
400 N ROXBURY DR
BEVERLY HILLS CA 90210

[redacted] = Redacted by the Permanent Subcommittee on Investigations

NEED FUNDS TO EXPAND YOUR OVERSEAS MANUFACTURING FACILITY? CALL THE EXPERTS AT CITY NATIONAL TO ARRANGE FOR INTERNATIONAL INVESTMENT CAPITAL. (800) 773-7100.

Business Checking Account

Account Summary	
Account number	[redacted]
Minimum balance	$0.00
Average balance	$536,418.28
Avg. collected balance	$536,418.00

Account Activity				
Beginning balance (5/31/2005)				$699,676.02
Credits	Deposits (0)		+ 0.00	
	Electronic cr (0)		+ 0.00	
	Other credits (3)		+ 15.00	
	Total credits			+ $15.00
Debits	Checks paid (0)		- 0.00	
	Electronic db (0)		- 0.00	
	Other debits (1)		- 699,691.02	
	Total debits			- $699,691.02
Ending balance (6/30/2005)				$0.00

OTHER CREDITS

Date	Description	Reference	Credits
6-24	Credit Memo REV. MONTHLY		5.00
6-24	Credit Memo REV. MONTHLY		5.00
6-24	Credit Memo REV. MONTHLY		5.00

OTHER DEBITS

Date	Description	Reference	Debits
6-24	Debit Memo		699,691.02

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount	Date	Amount
5-31	699,676.02	6-24	.00				

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 166

CNB0005540

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01006 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.928

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Amount: $500,000.00
Account: [redacted]
Bank Number: 12203717

Sequence Number: 6360661246
Capture Date: 06/27/2005
Check Number: 54975

OFFICIAL CHECK

CITY NATIONAL BANK
The way up.

18-3717
1220

№ 675125428

DATE June 24, 2005

PAY TO THE ORDER OF **MICHAEL JAY BERGER ATTORNEY CLIENT**
TRUST ACCOUNT

$ *****500,000.00**

PAY **FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS**

DRAWER: City National Bank, Beverly Hills, California

Branch: 9

Two signatures required over $50,000
Not valid over $500,000

AUTHORIZED SIGNATURE

⑈054975⑈ ⑆122037176⑆ [redacted] ⑈0050000000⑈

[redacted]

[redacted]

ENDORSE CHECK HERE

DO NOT WRITE / SIGN / STAMP BELOW THIS LINE
DEPOSITORY BANK ENDORSEMENT

[redacted]

FOR INFORMATION CONCERNING THIS INSTRUMENT CONTACT:
INTEGRATED PAYMENT SYSTEMS INC
1-800-225-7580

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 168

BAC-PSI-02424

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01007 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.929

= Redacted by the Permanent Subcommittee on Investigations

Amount:	$199,691.02	Sequence Number:	6360661245
Account:	[redacted]	Capture Date:	06/27/2005
Bank Number:	12203717	Check Number:	54975

OFFICIAL CHECK

CITY NATIONAL BANK
The way up.

18-3717
1220

№ 675125429

DATE June 24, 2005

PAY TO THE ORDER OF **MICHAEL JAY BERGER ATTORNEY CLIENT**
TRUST ACCOUNT

$ *****199,691.02**

PAY **ONE HUNDRED NINETY NINE THOUSAND SIX HUNDRED NINETY ONE DOLLARS AND TWO CENTS**

DRAWER: City National Bank, Beverly Hills, California

Branch: 9

Two signatures required over $50,000
Not valid over $500,000

AUTHORIZED SIGNATURE

[redacted] ⑈0019969102⑈

FOR INFORMATION CONCERNING THIS INSTRUMENT
CONTACT:
INTEGRATED PAYMENT SYSTEMS INC.
1-800-223-7500

[redacted]

ENDORSE CHECK HERE
X
[redacted]
DO NOT WRITE / SIGN / STAMP BELOW THIS LINE
DEPOSITORY BANK ENDORSEMENT

Bank of America Requests Confidential Treatment

BAC-PSI-02425

ph44585 on D330-44585-7600 with DISTILLER

56840.930

Subj: **Wire Transfer Instructions and Invoice**
Date: 7/28/2006
To: teono@[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Law Offices of Michael Jay Berger

Fax

To: Mr. Teodoro Nguema **From:** Michael Berger

Fax: 011 870 [redacted] 310 [redacted] **Fax:** 310 [redacted]

Phone: (310) [redacted] **Phone:** 310-[redacted]

Date: 7/28/2006 1:08 PM **Pages:** 2

Subject: Wire Transfer Instructions

Dear Mr. Nguema:

Here is the updated information that you need to wire transfer money to my Attorney Client Trust Account at Bank of America.

Name of Account: Law Offices of Michael Jay Berger Attorney-Client Trust Account

Account # 16646 09603

Routing # 121000358 (probably not needed for international wire transfer)

Wire Transfer #026009593

Swift Code: BofAUS6S

Name of Bank: Bank of America

Address of Bank: Attorney Trust Accounting
555 Capitol Mall Blvd.
Sacramento, CA

Bank Telephone Number 800 457 1782

Beneficiary Address: 9454 Wilshire Blvd. Suite 625
Beverly Hills, CA 90212-2929

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 169

SEN004438

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01009 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.931

dn07e4e12e51c0416a9e09[1]

WTX0010 Fulltran Report
PAGE 228842
WORK OF 08/02/06 BANK OF AMERICA - CONFIDENTIAL
RUN 08/08/06 02:18

< < < AIX VERSION 1.2 > > >

RCVD FROM NATEXIS BANQUES POPULAIRES (FRMLY;CAISSE CTRL DE BQE POPULARE)
SENDER'S DDA #
*** Message: TESTED. ***

TRN REF #: 20060802-00068932

**** MESSAGE ENVELOPE **** (Bank : SFO)

SND DATE: 06/08/04
SRC:SWF CALLER: EXT:

RPT# AMT:299,923.68 CUR:USD TRDR#
TEST: DUE: TYP:FTR/ FNDS:S CHG:DB:N CD:N COM:C CBL:N

DBT D/[redacted]/
DEBIT VAL: 06/08/04
NATEXIS BANQUES POP. (CCBPFRPP)
45,RUE SAINT DOMINIQUE
F-75007 PARIS, FRANCE
SPECIAL INSTRUCTIONS:
(FRMLY:CAISSE CENTRALE DES BANQUES
POPULAIRES)

SEND:S/CCBPFRPPPAR
NATEXIS BANQUES POPULAIRES
(FRMLY;CAISSE CTRL DE BQE POPULARE)
45 RUE SAINT DOMINIQUE
PARIS, FRANCE
SNDR REF NUM:T155584/01
ORIG:
SOCAGE
BATA / EQUATORIAL GUINEA

CDT *D/CAX:001664609603 ADV:LTR
CREDIT VAL: 06/08/04
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL
BEVERLY HILLS CA 90212
BNF:/121000358166460960 3 CHG:S BK?N
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY
BEVERLY HILLS, CA 90212-2929
ORIG TO BNF INFO:
REGLT. FACTURE

{1:[redacted]
{2:0103[redacted]
{3:{108:[redacted]

SWIFT Message Text

Output time: 05:04 Output sequence number: 629155
S/BOFAUS6SBXXX
BANK OF AMERICA, N.A.
555, CALIFORNIA STREET
SAN FRANCISCO,US

Input time: 14:04 Input sequence number: 276059
S/CCBPFRPPBPAR
NATEXIS BANQUES POPULAIRES
(FRMLY;CAISSE CTRL DE BQE POPULARE)
45 RUE SAINT DOMINIQUE
PARIS, FRANCE

WTX0010 Fulltran Report
PAGE 228843
WORK OF 08/02/06 BANK OF AMERICA - CONFIDENTIAL
Page 1

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 170

BAC-PSI-02445

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01010 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.932

= Redacted by the Permanent Subcommittee on Investigations

dn07e4e12e51c0416a9e09[1]

WTX0010 Fulltran Report
PAGE 228842
WORK OF 08/02/06 BANK OF AMERICA - CONFIDENTIAL
RUN 08/08/06 02:18

< < < AIX VERSION 1.2 > > >

RCVD FROM NATEXIS BANQUES POPULAIRES (FRMLY;CAISSE CTRL DE BQE POPULARE)
SENDER'S DDA #
*** Message: TESTED. ***

TRN REF #: 20060802-00068932

**** MESSAGE ENVELOPE **** (Bank : SFO)

SND DATE: 06/08/04
SRC:SWF CALLER: EXT:

RPT# AMT:299,923.68 CUR:USD TRDR#
TEST: DUE: TYP:FTR/ FNDS:S CHG:DB:N CD:N COM:C CBL:N

DBT D/[redacted]
DEBIT VAL: 06/08/04
NATEXIS BANQUES POP. (CCBPFRPP)
45,RUE SAINT DOMINIQUE
F-75007 PARIS, FRANCE
SPECIAL INSTRUCTIONS:
(FRMLY:CAISSE CENTRALE DES BANQUES
POPULAIRES)

SEND:S/CCBPFRPPPAR
NATEXIS BANQUES POPULAIRES
(FRMLY;CAISSE CTRL DE BQE POPULARE)
45 RUE SAINT DOMINIQUE
PARIS, FRANCE
SNDR REF NUM:T155584/01
ORIG:
SOCAGE
BATA / EQUATORIAL GUINEA

CDT *D/CAX:001664609603 ADV:LTR
CREDIT VAL: 06/08/04
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL
BEVERLY HILLS CA 90212
BNF:/121000358166460960 3 CHG:S BK?N
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY
BEVERLY HILLS, CA 90212-2929
ORIG TO BNF INFO:
REGLT. FACTURE

{1:[redacted]
{2:[redacted]
{3:[redacted]

SWIFT Message Text

Output time: 05:04 Output sequence number: 629155
S/BOFAUS6SBXXX
BANK OF AMERICA, N.A.
555, CALIFORNIA STREET
SAN FRANCISCO,US

Input time: 14:04 Input sequence number: 276059
S/CCBPFRPPBPAR
NATEXIS BANQUES POPULAIRES
(FRMLY;CAISSE CTRL DE BQE POPULARE)
45 RUE SAINT DOMINIQUE
PARIS, FRANCE

WTX0010 Fulltran Report
PAGE 228843
WORK OF 08/02/06 BANK OF AMERICA - CONFIDENTIAL
Page 1

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 171

BAC-PSI-02445

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01011 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.933

dn07e4e12e51c0416a9e09[1]
RUN 08/08/06 02:18

Swift Authenticated Message Mac:0FBEAA91
Single Customer Credit Transfer (TYPE: 103)

:20: /Transaction Reference Number:
[redacted]
:23B: /Bank Operation Code:
CRED
:32A: /Value Date, Currency, Interbank Settled Amount:
Date: 06/08/04 USD 299,923.68
:50K: /Ordering Customer:
SOCAGE
BATA / EQUATORIAL GUINEA
:59: /Beneficiary Customer:
/1210003581664609603
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY
BEVERLY HILLS, CA 90212-2929
:70: /Remittance Information:
REGLT. FACTURE
:71A: /Details of Charges:
SHA
-}
{5:
{MAC:0FBEAA91}
{CHK:A919F3B28152}}

= Redacted by the Permanent Subcommittee on Investigations

MESSAGE HISTORY SEQUENCE

SFO is the owning bank. Priority: Delivery ACK:
REF_INDEX REF #: 2006080200068932 2-AUG-2006 08:05:02.20
SFOB_F_SES SEQ #: 4887 2-AUG-2006 08:05:01.80 Info: Osn
SFOB_F_IN SEQ #: 629155 2-AUG-2006 08:05:01.80 Info: Osn
SFOB_F_SES SEQ #: 4887 2-AUG-2006 08:05:01.80 Info: Uak
SFOB_F_RCV MIR: 060802CCBPFRPPBPAR0900276059
2-AUG-2006 08:05:01.80
SWF_SRC_NDX KEY: CCBPFRPPPAR
SWFINQ DEQ
SENDREFNDX KEY: T155584/01
SENDREFNDX KEY: T15558401
*SYS_MEMO CPD: BNF-Found BofA ID A/121000358 (WTX)
*SYS_MEMO CPD: BNF-Extracted local BofA ABA 121000358 from
1210003581664609603
*SYS_MEMO CPD: BNF-Manipulated D/1210003581664609603 to D
/001664609603
*SYS_MEMO CPD: BNF-Party retained in message
*SYS_MEMO CPD: Inserting D/001664609603 and text over BNF
*SYS_MEMO CPD: *ORIG1: LAW OFFICES OF MICHAEL JAY BERGER
*SYS_MEMO Debit party SCCBPFRPPPAR Rule substituted D
/006290031040/
SYS_MEMO *CVD:22 DVD:22 PSD:27 SSD:--- DBD:1 CBD:1
*MISC_DBT MISC AMOUNT: 299923.68
NOF_ACC_NDX KEY: SFOD001664609603
Memo: CDT
*ADR_MSG_QUE ENQ TEXT: 2006080200068932
WTX0010 Fulltran Report
PAGE 228844
WORK OF 08/02/06 BANK OF AMERICA - CONFIDENTIAL
RUN 08/08/06 02:18

Memo: DBT/403930
Page 2

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01012 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.934

= Redacted by the Permanent Subcommittee on Investigations

```
                                dn07e4e12e51c0416a9e09[1]
          *ADR_MSG_QUE  ENQ TEXT: 2006080200068932
          Memo: SBK/393236
          CR_ANHQ       DEQ
          ANH_PDM_01          SEQ #: 517  2-AUG-2006 08:05:02.51 Info: P
          *SYS_MEMO           *ACCT: D/001664609603
          *SYS_MEMO           *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
          *SYS_MEMO           *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
          *SYS_MEMO           *ADR3: 9454 WILSHIRE BLVD 6TH FL
          *SYS_MEMO           *ADR4: BEVERLY HILLS              CA 90212-0000
          *SYS_MEMO           ACTIVE
          SYS_MEMO            *CVD:22 DVD:22 PSD:27 SSD:--- DBD:1 CBD:1
          *SYS_MEMO           HOSTGET ADR ACTIVE
          *SYS_MEMO           HOSTGET ADR lookup and match succeeded.
          *SYS_MEMO           CREDIT TRACKING DATA: HOST TRAN REGION: LAOX
CORRELATION ID : 080205050231089
          ANH_POST_01         SEQ #: 517  2-AUG-2006 08:05:03.07 Info: HOSTGET ADR
lookup and match succeeded.
          *SYS_MEMO           Stop_Check NO MATCH -  2-AUG-2006 08:05:03.08
NYK       FUTUREQ       DEQ
NYKMTRANSFTRVFY_LOG           OPRID: NBKWZE51  TIME:  3-AUG-2006 21:03:58.83
          Memo: YReleased from FUTUREQ by FUT operator
NYK       *SYS_MEMO           Stop_Check NO MATCH -  3-AUG-2006 21:03:58.85
          *DDA                SAM_DBT  AMOUNT: 299923.68
CAX       DDN_CL__AUTQ  DEQ
CAX       DDN_PDM_03          SEQ #: 39  4-AUG-2006 00:05:46.92 Info: PC
CAX       *SYS_MEMO           Benededuct amount applied: 25.00
CAX       *SYS_MEMO           WRB Tran Region: SFAM WRB Correl ID:[redacted]
CAX       *SYS_MEMO           WRB return message: SUCCESSFUL MEMOPOST
CAX       *SYS_MEMO           BAL MEMO: APO BAL: 480,557.55
CAX       DDN_POST_03         SEQ #: 39  4-AUG-2006 00:05:47.46 Info: PC
          Memo: Cdt posted with tran cd:                 060802068932
          PAYADVQ       DEQ
          PAYADV_LOG          OPRID: $$$PAY  TIME:  4-AUG-2006 00:05:47.53
CAX       PAYADV_LOG          OPRID: $$$PAY  TIME:  4-AUG-2006 00:05:47.53
          SYSPRFBAL           PRF_DDA_DBT  AMOUNT: 299923.68
* BEGIN DESTINATION *DST(1), DLV STATE:D
    RTE: D[redacted]
    DST: CMS/GCP//////FR
          NATEXIS BANQUES POP. (CCBPFRPP)
          45, RUE SAINT DOMINIQUE
          F-75007 PARIS, FRANCE
          *DBT_CNF
NCX       GCP2_PVT_Q    DEQ
          Memo: ACC
NCX       GCP00_SRF           KEY: 060802068932ACC1
NCX       GCP00_BOOK          AMT: 299923.68 TIME:  4-AUG-2006 00:35:24.13
NCX       GCP00_OUT           SEQ #: 4398  4-AUG-2006 00:35:25.94 Info:
[redacted]                 FN
NCX       GCP00_SND           SEQ #: 4398  4-AUG-2006 00:35:25.94 Info:
[redacted]                 FN
NCX       GCP00_ACK           SEQ #: 4398  4-AUG-2006 00:35:26.35 Info:
[redacted]                 +
* END DESTINATION
          *CROSS_CLR          SAM_CDT  AMOUNT: 299923.68
 WTX0010                                                  Fulltran Report
                                PAGE      228845
WORK OF 08/02/06                                  BANK OF AMERICA - CONFIDENTIAL
                              RUN 08/08/06 02:18

          SYSPRFBAL           PRF_GL_CDT  AMOUNT: 299923.68
CAX       *CROSS_CLR          SAM_DBT  AMOUNT: 299923.68
CAX       SYSPRFBAL           PRF_GL_DBT  AMOUNT: 299923.68
CAX       *COMM_CLR           SAM_CDT  AMOUNT: 25.00
                                        Page 3
```


ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01013 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.935

```
                                dn07e4e12e51c0416a9e09[1]
CAX       *NOF_BAL            SAM_CDT  AMOUNT: 299898.68
CAX       SYSPRFBAL           PRF_DDA_CDT  AMOUNT: 299898.68
* BEGIN DESTINATION CAX*DST(2), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM//////
         NOT ON FILE ACCOUNTS
CAX       *CDT_CNF
* END DESTINATION
         DDA_BACKEND   ENQ TEXT: 2006080200068932  AMOUNT: 299898.68
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: /
    DST: ENQ///////
         Queue: SFO//WBS_PVT_Q
         WBS_PVT_Q     DEQ
         *SYS_MEMO           Dbt prod code: 00KW Cdt prod code: 00CI Tier: N
         WBS_XCLEAR          AMT: 299898.68 TIME:  4-AUG-2006 00:05:48.22
         Memo: Cdt CAX/G/0007484146000 Comm: 25.00
         WBS_BOOK_LOG        AMT: 299923.68 TIME:  4-AUG-2006 00:05:48.22
         WBS_SRF             KEY: [redacted]
         WBS_OUT             SEQ #: 746953  4-AUG-2006 00:05:48.23 Info:
[redacted]                 FN
         WBS_SND             SEQ #: 746953  4-AUG-2006 00:05:48.23 Info:
[redacted]                 FN
         WBS_ACK             SEQ #: 746953  4-AUG-2006 00:05:49.33 Info:
[redacted]                +
* END DESTINATION
* BEGIN DESTINATION *DST(4), DLV STATE:D
    RTE: /
    DST: ENQ///////
         Queue: NCX//RGW02_OUTQ
NCX       RGW02_OUTQ    DEQ
NCX       RGW01_SRF           KEY: 0200068932002596
NCX       RGW01_OUT           SEQ #: 2596  4-AUG-2006 00:39:00.44 Info:
[redacted]                 F
NCX       RGW01_SND           SEQ #: 2596  4-AUG-2006 00:39:00.44 Info:
[redacted]                 F
NCX       RGW01_ACK           SEQ #: 2596  4-AUG-2006 00:39:06.09 Info:
[redacted]                +
* END DESTINATION
```


Bank of America Requests Confidential Treatment

BAC-PSI-02448

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01014 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.936

= Redacted by the Permanent Subcommittee on Investigations

dne7c44822523001fd9706[1]

WTX0010 Fulltran Report
PAGE 325922
WORK OF 09/29/06 BANK OF AMERICA - CONFIDENTIAL
RUN 10/05/06 04:47

< < < AIX VERSION 1.2 > > >

RCVD FROM ING BELGIUM SA/NV (FRMLY:BQE BRUXELLES LAMBERT SA)
SENDER'S DDA #[redacted] *** Message: TESTED. ***

TRN REF #: 20060929-00095386

**** MESSAGE ENVELOPE **** (Bank : NYK)

SND DATE: 06/09/29
SRC:SWF CALLER: EXT:

RPT# AMT:199,975.90 CUR:USD TRDR#
TEST: DUE: TYP:FTR/ FNDS:S CHG:DB:N CD:N COM:C CBL:N

DBT D/[redacted]
DEBIT VAL: 06/09/29
ING BELGIUM SA/NV
(FRMLY:BQE BRUXELLES LAMBERT SA)
COURS SAINT MICHEL 60
B-1040 BRUSSELS, BELGIUM
SEND:S/BBRUBEBB010
ING BELGIUM SA/NV
(FRMLY:BQE BRUXELLES LAMBERT SA)
COURS SAINT MICHEL 60
B-1040 BRUSSELS, BELGIUM
SNDR REF NUM:[redacted]
ORDERING BNK:S/CCEIGQGQ
CCEI BANK GE
CALLE PRESIDENTE NASSER
MALABO,GQ
ORIG:
SOCAGE
BATA / EQUATORIAL GUINEA

CDT *D/CAX:001664609603 ADV:LTR
CREDIT VAL: 06/09/29
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL
BEVERLY HILLS CA 90212
BNF:/1664609603 CHG:B BK?N
LAW OFFICES OF MICHAEL JAY BERGE
ATTORNEY
BEVERLY HILLS, CA 90212-2929
ORIG TO BNF INFO:
REGLEMENT FACTURE

{1:[redacted]
{2:[redacted]
{3:[redacted]

SWIFT Message Text

Output time: 08:04 Output sequence number: 694053
S/BOFAUS3NBXXX
BANK OF AMERICA, NA
NEW YORK BRANCH
100 WEST 33RD STREET, 4TH FLOOR
NEW YORK, NEW YORK 10001

Input time: 14:04 Input sequence number: 345832
S/BBRUBEBBC010
ING BELGIUM SA/NV
(FRMLY:BQE BRUXELLES LAMBERT SA)

WTX0010 Fulltran Report
PAGE 325923
WORK OF 09/29/06 BANK OF AMERICA - CONFIDENTIAL
Page 1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01015 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.937

dne7c44822523001fd9706[1]
RUN 10/05/06 04:47

COURS SAINT MICHEL 60
B-1040 BRUSSELS, BELGIUM

Swift Authenticated Message Mac:6198103E
Single Customer Credit Transfer (TYPE: 103)

:20: /Transaction Reference Number:
H01609296110353
:23B: /Bank Operation Code:
CRED
:32A: /Value Date, Currency, Interbank Settled Amount:
Date: 06/09/29 USD 199,975.90
:33B: /Currency, Instructed Amount:
USD 200,000.00
:50K: /Ordering Customer:
SOCAGE
BATA / EQUATORIAL GUINEA
:52A: /Ordering Institution:
S/CCEIGQGQ
CCEI BANK GE
CALLE PRESIDENTE NASSER
MALABO,GQ
:57A: /Account With:
//F[redacted]
S/BOFAUS6S
BANK OF AMERICA, N.A.
555, CALIFORNIA STREET
SAN FRANCISCO,US
:59: /Beneficiary Customer:
/1664609603
LAW OFFICES OF MICHAEL JAY BERGE
ATTORNEY
BEVERLY HILLS, CA 90212-2929
:70: /Remittance Information:
REGLEMENT FACTURE
:71A: /Details of Charges:
BEN
:71F: /Sum of Sender's Charges:
USD 24.10
-}
{5:
{MAC:6198103E}
{CHK:07DE2DD404CD}}

= Redacted by the Permanent Subcommittee on Investigations

MESSAGE HISTORY SEQUENCE

NYK is the owning bank. Priority: Delivery ACK:

REF_INDEX	REF #: 2006092900095386	29-SEP-2006 08:04:19.18
NYKB_F_SES	SEQ #: 5664	29-SEP-2006 08:04:18.60 Info: Osn
NYKB_F_IN	SEQ #: 694053	29-SEP-2006 08:04:18.60 Info: Osn
NYKB_F_SES	SEQ #: 5664	29-SEP-2006 08:04:18.60 Info: Uak
NYKB_F_RCV	MIR: 060929BBRUBEBBC0108156345832	29-SEP-2006 08:04:18.60
SWF_SRC_NDX	KEY: BBRUBEBB010	

WTX0010 Fulltran Report
PAGE 325924
WORK OF 09/29/06 BANK OF AMERICA - CONFIDENTIAL
RUN 10/05/06 04:47

SWFINQ DEQ
Page 2

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01016 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.938

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```
                                dne7c44822523001fd9706[1]
          SENDREFNDX          KEY: [redacted]
          SENDREFNDX          KEY: [redacted]
          *SYS_MEMO           CPD: BBK-Found BofA ID A/121000358 (WTX)
          *SYS_MEMO           CPD: BNF-Manipulated  /1664609603 to D/001664609603
          *SYS_MEMO           CPD: BNF-Party retained in message
          *SYS_MEMO           CPD: Deleting BBK party
          *SYS_MEMO           CPD: Inserting D/001664609603 and text over BNF
          *SYS_MEMO           CPD: *ORIG1: LAW OFFICES OF MICHAEL JAY BERGE
          SYS_MEMO            *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
          NOF_ACC_NDX         KEY: NYKD001664609603
          Memo: CDT
          *ADR_MSG_QUE  ENQ TEXT: 2006092900095386
          Memo: DBT/335411
          *ADR_MSG_QUE  ENQ TEXT: 2006092900095386
          Memo: SBK/335411
          CR_ANHQ       DEQ
          ANH_PDM_03          SEQ #: 271 29-SEP-2006 08:04:20.53 Info: P
          *SYS_MEMO           *ACCT: D/001664609603
          *SYS_MEMO           *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
          *SYS_MEMO           *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
          *SYS_MEMO           *ADR3: 9454 WILSHIRE BLVD 6TH FL
          *SYS_MEMO           *ADR4: BEVERLY HILLS              CA 90212-0000
          *SYS_MEMO           ACTIVE
          SYS_MEMO            *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
          *SYS_MEMO           HOSTGET ADR ACTIVE
          *SYS_MEMO           HOSTGET ADR lookup and match succeeded.
          *SYS_MEMO           CREDIT TRACKING DATA: HOST TRAN REGION: LA0W
CORRELATION ID : [redacted]0
          ANH_POST_03         SEQ #: 271 29-SEP-2006 08:04:21.22 Info: HOSTGET ADR
lookup and match succeeded.
          *SYS_MEMO           Stop_Check NO MATCH - 29-SEP-2006 08:04:21.24
          RISK_Q        DEQ
          RISK_LOG            OPRID: NBK42I7  TIME: 29-SEP-2006 10:09:50.29
          Memo: Hold overridden for this item.
* BEGIN DESTINATION *DST(1), DLV STATE:D
    RTE: /
    DST: ENQ///////
          Queue: NCX//RGW06_OUTQ
NCX       RGW06_OUTQ    DEQ
          Memo: (ROD)
NCX       RGW03_SRF           KEY: [redacted]
NCX       RGW03_OUT           SEQ #: 15186 29-SEP-2006 08:04:23.60 Info:
[redacted]                 F
NCX       RGW03_SND           SEQ #: 15186 29-SEP-2006 08:04:23.60 Info:
[redacted]                 F
NCX       RGW03_ACK           SEQ #: 15186 29-SEP-2006 08:04:34.31 Info:
[redacted]                 +
* END DESTINATION
          *DDA                SAM_DBT  AMOUNT: 199975.90
CAX       DDN_CL__AUTQ  DEQ
CAX       DDN_PDM_01          SEQ #: 431 29-SEP-2006 10:09:50.49 Info: PC
CAX       *SYS_MEMO           Benededuct amount applied: 45.00
CAX       *SYS_MEMO           WRB Tran Region: SFAM WRB Correl ID:[redacted]
CAX       *SYS_MEMO           WRB return message: SUCCESSFUL MEMOPOST
 WTX0010                                                  Fulltran Report
                                 PAGE      325925
WORK OF 09/29/06                                  BANK OF AMERICA - CONFIDENTIAL
                              RUN 10/05/06 04:47

CAX       *SYS_MEMO           BAL MEMO: APO BAL: 458,839.31
CAX       DDN_POST_01         SEQ #: 431 29-SEP-2006 10:09:51.16 Info: PC
          Memo: Cdt posted with tran cd:                [redacted]
          PAYADVQ       DEQ
```


ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01017 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.939

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```
                                dne[redacted]
        PAYADV_LOG          OPRID: $$$PAY  TIME: 29-SEP-2006 10:09:53.02
CAX     PAYADV_LOG          OPRID: $$$PAY  TIME: 29-SEP-2006 10:09:53.02
        SYSPRFBAL           PRF_DDA_DBT  AMOUNT: 199975.90
* BEGIN DESTINATION *DST(2), DLV STATE:D
    RTE: [redacted]
    DST: CMS/BTR//////BE
        ING BELGIUM SA/NV
        (FRMLY:BQE BRUXELLES LAMBERT SA)
        COURS SAINT MICHEL 60
        B-1040 BRUSSELS, BELGIUM
        *DBT_CNF
        BTR_MSGQ      DEQ
NCX     GMB_SRF             KEY: [redacted]
NCX     GMB_OUT             SEQ #: 918269 29-SEP-2006 10:09:57.83 Info:
[redacted]                FT
NCX     GMB_SND             SEQ #: 918269 29-SEP-2006 10:09:57.83 Info:
[redacted]                FT
NCX     GMB_ACK             SEQ #: 918269 29-SEP-2006 10:10:00.56 Info:
[redacted]                +
* END DESTINATION
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: [redacted]
    DST: CMS/GCP//////BE
        ING BELGIUM SA/NV
        (FRMLY:BQE BRUXELLES LAMBERT SA)
        COURS SAINT MICHEL 60
        B-1040 BRUSSELS, BELGIUM
        *DBT_CNF
NCX     GCP6_PVT_Q    DEQ
        Memo: ACC
NCX     GCP01_SRF           KEY: 060929095386ACC1
NCX     GCP01_BOOK          AMT: 199975.90 TIME: 29-SEP-2006 10:09:53.66
NCX     GCP01_OUT           SEQ #: 33517 29-SEP-2006 10:09:54.17 Info:
[redacted]                FN
NCX     GCP01_SND           SEQ #: 33517 29-SEP-2006 10:09:54.17 Info:
[redacted]                FN
NCX     GCP01_ACK           SEQ #: 33517 29-SEP-2006 10:09:58.04 Info:
[redacted]                +
* END DESTINATION
        *CROSS_CLR          SAM_CDT  AMOUNT: 199975.90
        SYSPRFBAL           PRF_GL_CDT  AMOUNT: 199975.90
CAX     *CROSS_CLR          SAM_DBT  AMOUNT: 199975.90
CAX     SYSPRFBAL           PRF_GL_DBT  AMOUNT: 199975.90
CAX     *COMM_CLR           SAM_CDT  AMOUNT: 45.00
CAX     *NOF_BAL            SAM_CDT  AMOUNT: 199930.90
CAX     SYSPRFBAL           PRF_DDA_CDT  AMOUNT: 199930.90
* BEGIN DESTINATION CAX*DST(4), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM//////
        NOT ON FILE ACCOUNTS
CAX     *CDT_CNF
 WTX0010                                                  Fulltran Report
                              PAGE      325926
WORK OF 09/29/06                                  BANK OF AMERICA - CONFIDENTIAL
                            RUN 10/05/06 04:47

* END DESTINATION
        DDA_BACKEND   ENQ TEXT: 2006092900095386  AMOUNT: 199930.90
* BEGIN DESTINATION *DST(5), DLV STATE:D
    RTE: /
    DST: ENQ///////
        Queue: NYK//WBS_PVT_Q
        WBS_PVT_Q     DEQ
```


Bank of America Requests Confidential Treatment

BAC-PSI-02452

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01018 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.940

[redacted] = Redacted by the Permanent Subcommittee on Investigations

```
                                dne7c44822523001fd9706[1]
        *SYS_MEMO          Dbt prod code: 00KW Cdt prod code: 00CI Tier: M
        WBS_XCLEAR         AMT: 199930.90 TIME: 29-SEP-2006 10:09:56.58
        Memo: Cdt CAX/G/0007484146672 Comm: 45.00
        WBS_BOOK_LOG       AMT: 199975.90 TIME: 29-SEP-2006 10:09:56.58
        WBS_SRF            KEY: [redacted]
        WBS_OUT            SEQ #: 690709 29-SEP-2006 10:09:57.06 Info:
[redacted]              FN
        WBS_SND            SEQ #: 690709 29-SEP-2006 10:09:57.06 Info:
[redacted]              FN
        WBS_ACK            SEQ #: 690709 29-SEP-2006 10:10:00.64 Info:
[redacted]              +
* END DESTINATION
* BEGIN DESTINATION *DST(6), DLV STATE:D
    RTE: /
    DST: ENQ///////
        Queue: NCX//RGW06_OUTQ
NCX     RGW06_OUTQ    DEQ
NCX     RGW03_SRF          KEY: [redacted]
NCX     RGW03_OUT          SEQ #: 24551 29-SEP-2006 10:09:54.42 Info:
[redacted]              F
NCX     RGW03_SND          SEQ #: 24551 29-SEP-2006 10:09:54.42 Info:
[redacted]              F
NCX     RGW03_ACK          SEQ #: 24551 29-SEP-2006 10:09:58.93 Info:
[redacted]              +
* END DESTINATION
```


Bank of America Requests Confidential Treatment

BAC-PSI-02453

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01019 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.941

```
WTX0010                                                    Fulltran Report                                    PAGE
   220307
WORK OF 10/19/06                                     BANK OF AMERICA - CONFIDENTIAL                          RUN
10/25/06 03:46

< < < AIX VERSION 1.2 > > >

RCVD FROM ING BELGIUM SA/NV          (FRMLY:BQE BRUXELLES LAMBERT SA)
SENDER'S DDA # [redacted]
                                     *** Message: TESTED. ***

TRN REF #: 20061019-00065757
-----------------------------------------------------------------------------
  **** MESSAGE ENVELOPE ****                  ( Bank : NYK )

                                                  SND DATE: 06/10/20
SRC:SWF CALLER:                                   EXT:

RPT#          AMT:199,976.17          CUR:USD                          TRDR#
TEST: DUE:                          TYP:FTR/     FNDS:S CHG:DB:N CD:N COM:C CBL:N
-----------------------------------------------------------------------------
DBT [redacted]                        CDT *D/CAX:001664609603          ADV:LTR
DEBIT VAL: 06/10/20                    CREDIT VAL: 06/10/20
ING BELGIUM SA/NV                      LAW OFFICES OF MICHAEL JAY BERGER
(FRMLY:BQE BRUXELLES LAMBERT SA)       ATTORNEY-CLIENT TRUST ACCOUNT
COURS SAINT MICHEL 60                  9454 WILSHIRE BLVD 6TH FL
B-1040 BRUSSELS, BELGIUM               BEVERLY HILLS        CA 90212
SEND:S/BBRUBEBB010                     BNF:/1664609603                CHG:B BK?N
ING BELGIUM SA/NV                      LAW OFFICES OF MICHAEL JAY BERGE
(FRMLY:BQE BRUXELLES LAMBERT SA)       ATTORNEY
COURS SAINT MICHEL 60                  BEVERLY HILLS / U.S.A
B-1040 BRUSSELS, BELGIUM               ORIG TO BNF INFO:
SNDR REF NUM:[redacted]                REGLEMENT FACTURE
ORDERING BNK:S/CCEIGQGQ
CCEI BANK GE
CALLE PRESIDENTE NASSER
MALABO,GQ
ORIG:
SOCAGE
BATA / EQUATORIAL GUINEA


{1:[redacted]
{2:[redacted]
{3:[redacted]}

                              SWIFT Message Text

Output time: 07:21     Output sequence number: 050669
     S/BOFAUS3NBXXX
     BANK OF AMERICA, NA
     NEW YORK BRANCH
     100 WEST 33RD STREET, 4TH FLOOR
     NEW YORK, NEW YORK 10001

Input time: 13:21      Input sequence number: 036706
     S/BBRUBEBBA010
     ING BELGIUM SA/NV
     (FRMLY:BQE BRUXELLES LAMBERT SA)
 WTX0010                                                    Fulltran Report                                    PAGE
    220308
WORK OF 10/19/06                                     BANK OF AMERICA - CONFIDENTIAL                          RUN
10/25/06 03:46

     COURS SAINT MICHEL 60
     B-1040 BRUSSELS, BELGIUM

Swift Authenticated Message   Mac:3908A336
Single Customer Credit Transfer                        (TYPE: 103)

:20:   /Transaction Reference Number:
        [redacted]
:23B:  /Bank Operation Code:
        CRED
:32A:  /Value Date, Currency, Interbank Settled Amount:
        Date: 06/10/20  USD  199,976.17
:33B:  /Currency, Instructed Amount:
         USD  200,000.00
:50K:  /Ordering Customer:
        SOCAGE
        BATA / EQUATORIAL GUINEA
:52A:  /Ordering Institution:
        S/CCEIGQGQ
        CCEI BANK GE
        CALLE PRESIDENTE NASSER
        MALABO,GQ
:57A:  /Account With:
        /[redacted]
        S/BOFAUS6S
```

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01020 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.942

```
        BANK OF AMERICA, N.A.
        555, CALIFORNIA STREET
        SAN FRANCISCO,US
:59:   /Beneficiary Customer:
        /1664609603
        LAW OFFICES OF MICHAEL JAY BERGE
        ATTORNEY
        BEVERLY HILLS / U.S.A
:70:   /Remittance Information:
        REGLEMENT FACTURE
:71A:  /Details of Charges:
        BEN
:71F:  /Sum of Sender's Charges:
        USD  23.83
       -}
{S:
{MAC:3908A336}
{CHK:273EB22D8BA6}}
```

= Redacted by the Permanent Subcommittee on Investigations

```
    MESSAGE HISTORY SEQUENCE
--------------------------------
NYK is the owning bank. Priority:   Delivery ACK:
         REF_INDEX        REF #: 2006101900065757  19-OCT-2006 07:21:28.75
         NYKB_F_SES       SEQ #: 5695 19-OCT-2006 07:21:28.36 Info: Osn
         NYKB_F_IN        SEQ #: 50669 19-OCT-2006 07:21:28.36 Info: Osn
         NYKB_F_SES       SEQ #: 5695 19-OCT-2006 07:21:28.36 Info: Uak
         NYKB_F_RCV       MIR: 061019BBRUBEBBA0108352036706
                          19-OCT-2006 07:21:28.36
         SWF_SRC_NDX      KEY: BBRUBEBB010
 WTX0010                                          Fulltran Report                                    PAGE
    220309
WORK OF 10/19/06                              BANK OF AMERICA - CONFIDENTIAL                        RUN
10/25/06 03:46

         SWFINQ        DEQ
         SENDREFNDX       KEY: [redacted]
         SENDREFNDX       KEY: IRM0001105299771
         *SYS_MEMO        CPD: BBK-Found BofA ID A/121000358 (WTX)
         *SYS_MEMO        CPD: BNF-Manipulated  /1664609603 to D/001664609603
         *SYS_MEMO        CPD: BNF-Party retained in message
         *SYS_MEMO        CPD: Deleting BBK party
         *SYS_MEMO        CPD: Inserting D/001664609603 and text over BNF
         *SYS_MEMO        CPD: *ORIGI: LAW OFFICES OF MICHAEL JAY BERGE
         SYS_MEMO         *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
         *MISC_DBT        MISC  AMOUNT: 199976.17
         NOF_ACC_NDX      KEY: NYKD001664609603
         Memo: CDT
         *ADR_MSG_QUE  ENQ TEXT: 2006101900065757
         Memo: DBT/335411
         *ADR_MSG_QUE  ENQ TEXT: 2006101900065757
         Memo: SBK/335411
         CR_ANHQ       DEQ
         ANH_PDM_01       SEQ #: 1767 19-OCT-2006 07:21:29.80 Info: P
         *SYS_MEMO        *ACCT: D/001664609603
         *SYS_MEMO        *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
         *SYS_MEMO        *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
         *SYS_MEMO        *ADR3: 9454 WILSHIRE BLVD 6TH FL
         *SYS_MEMO        *ADR4: BEVERLY HILLS            CA 90212-0000
         *SYS_MEMO        ACTIVE
         SYS_MEMO         *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
         *SYS_MEMO        HOSTGET ADR ACTIVE
         *SYS_MEMO        HOSTGET ADR lookup and match succeeded.
         *SYS_MEMO        CREDIT TRACKING DATA: HOST TRAN REGION: LAOW
CORRELATION ID : [redacted]
         ANH_POST_01      SEQ #: 1767 19-OCT-2006 07:21:30.58 Info: HOSTGET ADR
lookup and match succeeded.
         *SYS_MEMO        Stop_Check NO MATCH - 19-OCT-2006 07:21:30.59
         FUTUREQ       DEQ
   MTRANSFTRVFY_LOG       OPRID: NBKWZE51  TIME: 19-OCT-2006 20:51:20.25
         Memo: YReleased from FUTUREQ by FUT operator
         *SYS_MEMO        Stop_Check NO MATCH - 19-OCT-2006 20:51:20.27
         NOF_ACC_NDX      KEY: CAXD001664609603
         Memo: CDT
         RISK_Q        DEQ
         RISK_LOG         OPRID: NBKDVL9  TIME: 20-OCT-2006 08:48:39.16
         Memo: Hold overridden for this item.
* BEGIN DESTINATION *DST(1), DLV STATE:D
    RTE: /
    DST: ENQ///////
         Queue: NCX//RGW07_OUTQ
NCX      RGW07_OUTQ    DEQ
         Memo: (ROO)
NCX      RGW03_SRF        KEY: [redacted]
NCX      RGW03_OUT        SEQ #: 1881 19-OCT-2006 21:19:14.80 Info:
[redacted]             F
NCX      RGW03_GND        SEQ #: 1881 19-OCT-2006 21:19:14.80 Info:
[redacted]             F
NCX      RGW03_ACK        SEQ #: 1881 19-OCT-2006 21:19:20.85 Info:
[redacted]             +
```


ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01021 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.943

```
WTX0010                                                    Fulltran Report                                    PAGE
   220310
WORK OF 10/19/06                                    BANK OF AMERICA - CONFIDENTIAL                          RUN
10/25/06 03:46

* END DESTINATION
         *DDA                SAM_DBT  AMOUNT: 199976.17
CAX      DDN_CL__AUTQ  DEQ
CAX      DDN_PDM_01          SEQ #: 200 20-OCT-2006 08:48:39.27 Info: PC
CAX      *SYS_MEMO           Benededuct amount applied: 45.00
CAX      *SYS_MEMO           WRB Tran Region: SFAL WRB Correl ID: [redacted]
CAX      *SYS_MEMO           WRB return message: SUCCESSFUL MEMOPOST
CAX      *SYS_MEMO           BAL MEMO: APO BAL: 363,281.27
CAX      DDN_POST_01         SEQ #: 200 20-OCT-2006 08:48:39.92 Info: PC
         Memo: Cdt posted with tran cd:                 061019065757
         PAYADVQ       DEQ
         PAYADV_LOG          OPRID: $$$PAY  TIME: 20-OCT-2006 08:48:40.26
CAX      PAYADV_LOG          OPRID: $$$PAY  TIME: 20-OCT-2006 08:48:40.26
         SYSPRFBAL           PRF_DDA_DBT  AMOUNT: 199976.17
* BEGIN DESTINATION *DST(2), DLV STATE:D
    RTE: [redacted]
    DST: CMS/BTR/////BE
         ING BELGIUM SA/NV
         (FRMLY:BQE BRUXELLES LAMBERT SA)
         COURS SAINT MICHEL 60
         B-1040 BRUSSELS, BELGIUM
         *DBT_CNF
         BTR_MSGQ      DEQ
NCX      GMB_SRF             KEY: [redacted]
NCX      GMB_OUT             SEQ #: 757850 20-OCT-2006 08:48:44.39 Info:
[redacted]                  FT
NCX      GMB_SND             SEQ #: 757850 20-OCT-2006 08:48:44.39 Info:
[redacted]                  FT
NCX      GMB_ACK             SEQ #: 757850 20-OCT-2006 08:48:46.98 Info:
[redacted]                  +
* END DESTINATION
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: [redacted]
    DST: CMS/GCP/////BE
         ING BELGIUM SA/NV
         (FRMLY:BQE BRUXELLES LAMBERT SA)
         COURS SAINT MICHEL 60
         B-1040 BRUSSELS, BELGIUM
         *DBT_CNF
NCX      GCP7_PVT_Q    DEQ
         Memo: ACC
NCX      GCP02_SRF           KEY: [redacted]
NCX      GCP02_BOOK          AMT: 199976.17 TIME: 20-OCT-2006 08:48:41.41
NCX      GCP02_OUT           SEQ #: 19952 20-OCT-2006 08:48:41.48 Info:
[redacted]                  FN
NCX      GCP02_SND           SEQ #: 19952 20-OCT-2006 08:48:41.48 Info:
[redacted]                  FN
NCX      GCP02_ACK           SEQ #: 19952 20-OCT-2006 08:48:44.08 Info:
[redacted]                  +
* END DESTINATION
         *CROSS_CLR          SAM_CDT  AMOUNT: 199976.17
         SYSPRFBAL           PRF_GL_CDT  AMOUNT: 199976.17
CAX      *CROSS_CLR          SAM_DBT  AMOUNT: 199976.17
CAX      SYSPRFBAL           PRF_GL_DBT  AMOUNT: 199976.17
CAX      *COMM_CLR           SAM_CDT  AMOUNT: 45.00
WTX0010                                                    Fulltran Report                                    PAGE
   220311
WORK OF 10/19/06                                    BANK OF AMERICA - CONFIDENTIAL                          RUN
10/25/06 03:46

CAX      *NOF_BAL            SAM_CDT  AMOUNT: 199931.17
CAX      SYSPRFBAL           PRF_DDA_CDT  AMOUNT: 199931.17
* BEGIN DESTINATION CAX*DST(4), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM/////
         NOT ON FILE ACCOUNTS
CAX      *CDT_CNF
* END DESTINATION
         DDA_BACKEND   ENQ TEXT: [redacted] AMOUNT: 199931.17
* BEGIN DESTINATION *DST(5), DLV STATE:D
    RTE: /
    DST: ENQ///////
         Queue: NYK//WBS_PVT_Q
         WBS_PVT_Q     DEQ
         *SYS_MEMO           Dbt prod code: 00KW Cdt prod code: 00CI Tier: M
         WBS_XCLEAR          AMT: 199931.17 TIME: 20-OCT-2006 08:48:41.97
         Memo: Cdt CAX/G/0007484146672 Comm: 45.00
         WBS_BOOK_LOG        AMT: 199976.17 TIME: 20-OCT-2006 08:48:41.97
         WBS_SRF             KEY: [redacted]
         WBS_OUT             SEQ #: 805162 20-OCT-2006 08:48:42.96 Info:
[redacted]                  FN
         WBS_SND             SEQ #: 805162 20-OCT-2006 08:48:42.96 Info:
[redacted]                  FN
         WBS_ACK             SEQ #: 805162 20-OCT-2006 08:48:45.64 Info:
[redacted]                  +
```

[redacted] = Redacted by the Permanent Subcommittee on Investigations

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01022 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.944

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```
* END DESTINATION
* BEGIN DESTINATION *DST(6), DLV STATE:D
    RTE: /
    DST: ENQ//////
         Queue: NCX//RGW07_OUTQ
NCX      RGW07_OUTQ    DEQ
NCX      RGW03_SRF        KEY: [redacted]
NCX      RGW03_OUT        SEQ #: 13230 20-OCT-2006 08:48:42.10 Info:
[redacted]            F
NCX      RGW03_SND        SEQ #: 13230 20-OCT-2006 08:48:42.10 Info:
[redacted]            F
NCX      RGW03_ACK        SEQ #: 13230 20-OCT-2006 08:48:46.25 Info:
[redacted]            +
* END DESTINATION
```


ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01023 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.945

[redacted] = Redacted by the Permanent Subcommittee on Investigations

```
                                dn27a50d2c8a4054fb7a02[1]
WTX0010                                                          Fulltran Report
                                PAGE      491583
WORK OF 07/26/07                                        BANK OF AMERICA - CONFIDENTIAL
                              RUN 08/01/07 07:31

< < < AIX VERSION 1.2 > > >

RCVD FROM NORTHERN TRUST INTL BK CO    NEW YORK, NEW YORK
SENDER'S DDA #
                                       *** Message: NOT TESTED. ***

TRN REF #: [redacted]
-------------------------------------------------------------------------------
  **** MESSAGE ENVELOPE ****                  ( Bank : NYK )

                                                   SND DATE: 07/07/26
SRC:CHP CALLER:                                    EXT:

RPT#          AMT:199,948.82          CUR:USD                          TRDR#
TEST: DUE:                          TYP:FTR/     FNDS:S CHG:DB:N CD:N COM:X CBL:N
-------------------------------------------------------------------------------
DBT P/0112                                CDT *D/CAX:001664609603          ADV:LTR
DEBIT VAL: 07/07/26                       CREDIT VAL: 07/07/26
NORTHERN TRUST INTL BK CO                 LAW OFFICES OF MICHAEL JAY BERGER
NEW YORK, NEW YORK                        ATTORNEY-CLIENT TRUST ACCOUNT
                                          9454 WILSHIRE BLVD 6TH FL
SNDR REF NUM:[redacted]                   BEVERLY HILLS          CA 90212
ORDERING BNK:S/CCEIGQGQ                   BNF:/1664609603                CHG:S BK?N
CCEI BANK GE                              LAW OFFICES OF MICHAEL JAY BERGER
CALLE PRESIDENTE NASSER                   ATTORNEY-CLIENT TRUST ACCOUNT
MALABO,GQ                                 BEVERLY HILLS, CA 90212
ORIG:                                     ORIG TO BNF INFO:
SOCAGE                                    REGLEMENT FACTURE
BATA / EQUATORIAL GUINEA                  25.00 FEE DEDUCTED

REF NUM:[redacted]


                        CHIPS 31 - RECEIVE NOTIFICATION
Ý031¨ Receive Data:
         Format version:    02      Value date:     2007/07/26
         Line number:       02      Time sent:      11:08:35
         Send participant:  0112
         Duplicate flag:    1 (Original)
         SSN: 0270993     ISN: 001597      OSN: 020564
Ý221¨ Delivery Data:
         Receive participant: 0959
         Beneficiary type:    N (Non-bank)
Ý260¨ Amount:             $199948.82
Ý270¨ PSN:                [redacted]
Ý301¨ Charges deducted:   SHA
     Instructed Amount :  USD          200,000.00
     Charges 1: USD                 26.18
Ý320¨ SWIFT field 20:     [redacted]
Ý321¨ SWIFT field 21:     [redacted]
Ý402¨ Intermediary Bank:  BBOFAUS6S                          (No CHIPS lookup)
                          BANK OF AMERICA NT AND SA
                          P.O. BOX 37000
                          SAN FRANCISCO, CALIFORNIA 94120
Ý412¨ Beneficiary's Bank:                                    (No CHIPS lookup)
 WTX0010                                                          Fulltran Report
                                PAGE      491584
WORK OF 07/26/07                                        BANK OF AMERICA - CONFIDENTIAL
                                       Page 1
```

Bank of America Requests Confidential Treatment BAC-PSI-02458

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01024 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.946

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```
                                dn27a50d2c8a4054fb7a02[1]
                              RUN 08/01/07 07:31

                            BANK OF AMERICA
                            ATTORNEY TRUST ACCOUNTING
                            555 CAPITOL MALL BLVD.SUITE 1555
                            SACRAMENTO CA
Ý422¨ Beneficiary:          D1664609603                          (No CHIPS lookup)
                            LAW OFFICES OF MICHAEL JAY BERGER
                            ATTORNEY-CLIENT TRUST ACCOUNT
                            BEVERLY HILLS, CA 90212
Ý502¨ Originator:                                                (No CHIPS lookup)
                            SOCAGE
                            BATA / EQUATORIAL GUINEA
Ý512¨ Originator's Bank:    BCCEIGQGQ                            (No CHIPS lookup)
Ý520¨ Instructing Bank:     [redacted]                           (CHIPS lookup key)
Ý527¨ Instructing Bank:     [redacted]                           (CHIPS supplied)
                            [redacted]
                            BBBRUBEBB

                            ING BELGIUM SA/NV
                            AVENUE MARNIX 24
                            1040 BRUSSELS, BELGIUM
Ý600¨ Orig to Benef info:REGLEMENT FACTURE
                            25.00 FEE DEDUCTED

    MESSAGE HISTORY SEQUENCE
--------------------------------
NYK is the owning bank. Priority:   Delivery ACK:
        REF_INDEX           REF #: 2007072600135347  26-JUL-2007 11:08:37.09
        CHIPSIN2            SEQ #: 10708 26-JUL-2007 11:08:37.09
        CHIPSIN             SEQ #: 20564 26-JUL-2007 11:08:37.09
        CHIPSRCV            AMT:          199948.82ORIG OSN:  20564 PAR: 0112
                            SSN:  [redacted] PSN:   1597 VERSION:  0
        CHIPSOSN             PSN:  [redacted] AMT:          199948.82
        CHIPS_IN            AMT: 199948.82 TIME: 26-JUL-2007 11:08:37.09
        CHIPSSSN            SEQ #: 270993 26-JUL-2007 11:08:37.09
        Memo: CHIPS TIME: 110835
        CHIPSINQ       DEQ
        *SYS_MEMO           CPD: IBK-Found BofA ID S/BOFAUS6S (SFO)
        *SYS_MEMO           CPD: BBK-Match on PD entry: BK AMER ÝSACRAMENTO¨
        *SYS_MEMO           CPD: BBK-Found BofA ID WTX via PD lookup
        *SYS_MEMO           CPD: BNF-Manipulated  /1664609603 to D/001664609603
        *SYS_MEMO           CPD: BNF-Party retained in message
        *SYS_MEMO           CPD: Deleting IBK party
        *SYS_MEMO           CPD: Deleting BBK party
        *SYS_MEMO           CPD: Inserting D/001664609603 and text over BNF
        *SYS_MEMO           CPD: *ORIG1: LAW OFFICES OF MICHAEL JAY BERGER
        CHPIN_LOG           AMT: 199948.82 TIME: 26-JUL-2007 11:08:37.41
        SENDREFNDX          KEY: [redacted]
        *SYS_MEMO           Credit party address is not on file.
        SYS_MEMO            *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
        CHIPSTRT            AMT: 199948.82 TIME: 26-JUL-2007 11:08:37.53
        NOF_ACC_NDX         KEY: NYKD001664609603
        Memo: CDT
        CR_ANHQ        DEQ
        ANH_PDM_01          SEQ #: 3217 26-JUL-2007 11:08:37.68 Info: P
        *SYS_MEMO           *ACCT: D/001664609603
 WTX0010                                                  Fulltran Report
                                PAGE      491585
WORK OF 07/26/07                                  BANK OF AMERICA - CONFIDENTIAL
                            RUN 08/01/07 07:31

        *SYS_MEMO           *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
                                        Page 2
```


ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01025 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.947

[redacted] = Redacted by the Permanent Subcommittee on Investigations

```
                                dn27a50d2c8a4054fb7a02[1]
        *SYS_MEMO          *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
        *SYS_MEMO          *ADR3: 9454 WILSHIRE BLVD 6TH FL
        *SYS_MEMO          *ADR4: BEVERLY HILLS              CA 90212-0000
        *SYS_MEMO          ACTIVE
        SYS_MEMO           *CVD:21 DVD:21 PSD:25 SSD:--- DBD:1 CBD:1
        *SYS_MEMO          HOSTGET ADR ACTIVE
        *SYS_MEMO          HOSTGET ADR lookup and match succeeded.
        *SYS_MEMO          CREDIT TRACKING DATA: HOST TRAN REGION: SFAL
CORRELATION ID : [redacted]
        ANH_POST_01        SEQ #: 3217 26-JUL-2007 11:08:38.02 Info: HOSTGET ADR
lookup and match succeeded.
        *SYS_MEMO          Stop_Check NO MATCH - 26-JUL-2007 11:08:38.06
CAX     DDN_CL__AUTQ  DEQ
* BEGIN DESTINATION *DST(1), DLV STATE:D
    RTE: /
    DST: ENQ///////
        Queue: NCX//GCP7_PVT_Q
NCX     GCP7_PVT_Q    DEQ
        Memo: MAP (PAY)
NCX     GCP02_SRF          KEY: [redacted]MAP1
NCX     GCP02_CHPRCV       AMT: 199948.82 TIME: 26-JUL-2007 11:08:38.93
NCX     GCP02_OUT          SEQ #: 29715 26-JUL-2007 11:08:39.00 Info:
[redacted]MAP1          FN
NCX     GCP02_SND          SEQ #: 29715 26-JUL-2007 11:08:39.00 Info:
[redacted]          FN
NCX     GCP02_ACK          SEQ #: 29715 26-JUL-2007 11:08:44.89 Info:
[redacted]          +
* END DESTINATION
CAX     DDN_PDM_01         SEQ #: 512 26-JUL-2007 11:08:38.27 Info: PC
CAX     *SYS_MEMO          WRB Tran Region: SFAL WRB Correl ID: [redacted]
CAX     *SYS_MEMO          WRB return message: SUCCESSFUL MEMOPOST
CAX     *SYS_MEMO          BAL MEMO: APO BAL: 345,660.75
CAX     DDN_POST_01        SEQ #: 512 26-JUL-2007 11:08:38.75 Info: PC
        Memo: Cdt posted with tran cd:                [redacted]
        PAYADVQ       DEQ
        PAYADV_LOG         OPRID: $$$PAY  TIME: 26-JUL-2007 11:08:39.02
CAX     PAYADV_LOG         OPRID: $$$PAY  TIME: 26-JUL-2007 11:08:39.02
        *CHP_GL            SAM_DBT  AMOUNT: 199948.82
        *CROSS_CLR         SAM_CDT  AMOUNT: 199948.82
        SYSPRFBAL          PRF_GL_CDT  AMOUNT: 199948.82
CAX     *CROSS_CLR         SAM_DBT  AMOUNT: 199948.82
CAX     SYSPRFBAL          PRF_GL_DBT  AMOUNT: 199948.82
CAX     *NOF_BAL           SAM_CDT  AMOUNT: 199948.82
CAX     SYSPRFBAL          PRF_DDA_CDT  AMOUNT: 199948.82
* BEGIN DESTINATION CAX*DST(2), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM//////
        NOT ON FILE ACCOUNTS
CAX     *CDT_CNF
* END DESTINATION
        DDA_BACKEND   ENQ TEXT: 2007072600135347  AMOUNT: 199948.82
        GL_BACKEND    ENQ TEXT: 2007072600135347  AMOUNT: 199948.82
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: /
 WTX0010                                                  Fulltran Report
                          PAGE      491586
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                        RUN 08/01/07 07:31

    DST: ENQ///////
        Queue: NYK//WBS_PVT_Q
        WBS_PVT_Q     DEQ
        *SYS_MEMO          Debit:  Prod code: 00DI
                                    Page 3
```


ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01026 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.948

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```
                                dn27a50d2c8a4054fb7a02[1]
          *SYS_MEMO           Credit: Prod code: 00CI
          WBS_XCLEAR          AMT: 199948.82 TIME: 26-JUL-2007 11:08:39.49
          Memo: Cdt CAX/G/0007484146672
          WBS_CHP_RCV         AMT: 199948.82 TIME: 26-JUL-2007 11:08:39.49
          WBS_SRF             KEY: [redacted]
          WBS_OUT             SEQ #: 165335 26-JUL-2007 11:08:39.54 Info:
[redacted]                  FN
          WBS_SND             SEQ #: 165335 26-JUL-2007 11:08:39.54 Info:
[redacted]                  FN
          WBS_ACK             SEQ #: 165335 26-JUL-2007 11:08:41.73 Info:
[redacted]                 +
* END DESTINATION
* BEGIN DESTINATION *DST(4), DLV STATE:D
    RTE: /
    DST: ENQ///////
          Queue: NCX//RGW07_OUTQ
NCX       RGW07_OUTQ     DEQ
NCX       RGW07_SRF           KEY: [redacted]
NCX       RGW07_OUT           SEQ #: 9765 26-JUL-2007 11:08:39.64 Info:
[redacted]                  F
NCX       RGW07_SND           SEQ #: 9765 26-JUL-2007 11:08:39.64 Info:
[redacted]                  F
NCX       RGW07_ACK           SEQ #: 9765 26-JUL-2007 11:08:42.14 Info:
[redacted]                 +
* END DESTINATION
```


Bank of America Requests Confidential Treatment

BAC-PSI-02461

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01027 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.949

[redacted] = Redacted by the Permanent Subcommittee on Investigations

dna7a52e2481d094297c0d[1]

WTX0010 Fulltran Report

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WORK OF 08/14/07 BANK OF AMERICA - CONFIDENTIAL

RUN 08/18/07 05:15

< < < AIX VERSION 1.2 > > >

RCVD FROM NATIXIS (REGIONALS)
SENDER'S DDA #

*** Message: TESTED. ***

TRN REF #: [redacted]

**** MESSAGE ENVELOPE **** (Bank : SFO)

SND DATE: 07/08/16
SRC:SWF CALLER: EXT:

RPT# AMT:199,933.45 CUR:USD TRDR#
TEST: DUE: TYP:FTR/ FNDS:S CHG:DB:N CD:N COM:C CBL:N

DBT D/[redacted]
DEBIT VAL: 07/08/16
NATIXIS
45,RUE SAINT DOMINIQUE
F-75007 PARIS, FRANCE
SPECIAL INSTRUCTIONS:
(FRMLY:CAISSE CENTRALE DES BANQUES
POPULAIRES)

SEND:S/CCBPFRPPPAR
NATIXIS
(REGIONALS)
PARIS, FRANCE
SNDR REF NUM:[redacted]
ORIG:/001 8285 1001 86
SOMAGUI
BATA / EQUATORIAL GUINEA

CDT *D/CAX:001664609603 ADV:LTR
CREDIT VAL: 07/08/16
LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL
BEVERLY HILLS CA 90212
BNF:/1210003581664609603 CHG:S BK?N
LAW OFFICES OF MICHAEL JAY BERGER
CALIFORNIA - USA

ORIG TO BNF INFO:
PAGO FACT

{[redacted]
{[redacted]}
{[redacted]

SWIFT Message Text

Output time: 07:53 Output sequence number: 460006
S/BOFAUS6SBXXX
BANK OF AMERICA, N.A.
555, CALIFORNIA STREET
SAN FRANCISCO,US

Input time: 16:53 Input sequence number: 239121
S/CCBPFRPPAPAR
NATIXIS
(REGIONALS)
PARIS, FRANCE

Swift Authenticated Message Mac:A7DC2E11

WTX0010 Fulltran Report

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WORK OF 08/14/07 BANK OF AMERICA - CONFIDENTIAL

Page 1

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01028 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.950

```
                          dna7a52e2481d094297c0d[1]
                         RUN 08/18/07 05:15

Single Customer Credit Transfer                        (TYPE: 103)

:20:   /Transaction Reference Number:
        T534375/01
:23B:  /Bank Operation Code:
        CRED
:32A:  /Value Date, Currency, Interbank Settled Amount:
        Date: 07/08/16  USD  199,933.45
:50K:  /Ordering Customer:
        /[redacted]
        SOMAGUI
        BATA / EQUATORIAL GUINEA
:57A:  /Account With:
        S/BOFAUS3N
        BANK OF AMERICA, N.A.
        100, 33RD STREET WEST
        NEW YORK,US
:59:   /Beneficiary Customer:
        /1210003581664609603
        LAW OFFICES OF MICHAEL JAY BERGER
        CALIFORNIA - USA
:70:   /Remittance Information:
        PAGO FACT
:71A:  /Details of Charges:
        SHA
       -}
{5:
{MAC:A7DC2E11}
{CHK:BBA677869F51}}

    MESSAGE HISTORY SEQUENCE
--------------------------------
SFO is the owning bank. Priority:   Delivery ACK:
         REF_INDEX          REF #: [redacted] 14-AUG-2007 10:53:25.26
         SFOB_F_SES         SEQ #: 5509 14-AUG-2007 10:53:24.73 Info: Osn
         SFOB_F_IN          SEQ #: 460006 14-AUG-2007 10:53:24.73 Info: Osn
         SFOB_F_SES         SEQ #: 5509 14-AUG-2007 10:53:24.73 Info: Uak
         SFOB_F_RCV         MIR: 070814CCBPFRPPAPAR5650239121
                            14-AUG-2007 10:53:24.73
         SWF_SRC_NDX        KEY: CCBPFRPPPAR
         SWFINQ        DEQ
         SENDREFNDX         KEY: T534375/01
         SENDREFNDX         KEY: T53437501
         *SYS_MEMO          CPD: BBK-Found BofA ID S/BOFAUS3N (NYK)
         *SYS_MEMO          CPD: BNF-Found BofA ID A/121000358 (WTX)
         *SYS_MEMO          CPD: BNF-Extracted local BofA ABA 121000358 from
1210003581664609603
         *SYS_MEMO          CPD: BNF-Manipulated  /1210003581664609603 to D
/001664609603
         *SYS_MEMO          CPD: BNF-Party retained in message
         *SYS_MEMO          CPD: Deleting BBK party
         *SYS_MEMO          CPD: Inserting D/001664609603 and text over BNF
         *SYS_MEMO          CPD: *ORIG1: LAW OFFICES OF MICHAEL JAY BERGER
         *SYS_MEMO          Debit party  SCCBPFRPPPAR Rule substituted D
 WTX0010                                                  Fulltran Report
                               PAGE      411766
WORK OF 08/14/07                                BANK OF AMERICA - CONFIDENTIAL
                            RUN 08/18/07 05:15

/[redacted]/
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[redacted] = Redacted by the Permanent Subcommittee on Investigations

Bank of America Requests Confidential Treatment

BAC-PSI-02463

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01029 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.951

```
                                dna7a52e2481d094297c0d[1]
        SYS_MEMO            *CVD:22 DVD:22 PSD:27 SSD:--- DBD:1 CBD:1
        *MISC_DBT           MISC  AMOUNT: 199933.45
        NOF_ACC_NDX         KEY: SFOD001664609603
        Memo: CDT
        *ADR_MSG_QUE  ENQ TEXT: [redacted]
        Memo: DBT/403930
        *ADR_MSG_QUE  ENQ TEXT: [redacted]
        Memo: SBK/393236
        CR_ANHQ       DEQ
        ANH_PDM_01          SEQ #: 595 14-AUG-2007 10:53:26.31 Info: P
        *SYS_MEMO           *ACCT: D/001664609603
        *SYS_MEMO           *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
        *SYS_MEMO           *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
        *SYS_MEMO           *ADR3: 9454 WILSHIRE BLVD 6TH FL
        *SYS_MEMO           *ADR4: BEVERLY HILLS              CA 90212-0000
        *SYS_MEMO           ACTIVE
        SYS_MEMO            *CVD:22 DVD:22 PSD:27 SSD:--- DBD:1 CBD:1
        *SYS_MEMO           HOSTGET ADR ACTIVE
        *SYS_MEMO           HOSTGET ADR lookup and match succeeded.
        *SYS_MEMO           CREDIT TRACKING DATA: HOST TRAN REGION: SFAK
CORRELATION ID : [redacted]
        ANH_POST_01         SEQ #: 595 14-AUG-2007 10:53:26.67 Info: HOSTGET ADR
lookup and match succeeded.
        *SYS_MEMO           Stop_Check NO MATCH - 14-AUG-2007 10:53:26.73
NYK     FUTUREQ       DEQ
NYKMTRANSFTRVFY_LOG         OPRID: NBKWZE51  TIME: 15-AUG-2007 20:50:43.40
        Memo: YReleased from FUTUREQ by FUT operator
NYK     *SYS_MEMO           Stop_Check NO MATCH - 15-AUG-2007 20:50:43.46
        *DDA                SAM_DBT  AMOUNT: 199933.45
CAX     DDN_CL__AUTQ  DEQ
CAX     DDN_PDM_03          SEQ #: 72 16-AUG-2007 00:07:04.52 Info: PC
CAX     *SYS_MEMO           Benededuct amount applied: 25.00
CAX     *SYS_MEMO           WRB Tran Region: SFAL WRB Correl ID: 081521070441074
CAX     *SYS_MEMO           WRB return message: SUCCESSFUL MEMOPOST
CAX     *SYS_MEMO           BAL MEMO: APO BAL: 328,098.48
CAX     DDN_POST_03         SEQ #: 72 16-AUG-2007 00:07:05.11 Info: PC
        Memo: Cdt posted with tran cd:                 070814118703
        PAYADVQ       DEQ
        PAYADV_LOG          OPRID: $$$PAY  TIME: 16-AUG-2007 00:07:05.38
CAX     PAYADV_LOG          OPRID: $$$PAY  TIME: 16-AUG-2007 00:07:05.38
        SYSPRFBAL           PRF_DDA_DBT  AMOUNT: 199933.45
* BEGIN DESTINATION *DST(1), DLV STATE:D
    RTE: D/[redacted]
    DST: CMS/GCP//////FR
        NATIXIS
        45, RUE SAINT DOMINIQUE
        F-75007 PARIS, FRANCE
        *DBT_CNF
NCX     GCP3_PVT_Q    DEQ
        Memo: ACC
NCX     GCP00_SRF           KEY: [redacted]
NCX     GCP00_BOOK          AMT: 199933.45 TIME: 16-AUG-2007 00:38:58.02
NCX     GCP00_OUT           SEQ #: 7730 16-AUG-2007 00:39:00.78 Info:
[redacted]03ACC1          FN
 WTX0010                                                  Fulltran Report
                                PAGE      411767
WORK OF 08/14/07                                  BANK OF AMERICA - CONFIDENTIAL
                            RUN 08/18/07 05:15

NCX     GCP00_SND           SEQ #: 7730 16-AUG-2007 00:39:00.78 Info:
[redacted]                FN
NCX     GCP00_ACK           SEQ #: 7730 16-AUG-2007 00:39:01.37 Info:
[redacted]                +
                                        Page 3
```

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01030 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.952

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```
                                dna7a52e2481d094297c0d[1]
* END DESTINATION
        *CROSS_CLR          SAM_CDT  AMOUNT: 199933.45
        SYSPRFBAL           PRF_GL_CDT  AMOUNT: 199933.45
CAX     *CROSS_CLR          SAM_DBT  AMOUNT: 199933.45
CAX     SYSPRFBAL           PRF_GL_DBT  AMOUNT: 199933.45
CAX     *COMM_CLR           SAM_CDT  AMOUNT: 25.00
CAX     *NOF_BAL            SAM_CDT  AMOUNT: 199908.45
CAX     SYSPRFBAL           PRF_DDA_CDT  AMOUNT: 199908.45
* BEGIN DESTINATION CAX*DST(2), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM//////
        NOT ON FILE ACCOUNTS
CAX     *CDT_CNF
* END DESTINATION
        DDA_BACKEND   ENQ TEXT: [redacted] AMOUNT: 199908.45
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: /
    DST: ENQ///////
        Queue: SFO//WBS_PVT_Q
        WBS_PVT_Q     DEQ
        *SYS_MEMO           Debit:  Prod code: 00KW Ben Class: BEN009 Tier: M
        *SYS_MEMO           Credit: Prod code: 00CI
        WBS_XCLEAR          AMT: 199908.45 TIME: 16-AUG-2007 00:07:05.63
        Memo: Cdt CAX/G/[redacted] Comm: 25.00
        WBS_BOOK_LOG        AMT: 199933.45 TIME: 16-AUG-2007 00:07:05.63
        WBS_SRF             KEY: 070814118703DT03
        WBS_OUT             SEQ #: 916114 16-AUG-2007 00:07:05.71 Info:
[redacted]3DT03          FN
        WBS_SND             SEQ #: 916114 16-AUG-2007 00:07:05.71 Info:
[redacted]3DT03          FN
        WBS_ACK             SEQ #: 916114 16-AUG-2007 00:07:06.98 Info:
[redacted]T03         +
* END DESTINATION
* BEGIN DESTINATION *DST(4), DLV STATE:D
    RTE: /
    DST: ENQ///////
        Queue: NCX//RGW03_OUTQ
NCX     RGW03_OUTQ    DEQ
NCX     RGW03_SRF           KEY: [redacted]
NCX     RGW03_OUT           SEQ #: 1734 16-AUG-2007 01:45:24.68 Info:
[redacted]               F
NCX     RGW03_SND           SEQ #: 1734 16-AUG-2007 01:45:24.68 Info:
[redacted]               F
NCX     RGW03_ACK           SEQ #: 1734 16-AUG-2007 01:45:33.08 Info:
[redacted]            +
* END DESTINATION
```


Bank of America Requests Confidential Treatment

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01031 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.953

dnb7650a2686d0d40d760a[1]

WTX0010 Fulltran Report

PAGE 532007

WORK OF 09/11/07 BANK OF AMERICA - CONFIDENTIAL

RUN 09/15/07 05:19

< < < AIX VERSION 1.2 > > >

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SENDER PARTY NOT ON FILE
SENDER'S ID A/026001122

*** Message: NOT TESTED. ***

TRN REF #: [redacted]

**** MESSAGE ENVELOPE **** (Bank : NCX)

SND DATE: 07/09/11
SRC:FED CALLER: EXT:

RPT# AMT:199,934.10 CUR:USD TRDR#
TEST: DUE: TYP:FTR/ FNDS:S CHG:DB:N CD:N COM:N CBL:N

---

*DBT [redacted] CDT *D/CAX:001664609603 ADV:LTR
DEBIT VAL: 07/09/11 CREDIT VAL: 07/09/11
NORTHERN TRUST INTL BKG. CORP. LAW OFFICES OF MICHAEL JAY BERGER
JERSEY CITY, NJ ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD 6TH FL
SNDR REF NUM:[redacted] BEVERLY HILLS CA 90212
ORDERING BNK:S/CCEIGQGQ BNF:/1664609603 CHG:S BK?N
CCEI BANK GE LAW OFFICES OF MICHAEL JAY BERGE
CALLE PRESIDENTE NASSER BEVERLY HILLS
MALABO,GQ CA 90212
ORIG: ORIG TO BNF INFO:
SOMAGUI REGLT FACTURE
BATA / EQUATORIAL GUINEA

REF NUM:[redacted]

**** MESSAGE TEXT ****

{1100} 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: 09/11
Time: 12:49
Application Id: FT01

{1120} OMAD:
Output cycle date: 2007/09/11
Output Destination Id: B6B7HU2R
Output sequence number: [redacted]
Output date: 09/11
Output time: 12:49
Output application Id: FT01

WTX0010 Fulltran Report

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WORK OF 09/11/07 BANK OF AMERICA - CONFIDENTIAL

Page 1

Bank of America Requests Confidential Treatment BAC-PSI-02466

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01032 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.954

[redacted] = Redacted by the Permanent Subcommittee on Investigations

dnb7650a2686d0d40d760a[1]
RUN 09/15/07 05:19

{1510} Type/Subtype Code:	
Type Code:	10 (Transfer of funds)
Subtype Code:	00 (Regular transfer)
{1520} IMAD:	
Input Cycle date:	2007/09/11
Input Source id:	G1B76E2C
Input Sequence number:	001254
{2000} Amount:	$199,934.10
{3100} Sending Bank:	
ABA number:	[redacted]
Short name:	NORTHERN INTL NYC
ABA lookup (AUX):	NORTHERN TRUST INTL BKG. CORP. JERSEY CITY, NJ
{3320} Sender Reference:	[redacted]
{3400} Receiving Bank:	
ABA number:	026009593
Short name:	BK AMER INTL NYC
ABA lookup (AUX):	BANK OF AMERICA, N.A., NY NEW YORK, NY
{3600} Business Function Code:	CTR (Customer transfer)
{3700} Charges:	S (Shared) USD 25.90 USD 40.00
{3710} Instructed Amount:	USD 200000.00
{4100} Beneficiary's Bank:	[redacted] BANK OF AMERICA 555 CALIFORNIA STREET SAN FRANCISCO, CALIFORNIA
{4200} Beneficiary:	D/1664609603 LAW OFFICES OF MICHAEL JAY BERGE BEVERLY HILLS CA 90212
{4320} Reference for Beneficiary:	[redacted]
{5000} Originator:	/

WTX0010 Fulltran Report
WORK OF 09/11/07 PAGE 532009 BANK OF AMERICA - CONFIDENTIAL
RUN 09/15/07 05:19
SOMAGUI
Page 2

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01033 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.955

[redacted] = Redacted by the Permanent Subcommittee on Investigations

dnb7650a2686d0d40d760a[1]
BATA / EQUATORIAL GUINEA

{5100} Originator's Bank: B/CCEIGQGQ
CCEI BANK GE
CALLE PRESIDENTE NASSER
MALABO,GQ

{5200} Instructing Bank: B/BBRUBEBB010
ING BELGIUM S.A. NV
24 AVENUE MARNIX
1000 BRUSSELS, BELGIUM

{6000} Originator to Beneficiary Info: REGLT FACTURE

MESSAGE HISTORY SEQUENCE

NCX is the owning bank. Priority: Delivery ACK:
REF_INDEX REF #: [redacted] 11-SEP-2007 12:49:58.82
FEDSNAIN2 SEQ #: 26047 11-SEP-2007 12:49:58.83
Memo: FED/026001122/2007091100178148/0911G1B76E2C00125409111249FT01
FEDIN2 SEQ #: 2125 11-SEP-2007 12:49:58.83
FLASHRCV ABA: 026001122 FED REF: 2007091100178148
IMAD: 0911G1B76E2C00125409111249FT01
FEDINQ DEQ
FEDIN_LOG AMT: 199934.10 TIME: 11-SEP-2007 12:49:59.05
ABA_INDEX KEY: [redacted]
*SYS_MEMO CPD: BBK-Found BofA ID A[redacted] (WTX)
*SYS_MEMO CPD: BNF-Manipulated /1664609603 to D/001664609603
*SYS_MEMO CPD: BNF-Party retained in message
*SYS_MEMO CPD: Deleting BBK party
*SYS_MEMO CPD: Inserting D/001664609603 and text over BNF
*SYS_MEMO CPD: *ORIG1: LAW OFFICES OF MICHAEL JAY BERGE
SYS_MEMO *CVD:25 DVD:25 PSD:31 SSD:--- DBD:1 CBD:1
NOF_ACC_NDX KEY: NCXD001664609603
Memo: CDT
CR_ANHQ DEQ
ANH_PDM_02 SEQ #: 1857 11-SEP-2007 12:49:59.41 Info: P
*SYS_MEMO *ACCT: D/001664609603
*SYS_MEMO *ADR1: LAW OFFICES OF MICHAEL JAY BERGER
*SYS_MEMO *ADR2: ATTORNEY-CLIENT TRUST ACCOUNT
*SYS_MEMO *ADR3: 9454 WILSHIRE BLVD 6TH FL
*SYS_MEMO *ADR4: BEVERLY HILLS CA 90212-0000
*SYS_MEMO ACTIVE
SYS_MEMO *CVD:25 DVD:25 PSD:31 SSD:--- DBD:1 CBD:1
*SYS_MEMO HOSTGET ADR ACTIVE
*SYS_MEMO HOSTGET ADR lookup and match succeeded.
*SYS_MEMO CREDIT TRACKING DATA: HOST TRAN REGION: SFAK
CORRELATION ID : 091109495940028
ANH_POST_02 SEQ #: 1857 11-SEP-2007 12:49:59.86 Info: HOSTGET ADR
lookup and match succeeded.
WTX0010 Fulltran Report
PAGE 532010
WORK OF 09/11/07 BANK OF AMERICA - CONFIDENTIAL
RUN 09/15/07 05:19

*SYS_MEMO Stop_Check NO MATCH - 11-SEP-2007 12:49:59.88
CAX DDN_CL__AUTQ DEQ
* BEGIN DESTINATION *DST(1), DLV STATE:D
RTE: /

Page 3

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01034 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.956

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```
                                dnb7650a2686d0d40d760a[1]
    DST: ENQ//////
         Queue: NCX//GCP3_PVT_Q
         GCP3_PVT_Q    DEQ
         Memo: MAP (PAY)
         GCP00_SRF          KEY: [redacted]AP1
         GCP00_FEDRCV       AMT: 199934.10 TIME: 11-SEP-2007 12:50:00.21
         GCP00_OUT          SEQ #: 43781 11-SEP-2007 12:50:00.27 Info:
[redacted]MAP1          FN
         GCP00_SND          SEQ #: 43781 11-SEP-2007 12:50:00.27 Info:
[redacted]MAP1          FN
         GCP00_ACK          SEQ #: 43781 11-SEP-2007 12:50:06.90 Info:
[redacted]AP1         +
* END DESTINATION
CAX      DDN_PDM_01         SEQ #: 769 11-SEP-2007 12:49:59.98 Info: PC
CAX      *SYS_MEMO          WRB Tran Region: SFAM WRB Correl ID: 091109500001013
CAX      *SYS_MEMO          WRB return message: SUCCESSFUL MEMOPOST
CAX      *SYS_MEMO          BAL MEMO: APO BAL: 240,264.36
CAX      DDN_POST_01        SEQ #: 769 11-SEP-2007 12:50:00.47 Info: PC
         Memo: Cdt posted with tran cd:                070911150623
         PAYADVQ       DEQ
         PAYADV_LOG         OPRID: $$$PAY  TIME: 11-SEP-2007 12:50:00.56
CAX      PAYADV_LOG         OPRID: $$$PAY  TIME: 11-SEP-2007 12:50:00.56
         *FED_GL            SAM_DBT  AMOUNT: 199934.10
         *CROSS_CLR         SAM_CDT  AMOUNT: 199934.10
         SYSPRFBAL          PRF_GL_CDT  AMOUNT: 199934.10
CAX      *CROSS_CLR         SAM_DBT  AMOUNT: 199934.10
CAX      SYSPRFBAL          PRF_GL_DBT  AMOUNT: 199934.10
CAX      *NOF_BAL           SAM_CDT  AMOUNT: 199934.10
CAX      SYSPRFBAL          PRF_DDA_CDT  AMOUNT: 199934.10
* BEGIN DESTINATION CAX*DST(2), DLV STATE:S
    RTE: *D/CAX:001664609603
    DST: LTR/STM//////
         NOT ON FILE ACCOUNTS
CAX      *CDT_CNF
* END DESTINATION
         DDA_BACKEND    ENQ TEXT: [redacted]  AMOUNT: 199934.10
         GL_BACKEND     ENQ TEXT: [redacted]  AMOUNT: 199934.10
* BEGIN DESTINATION *DST(3), DLV STATE:D
    RTE: /
    DST: ENQ//////
         Queue: NCX//RGW03_OUTQ
         RGW03_OUTQ    DEQ
         RGW03_SRF          KEY: [redacted]
         RGW03_OUT          SEQ #: 11346 11-SEP-2007 12:50:01.51 Info:
[redacted]          F
         RGW03_SND          SEQ #: 11346 11-SEP-2007 12:50:01.51 Info:
[redacted]          F
         RGW03_ACK          SEQ #: 11346 11-SEP-2007 12:50:03.92 Info:
[redacted]          +
* END DESTINATION
```


Bank of America Requests Confidential Treatment

BAC-PSI-02469

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01035 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.957

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CitiBusiness® Online
Enrollment Form
Please type or print legibly. All fields are required unless indicated otherwise.

citibank

☐ CitiBusiness Online Maintenance Form is attached. (For custom user entitlements)

Section A: Business and Contact Information

Business Name (and DBA, if applicable): Unlimited Horizon, Inc.

Primary Contact Name	Telephone Number	Extension
Michael Jay Berger	(310) 271-6223	

☐ Enroll in cash manager suite of services (optional)
(Includes Today's Activity Reporting, System Administrator Levels and Specialized Transfer Services for a monthly fee.)

Section B: Accounts/Loans to be Linked to CitiBusiness Online

Primary Business Account Number (checking/money market/CitiEscrow control account) and State	Personal Account Number and State (optional; for Sole Proprietorships and Single Shareholder Corporations only)
202018867 (Checking)	

Additional Business Accounts and State (optional; attach additional sheets if necessary)			Personal Account Owner Name (Only one owner can have access to account)
[redacted] - California			Michael Jay Berger
			Personal Account Owner Signature: X Michael J Berger

Section C: Authorized Users
For additional users, attach additional copies of this page.
For custom entitlements, skip this section and complete sections 5 & 6 of the CitiBusiness Online Maintenance/Custom Entitlement form.

1	First Name	Last Name
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *: ____) ☐ No
2	First Name	Last Name
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *: ____) ☐ No
3	First Name	Last Name
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *: ____) ☐ No
4	First Name	Last Name
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *: ____) ☐ No

Section D: Client Agreement

I am an authorized signer on the General Resolution or Banking Agreement for the accounts listed on this enrollment form and have the authority to enter into this agreement and delegate authority as specified. By signing below:

- I am enrolling the business listed in Section A of this form ("the business") in the CitiBusiness Online service and agree that the Business and all Authorized Users will comply with the terms of this enrollment form, the Maintenance/Custom Entitlement Form (as applicable), the CitiBusiness Online User Agreement and those agreements governing the accounts and services accessed through CitiBusiness Online.
- I acknowledge that the authority I have delegated to each user and the procedures I have established with this enrollment form meet the security requirements of the Business.
- I authorize any individual listed as System Administrator to act on behalf of the Business in the capacity defined by this enrollment form. I understand that a System Administrator's entitlements will apply equally to all accounts linked through CitiBusiness Online.
- I authorize Citibank to honor electronic instructions from the Business, including instructions to: (1) transfer money to other Citibank accounts/loans (including loan repayments and line of credit draw-downs on select credit products), (2) send wire transfers and foreign checks to designated third parties, (3) make bill payments to designated payees, (4) open new accounts, (5) view and transact on any linked credit card account, and (6) conduct any other financial transaction available through CitiBusiness Online. I understand that Citibank follows these instructions when the User IDs and Passwords of the User designated on this form have been entered.

X Michael J Berger 6/9/10 X

Signature of Authorized Signer (Multiple Signatures are required) Date | Signature of Authorized Signer (Multiple Signatures are required) Date

* A level 10 System Administrator is only required when enrolling in the cash manager suite of services.

RETURN TO YOUR RELATIONSHIP MANAGER OR NEAREST CITIBANK FINANCIAL CENTER

Bank Use Only

Select Business Segment: ☑ Business Banking ☐ Commercial Banking ☐ Middle Market ☐ Private Bank ☐ IPB

REMINDER: Two account notes are required to indicate review and approval of this form.
- Accepter/Preparer: Place Note 565 on primary account
- Approver: Place Note 964 on primary account

Contact Name: Chong McDermott				
Contact Telephone Number: 310-273-3972				
FIMP: 13			FC Number: 287	
Back Office Use Only:	Initial	Data Entry Date:	QC:	Business Code: 7-

Fax completed form to CitiBusiness Online Operations. Copy to customer. Original in customer file.

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Citibank, N.A. Member FDIC.

NFC0417CB V3
CBusOL Enrollment Form - Page 1 of 1

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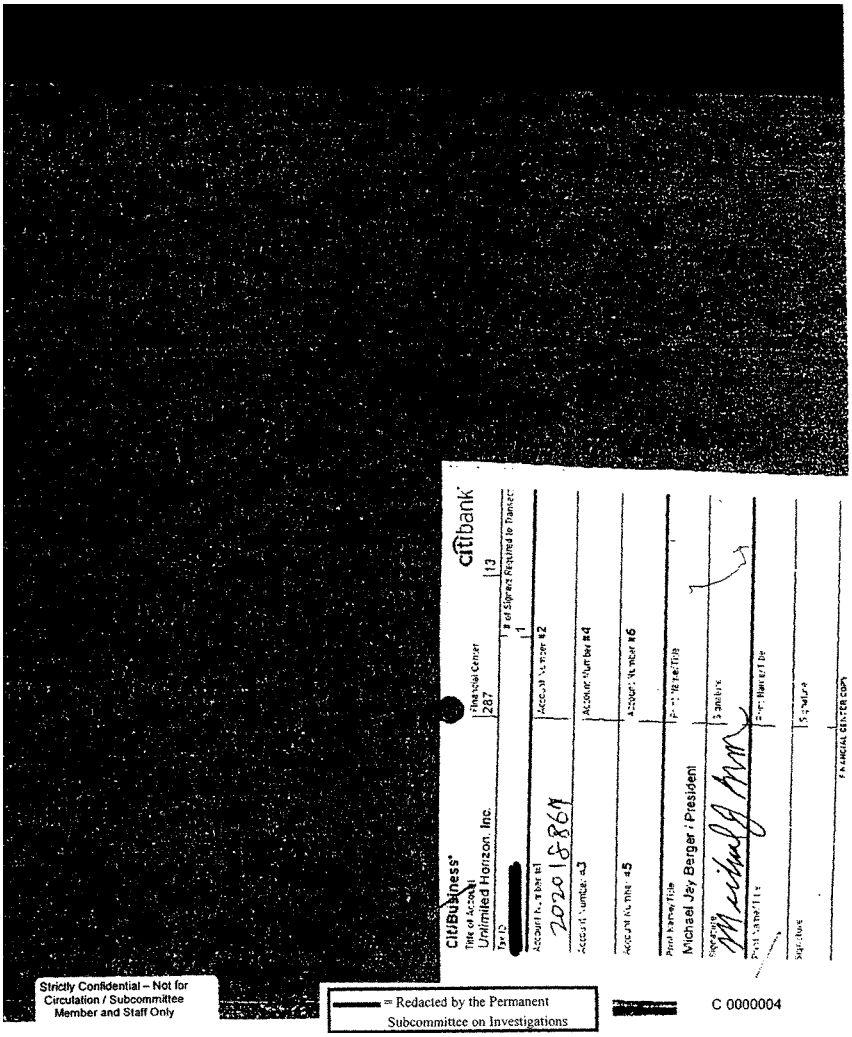
Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 172

C 0000003

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01036 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.958



ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01037 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.959

SINGLE STOCKHOLDER CHECKLIST

citibank

Evidence of Business Formation

All Markets

Evidence from a government internet site can be used in lieu of the documents listed below, provided that the information obtained from the website identifies the individual(s) presenting themselves to open an account

OR

Copy of Certificate of Incorporation

OR

Division of Corporations web page printout together with copy filing receipt.

OR

Articles of Incorporation stamped filed or approved by Secretary of State

Citibank Forms Required

- Citibank Single-Stockholder Corporation General Deposit Resolution
- Account Application
- Signature Card
- Senior Public Figure Screening

Know Your Customer

Is this business considered High Risk?

☐ Yes ☑ No

*If Yes, Note account appropriately

- For businesses classified as High Risk, required action was completed in accordance with guidelines. If a visit to the place of business is required, the Observation at Place of Business Form must be completed within two weeks of account opening

Verifications

- Business phone and address verifications were preformed and noted on an application.
- EFunds verification performed for single stockholder
- Identification obtained for all signers

If business falls into one or multiple of the following categories, the listed documents are required in the client file.

Out of State or Puerto Rico Corporation

- Doing Business in State or Puerto Rico. Certificate of Authority to do Business from the Secretary of State where the account is being opened or print-out from the state's website
- NOT Doing Business in State or Puerto Rico. Ensure the client has a good business reason to establish an account at your Financial Center. Record reason on the Checklist

Foreign Corporation

Foreign business formed outside the US or PR that has also registered in the US or PR to conduct business, may be treated as a domestic business. Therefore, no foreign business documents listed below are required

- Obtain IRS W8 BEN Tax Certification Form for the foreign business (except Puerto Rico)
- Foreign Corporation documents with a written translation in English
- Corporate documents for the foreign business do not contain "Bearer Shares". CBNA Policy does not permit the opening of an account with "Bearer Shares"
- Bank reference or bank statements for the business. If business does not have prior banking experience account opening must be approved by Area Level Management
- Account may not be opened if the business is incorporated in a Financial Haven
- **Puerto Rico Only**
  Foreign Business documents needs to have apostille from U.S. Embassy in country of origin

Trading/DBA

- Obtain assumed name or DBA Certificate/Registration (except Puerto Rico Coporations)

IOLA/IOLTA/IOTA

- Notice to establish an IOLA/IOLTA/IOTA and taxpayer ID number of IOLA/IOLTA/IOTA fund

CitiEscrow

- Obtain Client Account Tax Certification ((Puerto Rico – only required if a U.S. citizen or U.S. entity)

Not-for-Profit

- Evidence of Not-for-Profit Status if opening NOW/Interest Checking (except Puerto Rico)
- Completion of High Risk Due Diligence

S
6-27-07

STEVE ARCE
Financial Center Manager
Citibank N.A.
Beverly Hills Branch/0287
P7144983

LM
[illegible]
Personal Banker
Citibank N.A. Branch 287
P6758731
6-27-07

NF

Revised 09/06

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CitiBusiness Account Agreement

Date Opened: 6/25/2007 Branch: 287 BEVERLY HILLS - DOWNTOWN Account Officer: ChongS McDermott

Business Information

Business Name: UNLIMITED HORIZON, INC.
Physical Business Address: UNLIMITED HORIZON, INC.
9454 Wilshire Blvd Suite 625
Beverly Hills, CA 90212-2929

CIN: [redacted]
Tax ID: [redacted]
Phone: ([redacted]
FAX: (310)271-9805

Business Entity: S-Corporation
Start Date: 10/27/2005
Annual Sales: $400,000.00
Dun's Identifier: [redacted]
Current Bank: Bank of America

SIC Code: 8111
Number of Employees: 3
Date Incorporated: 10/27/2005

Account Signers

Signer Name	CIN
MICHAEL JAY BERGER (DEBIT CARD ORDERED)	[redacted]

Signer: MICHAEL JAY BERGER Birthdate: 3/28/1957 Social Security #[redacted]

Home Address: 7566 Mulholland Drive
Las Angeles, CA 90046
Home Phone: (323)[redacted]
Cell Phone: (1)[redacted]

Business Title:
Business Phone: (310)271-6223

Mother's Maiden Name: [redacted]

First School Attended: Duke

Public Figure/Related Indiv: N

Identification/References: DRIVER LIC: CA[redacted]26/2004 N 03/28/2009
NATL CR CRD: Classic-VISA[redacted]Y[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Account Information

Account Mailing Address: UNLIMITED HORIZON, INC.
9454 Wilshire Blvd Suite 625
Beverly Hills, CA 90212-2929

Account Title: UNLIMITED HORIZON, INC.

Account Type: CB STREAMLINED CHKG
Deposit Amount: 5,000.00

Account Number: 202018867
Account Tax ID: [redacted]

Member FDIC

Equal Housing Lender

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CitiBusiness Account Agreement

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT AT CITIGROUP
To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify and record information that identifies each business or entity that opens an account or establishes a relationship. What this means for you: when you open an account or establish a relationship, we will ask for your business name, a street address and tax identification number, that Federal law requires us to obtain. We appreciate your cooperation.

TAX CERTIFICATION
For All Businesses: Tax Certification (from IRS form W-9) applicable only when signature(s) appear below:
Part II: For U.S. Payees: Exempt From Backup Withholding ☒ Exempt ☐ Not Exempt (Check One)
Part III: Certification
Under penalties of perjury, I certify that:
1. The number shown on this form is the business entity's correct taxpayer identification number, and that
2. The business entity is not subject to backup withholding because: (a) the business entity is exempt from backup withholding, or (b) the business entity has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the business entity that it is no longer subject to backup withholding.
3. The payee is a U.S. person (entity)
Certification Instructions. You must cross out item 2 above if the business entity has been notified by the IRS that it is currently subject to backup withholding because it failed to report all interest and dividends on its tax return.
The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Foreign Businesses complete IRS Form W-8 BEN

ACCOUNT AGREEMENT AND AUTHORIZATION
By signing below: I: (1) certify that the tax status of the business indicated above is true and correct; (2) acknowledge and agree to be bound by any agreement governing any account and service for which I apply and am approved including the terms and conditions of the CitiBusiness Client Manual and Schedule of Fees and Charges which I have received; (3) acknowledge that by opening a deposit account, Business Credit Account or Business Checking Plus Account, either Citibank or I may elect to require any dispute between us concerning the aforementioned accounts or any other deposit account, Business Credit Account or Business Checking Plus Account, be resolved by binding arbitration. Citibank may obtain credit reports and make other inquiries it deems appropriate about both the business entity and me individually. Additional accounts may be opened under this agreement by submitting signature cards at a future date.

By: See manual Application
MICHAEL JAY BERGER 6/25/2007

BANK USE ONLY
CitiBusiness Entity ☐ NYB ☐ NYS ☐ CMD ☐ CDC ☐ FSB ☐ FNA ☒ CCA ☐ CNV ☐ CIL ☐ CCT ☐ CNJ ☐ CPR ☐ CTX

Financial Center Name	Financial Center Number	Date Opened
BEVERLY HILLS - DOWNTOWN	287	6/25/2007
Prepared By: [redacted] (M	Phone Number (310) 273-3972	Officer Code
Chang S McDermott		
Second Level Review Signature: [redacted] Personal Banker	Personal # [redacted]	Date 6/25/2007

Market Segment ☒ Business Banking ☐ Commercial Banking ☐ Middle Market ☐ Commercial Real Estate ☐ Other

6.27.07

6.27.07

STEVE ARCE
Financial Center Manager
Citibank N.A.
Beverly Hills Branch/#287
P7144983

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Member FDIC

Equal Housing Lender

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END of APPLICATION

CITI

C 0000007

Citibank Account Opening S... ...en Print

06/25/07 16:30:10

Computer Name: CA287051

User Name: 4758731

citi

Home | My Activities | Relationship Management | Sales Management | FC Functions | Change Links

MICHAEL BERGER

PROFILES IN SESSION

M.Berger

Perform 3rd Party Verification

DEB Verification Results

Confidence Code 6

Grade : FAAAAZA

	Data Entered	DEB Information	Match?
Business Name:	UNLIMITED HORIZON, INC	BERGER MICHAEL J LAW OFFICE OF	yes No
Trade Style Name :			
Address	9454 Wilshire Blvd Ste 625 Beverly Hills, CA 90212-2929	9454 WILSHIRE BLVD FL 6 BEVERLY HILLS CA 902122937	yes No
Telephone :	3102716223	3102716223	yes No

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citibank

CitiBusiness - General Deposit Resolution
for Single Stockholder Corporations

I, the undersigned, as President, sole stockholder and sole director of Unlimited Horizon, Inc.

a California corporation, located at 9464 Wilshire Blvd Suite 520, Beverly Hills CA 90212 2029 (the "Corporation")

DO HEREBY CERTIFY that,

- This Corporation was incorporated by filing Articles or a Certificate of Incorporation pursuant to the relevant statutory authority for the creation of single stockholder corporations;
- The undersigned is the owner and holder of all of the issued and outstanding stock of this Corporation entitled to vote thereon;
- The undersigned is the sole director of this Corporation and neither the Articles nor the Certificate of Incorporation nor the Bylaws thereof require the election of more than one director;
- The undersigned is the President of this Corporation and is the sole officer thereof and that is no one occupying the office of Secretary thereof and it is

RESOLVED, that

1 Citibank (hereinafter referred to as "Bank") be and is hereby designated as a provider of banking services to this Corporation.

2 The following persons (indicate below the full names of the signatories. If two or more are designated, then clearly indicate in what manner they are to sign, whether singly or jointly) Michael Jay Dergey, Singly

are authorized

a) To open deposit accounts at Bank.

b) To apply to Bank for credit, to borrow money, with or without security, and to access overdraft lines of credit;

c) To contract for any services offered by Bank, including (without limitation) electronic account access and management services.

d) To submit for deposit and/or collection for the account of this Corporation all checks, drafts, notes or other instruments for the payment of money, and the bank is authorized to accept such instruments, whether or not endorsed by this Corporation, without inquiry as to the circumstances of the endorsement or lack thereof, it being understood that each such instrument shall be deemed to be unqualifiedly endorsed by this Corporation.

e) To make deposits of currency for the account of this Corporation.

f) To sign checks, drafts or other orders with respect to any funds to the credit of this Corporation, including checks, drafts or orders in favor of any person designated above, and to issue stop payment instructions with reference to any of the above;

g) To make withdrawals or transfers of funds from accounts in the name of this Corporation and to transfer funds between such accounts by any means authorized by Bank, including (without limitation) use of a negotiable instrument, withdrawal ticket, a debit card, a credit card, a terminal or other electronic or telephone device, including such as may cause overdrafts.

h) To conduct any and all other lawful business with Bank.

Should any check drawn by the Corporation result in an overdraft, interest may be charged each day on the amount of the overdraft at the maximum rate permitted by law.

3. (Applicable to Corporations designating joint signing authority)

The Corporation acknowledges that the above joint signatory designation is a statement of its own internal policy and not a service offered by Bank. Further, the Corporation has been offered Bank's CitiBusiness® Online service that can provide the Corporation with a systemic method of controlling the signature limitation.

The Corporation agrees that Bank assumes no responsibility for the payment of a check, draft, or other item drawn on any Corporation account or for any withdrawal from any account which is honored and bears only a single authorized signature of one of the individuals designated above.

4 The designated authorized person(s) in this Resolution are individually empowered to delegate to other persons the authority to perform transactions with respect to the accounts of this Corporation and to change and revoke such delegations from time to time; the bank is entitled to rely upon such delegations of authority and to accept instructions from such other persons as being fully authorized by this Corporation.

Rev. Mar 2004

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5 The Bank is hereby authorized to accept for deposit, for credit, for discount, for collection, or otherwise, any and all instruments deposited by or on behalf of the Corporation, whether or not endorsed by any person or by stamp or other impression in the name of the Corporation, without inquiry as to the circumstances of the endorsement or lack of endorsement or the disposition of the proceeds.

6 The Bank is authorized to pay any check, draft or other instrument for the payment of money drawn on any account of this Corporation which bears or appears to bear the facsimile signature provided below or such other facsimile signature later certified by the President of the Corporation to be authorized, if the facsimile signature, regardless of how or by whom affixed, resembles a specimen facsimile signature provided to and filed with Bank.

7 The Corporation agrees to be bound by all of the rules, regulations, charges and fees of Bank contained in the CitiBusiness Client Manual and Schedule of Fees and Charges and any other account agreements it receives, and any modification(s) or amendment (s) of same, with the same effect as if each and every term thereof were set forth in full herein.

8. **The Corporation agrees that by opening any deposit account, Business Credit Account or Business Checking Plus Account with Bank or accepting any of the services connected with such accounts, either Bank or the Corporation may elect to require any dispute between us concerning the aforementioned accounts or any other Bank deposit account, Business Credit Account, or Business Checking Plus Account be resolved by binding arbitration. In the event of any litigation in which the Bank and the Corporation are adverse parties, the right to a trial by jury and to interpose any defense based upon any Statute of Limitations or any claims of laches, and any offset or counterclaim of any nature or description, is hereby waived by the Corporation.** The Corporation agrees that if an attorney is used by the Bank to enforce, declare or adjudicate any of the provisions herein or any of the rights herein granted to the Bank or to obtain payment of any obligations owed to the Bank, reasonable attorney's fees shall be payable by the Corporation. The Bank shall not, by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder unless such waiver be in writing, signed by the Bank, and then only to the extent therein set forth.

9 Any notice to the Bank shall be deemed effective only if sent to and received at the branch, division or department of the Bank designated as the location for receipt of such notice conducting the transaction or transactions affected. Any notice to the Corporation shall be deemed sufficient if sent to the last known address of the Corporation appearing on the records of the Bank.

10 The Corporation ratifies and confirms any and all transactions with Citibank prior to the date of this Resolution.

11 The authority granted herein shall remain in full force and effect until revoked or modified by a properly executed new Resolution of the Corporation delivered to the Bank at the location wherein the account(s) of the Corporation is then maintained and the Bank has a reasonable opportunity to act on it. Any such notice shall not affect the validity of any transaction or process of the time the notice is received.

12 The Corporation certifies that the provisions in this Resolution are in conformity with the statutes applicable to, or organizational documents of the Corporation. Any provision hereof which may prove unenforceable under any law shall not affect the validity of any other provision hereof.

I FURTHER CERTIFY that the signatures and/or facsimile signatures appearing below and on the bank's signature card are those of the authorized signers designated above and that each said individual is legally empowered, in accordance with the charter or bylaws of the Corporation, to exercise the authority provided for in the Resolution.

Name (Print)	Signature and/or Specimen Facsimile Signature (if applicable)
Michael Jay Berger	

IN WITNESS WHEREOF, I have this day subscribed my name and affixed the seal of the Corporation.

(Corporate seal)

President

9/22/07
Date

Page 2 of 2

Rev. Mar. 2004

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CitiBusiness Deposit Account Application

citibank

Business Information

Business Name: Unlimited Horizon, Inc DBA:

Employer ID Number [redacted] Social Security Number

Business Entity: Corporation ✓ Single Stockholder Corporation Partnership Unincorporated Association
Sole Proprietorship Limited Liability Partnership Limited Liability Company Attorney/Client Trust
Business Trust Public Entity Not For Profit Other:

Business Start Date 10 / 27 / 05 Date of Incorporation 10 / 27 / 05 Industry/Business Activity Legal/Accounting Service

Number of Employees 1 Annual Sales $ 400,000 Annual Net Profit $ 100,000

Current Bank Bank of America Length of Relationship 30 Years 5 Months

Business Physical Address

Street Number 9454 Street Name Wilshire Blvd Suite 626

City Beverly Hills State CA Zip 90212

Business Phone (310) 271-6223 Business Fax (310) 271-9805

Contact Name Michael Jay Berger Contact Phone (310) 271 6223 ext.

Mailing Address

Street Number 9454 Street Name wilshire Blvd Suite 626

City Beverly Hills State CA Zip 90212

Account Synopsis

Who are the business' main suppliers?

1. Beverly Wilshire Investment Company 310-274-9826
2. Georgeann Nicol 323-[redacted]
3.

= Redacted by the Permanent Subcommittee on Investigations

To what industry does the business sell? General Public

Are there other business locations Yes ✓ No

Transaction Synopsis

Will you deposit or withdraw cash? Yes ✓ No

Cash in per week $ 0 # of visits per week 0 Cash out per week $ 0 # of visits per week 0

Will you receive or send wire transfers? Yes ✓ No

Wires in from where? [redacted] Anticipated #/$ range [redacted] Wires out from where? [redacted] Anticipated #/$ range [redacted]

Will you be purchasing or depositing any of the following instruments?

✓ Money Orders ✓ Purchase Deposit
Travelers Checks Purchase Deposit
✓ Official Checks ✓ Purchase Deposit

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

CITIBUSINESS DEPOSIT ACCOUNT APPLICATION citibank

Signer Information

First Name Michael Middle Name Jay Last Name Berger

Business Title President Date of Birth 03 / 28 / 57 Social Security Number [redacted] % of Company Owned 100

Residential Address

Street Number 7566 Street Name Mulholland Drive Apt.

City Los Angeles State CA Zip 90046

Home Phone (323) 969-8465 Cell Phone/Pager (310) [redacted] Business Phone (310) 271-6223

Identification

Public figure related? Yes ✓ No Mother's Maiden Name Elin

First School Attended Duke

Identification #1 CA Driver License ID# [redacted] Effective Date 03 / 26 / 04 Expiration Date 03 / 28 / 09

Identification #2 Visa / Classic ID# [redacted] Effective Date / / Expiration Date 06 / 30 / 08

CitiBusiness Debit Card ATM Card Deposit-Only Card

Signer Information

First Name Middle Name Last Name

Business Title Date of Birth / / Social Security Number % of Company Owned

Residential Address

Street Number Street Name Apt.

City State Zip

Home Phone ( ) Cell Phone/Pager ( ) Business Phone ( )

Identification

Public figure related? Yes No Mother's Maiden Name

First School Attended

Identification #1 ID# Effective Date / / Expiration Date / /

Identification #2 ID# Effective Date / / Expiration Date / /

CitiBusiness Debit Card ATM Card Deposit-Only Card

Signer Information

First Name Middle Name Last Name

Business Title Date of Birth / / Social Security Number % of Company Owned

Residential Address

Street Number Street Name Apt.

City State Zip

Home Phone ( ) Cell Phone/Pager ( ) Business Phone ( )

Identification

Public figure related? Yes No Mother's Maiden Name

First School Attended

Identification #1 ID# Effective Date / / Expiration Date / /

Identification #2 ID# Effective Date / / Expiration Date / /

CitiBusiness Debit Card ATM Card Deposit-Only Card

Page 2

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CitiBusiness Deposit Account Application

Important Information About Opening a New Account at Citigroup

To help the United States Government fight terrorism and money laundering. Federal law requires us to obtain, verify, and record information that identifies each business or entity that opens an account or establishes a relationship. What this means for you: when you open an account or establish a relationship, we will ask your business name, a street address and tax identification number, that Federal law requires us to obtain. We appreciate your cooperation

Important Information for Sole Proprietors Only

By signing below, you understand that each Citibank affiliate shares information about its transactions and experiences with you. To serve you better, you agree that each Citibank affiliate may share with each other all information at any time you provide to us or that we obtain about you from third parties (for example, credit bureaus), unless you check the following box. ☐

Check below if you want Citibank to remove the name of your business from marketing lists used when solicitations are made. ☐ by phone
☐ by mail

Tax Certification

Foreign Businesses – Check Box ☐ - Complete IRS Form W-8BEN and skip to Account Agreement and Authorization

For All Business: Tax Certification (from IRS Form W 9) applicable only when signature(s) appear below.

Part II: For U.S. Payees Exempt from Backup Withholding. ☒ Exempt ☐ Not Exempt *(check one)*

Part III: Certification:

Under penalties of perjury, I certify that:

1. **The number shown on this form is the business entity's correct taxpayer identification number, and that**
2. **The business entity is not subject to backup withholding because: (a) the business entity is exempt from backup withholding, or (b) the business entity has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the business entity that it is no longer subject to backup withholding**
3. **The payee is a U.S. person (entity).**

Certification instructions. You must cross out item 2 above if the business entity has been notified by the IRS that it is currently subject to backup withholding because it failed to report any interest and dividends on its tax return.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

Account Agreement and Authorization

By signing below, I: (1) certify that the tax status of the business indicated above is true and correct, (2) acknowledge and agree to be bound by any agreement governing any account and service for which I apply and am approved including the terms and conditions of the Citibusiness Client Manual and Schedule of Fees and Charges which I have received; (3) acknowledge that by opening a deposit account, Business Credit Account or Business Checking Plus Account, either Citibank or I may elect to require any dispute between us concerning the aforementioned accounts or any other deposit account, Business Credit Account or Business Checking Plus Account be resolved by binding arbitration. Citibank may obtain credit reports and make other inquiries it deems appropriate about both the business entity and me individually. Additional accounts may be opened under this agreement by submitting signature cards at a future date.

Authorized Signature	Business Title	Date
[signature]	President	6/22/07
Authorized Signature *(if two signatures are required)*	Business Title	Date / /

Bank Use Only

Marketplace CCA		FIMP 13	Date Opened 6/22/07
Financial Center Name Beverly Hills Downtown			Financial Center Number 287
Prepared by CHONG MCGERMOTT		(310) 273-3972 Phone Number	Officer Code
Market Segment ☒ Business Banking ☐ Commercial Banking ☐ Middle Market ☐ Commercial Real Estate ☐ Other			

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Item CSC002 (rev 06/06) STEVE ARCE 6-27-07 CHONG MCGERMOTT
Financial Center Manager Citibank, N.A. Branch 287
LA. Manager
mch/#287
13

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C 0000013

CitiBusiness Deposit Account Application
Senior Public Figure Screening

ACCOUNT NUMBER (S): 202018867

a. Check yes if there are any signer/owners (owning 25% or more) who is a citizen of a country other than the United States or Puerto Rico?

☐ YES ☑ NO

b. If yes, are any of such owners a Senior Public Figure (SPF) (for example, a current or former Senior Public Figure or Senior Official in the executive, legislative, administrative, military or judicial branch of a government) or a close associate/family member of an SPF?

☐ YES ☐ NO ☐ UNKNOWN

If yes, provide the following information for such person(s):

1. NAME OF INDIVIDUAL/SPF: _____

   NAME OF SPF (if individual is an associate or family member)

   _____

2. TITLE/POSITION OF THE SENIOR PUBLIC FIGURE: _____
3. HOW LONG IN CURRENT POSITION: _____
4. THE PURPOSE OF THE ACCOUNT: _____
5. DESCRIBE THE SOURCE OF FUNDS FOR THE ACCOUNT: _____

Chong McDermott — Account Opening Officer's Name (Print)

(310) 273-3972 — Telephone Number

Signature

06/22/2007 — Date

CHONG McDERMOTT
Personal Banker
Citibank N.A. Branch 267
P475871

INSTRUCTIONS:
Ask customer questions a & b.

- ***If the customer answers no*** to both questions, then sign/date and add screening form to account file.
- ***If the customer answers yes or unknown*** to question b, then:
  1. Complete the shaded box and sign/date this form.
  2. Call Pat Rock, CBSCO, (718) 248-3699.
  3. Fax all account opening documentation (including this completed form) to. CBSCO Fax. (718) 248-3687

12/31/2006

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State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

OCT 2 2005

BRUCE McPHERSON
Secretary of State

SecState Form CF-107 (REV 03/31/05)

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2819245

ENDORSED - FILE
in the office of the Secretary of State
of the State of California

OCT 2 7 2005

ARTICLES OF INCORPORATION OF

Unlimited Horizon, Inc.

I

The name of this corporation is UNLIMITED HORIZON, Inc.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the state of California of this corporation's initial agent for service of process is Michael Jay Berger, 9454 Wilshire Blvd. 6th Floor, Beverly Hills, CA 90212-2929.

IV

This corporation is authorized to issue only one class of stock, designated "common stock." The total number of shares which this corporation is authorized to issue is 10,000.

V

The liability of the directors of the company for monetary damages shall be eliminated to the fullest extent permissible under California law.

Dated: October 21, 2005

MICHAEL JAY BERGER

OFFICE OF THE SECRETARY OF STATE

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C 0000016

California Business Portal

Secretary of State DEBRA BOWEN

DISCLAIMER: The information displayed here is current as of JUN 15, 2007 and is updated weekly. It is not a complete or certified record of the Corporation.

Corporation		
UNLIMITED HORIZON, INC.		
Number: C2819245	**Date Filed:** 10/27/2005	**Status:** active
Jurisdiction: California		
Address		
9454 WILSHIRE BLVD., 6TH FLOOR		
BEVERLY HILLS, CA 90212-2929		
Agent for Service of Process		
MICHAEL JAY BERGER		
9454 WILSHIRE BLVD. 6TH FLOOR		
BEVERLY HILLS, CA 90212-2929		

Blank fields indicate the information is not contained in the computer file.

If the status of the corporation is "Surrender", the agent for service of process is automatically revoked. Please refer to California Corporations Code Section 2114 for information relating to service upon corporations that have surrendered.

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CitiBusiness®

Enrollment Form

Please type or print legibly. All fields are required unless indicated otherwise.

citibank

☐ CitiBusiness Online Maintenance Form is attached (For custom user entitlements)

Section A: Business and Contact Information

Business Name (and DBA, if applicable): Unlimited Horizon, Inc.

Primary Contact Name: Michael Jay Berger | Telephone Number: (310) 271-6223 | Extension:

☐ Enroll in cash manager suite of services (optional) (includes Today's Activity Reporting, System Administrator Levels and Specialized Transfer Services for a monthly fee.)

Section B: Accounts/Loans to be Linked to CitiBusiness Online

Primary Business Account Number (checking/money market/CitiEscrow control account) and State: 202018867 (Checking)

Personal Account Number and State (optional; for Sole Proprietorships and Single Shareholder Corporations only):

Additional Business Accounts and State (optional, attach additional sheets if necessary): 202018875 - California

Personal Account Owner Name (Only one owner can have access to account): ~~Michael Jay Berger~~

Personal Account Owner Signature: ~~[signature]~~

Section C: Authorized Users

For additional users, attach additional copies of this page.

For custom entitlements, skip this section and complete sections 5 & 6 of the CitiBusiness Online Maintenance/Custom Entitlement form.

	First Name	Last Name	Business Account Entitlement	System Administrator?
1	MICHAEL	BERGER	☐ View/Set Up Only ☒ Unlimited	☒ Yes (Level *) ☐ No
2			☐ View/Set Up Only ☐ Unlimited	☐ Yes (Level *) ☐ No
3			☐ View/Set Up Only ☐ Unlimited	☐ Yes (Level *) ☐ No
4			☐ View/Set Up Only ☐ Unlimited	☐ Yes (Level *) ☐ No

Section D: Client Agreement

I am an authorized signer on the General Resolution or Banking Agreement for the accounts listed on this enrollment form and have the authority to enter into this agreement and delegate authority as specified, by signing below.

- I am enrolling the businesses listed in Section A of this form ("the business") in the CitiBusiness Online service and agree that the Business and all Authorized Users will comply with the terms of this enrollment form, the Maintenance/Custom Entitlement Form (as applicable), the CitiBusiness Online User Agreement and those agreements governing the accounts and services accessed through CitiBusiness Online.
- I acknowledge that the authority I have delegated to each user and the procedures I have established with this enrollment form meet the security requirements of the Business.
- I authorize any individual listed as System Administrator to act on behalf of the Business in the capacity defined by this enrollment form. I understand that a System Administrator's entitlements will apply equally to all accounts linked through CitiBusiness Online.
- I authorize Citibank to honor electronic instructions from the Business, including instructions to: (1) transfer money to other Citibank accounts/loans (including loan repayments and line of credit draw-downs on select credit products), (2) send wire transfers and foreign checks to designated third parties, (3) make bill payments to designated payees, (4) open new accounts, (5) view and transact on any linked credit card account, and (6) conduct any other financial transaction available through CitiBusiness Online. I understand that Citibank follows these instructions when the User IDs and Passwords of the users designated on this form have been entered.

x [signature] 6/26/10 x

Signature of Authorized Signer | Date | Signature of Authorized Signer (if multiple signatures are required) | Date

* A level for a System Administrator is only required when enrolling in the cash manager suite of services.

RETURN TO YOUR RELATIONSHIP MANAGER OR NEAREST CITIBANK FINANCIAL CENTER

Bank Use Only

Select Business Segment: ☒ Business Banking ☐ Commercial Banking ☐ Middle Market ☐ Private Bank ☐ IPB

Contact Name: Chong McDermott

Contact Telephone Number: 310-273-3972

REMINDER: Two account notes are required to indicate review and approval of this form
- Accepter/Preparer: Place Note 565 on primary account
- Approver: Place Note 564 on primary account

FIMP: 13 | FC Number: 28/

Back Office Use Only: | Initial | Data Entry Date | QC: | Business Code: 7-

Fax completed form to CitiBusiness Online Operations. Copy to customer. Original in customer file.

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NFC0417CD V3
CBusOL Enrollment Form - Page 1 of 1

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DUE DILIGENCE FOR HIGH-RISK BUSINESS

Account title Unlimited Horizon, Inc.

High Risk Businesses *require additional due diligence.* If more than one type of business apply, then follow the requirements for all the types of business that does apply. *All High Risk Businesses require the completion of the "Observation at Place of Business Form," unless a favorable report has been obtained through Concierge from Dun & Bradstreet.* If a Business is under construction or the client has not yet established a "facility," an Area Manager must approve the delay in completing the Observation Form. All "high risk" businesses are not necessarily listed below. If you believe a business to be "high risk," and it is not listed below, you must contact your Citibank Bank Secrecy Officer (CBSCO) for direction and guidance. Where CBSCO / Compliance consultation or approval is required, the requirement **cannot** be waived.

BUSINESS TYPES	REQUIRED ACTION
☐ Financial Institutions (Credit Union, Commercial and Private Lenders, Mortgage Brokers, Private Bank, and National Bank) ☐ Non-Bank Financial Institution (Currency Exchange, Foreign Exchange and Casino)	**Note: CBNA does not open accounts for money transmitters, check cashing businesses or accounts for correspondent purposes.** ☐ Operating accounts for Financial and Non-Bank Financial Institutions do not require the approval of CBSCO. In this case, you will need a letter from the customer stating the account is for operational purposes only and no customer or third-party funds will flow through the account. ☐ For any other type of accounts, call CBSCO at (718) 248-9374 or (718) 248-3699
☐ Cash Intensive Business (Any retail business whose Transaction Profile shows $30,000 or more in cash per week and who is not a recognized regional or national chain, e.g., Rite Aid Drugs, TGI Fridays, Giant, Publix, etc.) ☐ Telecommunications / Phone Cards / Telephone Centers ☐ Travel Agency ☐ Import / Export Business (Physical inventory in store or warehouse can be observed) ☐ Jewelry / Gem / Precious Metals ☐ Electronics (wholesale) ☐ Gas Station ☐ Gambling/Gaming Establishments (< 20% of the activity)	Visit the place of business and complete the "Observations at the Place of Business" form. This must be done within 2 weeks of account opening. If the business is not located in your marketplace, the financial associate opening the account must indicate the reason for opening the account at your Financial Center on the Observation, at the Place of Business Form and why this explanation makes business sense.
☐ Import / Export Broker (never takes possession of goods, either home based or no physical location accessible to demonstrate business) ☐ Used Car Sales (no sales location) ☐ Off-Shore Corporations (review the Articles of Incorporation. If Corporate Structure uses "bearer shares" do not open the account). Under no circumstances may the business be incorporated in a financial haven country. See **The Source** for a listing of these countries.	Obtain at least 2 or more of any of the following (copy for file) ☐ Invoices ☐ Shipping documents ☐ Contracts These must be supportive of the volume of business anticipated in the Transaction Profile. For example, if a company indicates that sales in the $300,000 range will be received, 2 invoices for $460 are not acceptable.
☐ Car / Boat / Plane Dealership ☐ Stock Brokerage	Sample IRS Form 8300 for review. If customer indicates cash sales do not exceed $10,000 to a customer, indicate this on the Observations at the Place of Business form.
☐ Foreign Businesses not registered to do business in the United States – Under no circumstances may the business be incorporated in a financial haven country. See **The Source** for a listing of these countries.	A bank reference or three months of prior bank statements for the business. **If this is a new business without prior banking experience, DO NOT open this account without the approval of Area Management.**
☐ Internet Businesses - Any business that sells the majority of its goods and services over the Internet. (Not a retail outlet that also has a web page.)	You must review the website to ensure that there is no information that could result in embarrassment or negative publicity for Citigroup. (examples: adult entertainment, pornography, etc.)
☐ Businesses Selling Money Orders and/or Travelers Checks. (This may not be the primary business of the customer, e.g., Travel Agency, Grocer, etc.)	Obtain a copy of the contract or agency agreement with the issuing company and the policy / procedures they follow for completing CTRs and identifying suspicious transactions.
☐ Landlord Trust / Security Deposit	A visit to the business is required and include on: • Detail on Observations at the Place of Business form: physical address, number of floors, and number of apartments / residents (estimated). • Obtain contract with management company • Obtain tax certification (except when non-interest DDA used) signed by each sub-account holder. • Complete Account Profile for all stand-alone Landlord Trust/Security Deposit Accounts.

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BUSINESS TYPES	REQUIRED ACTION
☐ Personal Investment Company ☐ Investment Management Business ☐ Money Management Business	☐ Operating accounts for investment businesses do not require the approval of CBSCO. In this case, you will need a letter from the customer stating the account is for operational purposes and no customer funds will flow through the account. Third parties cannot fund the operating account ☐ CBSCO Approval required prior to opening for all other types of accounts. Obtain the following for CBSCO: 1. A copy of the customer agreement 2. Name, primary residence and social security number for each beneficial owner (ALL INVESTORS MUST RESIDE IN U.S.) 3. Standard account opening documentation. NOTE: Under no circumstances may the business be incorporated in a financial haven country (See The Source for a listing of those countries). NOTE. Personal Investment Companies, where the entity is investing its own funds (no investors other than the signers or family members, does not fall in this category of PICs, is not "high risk" and does not require CBSCO approval and no other additional due diligence is required.
☐ CitiEscrow — Transactional Accounts, e.g., Media Company, Talent Agency, i.e., any company that uses CitiEscrow to manage transactional activity for their customers. Anytime a CitiEscrow account can be used for transaction purposes. NOTE. Does not include Attorney or Title company accounts.	Visit the business 1. Detail on Observations at the Place of Business form, the reason for using this type of account, the nature of business for each sub-account and the businesses' Know Your Customer procedures 2. You must discuss the KYC program with your Regional Compliance Officer or CBSCO and document their approval (Fax, email) OR obtain identification for all sub-account holders that complies with account opening ID requirements. 3. For Citibusiness, this includes all account opening standards, including the Citibusiness Account Profile. Account Profile must be completed for all stand-alone CitiEscrow Accounts (or a 1/2005 CitiEscrow Control Application must be on file).
☐ Venture Capital Companies	1. Obtain profiles for all business owners (if available in the business plan or prospectus, that is acceptable) 2. Obtain a copy of the business plan or annual report. 3. Obtain a D&B report, if available 4. Obtain a copy of the customer's Know Your Customer process. 5. The customer must sign a letter indicating his/her understanding that Citibank may request detailed information to support the source of any significant account activity (this letter is on the CBNA forms web). 6. Advise the customer that funds from businesses located in off-shore financial havens are not permitted and may result in account closure 7. Approval of the CitiBusiness Area Manager is required
☐ Home-Based Business	Obtain any two (2) of the following (copies for file). • Invoices from suppliers • Contracts with customers • Telephone verification with customers in lieu of contracts • Copy of a license to engage in a particular business (if required by your state) • Any document from a third party to the owner/signer/business evidencing that the business is engaged in the activity they claim which can be verified by telephone. **NOTE: The above is not required if you obtain a successful verification from D&B reports (confidence code 6 or higher).** If the business owner has maintained his personal checking account or another business account with Citibank for [illegible] months or more or longer, The Financial Center Manager may waive the requirement for invoices / contracts, etc. if deemed prudent to do so. The following information must be documented in the account/relationship file - • Owner's name • Consumer or other business account number • Date opened
☐ Businesses Accepting third-party checks	Financial Center management must provide a justification memo to the Citibusiness or Retail Area Manager explaining the reason for opening the relationship. This justification should clearly indicate the relationship between the FC's customer and the third party whose checks are being deposited. All relevant documentation, e.g., KYC Profile, customer contractual agreements, a listing of the businesses' customers, etc., must be sent with the justification memo. If approved by the Area Manager, the package must be forwarded to The CBSCO Unit to determine whether additional KYC is needed on the third party whose checks are being deposited. After review by CBSCO, an indemnification agreement must be obtained from Legal for completion by the customer.
☐ Embassies/Consulates and other Representative Office of Foreign Governments	Contact the CBSCO prior to opening the account. All accounts MUST be referred and opened through the CBG group. *REMINDER: Site visits are required for all new Embassy/Consulate relationships.*
☐ Charitable Organizations, Not for Profits, and Religious Organizations	Require CBSCO approval. Visit Source procedure for full details on account opening

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OBSERVATIONS AT PLACE OF BUSINESS

Account Title: Unlimited Horizon. Inc.

VISIT INFORMATION

Date	Time	Time Spent	Visit Contact Name
6/26/2007	10:00	30 min	Michael Jay Berger

Address Visited: 9454 Wilshire Blvd. Ste 625. B.H. CA 90212

Location Type: [X] Primary Office [ ] Secondary Location (Branch Office /Warehouse/etc.)

TYPE OF BUSINESS

- [ ] Business Accepting Third-Party Checks
- [ ] Car/Boat/Plane Dealership
- [ ] Electronics (Wholesale)
- [ ] Financial Institution
- [ ] Gambling/Gaming (>20% of business activity)
- [ ] Gas Stations
- [ ] Home Based Business
- [ ] Import/Export
- [ ] Internet Business
- [ ] Investment Management Company
- [ ] Jewelry/Gems/Metals
- [ ] Money Management
- [ ] Non-Bank Financial Institution
- [ ] Off-Shore (Foreign) Corporation/Business
- [ ] Personal Investment Company
- [ ] Stock Brokerage
- [ ] Telecommunication/Phone Cards/Phone Center
- [ ] Travel Agency
- [ ] Used Car Sales
- [ ] Venture Capital Companies
- [ ] Other: Legal Accounting Services

VISIT DESCRIPTION

Estimate Square footage/space occupied: 300 sq

Type of Space:
- [ ] Owned
- [ ] Rented
- [X] Rented/Leased Office Suite (within a shared facility)
- [ ] Sublet
- [ ] Concession
- [ ] Non-Commercial (Home/Apartment)

Number of Employees on Premises: 3

Describe Customer Traffic (or activity observed during visit): No customer was present / Receptionist took several calls

Inventory Visible?
- [ ] Yes
- [X] No

If Yes- Describe Inventory:

How is business paid?
- [ ] Cash
- [X] Checks
- [ ] Charge

- [X] Wires
- [ ] Other Details

Other relevant observations or information: N/A

Did your observations agree with your expectations for this type of business? [X] Yes [ ] No

Explain: The office was equipped with many clerks, fax machine, copier and nicely decorated.

Other Conclusions/Comments/Information: Mr Berger also owns "Law offices of Michael Jay Berger" and D&B verification result showed confidence code: 6. Same address and phone number

UNLESS CHECKED BELOW, I PERSONALLY PHYSICALLY CONDUCTED THE ABOVE DESCRIBED PLACE OF BUSINESS VISIT. THE INFORMATION PROVIDED IS AN ACCURATE AND COMPLETE REPRESENTATION OF MY OBSERVATIONS AT THE PHYSICAL VISIT.

[ ] - This is a Home Based Business. No physical visit was conducted.

NO MATERIAL INFORMATION HAS BEEN WITHHELD FROM THIS REPORT. ANY MISREPRESENTATION OF INFORMATION COULD BE GROUNDS FOR CORRECTIVE ACTION, INCLUDING DISMISSAL

Citibanker Signature and Stamp	Date
[signature]	6/26/2007

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CITIBUSINESS

ADDRESS/PHONE VERIFICATIONS

Indicate **HOW** (document used) you verified the following information:

- Business Address: Directory Assistance - Bank Statement
- Business Phone: Directory Assistance
- Signer 1 Address: _____
- Signer 2 Address: _____
- Signer 3 Address: _____
- Signer 4 Address: _____

(Any additional signers - use additional page. Also include copy of note with signer information)

Chex/eFunds Verifications: Method (Exsell or manual call), Date, and Results

- Signer 1: Called ChexSystem - 6/25/09 - No Records
- Signer 2: _____
- Signer 3: _____
- Signer 4: _____

(Any additional signer - use additional page)

- Account Opening Officer Signature & Stamp

Please include this page behind page 4 of new account application.

- Additional Notes:

CHONG McDERMOTT
Personal Banker
Citi - NA Branch 287
P4758731

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STATEMENT
OF ACCO NTS

UNION BANK OF CALI. ..NIA
BEVERLY HILLS 072
PO BOX 512360
LOS ANGELES CA 90051-0360

1/07 5/31/07

Teleservices®
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800-876-7345(TDD)
Representatives are available
from 6 am to 11 pm

To open additional accounts,
or apply for loans, call your
banking office at 310.550.6522

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CY30 44[1200
UNLIMITED HORIZON, INC.
9454 WILSHIRE BLVD STE 625
BEVERLY HILLS CA 90212-2900

BASIC BUSINESS CHECKING SUMMARY

Days in statement period 31

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06/20/2007 20:25 3102711 5 MICHAEL JAY BERGER PAGE 01/0.

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com
website: www.bankruptcypower.com

Michael Jay Berger is a California State Bar Certified Bankruptcy Law Specialist

Georgeann Hunter Nicol
Zi Chao Lin

FACSIMILE TRANSMITTAL SHEET

TO: Chong McDermott	FROM: Georgeann Nicol
COMPANY:	DATE: 6/27/2007
FAX NUMBER: (310) 275-9126	TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

URGENT XX FOR REVIEW ☐ PLEASE COMMENT PLEASE REPLY ☐ PLEASE RECYCL

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT

Statement Period: September 30 through October 31, 2006
Account Number: 16646-09603

Checks Paid Continued

* Gap in check sequence

Date Paid	Number	Amount
10/02	* 2413	80.00
10/13	* 2415	337.54
10/04	* 2423	5,000.00
10/16	2424	9,000.00
10/20	2425	526.94
10/18	2426	250.00
10/19	2427	64.95
10/18	2428	1,078.03
10/30	* 2430	97.00
10/18	2431	814.50
10/19	2432	735.00
10/18	2433	231.18
10/23	2434	69.54
10/17	2435	1,670.55
10/17	2436	1,538.43
10/18	2437	100.00
10/17	2438	2,717.13
10/19	2439	18.45
10/18	2440	670.00
10/24	2441	371.00
10/03	* 2443	8,725.00
10/05	* 2445	1,062.50
10/05	2446	2,095.00
10/06	2447	24,531.54
10/06	2448	54,720.00
10/10	2449	30,000.00
10/18	2450	18,000.00
10/16	* 2523	7,500.00
10/26	2524	300.00
10/17	2525	1,200.00
10/27	2526	299.00
10/19	2527	5,000.00
10/23	* 2529	199,931.17
10/23	2530	5,400.00
10/18	* 2543	1,040.00
10/18	2544	175.00
10/19	2545	216.00
10/24	* 2549	1,677.00
10/18	2550	318.81
10/19	2551	1,600.00
10/18	* 2553	1,003.90
10/23	2554	300.00
10/20	2555	330.00
10/18	2556	935.00
10/24	2557	70.36
10/24	2558	6.17
10/24	2559	226.36
10/20	2560	161.88
10/27	2561	863.93
10/19	* 2563	1,557.00
10/19	2564	425.17
10/23	2565	300.00
10/23	2566	225.00
10/19	2567	22.19
10/19	2568	711.90
10/18	2569	500.00
10/19	2570	4,468.75
10/17	2571	300.00
10/13	2572	5,000.00
10/17	* 2574	23,690.52
10/17	2575	4,523.93
10/24	2576	3,864.22
10/19	2577	1,317.73
10/19	2578	121.24
10/18	2579	1,144.14
10/27	2580	2,167.10
10/18	2581	1,500.00
10/24	2582	1,198.00
10/20	2583	2,280.00
10/19	2584	8,236.92
10/23	* 2586	100.00
Total of 89 Checks Paid		$527,256.43

Account Activity

Date Posted	Description	Reference Number	Amount
	Other Deposits and Credits		
10/20	Wire Type:Intl In Date:061020 Time:0848 Et Trn:2006101900065757 Seq:[redacted] Orig:Socage ID: Equatorial Guin Orig Bk:Ccei Bank Ge ID:Cceigqgq Pmt Det: $45.00 Fee Deductreglement Facture		$199,931.17
	Withdrawals, Transfers and Account Fees		
10/10	Wash Client 156 DES:Checkpaymt ID:2375 INDN[redacted] Co ID:[redacted] ARC Ref:[redacted]		$2,667.61
10/26	Charter Communi DES:Checkpaymt ID:2547 INDN:[redacted] Co ID[redacted]ARC Ref:006298014228144		51.29
10/26	Charter Communi DES:Checkpaymt ID:2548 INDN[redacted] Co ID:[redacted]ARC Ref:[redacted]		107.00
10/26	Charter Communi DES:Checkpaymt ID:2546 INDN[redacted] Co ID:[redacted] ARC Ref:[redacted]		224.97
10/31	Transfer to State Bar Account [redacted]		307.77
	Total Withdrawals, Transfers and Account Fees		$3,358.64

Continued on next page

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 174

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LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT

Statement Period: September 1 through September 28, 2007
Account Number: 16646-09603

Checks Paid

* Gap in sequential check numbers.

Date Paid	Number	Amount	Date Paid	Number	Amount
09/17	2709	$ 1,000.00	09/04	* 2729	872.00
09/06	2710	49,252.15	09/04	2730	352.02
09/12	* 2712	829.70	09/07	2731	125.00
09/11	* 2715	600.00	09/11	* 2733	299.00
09/11	* 2717	1,833.21	09/10	2734	3,149.90
09/12	2718	64.95	09/11	2735	199,934.10
09/11	2719	209.12	09/17	2736	5,000.00
09/11	2720	260.00	09/05	* 2752	283.94
09/10	* 2722	325.00	09/26	2753	1,039.00
09/07	* 2725	500.00	Total of 19 Checks Paid		$265,929.09

Account Activity

Date Posted	Description	Reference Number	Amount
	Other Deposits and Credits		
09/11	Wire Type:Wire In Date: 070911 Time:1250 Et Trn:2007091100150623 Seq:2007091100178148/001254 Orig:Somaqui ID: Equatorial Guin Snd Bk:Northern T Rust Intl Bkg. Corp ID:[redacted] Pmt Det:[redacted] Reglt Facture		$199,934.10
09/24	Wire Type:Wire In Date: 070924 Time:1049 Et Trn:2007092400119345 Seq:[redacted] Orig:Andrew R Holman ID:[redacted] Snd Bk:Keyban K, N.A. ID:[redacted]		11,046.00
	Total Other Deposits and Credits		$210,980.10
	Withdrawals, Transfers and Account Fees		
09/10	Capital One ARC DES:Check Pymt Check #:2713 INDN:[redacted] Co ID:[redacted] ARC Ref:[redacted]		$270.08
09/10	Capital One ARC DES:Check Pymt Check #:2714 INDN:[redacted] Co ID:[redacted] ARC Ref:[redacted]		576.35
09/11	Wash Client 156 DES:Check Pymt Check #:2732 INDN: Co ID:[redacted] ARC Ref:[redacted]		2,343.20
09/11	Processing Fee For Money Tfr-CA Trn: 070911-150623		10.00
09/12	Socalgas DES:ARC Pymt Check #:2716 INDN:[redacted] Co ID:[redacted] ARC Ref:[redacted]		43.80
09/24	Processing Fee For Money Tfr-CA Trn: 070924-119345		10.00
09/28	Transfer to State Bar Account 1664-3-00420		24.92
09/28	Wire Type:Wire Out Date:070928 Time:1705 Et Trn:2007092800372026 Service Ref:009039 Bnf:American Freight Transport ID:[redacted] Bnf Bk:Rbs Citizens, N.A. ID:[redacted] Pmt Det:010 70928012252nn		24,750.00
09/28	Processing Fee For Money Tfr-CA Trn: 070928-372026		30.00
	Total Withdrawals, Transfers and Account Fees		$28,058.35
	Interest Paid		
09/28	Interest Paid from 09/01/07 Through 09/28/07		$24.92

Daily Balance

Date	Amount	Date	Amount	Date	Amount
09/04	$ 96,155.88	09/10	42,673.46	09/24	41,216.48
09/05	96,871.94	09/11	37,118.93	09/26	40,177.48
09/06	47,619.79	09/12	36,180.48	09/28	25,147.48
09/07	46,994.79	09/17	30,180.48		

Bank of America Req

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 175

BAC-PSI-02394

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01059 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.981

Amount:	$199,931.17	Sequence Number:	6260442703
Account:	25291664609603	Capture Date:	10/23/2006
Bank Number:	12100035	Check Number:	2529

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD. 6TH FLOOR (310) 271-6223
BEVERLY HILLS, CA 90212-2929

2529

Date 10/23/06

11-35/1210
1864

Pay to the Order of Cash $199931.17

-One hundred ninety nine thousand nine hundred thirty one 17/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800 457 1782

Valued Customer Since 1996

For Cashier's check

[redacted]

to UHI Gen Account

⑈0019993117⑈

BANK OF AMERICA, NA LAC

[redacted]

Tran 00183 10/23/2006 18:01
Entity NCS CC 0000213 Tlr 00013
Account 001644609603
R/TN 540930135
Official Check Sale $199,931.17
N CKC#CA********** 09/10

[redacted]

= Redacted by the Permanent Subcommittee on Investigations

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01060 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.982

[redacted] = Redacted by the Permanent Subcommittee on Investigations

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT

Statement Period: June 30 through July 31, 2007
Account Number: 16646-09603

Checks Paid Continued

* Gap in sequential check numbers.

Date Paid	Number	Amount	Date Paid	Number	Amount
07/27	2683	5,000.00	07/10	2697	26.00
07/31	* 2686	2,580.00	07/16	2698	64.95
07/11	* 2693	518.99	07/13	2699	231.63
07/06	2694	54,720.00	07/13	2700	3,028.82
07/10	2695	274.00	07/10	2701	100,000.00
07/03	2696	5,000.00	Total of 33 Checks Paid		$423,974.54

Account Activity

Date Posted	Description	Reference Number	Amount
	Other Deposits and Credits		
07/26	Wire Type:Wire In Date: 070726 Time:1108 Et Trn: [redacted] Seq: [redacted] Orig:Socage ID: Equatorial Guin Snd Bk:Northern Tr Ust Intl Bk Co ID:0112 Pmt Det: [redacted] Reg Lement Facture 25.00 Fee Deducted		$199,948.82
	Withdrawals, Transfers and Account Fees		
07/03	Socalgas [redacted] DES:ARC Pymt Check #:2661 INDN: [redacted] Co ID: [redacted] ARC Ref: [redacted]		$53.55
07/09	Capital One ARC DES:Check Pymt Check #:2692 INDN: [redacted] Co ID [redacted] ARC Ref: [redacted]		75.00
07/10	Wash Client 156 DES:Check Pymt Check #:2691 INDN: Co ID: [redacted] ARC Ref [redacted]		2,667.61
07/26	Processing Fee For Money Tfr-CA Trn: [redacted]		10.00
07/31	Transfer to State Bar Account [redacted]		231.57
	Total Withdrawals, Transfers and Account Fees		$3,037.73
	Interest Paid		
07/31	Interest Paid from 06/30/07 Through 07/31/07		$231.57

Daily Balance

Date	Amount	Date	Amount	Date	Amount
07/02	$ 347,469.86	07/11	167,348.88	07/23	145,711.93
07/03	340,169.31	07/12	174,233.88	07/26	345,082.30
07/05	338,027.48	07/13	170,973.43	07/27	140,133.48
07/06	272,907.48	07/16	170,908.48	07/30	139,834.48
07/09	270,835.48	07/18	165,908.48	07/31	137,254.48
07/10	167,867.87	07/20	155,711.93		

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 177

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01061 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.983

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UNLIMITED HORIZON, INC.

Account 202018867 Page 2 of 3
Statement Period - July 1 - July 31, 2007

000002/R1/20F013/0

[redacted] Continued

Date	Description		Debits	Credits	Balance
7/13	CHECK NO: 1008		4,729.00		98,611.80
7/13	ACH DEBIT PAYCHEX PAYROLL [redacted] Jul 13		12,328.77		86,283.03
7/13	CHECK NO: 1024		11,410.04		74,872.99
7/13	CHECK NO: 1020		2,679.42		72,193.57
7/13	CHECK NO: 1037		1,298.44		70,895.13
7/13	CHECK NO: 1007		1,000.00		69,895.13
7/13	CHECK NO: 1003		800.00		69,095.13
7/13	CHECK NO: 1012		785.00		68,310.13
7/13	CHECK NO: 1034		130.00		68,180.13
7/13	CHECK NO: 1036		60.96		68,119.17
7/13	CHECK NO: 1018		35.00		68,084.17
7/16	ACH DEBIT PAYCHEX TPS TAXES [redacted] Jul 16		4,909.46		63,174.71
7/16	CHECK NO: 1038		19,483.75		43,690.96
7/16	CHECK NO: 1001		3,204.20		40,486.76
7/16	CHECK NO: 1004		1,129.34		39,357.42
7/16	CHECK NO: 1035		833.75		38,523.67
7/16	CHECK NO: 1029		828.00		37,695.67
7/17	CHECK NO: 1039		12,840.00		24,855.67
7/17	CHECK NO: 1015		1,738.60		23,117.07
7/17	CHECK NO: 1006		673.15		22,443.92
7/17	CHECK NO: 1033		255.00		22,188.92
7/17	CHECK NO: 1027		104.00		22,084.92
7/18	CHECK NO: 1014		767.73		21,317.19
7/18	CHECK NO: 1032		461.54		20,855.65
7/18	CHECK NO: 1022		406.69		20,448.96
7/18	CHECK NO: 1019		127.50		20,321.46
7/18	CHECK NO: 1023		61.87		20,259.59
7/18	CHECK NO: 1021		28.97		20,230.62
7/18	CHECK NO: 1031		27.13		20,203.49
7/19	CHECK NO: 1042		848.00		19,355.49
7/19	CHECK NO: 1030		322.74		19,032.75
7/19	CHECK NO: 1016		171.00		18,861.75
7/20	DEPOSIT			8,727.55	27,589.30
7/20	CHECK NO: 1010		5,371.00		22,218.30
7/20	CHECK NO: 1009		1,265.17		20,953.13
7/20	CHECK NO: 1011		550.00		20,403.13
7/20	CHECK NO: 1025		147.27		20,255.86
7/20	CHECK NO: 1028		15.99		20,239.87
7/23	CHECK NO: 1013		675.00		19,564.87
7/23	CHECK NO: 1043		400.00		19,164.87
7/23	CHECK NO: 1005		22.19		19,142.68
7/24	DEBIT CARD PURCH Card Ending in [redacted] OFFICE DEPOT #5125 [redacted] CA 07204		190.51		18,952.17
7/24	CHECK NO: 1026		6,370.52		12,581.65
7/24	CHECK NO: 1002		857.76		11,723.89
7/26	ACH DEBIT PAYCHEX EIB INVOICE [redacted] Jul 26		35.00		11,688.89
7/27	DEPOSIT			199,948.82	211,637.71
7/27	CHECK NO: 1048		5,000.00		206,637.71
7/27	CHECK NO: 1040		500.00		206,137.71
7/30	CHECK NO: 1046		5,198.00		200,939.71
7/31	ACH DEBIT PAYCHEX TPS TAXES [redacted] Jul 31		10.04		200,929.67
7/31	CHECK NO: 1055		6,700.00		194,229.67
7/31	CHECK NO: 1047		6,600.00		187,629.67
7/31	CHECK NO: 1051		5,487.24		182,142.43
7/31	CHECK NO: 1061		1,072.27		181,070.16
7/31	CHECK NO: 1067		1,000.00		180,070.16
7/31	CHECK NO: 1066		719.00		179,351.16
7/31	CHECK NO: 1044		190.46		179,160.70
7/31	CHECK NO: 1062		28.31		179,132.39
	Total Debits/Credits		**161,169.15**	**310,301.54**	

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 178

C 0000027

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01062 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.984

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Subj: **My Accounting to You Through Today, August 5, 2007**
Date: 8/5/2007
To: teono@[redacted]
CC: linaromo21

Dear Mr. Nguema:

Attached hereto is a copy of the Check register for the general account at Citibank from its opening on 6/25/07 through today, 8/5/07. This includes and extends the previous accounting that I gave you on July 11 for this account from its opening on 6/25/07 thru 7/11/07. The remaining balance in this account is $807.33

You also have $1,000.00 remaining in my Bank of America Client Trust Account. Per our discussion, I will use these funds to open up another bank account at another bank or, if needed, deposit these funds into the existing Citibank account. Your prior balance of $9,727.55 in my Bank of America Client Trust Account was reduced by $8,727.55 on July 20, 2007 when I wrote my Bank of America Trust Account Check #2681 to UHI and deposited it on July 20, 2007 to the UHI Citibank account.

All approved check requests have been paid, with the following 4 exceptions:

1. **Hagerty Insurance Agency $8,165.00 (add on Bentley Azure)**
2. **Gearys $1,734.17 (2 wine glasses)**
3. **South Coast Water $3,221.31 (portable car wash machine)**
4. **Xtreme Marine $8,044.26 (service speed boat).**

I did not have enough money to pay these 4 bills.

I have prepared and attached an invoice to you requesting a wire transfer of $200,000.00 to my Bank of America Client Trust Account. I will need these fund to pay additional bills for you. A copy of my Bank of America Client Trust Account Wire Transfer Information is Attached hereto.

I understand that you are returning to your Malibu Home today. Welcome back. I hope to see you at your convenience.

As always, I appreciate the opportunity to work for you.

Sincerely,

Michael Berger

See what's free at AOL.com.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 179

SEN004594

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01063 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.985

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CitiBusiness®

citibank

Enrollment Form

Please type or print legibly. All fields are required unless indicated otherwise

☐ CitiBusiness Online Maintenance Form is attached (For custom user entitlements)

Section A: Business and Contact Information

Business Name (and DBA, if applicable): Unlimited Horizon, Inc.

Primary Contact Name: Michael Jay Berger | Telephone Number: (310) [redacted] | Extension:

☐ Enroll in cash manager suite of services (optional)
(Includes Today's Activity Reporting, System Administrator Levels and Specialized Transfer Services for a monthly fee.)

Section B: Accounts/Loans to be Linked to CitiBusiness Online

Primary Business Account Number (checking/money market/CitiEscrow control account) and State: 202018867 (Checking)

Personal Account Number and State (optional; for Sole Proprietorships and Single Shareholder Corporations only):

Additional Business Accounts and State (optional; attach additional sheets if necessary): 202018875 - California

Personal Account Owner Name (Only one owner can have access to account): ~~Michael Jay Berger~~

Personal Account Owner Signature: ~~[signature]~~

Section C: Authorized Users

For additional users, attach additional copies of this page.
For custom entitlements, skip this section and complete sections 5 & 6 of the CitiBusiness Online Maintenance/Custom Entitlement form.

1	First Name: MICHAEL	Last Name: BERGER
	Business Account Entitlement: ☐ View/Set Up Only ☒ Unlimited	System Administrator? ☒ Yes (Level *) ☐ No
2	First Name:	Last Name:
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *) ☐ No
3	First Name:	Last Name:
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *:) ☐ No
4	First Name:	Last Name:
	Business Account Entitlement: ☐ View/Set Up Only ☐ Unlimited	System Administrator? ☐ Yes (Level *:) ☐ No

Section D: Client Agreement

I am an authorized signer on the General Resolution or Banking Agreement for the accounts listed on this enrollment form and have the authority to enter into the agreement and delegate authority as specified, by signing below:

- I am enrolling the business listed in Section A of this form ("the business") in the CitiBusiness Online service and agree that the business and all Authorized Users will comply with the terms of this enrollment form, the Maintenance/Custom Entitlement Form (as applicable), the CitiBusiness Online User Agreement and those agreements governing the accounts and services accessed through CitiBusiness Online.
- I acknowledge that the authority I have delegated to each user and the procedures I have established with this enrollment form meet the security requirements of the Business.
- I authorize any individual listed as System Administrator to act on behalf of the Business in the capacity defined by this enrollment form. I understand that a System Administrator's entitlements will apply equally to all accounts linked through CitiBusiness Online.
- I authorize Citibank to honor electronic instructions from the Business, including instructions to: (1) transfer money to other Citibank accounts/loans (including loan equipments and line of credit draw-downs on select credit products), (2) send wire transfers and foreign checks to designated third parties, (3) make bill payments to designated payees, (4) open new accounts, (5) view and transact on any linked credit card account, and (6) conduct any other financial transaction available through CitiBusiness Online. I understand that Citibank follows these instructions when the User IDs and Passwords of the users designated on this form have been entered.

X [signature] 01/20/07 X

Signature of Authorized Signer | Date | Signature of Authorized Signer (if multiple signatures are required) | Date

* A level for a System Administrator is only required when enrolling in the cash manager suite of services.

RETURN TO YOUR RELATIONSHIP MANAGER OR NEAREST CITIBANK FINANCIAL CENTER

Bank Use Only

Select Business Segment:
☒ Business Banking ☐ Commercial Banking ☐ Middle Market ☐ Private Bank ☐ IPB

REMINDER: Two account notes are required to indicate review and approval of this form
- Accepted/Prepared: Place Note 565 on primary account
- Approved: Place Note 984 on primary account

Contact Name: Chong McDermott
Contact Telephone Number: 310-273-3972
FMP: 13
FC Number: 287
Business Code: 7-

Back Office Use Only: | Initial: | Data Entry Date: | QC:

Fax completed form to CitiBusiness Online Operations. Copy to customer. Original in customer file.

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Citibank N.A. Member FDIC

NFC0417C0 V3
CBusOL Enrollment Form - Page 1 of 1

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 181

C 0000018

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01064 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.986

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UNLIMITED HORIZON, INC.

Account 202018867 Page 2 of 3
Statement Period - Aug. 1 - Aug. 31, 2007

000002/R1/21F013/0

Date	Description	Debits	Credits	Balance
8/03	CHECK NO: 1056	6,498.33		72,473.94
8/03	CHECK NO: 1053	2,438.56		70,035.38
8/06	CHECK NO: 1085	1,569.62		68,465.76
8/06	CHECK NO: 1079	825.00		67,640.76
8/07	DEBIT CARD PURCH Card Ending in [redacted] OFFICE DEPOT #5125 [redacted] CA 07218	186.17		67,454.59
8/07	CHECK NO: 1084	12,089.11		55,365.48
8/07	CHECK NO: 1064	6,373.29		48,992.19
8/07	CHECK NO: 1070	800.00		48,192.19
8/07	CHECK NO: 1050	381.68		47,810.51
8/08	CHECK NO: 1091	5,361.12		42,449.39
8/08	CHECK NO: 1094	5,180.42		37,268.97
8/08	CHECK NO: 1095	510.00		36,758.97
8/08	CHECK NO: 1071	428.84		36,330.13
8/09	DEPOSIT		1,700.00	38,030.13
8/09	CHECK NO: 1099	1,825.00		36,205.13
8/09	CHECK NO: 1096	766.86		35,438.27
8/10	ACH DEBIT PAYCHEX EIB INVOICE [redacted] Aug 10	241.88		35,196.39
8/10	CHECK NO: 1093	2,426.19		32,770.20
8/10	CHECK NO: 1098	1,107.00		31,663.20
8/10	CHECK NO: 1086	327.86		31,335.34
8/13	DEBIT CARD CREDI Card Ending in [redacted] OFFICE DEPOT #5125 [redacted] CA 07222		190.51	31,525.85
8/13	CHECK NO: 1092	1,304.00		30,221.85
8/13	CHECK NO: 1052	277.01		29,944.84
8/15	CHECK NO: 1054	20,800.00		9,144.84
8/15	CHECK NO: 1097	324.11		8,820.73
8/17	DEPOSIT		199,908.45	208,729.18
8/17	ACH DEBIT PAYCHEX PAYROLL [redacted] Aug 17	10,542.76		198,186.42
8/17	ACH DEBIT PAYCHEX TPS TAXES [redacted] Aug 17	5,004.95		193,181.47
8/17	CHECK NO: 1087	95.00		193,086.47
8/21	ACH DEBIT PAYCHEX PAYROLL [redacted] Aug 21	1,368.52		191,717.95
8/21	ACH DEBIT PAYCHEX TPS TAXES [redacted] Aug 21	612.24		191,105.71
8/21	CHECK NO: 1102	1,072.27		190,033.44
8/22	CHECK NO: 1112	9,600.00		180,433.44
8/22	CHECK NO: 1100	8,044.26		172,389.18
8/22	CHECK NO: 1114	4,208.76		168,180.42
8/22	CHECK NO: 1111	2,800.00		165,380.42
8/22	CHECK NO: 1115	1,734.17		163,646.25
8/23	CHECK NO: 1105	8,165.00		155,481.25
8/23	CHECK NO: 1101	7,577.50		147,903.75
8/23	CHECK NO: 1113	2,412.50		145,491.25
8/23	CHECK NO: 1109	1,216.00		144,275.25
8/23	CHECK NO: 1110	1,178.00		143,097.25
8/23	CHECK NO: 1108	1,064.00		142,033.25
8/24	CHECK NO: 1116	3,430.00		138,603.25
8/24	CHECK NO: 1081	1,577.00		137,026.25
8/24	CHECK NO: 1118	1,201.00		135,825.25
8/24	CHECK NO: 1129	1,150.19		134,675.06
8/24	CHECK NO: 1107	586.50		134,088.56
8/24	CHECK NO: 1117	339.00		133,749.56
8/24	CHECK NO: 1122	289.60		133,459.96
8/24	CHECK NO: 1119	41.00		133,418.96
8/27	CHECK NO: 1131	1,345.00		132,073.96
8/27	CHECK NO: 1130	1,089.65		130,984.31
8/27	CHECK NO: 1106	940.00		130,044.31
8/27	CHECK NO: 1126	9.95		130,034.36
8/28	DEBIT CARD PURCH Card Ending in [redacted] SERVIZIO ROSSO LLC LOSANGLES CA 07237	3,549.48		126,484.88
8/28	DEBIT CARD PURCH Card Ending in [redacted] XM *SATELLITE RADIO [redacted] DC 07237	374.63		126,110.25
8/28	DEBIT CARD PURCH Card Ending in [redacted] STAPLES DIREC[redacted]EURKA CA 07237	210.54		125,899.71
8/28	DEBIT CARD PURCH Card Ending in [redacted] SRR*SIRIUS RADIO [redacted]NY 07237	194.25		125,705.46
8/28	CHECK NO: 1132	56,544.00		69,161.46

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C 0000030

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01065 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.987

[redacted] = Redacted by the Permanent Subcommittee on Investigations

UNLIMITED HORIZON, INC.

Account 202018867 Page 2 of 4
Statement Period - Sept. 1 - Sept. 30, 2007

000002/R1/21F013/0

[redacted]

CitiBusiness Streamlined Checking
0202018867

Beginning Balance: $31,337.36
Ending Balance: $24,070.07

Date	Description	Debits	Credits	Balance
9/04	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07243	5,450.00		25,887.36
9/04	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07243	397.85		25,489.51
9/04	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07243	397.85		25,091.66
9/04	CHECK NO: 1127	1,387.30		23,704.36
9/04	CHECK NO: 1128	540.01		23,164.35
9/05	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07247	506.85		22,657.50
9/05	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07247	109.00		22,548.50
9/05	DEBIT CARD PURCH Card Ending in [redacted] FOUR SEASONS HOTELS LASVEGAS NV 07247	109.00		22,439.50
9/05	CHECK NO: 1077	1,433.00		21,006.50
9/05	CHECK NO: 1080	537.00		20,469.50
9/05	CHECK NO: 1083	60.00		20,409.50
9/06	MISC DEPOSIT		5,450.00	25,859.50
9/07	CHECK NO: 1103	24,700.00		1,159.50
9/07	CHECK NO: 1104	166.75		992.75
9/10	MISC DEPOSIT		5,450.00	6,442.75
9/10	MISC DEPOSIT		1,013.70	7,456.45
9/10	MISC DEPOSIT		397.85	7,854.30
9/10	MISC DEPOSIT		397.85	8,252.15
9/10	ACH DEBIT PAYCHEX EIB INVOICE [redacted] Sep 10	469.03		7,783.12
9/10	SERVICE CHARGE ACCT ANALYSIS DIRECT DB	31.70		7,751.42
9/11	DEPOSIT		199,934.10	207,685.52
9/11	MISC DEPOSIT		27.05	207,712.57
9/13	CHECK NO: 1139	8,552.00		199,160.57
9/13	CHECK NO: 1152	6,400.00		192,760.57
9/13	CHECK NO: 1140	4,126.35		188,634.22
9/13	CHECK NO: 1151	2,412.50		186,221.72
9/13	CHECK NO: 1136	103.46		186,118.26
9/14	CHECK NO: 1167	5,000.00		181,118.26
9/14	DEBIT CARD PURCH Card Ending in [redacted] SPRINT *SPRINTNEXTELIVR [redacted] VA 07256	1,689.81		179,428.45
9/14	CHECK NO: 1168	337.95		179,090.50
9/14	CHECK NO: 1153	950.00		178,140.50
9/14	CHECK NO: 1145	403.42		177,737.08
9/14	CHECK NO: 1063	350.00		177,387.08
9/17	DEBIT CARD PURCH Card Ending in [redacted] VERIZON PAY BY PHONE [redacted] TX 07257	999.07		176,388.01
9/17	DEBIT CARD PURCH Card Ending in [redacted] PHONECHARGE FEE [redacted] CT 07257	3.50		176,384.51
9/17	CHECK NO: 1165	10,887.80		165,496.71
9/17	CHECK NO: 1137	8,450.00		157,046.71
9/17	CHECK NO: 1141	1,963.37		155,083.34
9/17	CHECK NO: 1155	1,277.29		153,806.05
9/17	CHECK NO: 1143	255.00		153,551.05
9/18	CHECK NO: 1138	8,450.00		145,101.05
9/18	DEBIT CARD PURCH Card Ending in [redacted] VIPTRANSPOR [redacted] NJ 07260	450.00		144,651.05
9/18	DEBIT CARD PURCH Card Ending in [redacted] VIPTRANSPOR [redacted] NJ 07260	192.00		144,459.05
9/18	DEBIT CARD PURCH Card Ending in [redacted] CINGULAR *541949148PAC [redacted] TX 07258	177.41		144,281.64
9/18	ACH DEBIT PAYCHEX PAYROLL [redacted] Sep 18	19,956.48		124,325.16
9/18	ACH DEBIT PAYCHEX TPS TAXES [redacted] Sep 18	7,166.37		117,158.79
9/18	CHECK NO: 1159	2,525.00		114,633.79
9/18	CHECK NO: 1166	900.00		113,733.79
9/18	CHECK NO: 1158	50.00		113,683.79
9/19	DEBIT CARD PURCH Card Ending in [redacted] VIPTRANSPOR [redacted] NJ 07261	750.00		112,933.79

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

Check Register

Citibank UHI Account
8/23/2007

Date	Num	Transaction	Payment	C	Deposit	Balance
8/5/2007	1089	Void cat: Nguema				19,612.03
8/5/2007	1090	Void cat: Nguema				19,612.03
8/5/2007	1091	LA County Waterworks cat: Nguema memo: Obiang, Teodor Nguema Account [redacted]	5,361.12	c		14,250.91
8/5/2007	1092	Ed Lopez cat: Nguema memo: monthly pool service/driveway fountain serv 3620 S...	1,304.00	c		12,946.91
8/5/2007	1093	Verizon cat: Nguema memo: Sweetwater Malibu LLC Account # [redacted]...	2,426.19	c		10,520.72
8/5/2007	1094	LA County Waterworks cat: Nguema memo: Obiang, Teodor Nguema Account #[redacted]	5,180.42	c		5,340.30
8/5/2007	1095	Quality Control cat: Nguema memo: Sweetwater Malibu	510.00	c		4,830.30
8/5/2007	1096	Duthie Power Services cat: Nguema memo: Service generator, annual auto transfer switch main...	766.86	c		4,063.44
8/5/2007	1097	Charter Communications cat: Nguema memo: Account #[redacted] Sweetwater Mal...	324.11	c		3,739.33
8/5/2007	1098	Progressive Direct cat: Nguema memo: Policy # [redacted]	1,107.00	c		2,632.33
8/5/2007	1099	Millenium Alarm Systems, Inc. cat: Nguema memo: Sweetwater Management, Inc. 3620 Sweetwater M...	1,825.00	c		807.33
8/7/2007		Office Depot cat: Nguema memo: 2 toner cartridges for geo's printer conf #[redacted]	186.17	c		621.16
8/9/2007		Cash From Lina cat: Nguema		c	1,700.00	2,321.16
8/10/2007		Ach-paychex Eib Invoice cat: Nguema	241.88	c		2,079.28
8/13/2007		Office Depot cat: Nguema memo: 2 toner cartridges for geo's printer conf #[redacted]		c	190.51	2,269.79
8/16/2007		Cash cat: [BofA Attorney Client Trust]		c	199,908.45	202,178.24
8/17/2007		Ach-paychex Tps Taxes 081707 cat: Nguema	5,004.95	c		197,173.29
8/17/2007		PAYCHEX PAYROLL , [redacted].. cat: Nguema	10,542.76	c		186,630.53
8/17/2007	1100	Xtreme Marine cat: Nguema memo: Sweetwater Mgmt. Invoice 2476 Service Speed Boat	8,044.26	c		178,586.27
8/17/2007	1101	The Fish Physician cat: Nguema memo: Koi Fish Sweetwater Management	7,577.50			171,008.77

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PRIVILEGED & CONFIDENTIAL
ATTORNEY CLIENT PRIVILEGE
ATTORNEY WORK PRODUCT

NAME	ACCOUNT NUMBER	OPEN	CLOSE
Law Offices of Michael Jay Berger	1664 609 603	08/96	7/7/2008
Michael Jay Berger	T16 955 396	06/08	6/16/2008
Michael Jay Berger	W91 152 900	05/08	6/16/2008
Michael Jay Berger	0213 661 260	05/08	7/7/2008
Michael Jay Berger	0213 867 407	05/08	7/8/2008
Law Offices of Michael Jay Berger	0213 661 340	05/08	7/7/2008

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Charles Sgro
General Counsel for
Anti-Money Laundering and
Investigative Services

Citigroup Inc.
399 Park Avenue
3rd Floor
New York, NY 10022

T 212 793 5436
F 212 793 0025
sgroc@citi.com

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March 19, 2009

By Hand Delivery

Hon. Carl Levin, Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510-6262

Hon. Tom Coburn, Acting Ranking Minority Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510-6262

Dear Chairman Levin and Senator Coburn:

This letter is submitted in response to the Committee's request for certain information related to accounts that were held in the name of Jennifer Douglas, Unlimited Horizon, Inc. and others at Citigroup.

As a preliminary matter, and as the Committee is aware, financial institutions such as Citigroup operate under various laws that prohibit it from disclosing certain information relating to customer accounts. For example, under 12 C.F.R. § 21.11(k), "[a]ny national bank or person subpoenaed or otherwise requested to disclose a [suspicious activity report ("SAR")] or the information contained in a SAR shall decline to produce the SAR or to provide any information that would disclose that a SAR has been prepared or filed", *see id.*; *see also* 31 U.S.C. § 5318(g). Moreover, under 18 U.S.C. § 1510(b)(2), a financial institution such as Citigroup could be subject to criminal penalties if it discloses the existence or content of a grand jury subpoena that may have been served concerning any accounts maintained at Citigroup. *Id.* Accordingly, as a matter of law, information contained in this letter would necessarily exclude any information that Citigroup is legally prohibited from divulging.

I. Jennifer Douglas Accounts

Ms. Douglas's accounts at Citigroup were primarily with the U.S. Consumer Bank ("CB"). Ms. Douglas did not have a Private Bank account. Ms. Douglas opened her first account with Citigroup in 2000.[1] Beginning in 2001, Citigroup identified and

[1] Ms. Douglas had obtained a term life insurance policy from Primerica Life Insurance Company in 1999. (B 00008784.)

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investigated various issues in several accounts controlled by Ms. Douglas. In fact, in early 2007, the CB made an independent determination to close Ms. Douglas's accounts. By the end of June 2007, before receiving the Committee's request for information concerning Ms. Douglas's accounts, all CB checking and savings accounts for Ms. Douglas already were closed. Shortly thereafter, CB began to share information related to the closure of the CB accounts with other Citigroup businesses with which Ms. Douglas had accounts. By the end of August 2007, Citigroup had closed or suspended all identified accounts for Ms. Douglas. The information below explains the account opening processes for Ms. Douglas's accounts and then describes the account closure activities for those accounts.

A. Account Opening Processes

1. CB Accounts

Ms. Douglas opened her first account – a Citigold account – with CB in 2000. (B 00008783-785.) In the account opening application, Ms. Douglas identified herself as a U.S. citizen, with a residence in Maryland, and provided a valid Maryland driver's license, which referred to her as "Jennifer Elizabeth Douglas," as well as a Social Security Number. (B 00007799-814.[2]) Nothing in Ms. Douglas's initial application referenced or suggested that she had any connection to a foreign country or had a relationship with any foreign official. As a result, consistent with applicable law, Ms. Douglas was not considered to be a "politically exposed person" or "PEP."[3]

Ms. Douglas opened three accounts in the name of the Gede Foundation with the CB in February and March of 2002. (B 00008783-785.) The account opening documentation reflects that the Gede Foundation was an IRS 501(c)(3) not-for-profit corporation founded to, among other initiatives, assist developing economies through private and public partnerships worldwide, and to assist in providing healthcare and medical services, particularly with regard to HIV/AIDS, for a rural population. The documents provided by Ms. Douglas include the Gede Foundation's certificate of incorporation from the District of Columbia, its articles of incorporation, a Form W-8BEN and a copy of Ms. Douglas's Maryland driver's license. (B 00006884-904.) The account opening documents reflect that Ms. Douglas provided "Abubakar" as her married name (B

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[2] The same identification documentation was used to open a linked brokerage account for Ms. Douglas at that time. (B 00007799–814; B 00008784.)

[3] Notably, Section 312 of the USA Patriot Act was enacted in 2001, after Ms. Douglas's account was opened by CB. Section 312 mandates enhanced scrutiny to detect and report transactions that may involve proceeds of foreign corruption for private banking accounts that are maintained by or on behalf of a foreign senior political figure. As a U.S. citizen and consumer banking client who presented a valid social security number and a U.S. driver's license for identification purposes, CB would not have been required to screen Ms. Douglas for PEP status under the Act or Citigroup policy. Instead, CB takes a risk-based approach to identifying PEPs and currently focuses its PEP screening efforts in the CB to Non-Resident Alien customers.

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00006900), and that Ms. Douglas's personal CB account was used as an internal bank reference.[4]

In addition to the above, Ms. Douglas also had several personal accounts at the CB with the title "ABTI-American University." Checking account 1209739556 was initially opened in April 2005 in the name of "Jennifer Douglas." Sometime after the account was opened, Ms. Douglas changed the title of the account to "Jennifer Douglas/ABTI-American University." This name change should have resulted in the account being recategorized as a business account, which would have required additional documentation; however, the checking account remained a personal account inconsistent with CB practice.

Similarly, checking account 1208993341 was opened in the name of "Jennifer Douglas" in January 2006. Ms. Douglas was the sole signatory on the account. Sometime after it was opened, she changed the title to "Jennifer Douglas/ABTI-American University." Then, on February 27, 2006, Buford George Peterson was added as a co-signer to the account after presenting a U.S. Passport, a valid Massachusetts driver's license and a Social Security Number. Citigroup has located the Legal Title Change documents for this account, and they are attached as B 00008791-B00008795. The next month, in March 2006, the title of the account was again changed to include reference to "Buford George Peterson/ABTI-American University." As with the other personal account that referenced "ABTI-American University," this account remained incorrectly categorized as a personal checking account following the title change. For personal accounts, such as checking accounts 1208993341 and 1209739556, a customer is not required to provide any information about the purpose of those accounts.

Each CB account discussed above was directed to be closed and was in fact closed by the CB prior to the Committee commencing its inquiry related to Ms. Douglas. *See infra*.

2. *Smith Barney Account*

Ms. Douglas maintained account 168-24253 at Smith Barney. This account was opened in January 2001 and funded with a $500,000 cashier's check.[5]

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[4] In 2006, Citibank revised its policy towards not-for-profit organizations and now requires that enhanced due diligence be applied to any charity that provides services abroad. If the Gede Foundation accounts had been opened after 2006, they would have been required to provide information relating to its purpose, the exact geographical area it serves, its organizational structure, its funding criteria, its affiliation with other entities, governments or groups, as well as its financial information including internal controls and audits. In addition, the entity and its principals would have been subject to background checks in World Check or a comparable database, which may have revealed further information about Ms. Douglas's background.

[5] After employing its best efforts, Citigroup has been unable to locate the cashier's check used to open this account. It is our understanding that records relating to this account were maintained at the Smith Barney Branch located at 7 World Trade Center, New York, and were destroyed on September 11, 2001.

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3. *Equity Source Account*

Ms. Douglas held an equity source account with the CB.[6] The account was opened in 2004 after Citibank obtained a credit report, secured an appraisal of the property securing the line of credit, and made a determination that Ms. Douglas had the ability to afford the loan, make timely payments and that Citibank could recover its investment.

Citibank considered Ms. Douglas's then-existing accounts with both the CB and Smith Barney when it made its determination to extend the equity line of credit.[7] Ms. Douglas received cash advances on her account beginning in April 2004, and continued to make the required payments until the account was suspended in August 2007. (B 00008783-785.) Attached as B00008796-B00008799 is a chart which reflects the account activity.

4. *Credit Card Accounts*

Finally, Ms. Douglas held several Citigroup credit cards. For one credit card (424180164212950, closed in March 2005), her husband was an authorized signer. Ms. Douglas's husband held a credit card that was linked to a credit card account, 5306290000036191, held in Ms. Douglas's name, for which Ms. Douglas was financially responsible. (B 00008783-785.) These are the only Citigroup accounts identified to which Ms. Douglas's husband had a direct connection.

B. Account Closing Activities

Beginning in 2001 through 2007, Citigroup identified and investigated various issues in Ms. Douglas's accounts. For example, in 2003, Letsgo Limited Inc. ("Letsgo") and China Castle Investments, entities that were sending funds to Ms. Douglas's accounts at Citigroup, were deemed questionable. Also, in 2006 and 2007, other transactions involving Letsgo were examined together with transactions involving Guernsey Trust Company Nigeria ("Guernsey Trust"), which were identified in early 2007.[8]

CB also noted, in the course of regular account monitoring, what appeared to be business activity in Ms. Douglas's personal account. (B 00008418-431.) Business activity in a personal account raises questions because it is inconsistent with the information the customer provided the bank at the time of account opening. A

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[6] An equity source account is an account to access a home equity line of credit.

[7] While not required to do so, B 00007910-911 suggests that Ms. Douglas decided to provide a letter on her own to supplement the information she had provided to Citi in her application. (B 00007910 ("[t]he form might not be explanatory enough, so I am stating exactly how I get my income.").)

[8] Transactions involving Sima Holding Ltd. were not identified during these investigations of Ms. Douglas's accounts. Additionally, at the request of CB Compliance in April 2007, the Branch spoke to Ms. Douglas about Letsgo and Guernsey Trust. (B 00008102-103.) According to Ms. Douglas, both Letsgo and Guernsey Trust are oil services companies owned by her husband. (B 00008535-536.)

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representative of the Branch spoke with Ms. Douglas concerning this matter. (B 00008106-107.) When told by the Branch that she needed to open a business account if she wanted to conduct such transactions, (B 00008106-107), Ms. Douglas apparently responded that she had tried to open a business account but was unable to do so because she lacked the proper documentation.[9] Because the business activity in her personal account continued after that discussion, and because, in early 2007, CB was aware of Ms. Douglas's status as the wife of the Vice President of Nigeria, as well as certain allegations surrounding Ms. Douglas and her husband (B 00008106-8107), CB Compliance instructed the Branch to close Ms. Douglas's accounts. (B 00008102-103, B 00008106-107 and B 00008562.)

All of Ms. Douglas's CB checking and savings accounts were closed by the end of June 2007, before the Committee's request for information concerning her accounts. Extensions were granted to Ms. Douglas so that she could close her CB accounts in an orderly fashion. The bases for the extensions were twofold. First, Ms. Douglas had made a request for the extensions because she was out of the country and needed additional time to open an account at another financial institution. (B 00008535-536.) Second, because the decision to close the Gede Foundation accounts was made after the decision to close Ms. Douglas's personal accounts, the CB recognized that granting an extension would permit all account closings to occur at the same time. (B 00008517-518.) The decision to grant the extensions was made in consultation with CB Compliance.

The CB also notified other business areas of the actions it took to close Ms. Douglas's accounts. (*See* B 00008112-114.) In August 2007, Citi Cards closed Ms. Douglas's credit card accounts. (B 00008783-785.) That same month, Ms. Douglas's Equity Source Account was suspended and her two rental agreements for safe deposit boxes were terminated. (B 00008783-785.)

Following CB's notification of account closure, Smith Barney conducted a review of Ms. Douglas's account in July 2007. (B 00008162-213).[10] Following its review, Smith Barney closed Ms. Douglas's account, which had been at zero balance since at least September 2006.[11]

As business areas closed Ms. Douglas's accounts, she received a notification letter to confirm many of these account closures. (*See* B 00008101 (confirming closure of

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[9] It does not appear that Ms. Douglas opened a business account for ABTI-American University with Citibank.

[10] Document B 00008226 is a document that was pulled during Smith Barney's account review in July 2007. The document reflects that, in 2003 the name of Atiku Abubakar was added to Smith Barney's internal screening database identifying him as a PEP.

[11] A Smith Barney account is considered closed if (1) there is a zero balance and (2) a "purge" request has been placed on the account. "Purge" is a term used in Smith Barney which means the removal of an account from the brokerage's active books and records. The account is then placed into inactive status where it is accessible for viewing only; transactions cannot be made in a purged account.

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Consumer Bank accounts); B 00008108 (confirming suspension of equity source account and termination of safe deposit boxes); B 00008093 (confirming closure of Citi Card accounts).) By the end of August 2007, all identified accounts for Ms. Douglas had been closed or, in the case of the Equity Source Account, suspended by Citigroup.

* * * *

In addition to the above information concerning Ms. Douglas's accounts, the Committee has requested certain follow-up information about accounts held by Michael J. Berger, Teodor N. Obiang and Unlimited Horizon, Inc.

Mr. Berger opened account 72-00001536671 on September 26, 1998 with Federated, Inc. ("Federated"). Citigroup purchased this account, along with thousands of other accounts, from Federated in June 2006, and does not have the account opening documents for this account. The account, which was closed in April 2008, has been inactive since 1998 and statements from that time period are no longer available.

Mr. Berger's CB account [redacted] was a Transaction Service Account that was closed in November 2003. Statements for this account are attached as C 00000279-316.[12] Transaction Service Accounts were formerly offered by Citigroup in conjunction with its Citicards business and provided customers the ability to conduct international and domestic funds transfers which were funded by a linked credit or debit card to any party who also owned a Transaction Service Account.

Mr. Obiang opened Citi Card account [redacted] on June 30, 2005. (C 00000177.) Statements for this account are available from October 2006 through March 2007. (C 00000178-183.) This credit card has been inactive since March 2007 and was closed in March 2008.

With respect to certain transactions for which documents were previously provided to the Committee (C 00000057-120), we have identified the following information:

- Document C 00000059 refers to a transfer from Citibank account # 40041713872 for Michael J. Berger. (C 0000001-002). This account was closed on May 22, 2008.[13]

- Citibank was an intermediary bank in the transactions documented in C 00000061-109[14], C 00000113–120. In almost all these transfers, the

[12] After a thorough investigation, account opening documents for the Transaction Service Account are not retrievable.

[13] Upon further review, the transactions documented in C 00000057, 58 and 60 do not involve the Michael J. Berger who was the subject of the Committee's subpoena.

[14] We cannot confirm that the transactions documented in C 00000061-64 involve the Michael J. Berger who was the subject of the Committee's subpoena.

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transactions were conducted by debiting the Citibank account of the remitting institution maintained on our books at the time of the transfers. (The exception involves C 00000084, where the remitting institution in the U.S. sent the payment instructions to Citibank via Fedwire.[15]) Additionally, in almost all these transactions, Citibank sent the payment instructions via CHIPS[16] or Fedwire to the beneficiary's bank in the U.S. (The exceptions are C 00000069 and C 00000084, where a credit was made to the Citibank account of a non-U.S. bank; C 00000081, C 00000082, C 00000099, C 00000100, C 00000102, and C 00000120, where a credit was made to the Citibank account of a non-U.S. intermediary bank and C 00000101, where a CHIPS payment was made to the New York branch of a European bank.)

- In C 00000110, Citibank received a Fedwire credit in respect to a check drawn on a U.S. bank and presented by Citibank for collection on behalf of its non-U.S. correspondent customer, CCEI Bank Guinea Ecuatorial. In July 2005, CCEI Bank Guinea Ecuatorial's Citibank account was closed.

- Documents C 00000111-112 refer to transfers from Citibank account [redacted] an Interest on Lawyers' Trust Account ("IOLTA") held by Sidley Austin, LLP ("Sidley Austin") to Societe Generale S.A. for the account of Teodoro Nguema Obiang. The transfer was initially made on December 21, 2005 (C 00000111), but was not completed. The funds were subsequently returned to the IOLTA account. After being advised by Sidley Austin of its consultation with the U.S. Department of Justice ("DOJ") and learning that the DOJ had neither any basis to believe that the funds would violate U.S. law, nor to restrain the funds, Citigroup wired the funds from account [redacted] to Societe Generale S.A. for Mr. Obiang on January 24, 2006 (C 00000112).

Finally, the Committee requested copies of certain checks drawn on the Unlimited Horizon, Inc. CB checking account 202018867. We are enclosing documents bearing Bates numbers C 00000254-C 00000278, which are responsive to the Committee's request. CB Compliance found that the activity in the account was inconsistent with the account profile and, at their direction, account 202018867 was closed on May 20, 2008.[17]

* * * *

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15 Fedwire is the settlement system maintained by the Federal Reserve for the settlement of funds transfers between U.S. banks.

16 CHIPS is the settlement system maintained by the New York Clearing House for the settlement of funds transfers between large banks with offices in New York.

17 As noted above, information contained in this correspondence would necessarily exclude any information that Citigroup is legally prohibited from divulging under 31 U.S.C. § 5318(g), 12 C.F.R. § 21.11(k), and 18 U.S.C. §1510(b)(2).

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This correspondence and the documents being produced today contain confidential information, the release of which would have important implications for rights of privacy. Citigroup has provided this information and is producing these documents with the request that they be maintained confidentially under the Senate's Rules.[18]

Please do not hesitate to contact me if you have any questions about the above, or would like to discuss further.

Sincerely,

Charles Sgro/KLS

Charles Sgro

Enclosures

[18] The documents produced today bear a stamp that reflects the confidential treatment inherent in the Senate's Rules of Procedure. This stamp, bearing the legend "STRICTLY CONFIDENTIAL – NOT FOR CIRCULATION/SUBCOMMITTEE MEMBERS AND STAFF ONLY," was not contained within the original document.

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Subj: **Accounting, June 1 - July 11**
Date: 7/11/2007
To: teono@[redacted]

Dear Mr. Nguema:

Attached hereto is a copy of the check register of the general account at Union Bank from June 1 through June 12, 2007, the date that it was closed by the bank. There is currently a zero balance in said account. Checks that were written but did not clear before the account was closed are listed, but the amount of the payment has been changed to zero to reflect that no payment was made. Most of these checks have already been replaced with new checks from the new Citibank account. I have not yet heard from DMV with respect to replacement of 2 registration checks that did not clear: checks for your 2005 Lamborghini and your 2005 Mercedes. I will replace these checks as soon as I receive a bill from DMV, as I did for your 2005 Porsche.

Also attached hereto is a copy of the Check register for the general account at Citibank from its opening on 6/25/07 through today, 7/11/07. The remaining balance in this account is $19,664.96. I am saving this money for the next payroll which will take place on Friday, July 13.

Also attached hereto is an accounting of the funds that were deposited by me into my Bank of America Client Trust Account on your behalf, and the checks that I wrote on your behalf. You have $9,727.55 remaining in my Bank of America Client Trust Account. Per our discussion, I will use these funds to open up another bank account at another bank or, if needed, deposit these funds into the existing Citibank account.

All approved check requests have been paid, with the following 2 exceptions:

(1) Check to Progressive Insurance for motorcycle insurance, check either to be in the minimum amount due of $1,107.00 minimum payment or in the sum of $4,404.00 to be paid in full. This request was given to me after the expiration of the motorcycle insurance policy. The request is ambiguous as to what amount I should pay. It is also not clear if this is duplicative of insurance being written for you by Paul Finestone and Heritage/Markel and being paid for by wire transfer.

(2) Check to Hagerty Insurance Agency for Bentley Azure. This request was given to me on July 9. It is not clear to me if this is duplicative of insurance being written for you by Paul Finestone and being paid for by wire transfer.

As to both of these requests, I will confer with Lina, Paul Finestone, Progressive, the Hagerty Insurance Agency, and you, as needed, in order to determine if I should pay these requests with the next available funds and in order to determine the proper amount of the first request.

I have prepared and attached an invoice to you requesting a wire transfer of $200,000.00 to my Bank of America Client Trust Account. I will need these fund to pay additional bills for you. A copy of my Bank of America Client Trust Account Wire Transfer Information is Attached hereto.

As always, I appreciate the opportunity to work for you.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 187

SEN004574

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01077 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

56840.999

CitiBusiness Account Agreement

Date Opened: 6/25/2007 Branch: 287 BEVERLY HILLS - DOWNTOWN Account Officer: ChongS McDermott

Business Information

Business Name: UNLIMITED HORIZON, INC.
Physical Business Address: UNLIMITED HORIZON, INC.
9454 Wilshire Blvd Suite 625
Beverly Hills, CA 90212-2929

CIN: [redacted]
Tax ID: [redacted]
Phone: (310)271-6223
FAX: (310)271-9805

Business Entity: S-Corporation
Start Date: 10/27/2005
Annual Sales: $400,000.00
Dun's Identifier: [redacted]
Current Bank: Bank of America

SIC Code: 8111
Number of Employees: 3
Date Incorporated: 10/27/2005

Account Signers

Signer Name	CIN
MICHAEL JAY BERGER (DEBIT CARD ORDERED)	[redacted]EW

Signer: MICHAEL JAY BERGER Birthdate: 3/28/1957 Social Security #[redacted]

Home Address: 7566 Mulholland Drive
Los Angeles, CA 90046
Home Phone: (323)969-8465
Cell Phone: (1)310[redacted]

Business Title:
Business Phone: (310)271-6223

Mother's Maiden Name: Elin

First School Attended: Duke

Public Figure/Related Indiv: N

Identification/References: DRIVER LIC: CA[redacted]26/2004 N 03/28/2009
NATL CR CRD: Classic-VISA[redacted] Y 06/30/2008

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Account Information

Account Mailing Address: UNLIMITED HORIZON, INC.
9454 Wilshire Blvd Suite 625
Beverly Hills, CA 90212-2929

Account Title: UNLIMITED HORIZON, INC.

Account Type: CB STREAMLINED CHKG
Deposit Amount: 5,000.00

Account Number: [redacted]
Account Tax ID: [redacted]

Member FDIC

Equal Housing Lender

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 187

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ph44585 on D330-44585-7600 with DISTILLER
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568401.000

SINGLE STOCKHOLDER CHECKLIST

citibank

Evidence of Business Formation

All Markets
Evidence from a government internet site can be used in lieu of the documents listed below, provided that the information obtained from the website identifies the individual(s) presenting themselves to open an account
OR
Copy of Certificate of Incorporation
OR
Division of Corporations web page printout together with copy filing receipt.
OR
Articles of Incorporation stamped filed or approved by Secretary of State

Citibank Forms Required
- Citibank Single Stockholder Corporation General Deposit Resolution
- Account Application
- Signature Card
- Senior Public Figure Screening

Know Your Customer
Is this business considered High Risk?
☐ Yes ☑ No
*If Yes, Note account appropriately
- For businesses classified as High Risk, required action was completed in accordance with guidelines. If a visit to the place of business is required, the Observation at Place of Business Form must be completed within two weeks of account opening

Verifications
- Business phone and address verifications were preformed and noted on an application.
- EFunds verification performed for single stockholder
- Identification obtained for all signers

If business falls into one or multiple of the following categories, the listed documents are required in the client file.

Out of State or Puerto Rico Corporation
- Doing Business in State or Puerto Rico. Certificate of Authority to do Business from the Secretary of State where the account is being opened or print-out from the state's website
- NOT Doing Business in State or Puerto Rico. Ensure the client has a good business reason to establish an account at your Financial Center. Record reason on the Checklist

Foreign Corporation
Foreign business formed outside the US or PR that has also registered in the US or PR to conduct business, may be treated as a domestic business. Therefore, no foreign business documents listed below are required
- Obtain IRS W8 BLN Tax Certification Form for the foreign business (except Puerto Rico)
- Foreign Corporation documents with a written translation in English
- Corporate documents for the foreign business do not contain "Bearer Shares". CBNA Policy does not permit the opening of an account with "Bearer Shares"
- Bank reference or bank statements for the business. If business does not have prior banking experience account opening must be approved by Area Level Management
- Account may not be opened if the business is incorporated in a Financial Have
- **Puerto Rico Only**
  Foreign Business documents needs to have apostille from U.S. Embassy in country of origin

Trading/DBA
- Obtain assumed name or DBA Certificate/Registration (except Puerto Rico Coporations)

IOLA/IOLTA/IOTA
- Notice to establish an IOLA/IOLTA/IOTA and taxpayer ID number of IOLA/IOLTA/IOTA fund

CitiEscrow
- Obtain Client Account Tax Certification ((Puerto Rico – only required if a U.S. citizen or U.S. entity)

Not-for-Profit
- Evidence of Not-for-Profit Status if opening NOW/Interest Checking (except Puerto Rico)
- Completion of High Risk Due Diligence

6-27-07

STEVE ARCE
Financial Center Manager
Citibank N.A.
Beverly Hills Branch/#287
P7144983

LM
[illegible]
Personal Banker
Citibank N.A. Branch 287
P6768731
6-27-07

NF

Revised 09/06

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 189

C 0000005

ph44585 on D330-44585-7600 with DISTILLER

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568401.001

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CitiBusiness®

citibank

Title of Account Unlimited Horizon, Inc.	Financial Center 287 13
Tax ID [redacted]	# of Signers Required to Transact 1
Account Number #1 202018867	Account Number #2
Account Number #3	Account Number #4
Account Number #5	Account Number #6
Print Name/Title Michael Jay Berger / President	Print Name/Title
Signature Michael J Berger	Signature
Print Name/Title	Print Name/Title
Signature	Signature

FINANCIAL CENTER COPY

C 00000004

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 190

ph44585 on D330-44585-7600 with DISTILLER
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568401.002

CitiBusiness Deposit Account Application
Senior Public Figure Screening

ACCOUNT NUMBER (S): 202018867

a. Check yes if there are any signer/owners (owning 25% or more) who is a citizen of a country other than the United States or Puerto Rico?

☐ YES ☑ NO

b. If yes, are any of such owners a Senior Public Figure (SPF) (for example, a current or former Senior Public Figure or Senior Official in the executive, legislative, administrative, military or judicial branch of a government) or a close associate/family member of an SPF?

☐ YES ☐ NO ☐ UNKNOWN

If yes, provide the following information for such person(s):

1. NAME OF INDIVIDUAL/SPF: _____

   NAME OF SPF (if individual is an associate or family member)

   _____

2. TITLE/POSITION OF THE SENIOR PUBLIC FIGURE: _____
3. HOW LONG IN CURRENT POSITION: _____
4. THE PURPOSE OF THE ACCOUNT: _____
5. DESCRIBE THE SOURCE OF FUNDS FOR THE ACCOUNT: _____

Chong McDermott — (310) 273-3972
Account Opening Officer's Name (Print) — Telephone Number

Signature — 06/22/2007
Date

CHONG McDERMOTT
Personal Banker
Citibank N.A. Branch 267
P475873

INSTRUCTIONS:
Ask customer questions a & b.

- ***If the customer answers no*** to both questions, then sign/date and add screening form to account file.
- ***If the customer answers yes or unknown*** to question b, then:
  1. Complete the shaded box and sign/date this form.
  2. Call Pat Rock, CBSCO, (718) 248-3689.
  3. Fax all account opening documentation (including this completed form) to. CBSCO Fax. (718) 248-3687

12/31/2006

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 191

C 0000014

ph44585 on D330-44585-7600 with DISTILLER
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568401.003

OBSERVATIONS AT PLACE OF BUSINESS

Account Title
Unlimited Horizon. Inc.

VISIT INFORMATION

Date	Time	Time Spent	Visit Contact Name
6/26/2007	10:00	30 min.	Michael Jay Berger

Address Visited: 9454 Wilshire Blvd. Ste 625. B.H. CA 90212

Location Type:
- [X] Primary Office
- [ ] Secondary Location (Branch Office /Warehouse/etc.)

TYPE OF BUSINESS

- [ ] Business Accepting Third-Party Checks
- [ ] Car/Boat/Plane Dealership
- [ ] Electronics (Wholesale)
- [ ] Financial Institution
- [ ] Gambling/Gaming (>20% of business activity)
- [ ] Gas Stations
- [ ] Home Based Business
- [ ] Import/Export
- [ ] Internet Business
- [ ] Investment Management Company
- [ ] Jewelry/Gems/Metals
- [ ] Money Management
- [ ] Non-Bank Financial Institution
- [ ] Off-Shore (Foreign) Corporation/Business
- [ ] Personal Investment Company
- [ ] Stock Brokerage
- [ ] Telecommunication/Phone Cards/Phone Center
- [ ] Travel Agency
- [ ] Used Car Sales
- [ ] Venture Capital Companies
- [ ] Other: Legal Accounting Service

VISIT DESCRIPTION

Estimate Square footage/space occupied: 300 sq

Type of Space:
- [ ] Owned
- [ ] Rented
- [X] Rented/Leased Office Suite (within a shared facility)
- [ ] Sublet
- [ ] Concession
- [ ] Non-Commercial (Home/Apartment)

Number of Employees on Premises: 3

Describe Customer Traffic (or activity observed during visit): No customer was present / Receptionist took several calls

Inventory Visible?
- [ ] Yes
- [X] No

If Yes, Describe Inventory:

How is business paid?
- [ ] Cash
- [X] Checks
- [ ] Charge

- [X] Wires
- [ ] Other Details

Other relevant observations or information: N/A

Did your observations agree with your expectations for this type of business? [X] Yes [ ] No

Explain: The office was equipped with nice desks, fax machine, copier and nicely decorated.

Other Conclusions/Comments/Information: Mr Berger also owns Law Offices of Michael Jay Berger and D&B verification result showed confidence code: 6. Same address and phone number

UNLESS CHECKED BELOW, I PERSONALLY PHYSICALLY CONDUCTED THE ABOVE DESCRIBED PLACE OF BUSINESS VISIT. THE INFORMATION PROVIDED IS AN ACCURATE AND COMPLETE REPRESENTATION OF MY OBSERVATIONS AT THE PHYSICAL VISIT.

[ ] - This is a Home Based Business. No physical visit was conducted.

NO MATERIAL INFORMATION HAS BEEN WITHHELD FROM THIS REPORT. ANY MISREPRESENTATION OF INFORMATION COULD BE GROUNDS FOR CORRECTIVE ACTION, INCLUDING DISMISSAL

Citibanker Signature and Stamp	Date
	6/26/2007

NFC0748CB

Revised 03/2006

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EXHIBIT #134 - FN 192

C 0000021

ph44585 on D330-44585-7600 with DISTILLER
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568401.004

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Subj: **Bills that I have not paid yet**
Date: 10/15/2006
To: teono@[redacted]
CC: harmony30009@[redacted]

Dear Mr. Nguema:

As of today, I have spent or transferred to the Unlimited Horizon Accounts all of the funds that you wired to my client trust account. As of today, the remaining balance in the Unlimited Horizon General Account is $12,110.24 and the remaining balance in the Special Account is $9,836.46. The general account has been debited by Paychex twice a month to pay your payroll. The Special account has not been used at all, except for one electronic debit of $158.54 to pay for a starter kit including checks, deposit slips, and deposit stamp and a $5.00 service fee.

All further payments on your behalf will be made through the Unlimited Horizon accounts and all checks prepared by me on your behalf will be computer checks. Unlike my client trust account which is used for many clients, the 2 Unlimited Horizon accounts are used exclusively for your business. This makes the preparation of checks and accountings easier, and enables me to copy you on all bank statements.

The following is a list of invoices that you have approved but that have not yet been paid due to my being low on funds for you. The remaining funds in the Unlimited Horizon accounts may be needed for payroll or small but urgent bills that may arise before I receive the next transfer of funds from you.

Ron Gucciardo	$16,440.47	(for fabric)
George Nagler	$8,000.00	(professional services, no bill attached)
DWP	$3,203.84	(from Crest Court Property)
Serra Canyon Property Owners Association	$3,800.00	(assessment)

the following check requests were approved by you, but were sent to me without any backup – no bill and not estimate)

Geary's	$28,695.00
Amazon.com	$1,099.00
William Sonora Material Cuisine	$3,089.00
Pottery Barn	$2,302.00
House Gadget	$2,698.00

I need a current bill for Southern California Edison. The bill that was submitted along with the September 9 check request was paid on September 1. I do not have a copy of the current bill.

Robert Saurman sent me his bill for October services directly but you have not signed an approval for this bill. The bill amount is $56,544.00

In addition to these bills, payroll continues. Accordingly, the need for the transfer of additional funds is clear.

I am double checking my accounting for the period of September 1 through October 13 to be sure that it is perfect. I will send it to you tomorrow.

By separate e-mail and fax, I am sending you a request for a wire transfer of $200,000.00.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 195

SEN004465

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01083 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.005

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Citibank, N.A. 287
P. O. Box 26892
San Francisco, CA 94126-6892

000001/R1/20F013/0
051
CITIBANK, N.A.
Account
202018867
Statement Period
July 1 - July 31, 2007
Relationship Manager
US SERVICE CENTER
1-877-528-0990
Page 1 of 3

UNLIMITED HORIZON, INC.
9454 WILSHIRE BLVD SUITE 625
BEVERLY HILLS CA 90212-2900

[redacted]

Relationship Summary:	
Checking	$179,132.39
Savings	-----
Investments (not FDIC insured)	-----
Checking Plus	-----

You said it. We did it.
We took action on your feedback to us and now 3 out of 4 customers say they will recommend Citi per our Real Time Feedback Survey 7/06 - 6/07.

Read J.D. Power and Associates Special Report at citibank.com to learn more.

[redacted]

Type of Charge	No./Units	Price/Unit	Amount
STREAMLINED CHECKING # 202018867			
Average Daily Collected Balance			$15,866.66
DEPOSIT SERVICES CHECKS, DEP ITEMS/TICKETS, ACH **FEE WAIVE	1	.3000	0.30
Total Charges for Services			**$0.00**
Net Service Charge			**$0.00**

[redacted]

CitiBusiness Streamlined Checking
0202018867

Beginning Balance: $30,000.00
Ending Balance: $179,132.39

Date	Description	Debits	Credits	Balance
7/02	ACH DEBIT PAYCHEX PAYROLL [redacted] Jul 02	15,015.55		14,984.45
7/02	ACH DEBIT PAYCHEX TPS TAXES [redacted] Jul 02	10,873.44		4,111.01
7/03	ACH DEBIT PAYCHEX PAYROLL [redacted] Jul 03	1,422.47		2,688.54
7/03	ACH DEBIT DELUXE BUS SYS. BUS PRODS [redacted] Jul 03	110.97		2,577.57
7/05	ACH DEBIT PAYCHEX TPS TAXES [redacted] Jul 05	202.70		2,374.87
7/06	ACH DEBIT DELUXE BUS SYS. BUS PRODS [redacted] Jul 06	131.34		2,243.53
7/09	ACH DEBIT DELUXE BUS SYS. BUS PRODS [redacted] Jul 09	62.68		2,180.85
7/10	DEPOSIT		100,000.00	102,180.85
7/10	DEBIT CARD PURCH Card Ending in [redacted] PHONECHARGE FEE [redacted] CT 07190	3.50		102,177.35
7/11	DEBIT CARD PURCH Card Ending in [redacted] VERIZON PAY BY PHONE [redacted] TX 07191	461.72		101,715.63
7/13	ELECTRONIC CREDIT PAYCHEX PAYROLL [redacted] Jul 13		1,625.17	103,340.80

Permanent Subcommittee on Investigations
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C 0000026

ph44585 on D330-44585-7600 with DISTILLER
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568401.006

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Check Register

Citibank UHI Account
8/5/2007

Page 1

Date	Num	Transaction	Payment	C	Deposit	Balance
6/25/2007		Opening Balance cat: [Citibank UHI Account]		R		0.00
6/25/2007		Transfer Money cat: [BofA Attorney Client Trust]		c	5,000.00	5,000.00
6/27/2007		Cash cat: [BofA Attorney Client Trust]		c	25,000.00	30,000.00
7/2/2007		PAYCHEX TPS TAXES cat: Nguema memo: PAYCHEX TPS TAXES [redacted]...	10,873.44	c		19,126.56
7/2/2007		Paychex Payroll cat: Nguema memo: PAYCHEX PAYROLL [redacted]...	15,015.55	c		4,111.01
7/3/2007		Deluxe Bus Sys Bus Prods cat: Nguema memo: Deluxe Checks	110.97	c		4,000.04
7/3/2007		Paychex Payroll [redacted]... cat: Nguema	1,422.47	c		2,577.57
7/5/2007		Paychex TPS Taxes [redacted]... cat: Nguema	202.60	c		2,374.97
7/6/2007		Verizon Confirmation # 116132 cat: Nguema memo: Sweetwater Malibu LLC Account # [redacted]...	465.27	c		1,909.70
7/6/2007		Deluxe Bus Sys Bus Prods cat: Nguema memo: Deposit Slips	131.34	c		1,778.36
7/9/2007		Deluxe Bus Sys Bus Prods cat: Nguema memo: Deposit Stamp	62.68	c		1,715.68
7/10/2007		Cash cat: [BofA Attorney Client Trust]		c	100,000.00	101,715.68
7/10/2007	1001	Four Seasons Wholesale Nursury cat: Nguema memo: Landscaping materials Sweetwater Management In...	3,204.20	c		98,511.48
7/10/2007	1002	Colony Cleaners cat: Nguema memo: Account # [redacted]eodoro Obiang	857.76	c		97,653.72
7/10/2007	1003	Jose Lopez cat: Nguema memo: maintenance of greens replace check not deposited...	800.00	c		96,853.72
7/11/2007	1004	The Fish Physician cat: Nguema memo: Koi Pond service Invoice SM062007 Sweetwater M...	1,129.34	c		95,724.38
7/11/2007	1005	AT + T cat: Nguema memo: Account Number [redacted] includes rept...	22.19	c		95,702.19
7/11/2007	1006	GI Industries cat: Nguema memo: Sweetwater Malibu LLC Remove Wastes Account #...	673.15	c		95,029.04
7/11/2007	1007	Performance Machine, Inc. cat: Nguema memo: Grand Moco service, battery replacement, replace ...	1,000.00	c		94,029.04
7/11/2007	1008	Starlink Tours cat: Nguema memo: Eric & Joel to France 4/15/07 Invoice SL-3509 repla...	4,729.00	c		89,300.04

Permanent Subcommittee on Investigations
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ph44585 on D330-44585-7600 with DISTILLER

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568401.007

Subj: **Details re $100,000.00 Transaction Attached**
Date: 7/12/2007
To: teono@[redacted]
CC: linaromo21

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

As set forth in the accounting that I e-mailed to you yesterday morning and as we discussed this morning, on July 10, 2007 I went to Bank of America, withdrew $100,000.00 of your money from my Bank of America client trust account, purchased a cashier's check for $100,000.00 made out to Unlimited Horizon, Inc. and deposited said cashier's check into the new Unlimited Horizon, Inc. account at Citibank. Copies of the $100,000.00 cashier's check and the Citibank deposit slip for $100,000.00 are attached hereto.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 197

SEN004586

ph44585 on D330-44585-7600 with DISTILLER

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568401.008

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Check Register

Citibank UHI Account
8/5/2007

Date	Num	Transaction	Payment	C	Deposit	Balance
7/16/2007		ACH-PAYCHEX TPS TAXES 071607 0133... cat: Nguema	4,909.46	c		3,358.91
7/16/2007	1042	J & P Ltd. cat: Nguema memo: July rent $800 Sweetwater Mgmy. Late Charge $48	848.00	c		2,510.91
7/19/2007		Office Depot cat: Nguema memo: toner for brother unit Lina uses	191.51	c		2,319.40
7/20/2007		Cash cat: [BofA Attorney Client Trust] memo: remaining balance of uhi funds in b of a trust accou...		c	8,727.55	11,046.95
7/26/2007		ACH-PAYCHECX EIB INVOICE[redacted].	35.00	c		11,011.95
		cat: Nguema				
7/27/2007		Cash cat: [BofA Attorney Client Trust] memo: wire transfer received in b o f a trust account today		c	199,948.82	210,960.77
7/27/2007	1044	Rosalina Romo cat: Nguema memo: Reimburse Fedex Expense to Ship Client's Laptop ...	190.46	c		210,770.31
7/27/2007	1045	Extreme Marine, Inc. cat: Nguema memo: Delivery of Speed Boat from Fla to CA VOID was 8...				210,770.31
7/27/2007	1046	Jiti Bedding cat: Nguema memo: Sheets, Pillows, Comforter Sweetwater Management	5,198.00	c		205,572.31
7/27/2007	1047	Working Designs cat: Nguema memo: Sweetwater TV Cabinet Main House Final Payment	6,600.00	c		198,972.31
7/27/2007	1048	Michael Berger cat: Nguema memo: June 2007 Monthly Service Fee	5,000.00	c		193,972.31
7/27/2007	1049	Signals cat: Nguema memo: Sweetwater Management Invoice Date 7/19/07 Invo...	2,200.00	c		191,772.31
7/27/2007	1050	McDermott Plumbing cat: Nguema memo: Sweetwater Mgmt. Plumbing Service Invoice # 133...	381.68			191,390.63
7/27/2007	1051	Servizio Rosso, LLC cat: Nguema memo: Invoice # [redacted]errari 550 Barchetta	5,487.24	c		185,903.39
7/27/2007	1052	Chris Lawn Mower cat: Nguema memo: Sweetwater Management Sharpen and repar blade...	277.01			185,626.38
7/27/2007	1053	Kamior Corporation cat: Nguema memo: Sweetwater Mgmt. Repair 2 Golf Carts	2,438.56	c		183,187.82
7/27/2007	1054	Red Oak Maintenance & Landscaping cat: Nguema memo: Sweetwater Mgmt. Brush Clearance	20,800.00			162,387.82
7/27/2007	1055	Working Designs cat: Nguema memo: Sweetwater TV Cabinet Main House 2nd of 3 Paym...	6,700.00	c		155,687.82
7/27/2007	1056	Starlink Tours cat: Nguema memo: Sweetwater Mgmt. Invoice SL-3554 Las Vegas Hot...	6,498.33	c		149,189.49

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 198

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01087 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.009

Amount:	$199,948.82	Sequence Number:	5560618270
Account:	26821664609603	Capture Date:	07/27/2007
Bank Number:	12100035	Check Number:	2682

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD. 6TH FLOOR (310) 271-6223
BEVERLY HILLS, CA 90212-2929

2682

11-35/1210
1664

Date 7/26/07

Pay to the Order of Cash $199948.82

one hundred ninety nine thousand nine hundred forty eight 82/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800 457-4783

Valued Customer Since 1996

For for cashier's check

[redacted] for client

⑈001999488 2⑈

BANK OF AMERICA,NA LAC
[redacted]

Tran 00079 07/27/2007 12:23
Entity NCS CC 0000213 TIr 00004
Account 0016646096 03
R/TH [redacted]
Official Check Sale $199,948.82
N DRL CA********** 03/09
N KTT

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 198

BAC-PSI-02407

ph44585 on D330-44585-7600 with DISTILLER

568401.010

Amount:	$199,908.45	Sequence Number:	6660814461
Account:	27231664609603	Capture Date:	08/16/2007
Bank Number:	12100035	Check Number:	2723

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD. 6TH FLOOR (310) 271-6223
BEVERLY HILLS, CA 90212-2929

2723
11-35/1210
1664

Date 8/16/07

Pay to the Order of Cash $199,908.45

one hundred ninety nine thousand nine hundred + eight + 48/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800 457.1782

Customer Since 1996

For Unlimited Horizon Inc

[redacted] 001999084 5

cashier's check

BANK OF AMERICA, NA-LAC
[redacted]

Official Check Sale $199,908.45
N DRL CA********** 03/09

Tran 00259 08/16/2007 17:36
Entity NCS CC 0000213 TIr 00001

[redacted]

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Bank of America Re

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 199

BAC-PSI-02410

ph44585 on D330-44585-7600 with DISTILLER
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568401.011

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Amount:	$199,934.10	Sequence Number:	6360267831
Account:	27351664609603	Capture Date:	09/11/2007
Bank Number:	12100035	Check Number:	2735

LAW OFFICES OF MICHAEL JAY BERGER
ATTORNEY-CLIENT TRUST ACCOUNT
9454 WILSHIRE BLVD. 6TH FLOOR (310) 271-6223
BEVERLY HILLS, CA 90212-2929

2735

11-36/1210
1864

Date 9/11/07

Pay to the Order of Cash $199,934.10

one hundred ninety nine thousand nine hundred thirty four 10/100 Dollars

Bank of America
Attorney Trust Acctg
555 Capitol Mall Ste 1555
Sacramento CA
800.457.1732

Customer Since 1996

For Cashier's Check

⑆121000358⑆2735⑈16646⑈09603⑈ ⑈0019993410⑈

BANK OF AMERICA, NA LAC
[redacted]

Tran 00194 09/11/2007 14:44
Entity MCS CC 0000213 Tlr 00013
Account 001664609603
R/TB 540930135
Official Check Sale
N DRL CA********** $199,934.10
03/09

4500-115

Bank of America Reque

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 200

BAC-PSI-02411

ph44585 on D330-44585-7600 with DISTILLER

568401.012

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Check Register

Citibank UHI Account
12/6/2007

Page 1

Date	Num	Transaction	Payment	C	Deposit	Balance
10/31/2007		Deposit TLR Br#: 00287 TID:04 9 memo: deposit cash given to me by nicole		c	5,000.00	21,526.86
10/31/2007		Ach-paychex Tps Taxes 103107	17.34	c		21,509.52
10/31/2007		Ach-paychex Tps Taxes 103107	5,792.98	c		15,716.54
10/31/2007		PAYCHEX PAYROLL [redacted]. cat: Nguema	14,593.70	c		1,122.84
11/1/2007		Deposit TLR Br#: 00287 TID:07 9 memo: depoist cah given to my by nicole		c	5,000.00	6,122.84
11/1/2007		Fee-fee-intl Wire	20.00	c		6,102.84
11/1/2007		Bank Branch 7025	5,000.00	c		1,102.84
11/1/2007		Int'l Funds Transfer - Citibusi	5,000.00	c		-3,897.16
11/1/2007		Fee-fee-intl Wire	20.00	c		-3,917.16
11/1/2007		Fee-fee-intl Wire	20.00	c		-3,937.16
11/1/2007		Int'l Funds Transfer - Citibusi	5,000.00	c		-8,937.16
11/1/2007		Fee-fee-intl Wire	20.00	c		-8,957.16
11/1/2007		Bank Branch 7025	5,000.00	c		-13,957.16
11/2/2007		Starlink Tours cat: Nguema memo: Invoices SL-6070 and 6052	3,020.20	c		-16,977.36
11/6/2007		Starlink Tours cat: Nguema memo: for Dider and Frank to come back from Brazil	300.00	c		-17,277.36
11/6/2007		Starlink Tours cat: Nguema memo: Invoices SL-6070 and 6052	300.00	c		-17,577.36
11/7/2007		Returned Check		c	875.00	-16,702.36
11/7/2007		Returned Check		c	988.32	-15,714.04
11/7/2007		Returned Check		c	3,773.75	-11,940.29
11/7/2007		Returned Check		c	875.00	-11,065.29
11/7/2007		Returned Check		c	988.32	-10,076.97
11/7/2007		Service Charge cat: Misc memo: SERVICE CHARGE	90.00	c		-10,166.97
11/7/2007		AT + T cat: Telephone	270.52	c		-10,437.49
11/7/2007		Service Charge cat: Misc memo: SERVICE CHARGE	90.00	c		-10,527.49
11/7/2007		AT + T cat: Telephone	270.52	c		-10,798.01
11/8/2007		Returned Check		c	176.84	-10,621.17
11/8/2007		Service Charge cat: Misc memo: SERVICE CHARGE	41.40	c		-10,662.57
11/8/2007		Service Charge cat: Misc memo: SERVICE CHARGE	30.00	c		-10,692.57
11/9/2007		Transfer Money cat: [BofA Attorney Client Trust]		c	169,143.26	158,450.69

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 201

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568401.013

UNLIMITED HORIZON, INC.

Account 202018867 Page 2 of 2
Statement Period - Feb. 1 - Feb. 29, 2008

000002/R1/20F01/0

Date	Description		Debits	Credits	Balance
2/14	CHECK NO:	1364	308.49		6,638.29
2/14	CHECK NO:	1366	41.37		6,596.92
2/15	CHECK NO:	1369	382.17		6,214.75
2/22	CHECK NO:	1361	176.72		6,038.03
	Total Debits/Credits		7,564.66	324.79	

Checks Paid

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
1356	2/01	796.09	1364*	2/14	308.49	1368	2/14	377.33	1371	2/14	475.71
1359*	2/01	1,964.80	1365	2/14	758.08	1369	2/15	382.17	1373*	2/12	25.67
1361*	2/22	176.72	1366	2/14	41.37	1370	2/12	490.19	1375*	2/06	500.00
1362	2/14	353.02	1367	2/12	875.23						

* Indicates gap in check number sequence Number Checks Paid: 14 Totaling: $7,524.67

IF YOU HAVE QUESTIONS ON:	YOU CAN CALL:	YOU CAN WRITE:
Checking	877-528-0990* (For Speech and Hearing Impaired Customers Only TDD: 800-945-0258)	Citibank, N.A. P.O. Box 26892 San Francisco, CA 94126-6892

For change in address, call your account officer or visit your branch.

*To ensure quality service, calls are randomly monitored.

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 203

C 0000056

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568401.014

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Other sources for these products include www.powerizergalaxy.com, www.skyrunners.com, http://www.powerjumperz.com/, and http://www.xphub.com. I am confident that we can find a source for these products that will be happy to accept a wire transfer.

I look forward to receiving your signed check request.

Sincerely,

Michael Berger

In a message dated 6/7/2007 8:12:47 P.M. Pacific Daylight Time, suellen_everett@[redacted] writes:

> Hi Michael,
>
> I'll fax you authorization in the form of a check request with a note about paying via credit card. The boss saw a guy running down the street in these contraptions and wanted them. In order to get them by Saturday we must pay via the link below first thing in the morning, they are in Ohio. Let me know if we can do this or if you have any questions or if you need any further detail.
>
> I left you a message about this on your cell.
>
> Thanks,
> Suellen

Michael Jay Berger
Certified Bankruptcy Law Specialist
The State Bar of California Board of Legal Specialization
Law Offices of Michael Jay Berger
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone (310) 271-6223
Fax (310) 271-9805
Website www.bankruptcypower.com

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Permanent Subcommittee on Investigations
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568401.015

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

August 23, 2007 Invoice #1516

Amount Due Now: $200,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$200,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 206

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01094 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.016

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

August 5, 2007 Invoice #1515

Amount Due Now: $200,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$200,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01095 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.017

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

Wire Transfer Information

Here is the information that you need to wire transfer money to my trust account:

Law Offices of Michael Jay Berger Attorney-Client Trust Account
Account # 16646 09603
Routing # 121000358 **(The Swift Code is the Same as the Routing #)**

Beneficiary Address: 9454 Wilshire Blvd, 6th Floor, Beverly Hills, CA 90212
Beneficiary Phone Number 310 271-6223

Name of Bank: Bank of America
Address of Bank: Attorney Trust Accounting
555 Capitol Mall Blvd. Suite 1555
Sacramento, CA
Bank Telephone Number 800 457 1782

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VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01096 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.018

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

November 29, 2007 Invoice #1520

Amount Due Now: $400,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$400,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01097 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.019

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

October 30, 2007 Invoice #1519

Amount Due Now: $200,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$200,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01098 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.020

Law Offices of Michael Jay Berger
9454 Wilshire Blvd., 6th Floor
Beverly Hills, California 90212-2929
Tel 310-271-6223 • Fax 310-271-9805
e-mail: mikeberger@aol.com

September 25, 2007 Invoice #1517

Amount Due Now: $200,000.00

Mr. Teodoro Nguema
3620 Sweetwater Mesa Road
Malibu, CA 90265

Retainer For Legal Services To Be Rendered To You And Costs To Be Paid For You Pursuant To Our July 26, 2006 Personal Services Agreement	**$200,000.00**

Sincerely,

Michael Berger
Law Offices of Michael Jay Berger

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01099 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.021

HALLING + SOKOL LLP
L A W Y E R S
23586 CALABASAS ROAD, SUITE 200
CALABASAS, CALIFORNIA 91302
TELEPHONE 818-222-4994 • 310-277-2080
FACSIMILE 818-222-4995 • 310-277-2084

STEVEN A. SOKOL
EMAIL ssokol@hallingsokol.com

March 11, 2009

Via Federal Express

Laura Stuber, Counsel
U.S. Senate Permanent Subcommittee on Investigations
199 Russell Senate Office Building
Washington, D.C. 20510

Re: Teodoro Obiang

Dear Ms. Stuber:

This replies to your e-mail transmitted February 25, 2009. Attached is a copy of your e-mail on which we have provided responses to the questions you posed, interlineated in bold. These responses are provided based on Mr. Baddin's recollection without further investigation.

The attachment is provided in response to Subpoena and contains information which is confidential. We request that your office and the Subcommittee treat it as such.

Yours sincerely,

HALLING + SOKOL LLP

Steven A. Sokol

SAS:wk
Attachment

248577

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 209

PSI-Coldwell_Banker-03-0001

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568401.022

From: Stuber, Laura (HSGAC) [mailto:Laura_Stuber@hsgac.senate.gov]
Sent: Wednesday, February 25, 2009 3:01 PM
To: Steven A. Sokol
Subject: Baddin follow up

Mr. Sokol,
Hello. As you know, we met with your client, Neal Baddin, last May to discuss real estate transactions involving Teodoro Obiang. We are continuing to look into this matter. Please have your client respond to the following questions:

1) In November of 2004, Mr. Baddin drew up an offer on the Sweetwater house for $27.5 million, which would be the first of four offers that Mr. Baddin would make on behalf of Teodoro Obiang for the Sweetwater property. Please provide the dollar amounts and dates for the offers and counter offers which were submitted by both Mr. Baddin and Hilton & Hyland.
Response: The first written offer prepared by Neal Baddin for the Buyer was November 1, 2004, for $27.0m. The Seller through Hilton & Hyland countered on November 4, 2004, at $32.0m. The Buyer through Mr. Baddin countered on November 5, 2004, at $27.5m. The Seller through Hilton & Hyland countered on November 8, 2004, at $31.5m. The Buyer through Mr. Baddin wrote a new offer on November 12, 2004, for $28.0m. The Buyer through Mr. Baddin wrote a new offer on September 30, 2005, for $28.5m. The Buyer through Mr. Baddin wrote a new offer on December 21, 2005, for $30.0m. The Seller through Hilton & Hyland countered on December 28, 2005, for $31.0m. The Buyer through Mr. Baddin countered on January 4, 2006, giving the Seller a choice of $30.0m for the residence alone, or $30.5m for the residence plus specified furnishings. The Seller, perhaps through his attorney, increased the price to $30.75m for the residence plus specified furnishings. The Buyer's attorney, George Nagler, e-mailed Mr. Baddin on January 25, 2006, notifying him that the Seller's attorney, Dennis Ellman, had informed him that the Seller had accepted the Buyer's offer of $30.75m for the residence plus specified furnishings. The price was allocated $30.0m for the residence, and $750,000 for specified furnishings.

2) What was final total price Mr. Obiang, through Beautiful Vision, paid for the Sweetwater house?
Response: Although the original offer prepared by Neal Baddin was from Beautiful Vision, the final offer prepared by Mr. Baddin was in the name of Teodoro Nguema Obiang. The Buyer's attorney, George Nagler, arranged during escrow for title to be closed under Sweetwater Mesa, LLC as Buyer. The final purchase price was $30.75m (not including any other fees and costs the Buyer may have paid).

3) While the settlement document for the Sweetwater property was signed and notarized on February 27th, according to Mr. Baddin, the deal was not recorded and therefore not

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568401.023

finalized until April 27, 2006, because the property was not actually delivered until April 2006. What was the reason for the delay from February to April 2006?
Response: The deed to the Buyer was executed prior to close of the sale. The deed remained in escrow until the Buyer placed sufficient funds into escrow, when the sale closed. During most of this time the Buyer's contingencies had not been removed. A supplemental escrow instruction dated April 16, 2006, to the effect that the Buyer would release another $500,000 to the Seller to extend the escrow to May 15, 2006, was circulated by the escrow holder.

4) What was the total dollar amount of commission received by Mr. Baddin upon the sale of the Sweetwater property?
Response: Mr. Baddin and Coldwell Banker received 1.0% of the sales price, or approximately $305,000. Of this, Mr. Baddin received approximately $240,000-$244,000.

5) What was the total dollar amount of commission received by Mr. Obiang upon the sale of the Sweetwater property?
Response: The Buyer (Sweetwater Mesa, LLC or Mr. Obiang) was credited 1.0% of the sales price, or approximately $305,000, through escrow, at the close of escrow.

6) According to Bates PSI Coldwell Banker 01-000706-7, Obiang originally deposited $500,000 into West Coast Escrow at Comerica Bank, which was affiliated with Coldwell Banker. On what date were these funds deposited into the West Coast Escrow account on behalf of Obiang? Was the $500,000 ultimately credited to the purchase of the Sweetwater house? If not, what became of it?
Response: The deposit was made on or about November 2005. Prior to the close of the sale, this deposit was transferred from West Coast Escrow to First American Title, the escrow holder through which the sale was made, and was credited as a portion of the purchase price.

7) Did Mr. Baddin and Michael Berger have a fee sharing agreement regarding potential real estate clients that Mr. Berger referred to Mr. Baddin? If so, please describe.
Response: Mr. Baddin and Mr. Berger had no formal agreement. Mr. Berger was paid a referral fee of $60,000.

Thank you for your assistance. I can be reached at 202/224-9579.
Laura Stuber
Counsel
U.S. Senate Permanent Subcommittee on Investigations
199 Russell Senate Office Building
Washington, D.C. 20510
(202) 224-9579

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568401.024

Subj: **Your party was awesome!**
Date: 9/15/2007
To: teono@[redacted]
BCC: GeorgeannNicol, zilin78@[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

Thank you very much for inviting me to your party and for being so nice to me at the party. I appreciate the super VIP treatment that you gave me. I appreciate you telling your friends that I am your attorney. I am proud to work for you.

Your party was AWESOME! The food was great, the drinks were better than great, the house, the view, the DJ, the white tiger were all SO COOL! Best of all were the people that I met there because of you. I had a great time, as did my associates Georgeann and Zi.

Thank you again for including me.

Sincerely,

Michael Berger

Michael Jay Berger
Law Offices of Michael Jay Berger
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone (310) 271-6223
Fax (310) 271-9805

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 210

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568401.025

Subj: **Accounting Attached September 25 - October 12, 2007**
Date: 10/12/2007
To: teono@s[redacted]
CC: noahrio@y[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Mr. Nguema:

As I reported to Nicole just before you left tonight, the wire transfer arrived this afternoon. The wire was in the amount of 199,906.82. Bank of America deducted a $10.00 charge for receiving the wire transfer. Nicole met with me at my office this evening and together we made sure that every approved bill was paid. The remaining balance in the account is $75,255.07.

I always enjoy working for you. Now I also enjoy partying with you. Your party on September 14 was AWESOME. I found out after you left that you have invited me to go to the Playboy Mansion with you for the Kandy Halloween Bash on October 26, 2007. I ACCEPT! I am very excited about going to this party with you. As always, I will try to be of assistance to you every way that I can.

Sincerely,

Michael Berger

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 211

SEN004651

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568401.026

BAKER BOTTS LLP

THE WARNER
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WASHINGTON, D.C.
20004-2400

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FAX +1 202.639.7890
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TEL +1 (202) 639-7780
FAX +1 (202) 585-1097
casey.cooper@bakerbotts.com

By Email

August 1, 2008

Ms. Laura E. Stuber
Counsel
Permanent Subcommittee on Investigations

Mr. Michael P. Flowers
Counsel to the Minority
Permanent Subcommittee on Investigations

Re: George I. Nagler

Dear Ms. Stuber and Mr. Flowers,

Enclosed please find, on behalf of our client George Nagler, responses to the Interrogatories directed by the Subcommittee to Mr. Nagler on June 26, 2008. We have devoted considerable effort to answering the Subcommittee's questions as fully as possible while, at the same time, working closely with Mr. Obiang's counsel to understand and abide by his assertions of privilege. The responses are based on Mr. Nagler's personal knowledge and recollection of the information requested. We hope that Mr. Nagler's cooperation in the Subcommittee's inquiry will, as you indicated in your letter of June 26th, obviate the need to inconvenience him with participating in further proceedings regarding this matter.

Should you have any questions about the enclosed responses, or any of the above, please do not hesitate to contact me.

Sincerely,

Casey Cooper

Casey Cooper

Enclosure

DC01:505487.2

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 215

PSI-Nagler-02-0001

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01105 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.027

RESPONSES ON BEHALF OF GEORGE I. NAGLER TO THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS' INTERROGATORIES DATED JUNE 26, 2008

1) Legal Services: Dates & Fees

Mr. Nagler acted as an attorney for Teodoro Nguema Obiang (the "Client") from approximately September 2005 through approximately September 2007. The legal services rendered by Mr. Nagler to the Client primarily involved the Client's purchase and occupancy of real property located at 3620 Sweetwater Mesa Road, Malibu, CA 90265 (the "Malibu Property"). The legal services principally related to corporate formation, employment, contract, financial, and property insurance issues. Additional information regarding Mr. Nagler's representation of the Client is reflected in the responses below.

Mr. Nagler's records reflect that he received the following amounts in fees from the client, by year: (i) 2005: $13,992; (ii) 2006: $152,393; (iii) 2007: $30,184. (No fees were received from 2000 through 2004).

2) Non-Legal Services: Dates & Fees

Mr. Nagler provided certain non-legal services to the Client for a period of less than two months in the summer of 2006. These services entailed paying certain expenses related to the Malibu Property from funds provided to him by the Client. Mr. Nagler provided these services on a temporary basis, as Mr. Nagler understood it, until the Client could locate a replacement for the property management company that had previously provided these services. Additional details regarding this service are provided in Responses 4 and 7. Mr. Nagler believes he received between $5,000 and $10,000 in fees for these services, which payments are included in the totals provided in Response 1 above.

3) Corporations & Limited Liability Companies

Beautiful Vision, Inc.

Mr. Nagler does not recall providing any services related to Beautiful Vision, Inc. and has no information concerning its purpose or activities.

Unlimited Horizon, Inc.

Mr. Nagler does not recall providing any services related to Unlimited Horizon, Inc. and has no information concerning its purpose or activities. On approximately four occasions, however, Mr. Nagler received checks from Unlimited Horizon, Inc., for the payment of legal services provided to the Client. These payments are included in the totals reflected in Response 1 above.

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Sweetwater Malibu LLC

Sweetwater Malibu LLC was formed to take title to the Malibu Property. The Client was the sole owner of the corporation at all times. Liza Cunanan served as the organizer of the corporation until her resignation as of February 9, 2006. Christine Nguyen served as manager from February 24, 2006 through March 2, 2006. The Client was the sole manager after March 2, 2006. Mr. Nagler was the agent for service of process until his resignation on May 8, 2008. The LLC had no employees.

To the extent this question asks Mr. Nagler to provide further information concerning particular legal services that he undertook on behalf of the Client with regard to the corporation, Mr. Nagler has been instructed by the Client's current counsel to withhold such information on the grounds of attorney-client privilege.

Mr. Nagler had no financial interest in this entity. To Mr. Nagler's knowledge, the Client provided Sweetwater Malibu LLC all necessary capital to secure title to the Malibu property, approximately $30 million. Mr. Nagler has personal knowledge of a bank account that was opened at Pacific Mercantile Bank in the name of Sweetwater Malibu LLC (discussed in Response 4), but is not aware of any contributions that the Client may have made to this account. Mr. Nagler understands that the Subcommittee has been provided documents showing an account relating to Sweetwater Malibu LLC opened at Cal National Bank by American Equity Properties, Inc. (d/b/a American Property Management). Mr. Nagler has no information about this account beyond what is reflected in the documents. Mr. Nagler is not aware of any other payments made directly to Sweetwater Malibu LLC by the Client.

Mr. Nagler is not aware of any payment made directly to the Client by Sweetwater Malibu LLC. Mr. Nagler is aware of two payments made from the Malibu Property's escrow account into his own trust account, which are described in Response 7.

Sweetwater Management, Inc.

Sweetwater Management, Inc. was formed to employ individuals at the Malibu Property and to handle payroll and other matters related to the employment of those individuals. The Gregory Holden Corporate Services company ("Gregory Holden Co.") provided a filing service in connection with the establishment of the corporation. As part of the service, Erin Feuerbach (of Gregory Holden Co.) signed the articles as the incorporator, resigning as of May 23, 2006. The Client served as the sole director, President, Secretary and Chief Financial Officer of the corporation. For a short period from approximately May 31, 2006 through approximately September 25, 2006, Melinda DeHaven, the Client's executive assistant, served as Vice-President and Secretary of the corporation. Mr. Nagler served as the agent for service of process until his resignation on May 8, 2008. Finally, Sweetwater Management, Inc. employed a number of individuals at the Malibu Property, including executive assistants, estate managers, housekeepers, and gardeners.

To the extent this question asks Mr. Nagler to provide further information concerning particular legal services that he undertook on behalf of the Client with regard to the corporation,

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Mr. Nagler has been instructed by the Client's current counsel to withhold such information on the grounds of attorney-client privilege.

As described in Response 2, Mr. Nagler also assisted the Client with certain non-legal services related to the management of the payroll of Sweetwater Management, Inc. employees for approximately two months, from June 26, 2006 through August 23, 2006.

Mr. Nagler had no financial interest in this entity. To Mr. Nagler's knowledge, the Client provided all funds received by Sweetwater Management, Inc. Based on corporate minutes dated May 23, 2006, Mr. Nagler assumes that the Client made a capital contribution of $25,000. Mr. Nagler assisted the Client in opening a bank account at Pacific Mercantile Bank in the name of Sweetwater Management, Inc. (discussed in Response 4), but has no knowledge of any contributions the Client may have made to this account. Mr. Nagler understands that the Subcommittee has been provided documents showing that two accounts relating to Sweetwater Management, Inc. were opened at Cal National Bank by American Equity Properties, Inc. Mr. Nagler has no knowledge about these accounts beyond what is reflected in these documents. Mr. Nagler is not aware of any other payments made directly to Sweetwater Management, Inc. by the Client, nor is he aware of any payments made directly to the Client by Sweetwater Management, Inc.

During the approximately two month period when Mr. Nagler assisted the Client with the payment of payroll and household expenses, Mr. Nagler made four payments out of his trust account to the payroll service, Paychex, on the following dates and in the following amounts, all of which Mr. Nagler understands were used to pay wages due to the employees of Sweetwater Management, Inc. and the appropriate payroll tax obligations of the company:

- 6/30/06: $12,683;
- 7/13/06: $11,265;
- 7/27/06: $14,235; and
- 8/15/06: $17,879.

Sweet Pink, Inc.

Sweet Pink, Inc. was formed to employ individuals at the home the Client maintained before he purchased the Malibu Property and to handle payroll and other matters related to the employment of those individuals. The Client was the sole owner. According to draft corporate minutes: (i) the Client was to be elected Assistant Treasurer of the corporation; (ii) his executive assistant at the time, Rosalina Romo, was to be elected President, Secretary and Chief Financial Officer of the corporation; and (iii) Christine Nguyen was to serve as Vice President of the corporation from September 23, 2005 through October 5, 2005. Mr. Nagler does not know whether the draft corporate minutes were fully executed. Gregory Holden Co. provided a filing service in connection with the establishment of the corporation. As part of the service, Kathy Gudel (of Gregory Holden Co.) signed as the incorporator and resigned from any position with the corporation on September 23, 2005.

To the extent this question asks Mr. Nagler to provide further information concerning particular legal services that he undertook on behalf of the Client with regard to the corporation,

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Mr. Nagler has been instructed by the Client's current counsel to withhold such information on the grounds of attorney-client privilege.

Mr. Nagler had no financial interest in this entity. To Mr. Nagler's knowledge, the Client was the sole source of funding for the creation of the corporation and owned 100% of the entity. According to draft corporate minutes, the Client advanced approximately $2,000 in September 2005. Mr. Nagler understands that the Subcommittee has been provided documents indicating that a bank account relating to Sweet Pink, Inc. was opened at Union Bank, discussed below in Response 4. Mr. Nagler understands that the Subcommittee has also been provided documents suggesting that another bank account relating to Sweet Pink, Inc. may have been opened sometime prior to February 2006, which is also discussed below in Response 4. Mr. Nagler is not aware of any other payments greater than $5000 made to the entity by the Client, made by the Client to the entity, or by the entity on behalf of the Client.

4) Bank Accounts

Pacific Mercantile Bank

The Client opened one or more bank accounts at Pacific Mercantile Bank, 9720 Wilshire Boulevard, Beverly Hills, CA 90212 on or about September 15, 2006. Mr. Nagler understood that these accounts were intended to hold funds that were needed to pay for the Client's living expenses in Los Angeles, including expenses related to the Malibu Property. Mr. Nagler understands that the Subcommittee is in possession of account applications showing these accounts to be as follows: (i) a personal checking account in the name of Teodoro Obiang Nguema; (ii) a personal savings account in the name of Teodoro Obiang Nguema; (iii) a Certificate of Deposit in the name of Teodoro Obiang Nguema; (iv) an account in the name of Sweetwater Management, Inc. (type unknown); and (v) an account in the name of Sweetwater Malibu LLC (type unknown).

Mr. Nagler understands that these account applications also reflect that (i) the Client was the sole signatory and only individual listed on these accounts; and (ii) the Client was the beneficial owner on each of these accounts, along with Sweetwater Malibu LLC and Sweetwater Management, Inc. on two accounts. Mr. Nagler does not know if anyone other than the Client made deposits to these accounts.

To the best of Mr. Nagler's knowledge, the Client was the primary person who communicated with the bank and supplied information to the bank concerning the accounts. Mr. Nagler initially introduced the Client to Fred Alavi, Executive Vice President of Pacific Mercantile Bank, and accompanied the Client to his first meeting with Mr. Alavi. Mr. Nagler provided information about the Client and the formation of the two corporations (Sweetwater Malibu LLC and Sweetwater Management, Inc.) to Mr. Alavi as requested. To Mr. Nagler's recollection, his communication with the bank concerning the account after that meeting was minimal. He is aware that the bank closed the accounts but does not recall the precise date. Mr. Nagler is not aware of anyone else communicating with the bank regarding these accounts other than the Client. Mr. Nagler is not aware of any communications from law enforcement or government regulators regarding any of these accounts.

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George Nagler Trust Account

Mr. Nagler has maintained a trust account at City National Bank, 400 N. Roxbury Drive, Beverly Hills, CA for many years. From on or about June 26, 2006 through August 23, 2006, Mr. Nagler, at the Client's request, paid certain of the Client's household and living expenses from this account, with funds provided by the Client for that purpose. Mr. Nagler understood that a property management company had formerly handled the payment of these expenses. He further understood that his paying of the expenses would be temporary, while the Client located a replacement for that property management company to provide this service. The trust account at City National Bank remains open.

Mr. Nagler was the sole signatory on this account, the only person named on the account, and the only person who deposited funds into the account. Further, Mr. Nagler was the only person who communicated with the bank with regard to the account and the only person who supplied information to the bank concerning the account. Mr. Nagler was the only person who initiated and implemented decisions with regard to the account. The funds in the trust account are owned by the clients whose funds were deposited there. Mr. Nagler does not have any funds of the Client in the account presently.

Mr. Nagler is not aware of any communications from any law enforcement, government regulators or financial institutions regarding this account.

Paychex Payroll Account

Mr. Nagler recalls opening a Paychex account on behalf of Sweetwater Management, Inc. around the time he began assisting the Client with the payment of his expenses and payroll as discussed above. Mr. Nagler understands that the Client had at least one prior existing Paychex account, established by American Equity Properties, Inc., but Mr. Nagler has personal knowledge only of the account that he was involved in initiating. Paychex provided a full range of payroll check writing, direct deposit, and payroll tax services.

The Paychex account manager had check-signing authority. The beneficial owners of the account were Sweetwater Management, Inc. and the Client. During the approximately two-month period that Mr. Nagler paid certain of the Client's household and living expenses from his trust account, Mr. Nagler was listed on the Paychex account and was authorized to transfer the approved payroll amounts to the Paychex account manager. The Client was responsible for decisions concerning the account and approved the amounts paid from the account. During that period, Mr. Nagler deposited funds, communicated with Paychex regarding the account, and supplied information concerning the account. Mr. Nagler was removed from the account on or about August 23, 2006. Mr. Nagler does not know whether the Client continued to use the service after this time, or, if so, who communicated with Paychex concerning the account.

Mr. Nagler is not aware of any communications from any law enforcement, government regulators or financial institutions regarding this account.

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Union Bank Account

Mr. Nagler understands that the Subcommittee has been provided documents indicating that in or around September and October 2005, he corresponded with Marvin Freedman, an accountant retained by the Client to maintain the books and records of Sweet Pink, Inc., regarding the establishment of a bank account for the corporation at Union Bank in Encino, California. Apart from the activities reflected in that correspondence, Mr. Nagler was not involved in the opening of the Union Bank account. He does not recall any communications with the bank, or any law enforcement or government regulator, regarding the account. Mr. Nagler believes the account was closed in 2005, although he is not aware of the precise date. Mr. Nagler understands that the Subcommittee has been provided documents discussing what may be another Sweet Pink bank account, in or about February, 2006. However, Mr. Nagler does not specifically recall this account.

Cal National Bank Accounts

Mr. Nagler understands that the Subcommittee has been provided documents indicating that American Equity Properties, Inc. (d/b/a American Property Management) opened three accounts relating to Sweetwater Malibu LLC and Sweetwater Management Inc. at Cal National Bank, to be used for household expenses and payroll. Mr. Nagler recalls no other information about these accounts apart from the information reflected in the documents.

Unlimited Horizon, Inc.

Mr. Nagler is aware of the existence of an account opened in the name of Unlimited Horizon, Inc. solely because he received legal fees paid from that account as provided in Response 3.

5) Accounts with a connection to Mr. Obiang

Mr. Nagler believes that all information responsive to this question has been provided in Response 4.

6) Transfer of Funds from Equatorial Guinea, Somagui Forestal, and Socage

Transfer 1: On October 19, 2005, approximately $11,992 was transferred by Somagui Forestal Bata into Mr. Nagler's City National Bank client trust account. The purpose of the transfer was the payment of legal fees for legal services provided to the Client. Although Mr. Nagler understands that the Client is somehow associated with Somagui Forestal Bata, he has no knowledge of the nature of Somagui Forestal Bata's business or the Client's relationship to it.

Transfer 2: On January 18, 2006, approximately $11,953 was transferred by Somagui Forestal Bata into Mr. Nagler's City National Bank client trust account. The purpose of the transfer was the payment of legal fees for legal services provided to the Client. Although Mr. Nagler understands that the Client is somehow associated with Somagui Forestal Bata, he has no knowledge of the nature of Somagui Forestal Bata's business or the Client's relationship to it.

Transfer 3: On March 23, 20006, approximately $14,240 was transferred by Somagui Forestal Bata into Mr. Nagler's City National Bank client trust account. The purpose of the

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transfer was the payment of legal fees for legal services provided to the Client. Although Mr. Nagler understands that the Client is somehow associated with Somagui Forestal Bata, he has no knowledge of the nature of Somagui Forestal Bata's business or the Client's relationship to it.

Transfer 4: Additionally, Mr. Nagler recalls that one or more of the payments that went into the purchase escrow account came from a foreign bank. Mr. Nagler understands that the Subcommittee has been provided documents showing that that the foreign bank was located in Equatorial Guinea. Mr. Nagler also understands that the Subcommittee has been provided documents showing that the payments into escrow were comprised of a $900,000 deposit in February 2006, and a series of $5,908,400 payments made during April 2006 to First American Title Company,[1] the company handling the purchase escrow.

7) **Attorney-Client Trust Accounts**

From on or about June 26, 2006 through August 23, 2006, Mr. Nagler paid certain of the Client's household and living expenses from his trust account, at the Client's request and with funds provided by the Client for that purpose, as discussed more fully in Response 4. While Mr. Nagler objects to this service being characterized as "hold[ing] funds" or "serv[ing] as a pass through" to the entities set forth in the interrogatory, we nonetheless include this information in the interest of full disclosure. In addition, attached is a report of all the transactions made from the sub-account within his trust account used to pay expenses related to the Client and the Client's corporations for the period indicated.[2] Except as indicated below, Mr. Nagler does not recall using his trust account to hold funds for the Client or any of his entities at any other time, or for any other purpose apart from payment for legal services rendered.

The sub-account was funded through the following transfers.

Transfer 1: On June 26, 2006, approximately $213,149 was transferred by American Equity Properties, Inc., 1460 Westwood Blvd. #200, Los Angeles, into Mr. Nagler's City National Bank client trust account and went entirely into the sub-account used for paying the Client's expenses. The money represented the proceeds of three accounts that American Equity Properties, Inc. maintained on behalf of Sweetwater Malibu LLC and Sweetwater Management, Inc. Those accounts were closed by Cal National Bank, and the proceeds were transferred to Mr. Nagler's client trust account, so that he could pay the household expenses and payroll in the interim. The funds transferred were used, at the direction of the Client, to pay legal fees, as well as payroll and expenses from June 26, 2006 through August 23, 2006.

Transfer 2: On May 5, 2006, approximately $107,580 was transferred by First American Title Company into Mr. Nagler's City National Bank client trust account. The money represented the proceeds of the Malibu Property escrow account remaining after payment of the purchase price and other costs. $50,000 of the transferred funds were used, at the direction of the Client, to pay legal fees, and $4,456.40 was paid to the IRS to settle a tax dispute on behalf of the Client. The remaining approximately $53,124 was transferred into the sub-account used for

[1] The company handling the purchase escrow was First American Title Company, 520 North Central Avenue, Glendale, California 91203, under escrow [redacted].

[2] Due to a clerical error, one expense payment – a payment of approximately $1072 made to Erik Foss on August 1, 2006 – is not reflected on attached sub-account spreadsheet.

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payment of the Client's household and living expenses on July 18, 2006, and was used towards those expenses at the direction of the Client until Mr. Nagler stopped paying such expenses on or about August 23, 2006.[3]

Transfer 3: On July 27, 2006, approximately $47,500 was transferred by First American Title Company into Mr. Nagler's City National Bank client trust account. This amount represented the rent paid by the seller to the Client for occupancy of the Malibu Property after closing. The funds transferred were used, at the direction of the Client, for the payment of payroll and expenses until Mr. Nagler stopped paying such expenses on or about August 23, 2006.

8) Concealment and Mischaracterization of Accounts

Mr. Nagler recalls no such instruction or guidance.

9) Concealment and Mischaracterization of Accounts, cont.

Mr. Nagler does not believe that he ever concealed or mischaracterized the Client's association with any account.

10) Inquiries by Financial Institutions and Insurance Companies

Mr. Nagler recalls no such inquiries or discussions apart from the discussion with Mr. Alavi prior to the Client's opening accounts at Pacific Mercantile Bank, as described in Response 4.

11) Sale of the Antelo, Sweetwater, and Other Property

The only sale or purchase of property by the Client in which Mr. Nagler was involved was the purchase of the Sweetwater property. The listing agent was Hilton and Hyland. Mr. Nagler provided legal services to the Client associated with the purchase of this property.

To the extent this question asks Mr. Nagler to provide further information concerning particular legal services that he undertook on behalf of the Client with regard to the purchase, Mr. Nagler has been instructed by the Client's current counsel to withhold such information on the grounds of attorney-client privilege.

Mr. Nagler recalls that the Client had funds wire-transferred to the escrow holder, First American Title Company. Mr. Nagler does not know the source of the Client's funds, except that he recalls that the funds came from a foreign bank, as described in Response 6. Mr. Nagler did not receive any of the purchase money. He recalls that it was wired directly to the escrow holder, First American Title Company. The only moneys that Mr. Nagler recalls receiving into any of his accounts in connection with the property purchase were for payment of his legal fees, and the transfers from escrow into his trust account described above in Response 7.

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[3] A report reflecting the breakdown of this approximately $107,580 and the payment in settlement of the tax issue is also attached.

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12) PayPal and Paychex Accounts

Mr. Nagler opened a Paychex account as described in Response 4.

13) Original Contact with Mr. Obiang

Mr. Nagler recalls that the Client's executive assistant contacted him in August 2005 and arranged a meeting. Based on Mr. Nagler's understanding, she located him on the internet.

14) First Retainer Agreement with Mr. Obiang

Mr. Nagler was originally retained in September 2005.

15) Current Relationship with Mr. Obiang

Mr. Nagler has no current attorney-client or other business relationship with the Client or any of his entities.

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Trust Account

7/11/08

Category Report

1/1/05 Through 7/11/08

Date	Num	Description	Memo	Category	Clr	Amount
6/26/06	DEP	... deposit		[Client Trust Fnl/Obi 1612-5 LLC Bk	R	203,222.80
				[Client Trust Fnl/Obi 1612-5 LLC Bk	R	6,926.50
				[Client Trust Fnl/Obi 1612-5 LLC Bk	R	3,000.00
6/26/06		bank charge	TNO wire charges	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-36.00
6/26/06	2111	Melinda DeHaven	medical ins for June 2006	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-537.48
6/26/06	2112	Erik Foss	reimburse car transport	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-300.00
6/26/06	2114	**VOID**Main Line Auto Transport	Erik Foss auto transport	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
6/30/06	2116	Ceridian CobraServ Center	Melinda med ins	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-537.48
6/30/06	2117	George Nagler	Sweetwater Payroll [redacted]	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-12,683.05
7/3/06	DEP	deposit	Payroll amount reduced	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	876.42
7/3/06	DEP	**VOID**deposit	[redacted] (payroll for 6/30)	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
7/5/06	3013	ADT	Obiang [redacted] Crest Co...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-209.00
7/5/06	3014	**VOID**Melanie Barger	Obiang, Travel on Singapore Airlines ...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
7/5/06	3015	**VOID**Sonny Tan	Obiang, reimburse phone, cable, pum...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
7/5/06	3016	T-Mobile	Obiang, cell phone A/C [redacted]	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-2,933.14
7/5/06	3017	Botanica	Obiang, 3620 Sweetwater plants	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-479.00
7/5/06	3018	The Gas Company	Obiang, Crest court utilities	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-97.41
7/5/06	3019	Celebrity Cleaners	Obiang, Crest Court dry cleaning	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-448.85
7/5/06	3020	Progressive Choice Insurance Co.	Obiang, car insurance 3/28/06-9/28/06	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-315.02
7/5/06	3021	Aspire	Obiang, charge card - Union 76 gas	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-37.86
7/5/06	3022	DMV Renewal	Obiang, Mercedes Benz, [redacted]	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-2,311.00
7/5/06	3023	DMV Renewal	Obiang, renewal Rolls Royce 5MHM057	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-1,961.00
7/6/06	3025	R. A. Travel Inc	Melanie Barger Inv #10023514	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-6,022.00
7/12/06	3024	**VOID**George Nagler	Sweetwater payroll 6/30 balance	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
7/12/06	3026	Benny's Piano Movers	Move Piano, 12038 Crest Court, BH	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-1,200.00
7/12/06	3027	ADT	Obiang [redacted] 12038 Crest ...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-879.16
7/12/06	3028	Cingular Wireless	[redacted] Melinda DeHaven	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-65.75
7/12/06	3029	R.A. Travel	Tickets Barger/Butler, pd. $5,022 of $...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-6,678.00
7/13/06	3030	DMV Renewal	Motorcycle Grande, [redacted]	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-183.00
7/13/06	3031	George Nagler	7/14 payroll -Sweetwater Management	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-11,264.50
7/13/06	3032	A A Backflow	Fix broken valves, 3620 Sweetwater	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-496.00
7/13/06	3033	Melinda DeHaven	food/supplies for Nguema's arrival	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-3,000.00
7/13/06	3034	The Fish Physician	Fish care/pond, 3620 Sweetwater	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-713.55
7/13/06	3035	Southern California Gas Company	security deposit/utilities, 3620 Sweetw...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-910.57
7/13/06	3036	Jose Lopez - Greens Keeper	Golf Course Maintenance, 3620 Swee...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-800.00
7/13/06	3037	Full Throttle Transport	Deposit for Nortech Boat Transfer	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-813.00
7/13/06	3038	Full Throttle Transport	Balance of Nortech Boat Transfer	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-7,525.00
7/13/06	3039	**VOID**Raffles L'Ermitage	5 nights reservation $4,372.70 canc 5/...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	0.00
7/13/06	3040	SC Performance Marine	Boat Rental Space - one month	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-935.00
7/13/06	3041	Sandra Davenport C/o Campbell Travel	Flight NY/LA/NY for Elshia Brightwell	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-4,680.60
7/13/06	3042	LA County Waterworks		[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-488.46
7/13/06	3043	LA County Waterworks	Water bill, 1 of 3 meters, 3620 Sweet...	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-532.50
7/13/06	3044	The Schultz Co.	Roof repair, 3620 Sweetwater	[Client Trust Fnl/Obi 1612-5 LLC Bk	R	-4,200.00

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Category Report

1/1/05 Through 7/11/08

Date	Num		Description	Memo	Category	Clr	Amount
7/13/06	3045		Sonny Tan	replace 3016 on 7/18	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,088.95
7/18/06	3046		George Nagler	44,000 + 6,000	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-49,000.00
7/18/06	3047		Blackhorse Motors, Inc.	Obiang, service on Ferrari 512 Licens...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-9,544.15
7/18/06	3049		Dolce & Gabbana	Obiang, clothing	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-14,681.00
7/18/06	3050		T-Mobile	Obiang, Acct.#[redacted]	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-5,112.26
7/18/06	3051		D Sam Designs	3620 Sweetwater, inv. 7/13/06, rug cle...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-5,356.33
7/18/06	3052		Fitz Stiles	3620 Sweetwater, rug deodorizing	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-300.00
7/18/06	3053		The Gas Company	utilities, 3620 Sweetwater-front, Acct....	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-46.42
7/20/06		S	Transfer From Purchase To LLC	transfer to LLC Trust Account	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	53,123.71
7/20/06	3048		All City Tow Service	Obiang	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,620.00
7/20/06	3054		Starlink Tours	Inv. #SL-3154 7/20/06 re K.D. Aubert	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-8,908.81
7/20/06	3055		Jose Lopez	3620 Sweetwater, maintenance 7/3 - ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-650.00
7/20/06	3056		Reina Cordero	3620 Sweetwater Mesa, daily housek...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,612.60
7/20/06	3057		Four Seasons Wholesale Nursery	3620 Sweetwater Mesa, flowers for M...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-633.26
7/20/06	3058		A A Backflow	Inv. 42182, 3620 Sweetwater, testing ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-240.00
7/20/06	3059		AT&T	12038 Crest Ct., Acct. [redacted] ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-365.52
7/20/06	3060		Charter Communications	Sweetwater-Guest House, Acct.#2001...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-157.63
7/20/06	3061		Charter Communications	Sweetwater-Gate House [redacted].	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-144.41
7/20/06	3062		**VOID**City Of Malibu	3620 Sweetwater, Alarm Permit Appli...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	0.00
7/20/06	3063		Dish Network	12028 Crest, A/C[redacted]	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-117.61
7/20/06	3064		GI Industries	Sweetwater-trash backup, A/C 800-01...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-352.26
7/20/06	3065		Ed Lopez	3520 Sweetwater, Inv.# 1397, mo. po...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-275.00
7/20/06	3066		**VOID**George Nagler	Sweetwater Management, payroll tax	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	0.00
7/20/06	3067		Washington Mutual	Providian, Crest Ct., A/C[redacted]...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-191.43
7/20/06	3068		Robert Saurman	Inv. #1569, UHF Radios - Malibu Esta...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,695.40
7/20/06	3069		Saurman Investigative Services	Sweetwater, Case [redacted] 7/31...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-34,454.00
7/20/06	3070		Sonny Tan	Sweetwater/Obiang, [redacted]...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-772.93
7/20/06	3071		Sonny Tan	Sweetwater/Obiang, Inv. 401, 6/28 to ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-2,014.39
7/20/06	3072		The Gas Company	utilities, 12038 Crest, A/C 198 212 92...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-110.98
7/20/06	3073		The Tropics	12038 Crest, Obiang, June plant main...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-285.00
7/20/06	3074		Verizon	3620 Sweetwater, [redacted]...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,042.00
7/20/06	3075		Wilshire Center Insurance	Obiang/Hagerty Ins. A/C 251481	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-3,744.00
7/21/06	DEP		deposit	deducted from Erik Foss for Sweetwat...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	250.00
7/27/06	DEP		deposit	from Sweetwater escrow - rent procee...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	47,500.00
7/27/06	3076	...	George Nagler	July 31 payroll & employer's payroll tax	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-14,234.40
7/28/06	3079		George Nagler	Paychex fee for June/06	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-76.86
8/1/06	3082		Erik Foss	plane & car transportation allowance ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,890.00
8/1/06	3085		Charter Communications	Sweetwater-Gate House #255002	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-107.00
8/1/06	3086		Charter Communications	Sweetwater-Main House #204802	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-91.10
8/1/06	3087		Charter Communications	Sweetwater-Guest House #229802	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-120.22
8/1/06	3088		City Of Malibu	3620 Sweetwater, Alarm Permit Appli...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-44.00
8/1/06	3089		City of West Hollywood	Parking Ticket #[redacted] Yellow ...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-35.00
8/1/06	3090		**VOID**DMV Renewal	License # 5KWV803 Maybach 2005 D...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	0.00
8/1/06	3091		Mike Dworkin	Inv. #1587, Sweetwater Mesa Mgt., m...	[Client Trust Fn]/Obi 1612-5 LLC Bk	R	-1,500.00

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Trust Account 7/11/08

Category Report

1/1/05 Through 7/11/08

Date	Num	Description	Memo	Category	Clr	Amount
8/1/06	3092	The Gas Company	3620 Sweetwater Mesa/gate house #...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-6.43
8/1/06	3093	**VOID**The Gas Company	3620 Sweetwater Mesa/main house #...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	0.00
8/1/06	3094	The Gas Company	3620 Sweetwater Mesa/guest house #...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-69.68
8/1/06	3095	Key Electric	WO# 217580/proposal #148302, Cres...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-925.00
8/1/06	3096	**VOID**Ed Lopez	3620 Sweetwater, Inv.#1422, mo. poo...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	0.00
8/1/06	3097	Ceridian CobraServe Center	Melinda DeHaven	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-537.48
8/1/06	3098	Celebrity Cleaners	Obiang/dry cleaning, ticket #139-380, ...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-1,315.70
8/1/06	3099	Mercedes Benz Of Beverly Hills	Inv.# 561876, SLR 2005 service	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-3,801.28
8/1/06	3100	Verizon	Melinda DeHaven[redacted]...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-204.51
8/1/06	3101	Ed Lopez	3620 Sweetwater, Inv.#1422, mo. poo...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-945.00
8/1/06	3102	The Gas Company	3620 Sweetwater Mesa/guest house #...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-201.55
8/4/06	3103	Verizon	Sweetwater Malibu LLC [redacted]...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-1,865.87
8/7/06	3104	All City Tow Service	Obiang	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-175.00
8/7/06	3105	Cames' Security Monitoring, Inc.	Sweetwater, #[redacted], 35 & ___?	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-768.00
8/7/06	3106	Fish Physician	Sweetwater, Inv. # SM072006 July 7, ...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-885.00
8/7/06	3107	Four Seasons Wholesale Nursery	Sweetwater, flowers & fertilizer Malibu...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-2,683.21
8/7/06	3108	Noble Heating & Air Conditioning	Sweetwater, Inv.#3509, fix air conditio...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-297.50
8/7/06	3109	Starlink Tours	Inv.#SL-3154	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-15,845.13
8/7/06	3110	Reina Cordero	3620 Sweetwater Mesa, daily housek...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-1,325.00
8/7/06	3111	GI Industries	Sweetwater-trash August, A/C 800-01...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-230.24
8/7/06	3112	Robert Saurman	Sweetwater/supplies for June	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-145.54
8/7/06	3113	Robert Saurman	Sweetwater/7/20 to 7/31/06	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-10,944.00
8/7/06	3114	Sol Window Coverings	Sweetwater, Inv.#1053, repair shade f...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-44.39
8/7/06	3115	Sonny Tan	Sweetwater/Obiang, Inv. 405	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-996.85
8/7/06	3116	Trapper Howell	Sweetwater, Inv. #13570, rodent control	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-583.00
8/11/06	3117	**VOID**Blackhorse Motors, Inc.	Obiang, service on Ferrari F50 Deposit	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	0.00
8/14/06	3118	Black On Black Motocars	Obiang, service of Ferrari F50 Deposit	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-6,000.00
8/14/06	3119	**VOID**Blackhorse Motors, Inc.	TNO, service Ferrari F50, Est.#62 ST...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	0.00
8/14/06	3120	Botanica	Obiang/Sweetwater 7/20-8/19 & movi...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-679.00
8/14/06	3124	Fire Protection Services	Sweetwater, monthly fire protection m...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-640.00
8/15/06	3125	George Nagler	August 15 payroll Sweetwater Manag...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-17,879.41
8/15/06	3126	George Nagler	Paychex charge for July	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-133.64
8/21/06	3127	DMV Renewal	[redacted], replacement check for #3...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-1,792.00
8/23/06	3128	Jose Lopez - Greens Keeper	Golf Course Maintenance, 3620 Swee...	[Client Trust Fnj/Obi 1612-5 LLC Bk	R	-800.00
	TOTAL 1/1/05 - 7/11/08					5,291.72

TOTAL INFLOWS	314,899.43
TOTAL OUTFLOWS	-309,607.71
NET TOTAL	5,291.72

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Trust Account

7/11/08

Report - Malibu LLC Trust Act

1/1/05 Through 7/11/08

Date	Num	Description	Memo	Category	Clr	Amount
5/2/06	DEP	deposit	TNO's proceeds from escrow	[Client Trust Fnl/Obl 1612-14 Pro	R	107,580.11
5/2/06	2106	George Nagler	fees	[Client Trust Fnl/Obl 1612-14 Pro	R	-50,000.00
6/23/06	2115	Dept of The Treasury (IRS)	Employment Tax Assessment 2002	[Client Trust Fnl/Obl 1612-14 Pro	R	-4,456.40
7/20/06	S	Transfer From Purchase To LLC	transfer from Escrow proceeds	[Client Trust Fnl/Obl 1612-14 Pro	R	-53,123.71
TOTAL 1/1/05 - 7/11/08						0.00
TOTAL INFLOWS						107,580.11
TOTAL OUTFLOWS						-107,580.11
NET TOTAL						0.00

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From: GNagler [mailto:gnagler@pacbell.net]
Sent: Thursday, September 15, 2005 12:48 PM
To: 'linaromo21@[redacted]
Subject: RE: Mr. Teodoro Nguema Obiang

Lina, thank you for your kind note and telephone call. Attached is a slightly revised engagement letter clarifying that I will be forming a regular corporation for Mr. Nguema. Please have Mr. Nguema sign and date the letter provide his US social security number if he has one. You should send me your social security number as we will need it when we apply for a tax identification number for the corporation. I also am mailing an identical letter so that he will have a signed original from me for his files.

Please also give me two or three names that would be acceptable for the corporation. The reason for two or three names is that there are so many names taken already and we want to be able to choose one that is not similar to any other name in use.

Please let me know what will be convenient for delivering the retainer amount.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 200 0407
Fax: (310) 278-7584

From: linaromo21@aol.com [mailto:linaromo21@[redacted]]
Sent: Thursday, September 15, 2005 11:57 AM
To: gnagler@pacbell.net
Subject: Mr. Teodoro Nguema Obiang

Hello Mr. Nagler,

I just got back in town. I was gone for a whole month. I am now checking my email, i would like to continue forward with our business venture. I would like to meet with you again if possible. PLease advise if this is possible. I hope to speak to you soon. Thanks for all your help.

LINA ROMO

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, California 90210 Tel: 310·278·0034 Fax: 310·278·7584 gnagler@pacbell.net

September 15, 2005

NO. OF PAGES:	2 (incl. Cover page)	DATE:	September 15, 2005
ATTENTION:	Margaret/Gregory-Holden	TIME:	4:16 PM
FAX NUMBER:	916 446 4809	RE:	Sweet Pink, Inc.
FROM:	George I. Nagler, Esq.		

Please complete the Articles of Incorporation of Sweet Pink, Inc. for filing with the Secretary of State. The name appears available. Please complete by signing and dating and fax us a completed copy for your files.

Please mail the certified copies when you receive them.

Please advance $115 payable to the Secretary of State which covers the filing of the Articles of Incorporation and the over-the-counter processing fee, then include this in your billing and we will remit payment.

Thank you for your assistance.

GIN:lrc
Encl.

Any transmission problem, please call 310 278 0034

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 222

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State of California
Kevin Shelley
Secretary of State
STATEMENT OF INFORMATION
(Domestic Stock Corporation)

[redacted]

1. CORPORATE NAME: (Please do not alter if name is preprinted.)

Sweet Pink, Inc.

This Space For Filing Use Only

[redacted]

2. ☐ CHECK HERE IF THE CORPORATION IS PUBLICLY TRADED. IF PUBLICLY TRADED, COMPLETE THIS STATEMENT OF INFORMATION AND THE CORPORATE DISCLOSURE STATEMENT (FORM SI-PTSUPP). SEE ITEM 2 OF INSTRUCTIONS.

[redacted]

3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE c/o George Nagler 468 N. Camden Drive #200		CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY c/o George Nagler 468 N. Camden Drive #200		CITY Beverly Hills,	STATE CA ZIP CODE 90210
5. MAILING ADDRESS c/o George Nagler 468 N. Camden Drive #200		CITY AND STATE Beverly Hills, CA	ZIP CODE 90210

[redacted]

6. CHIEF EXECUTIVE OFFICER/ Rosalina Romo c/o George	ADDRESS Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
7. SECRETARY/ Rosalina Romo c/o George	ADDRESS Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
8. CHIEF FINANCIAL OFFICER/ Rosalina Romo c/o George	ADDRESS Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210

[redacted]

9. NAME Rosalina Romo c/o George	ADDRESS Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
10. NAME	ADDRESS	CITY AND STATE	ZIP CODE
11. NAME	ADDRESS	CITY AND STATE	ZIP CODE

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: -0-

[redacted]

13. NAME OF AGENT FOR SERVICE OF PROCESS
George I. Nagler, Esq.

14. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL 300 North Swall Drive, #253	CITY Beverly Hills,	STATE CA	ZIP CODE 90210

[redacted]

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Management Services

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

Rosalina Romo TYPE OR PRINT NAME OF OFFICER OR AGENT	SIGNATURE	President TITLE	DATE

SI-200 C (REV 04/2003) APPROVED BY SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 223

Confidential Treatment Requested

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Of Counsel
Robert I. Rosenberg
Gary S. Phillips

LAW OFFICES OF
GEORGE I. NAGLER
468 N. Camden Drive, #200
BEVERLY HILLS, CALIFORNIA 90210

TELEPHONE (310) 278 0034
TELECOPIER (310) 278 7584
Gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	5 (incl. Cover page)	DATE:	September 22, 2005
ATTENTION:	Marvin Freedman	TIME:	12:51 PM
FAX NUMBER:	818[redacted]	RE:	Sweet Pink, Inc.
FROM:	George I. Nagler, Esq.		

Enclosed is a copy of the engagement letter that was signed by the client. It is smaller because of the way you attached it and emailed it to me. You will note that I changed the letter manually to address it to him at his request. I will remind him to mail a copy with his original signature.

I will forward a copy of the articles of incorporation as soon as I receive them, by next week I am sure. He wants you to open a bank account as soon as you can and forward the wiring instructions so he can wire the funds. You should plan to have two of three people in your office authorized to sign on the account. You should add him as the assistant treasurer as able to sign alone.

His assistant, Lina, will NOT be a signing officer. In fact, he does not want her as a director or officer so I plan to use one of my people as the nominal officer and director but she will NOT be signing either.

He is in Paris and can arrange to wire the funds from there.

I look forward to hearing from you.

Best regards.

George

Any transmission problem, please call 310 278 0034

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 226

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	1 (incl. Cover page)	DATE:	September 28, 2005
ATTENTION:	Marvin Freedman	TIME:	11:04 AM
FAX NUMBER:	818[redacted]	RE:	Sweet Pink, Inc.
FROM:	George I. Nagler, Esq.		

I understand that Eve Jeffers, the President, Secretary and Chief Financial Officer will be coming in to the Encino branch of Union Bank to sign the signature card today. She signing alone will have signing authority, Mr. Obiang will also have signing authority acting alone when he can come in and sign and you initially will be authorized. Three other people from your office will be authorized to sign so long as two of you sign all checks. You expect that the other three will sign the signature card some time this week. In the interim you will be authorized to sign alone.

Lina, by a copy begin sent to you, please ask Eve to call you when she has signed. You should then call or fax Mr. Freedman and tell him that the card has been signed. Mr. Freedman can then open the account and send the complete wiring instructions to you by fax. I understand that the funds will be wired by Mr. Obiang from a bank out of town.

Please fax or email Lina the W-4's. Her email address is linaromo@[redacted]. She will have the W-4's completed and signed by the employees and then will fax them to you and mail you signed originals. She will also send you a copy of the bank checks of each employee so that the payroll beginning October 15 can be direct deposited into the employees' bank accounts. I assume that she will send you the payroll information.

Lina agreed that the initial checks for the period ending September 30th can be dated October 1 so that no payroll tax report needs to be filed for the 3rd quarter.

Lina also asked if you can order credit cards, such as American Express, in the name of the company. You should call her directly at 310[redacted]to discuss.

cc: Lina Romo via fax (310)[redacted]

Please call 310 278 0034 if there are any transmission questions.

ph44585 on D330-44585-7600 with DISTILLER
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ON SEPTEMBER 29, 2005, A WELL-ESTABLISHED ACCOUNTANCY CORPORATION WHO HAS BEEN A CLIENT OF UNION BANK OF CALIFORNIA, N.A. ENCINO PRIORITY OFFICE SINCE SEPTEMBER 1991, OPENED A CHECKING ACCOUNT IN THE NAME OF SWEET PINK, INC. EVE JEFFERS WHO OWNES SWEET PINK, INC. IS A KNOWN HIP-HOP ARTIST AND ACTRESS. MS. JEFFERS WAS REFERRED TO THE ACCOUNTANCY CORPORATION BY HER ATTORNEY. THE BANK RECEIVED A COPY OF A FAX FROM THE REFERRING ATTORNEY ADDRESSED TO THE ACCOUNTANCY CORPORATION INDICATING MS. JEFFERS IS THE PRESIDENT, SECRETARY AND CHIEF FINANCIAL OFFICER. THE COMMUNICATION FURTHER STATES "MR. OBIANG" WILL ALSO HAVE SIGNING AUTHORITY ACTING ALONE. SWEET PINK, INC. IS A CALIFORNIA CORPORATION WITH ARTICLES OF INCORPORATION FILED WITH THE SECRETARY OF STATE ON 9/16/05, FILING NO. C2802127. MS. JEFFERS IS A SIGNER ON THE CHECKING ACCOUNT ALONG WITH FOUR OTHER CPA'S FROM THE ACCOUNTANCY CORPORATION. THE SIGNATURE CARD HAS NOT BEEN SIGNED MR. OBIANG.

MS. JEFFERS REPORTED TO THE BANK HER ADDRESS IS 12038 CREST COURT, BEVERLY HILLS, CA 90210, SOCIAL SECURITY NUMBER [redacted] AND DATE OF BIRTH 11/10/79. ID PROVIDED WAS A CA DL [redacted] AND US PASSPORT [redacted].

ON OCTOBER 19, 2005, TWO INCOMING WIRE TRANSFERS IN THE AMOUNT OF $29,947.50 EACH WERE RECEIVED AND CREDITED TO THE ACCOUNT OF SWEET PINK, INC. THE WIRES ORIGINATED FROM S BLOGOFRPP BELGOLAISE, PARIS, FR, 6, AVENUE VELASQUEZ, PARIS F-750008, FRANCE BY ORDER OF SOMAGUI FORESTAL, BATA, EQUATORIAL GUINEA.

OUR INVESTIGATION OF THE SOURCE OF THE FUNDS REVEALED SOMAGUI FORESTAL IS OWNED BY TEODORO NGUEMA OBIANG, THE SON OF THE PRESIDENT OF EQUATORIAL GUINEA. THIS INFORMATION WAS FOUND IN THE UNITED STATES SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS MONEY LAUNDERING AND FOREIGN CORRUPTION: ENFORCEMENT AND EFFECTIVENESS OF THE PATRIOT ACT CASE STUDY INVOLVING RIGGS BANK REPORT PREPARED BY THE MINORITY STAFF OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS RELEASED ON JULY 15, 2004. THIS FINDING PROMPTED FURTHER INVESTIGATION.

THE MAILING ADDRESS USED FOR THE CHECKING ACCOUNT BELONGS TO THE ACCOUNTANCY CORPORATION. A SEARCH OF THE CREST COURT ADDRESS SHOWED THE OWNER OCCUPANT AS SVETLANA SAFIEVA. THE PROPERTY WAS PURCHASED IN MAY 29, 2001.

SVETLANA SAFIEV AND GEORGY SAFIEV (WITHOUT AN "A" AT THE END OF THEIR NAME) ARE NAMED AS EXECUTIVES FOR A SUSPENDED CORPORATION IN THE NAME OF EVLANA REAL ESTATE HOLDINGS, WHICH WAS FILED WITH THE CALIFORNIA SECRETARY OF STATE ON 5/21/01, FILING NO. C2245518. EVLANA REAL ESTATE HOLDINGS USED THE CREST COURT ADDRESS. WE HAVE BEEN UNABLE TO FIND A SOCIAL SECURITY NUMBER FOR EITHER SVETLANA OR GEORGY. A POTENTIAL RELATIVE AT THE CREST COURT ADDRESS IS EUGENIA SAFIEVA, SOCIAL SECURITY NUMBER [redacted] ISSUED IN CALIFORNIA 2001.

THEODORO N. OBIANG IS LISTED AS A CURRENT RESIDENT ALONG WITH SEVERAL OTHERS. THE SOCIAL SECURITY NUMBER AND ADDRESS FOR OBIANG USED FOR THIS REPORTING WAS TAKEN LEXIS/NEXIS. MS. JEFFERS IS NOT LISTED AS AN OCCUPANT. NOR COULD WE FIND ANY OTHER AFFILIATION OF MS. JEFFERS TO THE CREST COURT PROPERTY ADDRESS.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 229

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ON OCTOBER 26, 2005, THE ACCOUNTANCY CORPORATION INFORMED THE BANK THE PURPOSE OF THE ACCOUNT WAS TO BE USED TO PAY STAFF HIRED TO WORK AT THE CREST COURT ADDRESS.

THE ACCOUNT WAS CLOSED ON OCTOBER 27, 2005.

PSI-Union_Bank_of_California-04-0192

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, California 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	7 (incl. Cover page)	DATE:	April 3, 2006
ATTENTION:	Shari Anderson, Escrow Officer/First American Title Company	TIME:	5:06:36 PM
FAX NUMBER:	818 547 4583	*RE:*	*Obiang/File No. LGL 2261234/Sweetwater Mesa*
FROM:	George I. Nagler, Esq.		

Enclosed is a copy of the Operating Agreement of Sweetwater Malibu, LLC.

GIN:lrc
Encl.

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 231

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OPERATING AGREEMENT for Sweetwater Malibu, LLC

This Operating Agreement is entered into as of February 15, 2006 by Teodoro Nguema Obiang (the "Member") as the sole member of the company in order to specify the business and operation of the company.

A. The Member has formed a limited liability company (the "Company") under the Beverly-Killea Limited Liability Company Act.

B. The Member desires to enter into this Operating Agreement in order to provide for the governance of the Company and the conduct of its business.

NOW, THEREFORE, the Member hereby agrees as follows:

ARTICLE I: DEFINITIONS

The following capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement and when not so defined shall have the meanings set forth in California Corporations Code section 17001.

1.1. "Act" means the Beverly-Killea Limited Liability Company Act (California Corporations Code sections 17000-17655), including amendments from time to time.

1.2. "Agreement" means this operating agreement, as originally executed and as amended from time to time.

1.3. "Articles of Organization" is defined in California Corporations Code section 17001(b) as applied to the Company.

1.4. "Capital Account" means an account maintained and adjusted in accordance with Article III, Section 3.2.

1.5. "Capital Contribution" means the amount of the money and the Fair Market Value of any property (other than money) contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take "subject to" under IRC section 752) in consideration of a Percentage Interest held by the Member. A Capital Contribution shall not be deemed a loan.

1.6. "Capital Event" means a sale or disposition of any of the Company's capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a similar event with respect to Company property or assets.

1.7. "Code" or "IRC" means the Internal Revenue Code of 1986, as amended, and any successor provision.

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1.8. "Company" means the company named in Article II, Section 2.2.

1.9. "Economic Interest" means a Person's right to share in the income, gains, losses, deductions, credits, or similar items of, and to receive distributions from, the Company, but does not include any other rights of the Member, including the right to vote or to participate in management.

1.10. "Encumber" means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

1.11. "Encumbrance" means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated in this Agreement), option, or preferential right to purchase.

1.12. "Gross Asset Value" means, with respect to any item of property of the Company, the item's adjusted basis for federal income tax purposes, except as follows:

(a) The Gross Asset Value of any item of property contributed by the Member to the Company shall be the fair market value of such property, as mutually agreed by the Member and the Company; and

(b) The Gross Asset Value of any item of Company property distributed to the Member shall be the fair market value of such item of property on the date of distribution.

1.13. "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

1.14. "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with IRC section 703(a).

1.15. "Regulations" ("Reg") means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the Code, as such Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

1.16. "Substituted Member" is defined in Article VIII, Section 8.8.

1.17. "Successor in Interest" means an Assignee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.

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1.18. "Transfer" means, with respect to a Membership Interest, or any element of a Membership Interest, any sale, assignment, gift, Involuntary Transfer, or other disposition of a Membership Interest or any element of such a Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.

ARTICLE II: ARTICLES OF ORGANIZATION

2.1. The Articles of Organization were filed with the California Secretary of State on February 8, 2006 , File Number 200604210151. A copy of the Articles of Organization as filed is attached to this Agreement as Exhibit "A".

2.2. The name of the Company shall be Sweetwater Malibu, LLC.

2.3. The principal executive office of the Company shall be at 12038 Crest Court, Beverly Hills, CA 90210, or such other place or places as may be determined by the Member from time to time.

2.4. The initial agent for service of process on the Company shall be George I. Nagler, Esq. 300 North Swall Drive, #253, Beverly Hills, CA 90211. The Member may from time to time change the Company's agent for service of process.

2.5. The Company will be formed for the purposes of purchasing, owning and operating a residence commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265.

2.6. The term of existence of the Company commenced on the effective date of filing of Articles of Organization with the California Secretary of State, and shall continue until terminated by the provisions of this Agreement or as provided by law.

ARTICLE III: CAPITALIZATION

3.1. The Member has contributed to the capital of the Company as the Member's initial Capital Contribution the sum of $900,000.

3.2. A Capital Account shall be maintained for the Member consisting of that Member's Capital Contribution (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses, and (3) adjusted as required in accordance with applicable provisions of the Code and Regulations.

3.4. The Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

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ARTICLE IV: ALLOCATIONS AND DISTRIBUTIONS

4.1. The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to the Member.

4.2. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to the Member shall be deemed to be Profits or Losses realized by the Company immediately prior to the distribution of the property, and such Profits or Losses shall be allocated to the Member's Capital Account. Any property so distributed shall be treated as a distribution to the Member to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this Section 4.2, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

4.3. In the case of a Transfer of an Economic Interest during any fiscal year, the Assigning Member and Assignee shall each be allocated the Economic Interest's share of Profits or Losses based on the number of days each held the Economic Interest during that fiscal year.

4.4. All cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed to the Member at such times as the Member deems appropriate.

ARTICLE V: MANAGEMENT

5.1. The business of the Company shall be managed by the Member. The Member may appoint one or more non-Members as co-Managers or may resign as Manager at any time and appoint a non-Member as the Manager of the Company on such terms and conditions as the Member and such Manager may agree.

5.2. The Member as such shall not be entitled to compensation for the Member's services. The Member Manager shall be entitled to such compensation for service as the Member may decide. The non-Member Managers, if any, shall be compensated as agreed among the Member and the non-Member Managers, if any.

5.3. The Company may have a President who may, but need not, be the Member. The Member may provide for additional officers of the Company and may alter the powers, duties, and compensation of the President and of all other officers.

5.4. All assets of the Company, whether real or personal, shall be held in the name of the Company.

5.5. All funds of the Company shall be deposited in one or more accounts with one or

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more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Member. Withdrawal from such accounts shall require the signature of such person or persons as the Member may designate.

ARTICLE VI: ACCOUNTS AND RECORDS

6.1. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office.

6.2. Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company for federal income tax purposes. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.

6.3. At all times during the term of existence of the Company, and beyond that term if the Member deems it necessary, the Member shall keep or cause to be kept the books of account referred to in Section 6.2 and the following:

(a) A current list of the full name and last known business or residence address of the Member, together with the Capital Contribution and the share in Profits and Losses of the Member;

(b) A copy of the Articles of Organization, as amended;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

(d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;

(f) Financial statements of the Company for the six most recent fiscal years; and

(g) The Books and Records of the Company as they relate to the Company's internal affairs for the current and past four fiscal years.

6.4. Within 90 days after the end of each taxable year of the Company, the Company shall send to the Member all information necessary for the Member to complete the Member's federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

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ARTICLE VII: RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTEREST

7.1. The Member shall not Transfer any part of the Member's Membership Interest in the Company without first reviewing this agreement and making whatever changes such Member deems necessary or proper. Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may transfer all or any portion of his or her Membership Interest to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse, and the Member's issue; provided that the Member retains a beneficial interest in the trust and all of the Voting Interest included in such Membership Interest. A transfer of a Member's entire beneficial interest in such trust or failure to retain such Voting Interest shall be deemed a Transfer of a Membership Interest.

ARTICLE VIII: DISSOLUTION AND WINDING UP

8.1. The Company shall be dissolved on the first to occur of the following events:

(a) The decision of the Member to dissolve the Company.

(b) The sale or other disposition of substantially all of the Company's assets and the collection of the sales proceeds.

(c) Entry of a decree of judicial dissolution pursuant to California Corporations Code section 27351.

8.2. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Member shall wind up the affairs of the Company and give written Notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to the Member), the remaining assets of the Company shall be distributed or applied in the following order of priority:

(a) To pay the expenses of liquidation.

(b) To repay outstanding loans to the Member.

(c) To the Member.

ARTICLE IX: GENERAL PROVISIONS

9.1. This Agreement constitutes the whole and entire agreement with respect to the subject matter of this Agreement.

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Mar 16 06 04:37p Lina Romo 3104901354 p.12

Pg. 12

9.2. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

9.3. The article, section, and paragraph titles and headings contained in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

9.4. This Agreement may be altered, amended, or repealed only by a writing signed by the Member.

9.5. Time is of the essence of every provision of this Agreement that specifies a time for performance.

9.6. This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

9.7. The Member intends the Company to be a limited liability company under the Act.

IN WITNESS WHEREOF, the member has executed or caused to be executed this Agreement as of the day and year first above written.

(X) Name: Teodoro Nguema Obiang

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This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

From: GNagler [gnagler@pacbell.net]
Sent: Tuesday, February 21, 2006 7:04 PM
To: 'linaromo21@[redacted]'
Subject: Fax to Mr. Nguema

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Attachments: Obiang - 2-21-06.DOC

Lina, attached is a fax that I would like you to send to Mr. Nguema. I am unable to send it after trying for days. Please confirm when it has been sent. Thanks.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

Obiang - 2-21-06.DOC (43 KB

*Please destroy this email and any attac[redacted] error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 232

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	**2 (incl. Cover page)**	**DATE:**	**February 21, 2006**
ATTENTION:	**Teodoro Nguema Obiang**	**TIME:**	**7:02 PM**
FAX NUMBER:	**011 240 08 40 96**	**RE:**	**Malibu & Current Projects**
FROM:	**George I. Nagler, Esq.**		

Mr. Nguema, I thought that I should send you a brief list of the things I am doing or have been asked to do by you:

1. Entertainment Company. In January, you asked that I form a new company to be in the entertainment industry for a possible motion picture or music production. We talked about a name. You suggested Vision Mix Entertainment but it is not available. You asked me to check out some names and advise you. I have some names to send you. Do you want me to do anything now?

2. Sweetwater Malibu, LLC. This limited liability company will be the buyer of Malibu. I had it formed on Tuesday, February 7, 2006, by sending the papers to the Secretary of State. I need you to give me the name of the person who you want to act as manager. I need someone who is a US taxpayer so that we can apply for a tax identification number for the company. If you do not give me a name, I will show you as the manager.

3. New Management Company. You asked me to form a new management company to handle the payroll and to employ all the employees that you now have and will have at the Malibu house. You also asked me to prepare a draft of an employment agreement. We talked about using the name Sweetwater Management, Inc. You thought that name was acceptable. Do you want me to form this company?

4. Sweet Pink, Inc. You asked that I prepare the necessary papers to dissolve that company. Lina told me almost two weeks ago that you asked her to close the bank account. If the bank account is closed, I can prepare and file the necessary documents to close out the company. What do you want me to do?

5. Purchase of Malibu Property. You should have received two packages at the Paris address on February 13th. One package was from Lina that has the documents that Neal delivered to her and I have reviewed a copy of them. The second package is from First American Title Company, the escrow company. You can return both

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packages either directly to escrow or to me at my office. You also should return the original signed disclosure documents that you faxed to Lina on Monday or Tuesday of this week

6. Survey & Other Inspections. I recommended that you should obtain a detailed survey of the property to verify that there are no boundary problems and also to verify the square footage of the buildings and the land. To my knowledge, neither Lina nor the surveyor she chose has received any funds. We probably do not have enough time to finish a survey by Friday, the 24th. I know that Lina has asked you to send funds to cover a structural engineer, the inspection of the septic tank system, a mold inspector as well as the surveyor.

7. Release of $500,000; Extension of Inspection Period. As you may recall, escrow is to release $500,000 to the seller at the end of the inspection period, after Friday, February 24th. You need to advise if you want me to ask the seller to extend the inspection period to allow any more inspections to be done.

8. Insurance for the Malibu Property. You should arrange for fire, extended coverage and liability insurance on the Malibu property to be effective at the closing date. I can refer you to an insurance broker if you need one or I can call your broker if you wish. As part of this, you need to decide whether you are going to take title in the name of the limited liability company. Please advise.

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02/15/2006 12:55 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.231 D03

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

File # 200604210151

ENDORSED - FILED
in the office of the Secretary of State of the State of California

FEB 0 8 2006

This Space For Filing Use Only

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

ENTITY NAME (End the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "L.L.C.")

1. NAME OF LIMITED LIABILITY COMPANY

Sweetwater Malibu, LLC

PURPOSE (The following statement is required by statute and may not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

George I. Nagler

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

ADDRESS	CITY	STATE	ZIP CODE
300 N. Swall Drive, #253,	Beverly Hills	CA	90211

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- [x] ONE MANAGER
- [ ] MORE THAN ONE MANAGER
- [ ] ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

SIGNATURE OF ORGANIZER — DATE: 2/8/06

Liza Cunanan
TYPE OR PRINT NAME OF ORGANIZER

RETURN TO (Enter the name and the address of the person or firm to whom a copy of the filed document should be returned.)

8. NAME: George Nagler, Esq.
FIRM: Law Offices of George I. Nagler
ADDRESS: 468 N. Camden Drive #200
CITY/STATE/ZIP: Beverly Hills, CA 90210

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 03/2005) — APPROVED BY SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 233

PSI-Pacific_Mercantile_Bank-01-0263

OPERATING AGREEMENT for Sweetwater Malibu, LLC

This Operating Agreement is entered into as of February 15, 2006 by Teodoro Nguema Obiang (the "Member") as the sole member of the company in order to specify the business and operation of the company.

A. The Member has formed a limited liability company (the "Company") under the Beverly-Killea Limited Liability Company Act.

B. The Member desires to enter into this Operating Agreement in order to provide for the governance of the Company and the conduct of its business.

NOW, THEREFORE, the Member hereby agrees as follows:

ARTICLE I: DEFINITIONS

The following capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement and when not so defined shall have the meanings set forth in California Corporations Code section 17001.

1.1. "Act" means the Beverly-Killea Limited Liability Company Act (California Corporations Code sections 17000-17655), including amendments from time to time.

1.2. "Agreement" means this operating agreement, as originally executed and as amended from time to time.

1.3. "Articles of Organization" is defined in California Corporations Code section 17001(b) as applied to the Company.

1.4. "Capital Account" means an account maintained and adjusted in accordance with Article III, Section 3.2.

1.5. "Capital Contribution" means the amount of the money and the Fair Market Value of any property (other than money) contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take "subject to" under IRC section 752) in consideration of a Percentage Interest held by the Member. A Capital Contribution shall not be deemed a loan.

1.6. "Capital Event" means a sale or disposition of any of the Company's capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a similar event with respect to Company property or assets.

1.7. "Code" or "IRC" means the Internal Revenue Code of 1986, as amended, and any successor provision.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 235

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1.8. "Company" means the company named in Article II, Section 2.2.

1.9. "Economic Interest" means a Person's right to share in the income, gains, losses, deductions, credits, or similar items of, and to receive distributions from, the Company, but does not include any other rights of the Member, including the right to vote or to participate in management.

1.10. "Encumber" means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

1.11. "Encumbrance" means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated in this Agreement), option, or preferential right to purchase.

1.12. "Gross Asset Value" means, with respect to any item of property of the Company, the item's adjusted basis for federal income tax purposes, except as follows:

(a) The Gross Asset Value of any item of property contributed by the Member to the Company shall be the fair market value of such property, as mutually agreed by the Member and the Company; and

(b) The Gross Asset Value of any item of Company property distributed to the Member shall be the fair market value of such item of property on the date of distribution.

1.13. "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

1.14. "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with IRC section 703(a).

1.15. "Regulations" ("Reg") means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the Code, as such Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

1.16. "Substituted Member" is defined in Article VIII, Section 8.8.

1.17. "Successor in Interest" means an Assignee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.

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1.18. "Transfer" means, with respect to a Membership Interest, or any element of a Membership Interest, any sale, assignment, gift, Involuntary Transfer, or other disposition of a Membership Interest or any element of such a Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.

ARTICLE II: ARTICLES OF ORGANIZATION

2.1. The Articles of Organization were filed with the California Secretary of State on February 8, 2006 , File Number 200604210151. A copy of the Articles of Organization as filed is attached to this Agreement as Exhibit "A".

2.2. The name of the Company shall be Sweetwater Malibu, LLC.

2.3. The principal executive office of the Company shall be at 12038 Crest Court, Beverly Hills, CA 90210, or such other place or places as may be determined by the Member from time to time.

2.4. The initial agent for service of process on the Company shall be George I. Nagler, Esq. 300 North Swall Drive, #253, Beverly Hills, CA 90211. The Member may from time to time change the Company's agent for service of process.

2.5. The Company will be formed for the purposes of purchasing, owning and operating a residence commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265.

2.6. The term of existence of the Company commenced on the effective date of filing of Articles of Organization with the California Secretary of State, and shall continue until terminated by the provisions of this Agreement or as provided by law.

ARTICLE III: CAPITALIZATION

3.1. The Member has contributed to the capital of the Company as the Member's initial Capital Contribution the sum of $900,000.

3.2. A Capital Account shall be maintained for the Member consisting of that Member's Capital Contribution (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses, and (3) adjusted as required in accordance with applicable provisions of the Code and Regulations.

3.4. The Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

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ARTICLE IV: ALLOCATIONS AND DISTRIBUTIONS

4.1. The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to the Member.

4.2. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to the Member shall be deemed to be Profits or Losses realized by the Company immediately prior to the distribution of the property, and such Profits or Losses shall be allocated to the Member's Capital Account. Any property so distributed shall be treated as a distribution to the Member to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this Section 4.2, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

4.3. In the case of a Transfer of an Economic Interest during any fiscal year, the Assigning Member and Assignee shall each be allocated the Economic Interest's share of Profits or Losses based on the number of days each held the Economic Interest during that fiscal year.

4.4. All cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed to the Member at such times as the Member deems appropriate.

ARTICLE V: MANAGEMENT

5.1. The business of the Company shall be managed by the Member. The Member may appoint one or more non-Members as co-Managers or may resign as Manager at any time and appoint a non-Member as the Manager of the Company on such terms and conditions as the Member and such Manager may agree.

5.2. The Member as such shall not be entitled to compensation for the Member's services. The Member Manager shall be entitled to such compensation for service as the Member may decide. The non-Member Managers, if any, shall be compensated as agreed among the Member and the non-Member Managers, if any.

5.3. The Company may have a President who may, but need not, be the Member. The Member may provide for additional officers of the Company and may alter the powers, duties, and compensation of the President and of all other officers.

5.4. All assets of the Company, whether real or personal, shall be held in the name of the Company.

5.5. All funds of the Company shall be deposited in one or more accounts with one or

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more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Member. Withdrawal from such accounts shall require the signature of such person or persons as the Member may designate.

ARTICLE VI: ACCOUNTS AND RECORDS

6.1. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office.

6.2. Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company for federal income tax purposes. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.

6.3. At all times during the term of existence of the Company, and beyond that term if the Member deems it necessary, the Member shall keep or cause to be kept the books of account referred to in Section 6.2 and the following:

(a) A current list of the full name and last known business or residence address of the Member, together with the Capital Contribution and the share in Profits and Losses of the Member;

(b) A copy of the Articles of Organization, as amended;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

(d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;

(f) Financial statements of the Company for the six most recent fiscal years; and

(g) The Books and Records of the Company as they relate to the Company's internal affairs for the current and past four fiscal years.

6.4. Within 90 days after the end of each taxable year of the Company, the Company shall send to the Member all information necessary for the Member to complete the Member's federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

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ARTICLE VII: RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTEREST

7.1. The Member shall not Transfer any part of the Member's Membership Interest in the Company without first reviewing this agreement and making whatever changes such Member deems necessary or proper. Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may transfer all or any portion of his or her Membership Interest to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse, and the Member's issue; provided that the Member retains a beneficial interest in the trust and all of the Voting Interest included in such Membership Interest. A transfer of a Member's entire beneficial interest in such trust or failure to retain such Voting Interest shall be deemed a Transfer of a Membership Interest.

ARTICLE VIII: DISSOLUTION AND WINDING UP

8.1. The Company shall be dissolved on the first to occur of the following events:

(a) The decision of the Member to dissolve the Company.

(b) The sale or other disposition of substantially all of the Company's assets and the collection of the sales proceeds.

(c) Entry of a decree of judicial dissolution pursuant to California Corporations Code section 27351.

8.2. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Member shall wind up the affairs of the Company and give written Notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to the Member), the remaining assets of the Company shall be distributed or applied in the following order of priority:

(a) To pay the expenses of liquidation.

(b) To repay outstanding loans to the Member.

(c) To the Member.

ARTICLE IX: GENERAL PROVISIONS

9.1. This Agreement constitutes the whole and entire agreement with respect to the subject matter of this Agreement.

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Mar 16 06 04:37p Lina Romo 3104901354 p.12

Pg. 12

9.2. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

9.3. The article, section, and paragraph titles and headings contained in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

9.4. This Agreement may be altered, amended, or repealed only by a writing signed by the Member.

9.5. Time is of the essence of every provision of this Agreement that specifies a time for performance.

9.6. This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

9.7. The Member intends the Company to be a limited liability company under the Act.

IN WITNESS WHEREOF, the member has executed or caused to be executed this Agreement as of the day and year first above written.

X

Name: Teodoro Nguema Obiang

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California Business Portal

Secretary of State BRUCE McPHERSON

SECRETARY OF STATE | ELECTIONS & VOTER INFO | POLITICAL REFORM | CA BUSINESS PORTAL | ARCHIVES & MUSEUM | SPECIAL PROGRAMS

Business Search
LP/LLC

- Printer Friendly Page
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- Search Tips
- Field Definitions
- Status Definitions
- LLC Name Availability
- LP Name Availability
- Business Entities Records Order Form
  - Certificates
  - Copies
  - Status Reports
- LLC FAQS
- LP FAQS
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- Site Search

Limited Partnerships/Limited Liability Companies LP/LLC

The information displayed here is current as of "Sep 15, 2006" and is updated weekly. It is not a complete or certified record of the Limited Partnership or Limited Liability Company.

LP/LLC		
SWEETWATER MALIBU, LLC		
Number: 200604210151	**Date Filed:** 2/8/2006	**Status:** active
Jurisdiction: CALIFORNIA		
Address		
468 NORTH CAMDEN DR. #200		
BEVERLY HILLS, CA 90210		
Agent for Service of Process		
GEORGE I. NAGLER		
300 N. SWALL DRIVE, #253		
BEVERLY HILLS, CA 90211		

Printer Friendly

New Search

- Fees and instructions for requesting certification of limited partnership and/or limited liability company records are included on the **Business Entities Records Order Form**.
- Blank fields indicate the information is not contained in the computer file.
- If the agent for service of process is a corporation, the address of the agent may be requested by ordering a status report. Fees and instructions for ordering a status report are included on the **Business Entities Records Order Form**.

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04/27/06

FIRST AMERICAN TITLE INSURANCE COMPANY

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:
SWEETWATER MALIBU, LLC
C/O GEORGE NAGLER
468 N CAMDEN DRIVE
SUITE 200
BEVERLY HILLS, CA 90210

06 0927085

MAIL TAX STATEMENTS TO:
SWEETWATER MALIBU, LLC
3620 SWEETWATER MESA ROAD
MALIBU, CA 90265

4452-017-009 4452-019-001

GRANT DEED

THE UNDERSIGNED GRANTOR declares: DOCUMENTARY TRANSFER TAX IS NOT OF PUBLIC RECORD.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SWEETWATER MESA LLC, a Delaware limited liability company,

HEREBY GRANTS TO: SWEETWATER MALIBU, LLC, a California limited liability company

the following described real property in the City of Malibu, County of Los Angeles, State of California:

See legal description attached hereto as Exhibit "A" and incorporated herein by this reference.

(Commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265)

APN: 4452-017-009 and 4452-019-001

Dated: 2-27-06

SWEETWATER MESA LLC, a Delaware limited liability company

By: Karen L. Rabe, Mgr.
Karen L. Rabe, Manager

The notarial acknowledgment for the above signature appears on a separate sheet which is attached to this GRANT DEED and incorporated into it by reference.

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 236

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L

State of California
Secretary of State

STATEMENT OF INFORMATION
(Limited Liability Company)

Filing Fee $20.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. **LIMITED LIABILITY COMPANY NAME** *(Please do not alter if name is preprinted.)*

Sweetwater Malibu, LLC

This Space For Filing Use Only

DUE DATE:

FILE NUMBER AND STATE OR PLACE OF ORGANIZATION

2. SECRETARY OF STATE FILE NUMBER	3. STATE OR PLACE OF ORGANIZATION
200604210451	California

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY AND STATE	ZIP CODE
3620 Sweetwater Malibu Road	Malibu CA	90260

5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)	CITY	STATE	ZIP CODE
3620 Sweetwater Malibu Road	Malibu CA	CA	

NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY

6. NAME	ADDRESS	CITY AND STATE	ZIP CODE

NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER (Attach additional pages, if necessary.)

7. NAME	ADDRESS	CITY AND STATE	ZIP CODE
Teodoro Nguema Obiang	3620 Sweetwater Malibu Road	Malibu CA	90260
8. NAME	**ADDRESS**	**CITY AND STATE**	**ZIP CODE**
9. NAME	**ADDRESS**	**CITY AND STATE**	**ZIP CODE**

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS

George I. Nagler

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
300 North Swall Drive, #253	Beverly Hills	CA	90211

TYPE OF BUSINESS

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

real estate investment

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

Teodoro Nguema Obiang		Manager	9/15/06
TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	SIGNATURE	TITLE	DATE

LLC-12 (REV 07/2006) APPROVED BY SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 240

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	**2 (incl. Cover page)**	**DATE:**	**February 21, 2006**
ATTENTION:	**Teodoro Nguema Obiang**	**TIME:**	**7:02 PM**
FAX NUMBER:	**011 240 08 40 96**	**RE:**	**Malibu & Current Projects**
FROM:	**George I. Nagler, Esq.**		

Mr. Nguema, I thought that I should send you a brief list of the things I am doing or have been asked to do by you:

1. Entertainment Company. In January, you asked that I form a new company to be in the entertainment industry for a possible motion picture or music production. We talked about a name. You suggested Vision Mix Entertainment but it is not available. You asked me to check out some names and advise you. I have some names to send you. Do you want me to do anything now?

2. Sweetwater Malibu, LLC. This limited liability company will be the buyer of Malibu. I had it formed on Tuesday, February 7, 2006, by sending the papers to the Secretary of State. I need you to give me the name of the person who you want to act as manager. I need someone who is a US taxpayer so that we can apply for a tax identification number for the company. If you do not give me a name, I will show you as the manager.

3. New Management Company. You asked me to form a new management company to handle the payroll and to employ all the employees that you now have and will have at the Malibu house. You also asked me to prepare a draft of an employment agreement. We talked about using the name Sweetwater Management, Inc. You thought that name was acceptable. Do you want me to form this company?

4. Sweet Pink, Inc. You asked that I prepare the necessary papers to dissolve that company. Lina told me almost two weeks ago that you asked her to close the bank account. If the bank account is closed, I can prepare and file the necessary documents to close out the company. What do you want me to do?

5. Purchase of Malibu Property. You should have received two packages at the Paris address on February 13th. One package was from Lina that has the documents that Neal delivered to her and I have reviewed a copy of them. The second package is from First American Title Company, the escrow company. You can return both

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 243

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05/23/2006 09:56 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.045 P02

2879573

State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 22 2006

BRUCE McPHERSON
Secretary of State

Sec/State Form CE-107 (REV 03/01/05)

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 244

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05/23/2006 09:56 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.045 003
323 935 0090

2879573

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAY 16 2006

ARTICLES OF INCORPORATION

OF

SWEETWATER MANAGEMENT, INC.

ONE: The name of this corporation is Sweetwater Management, Inc.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is George I. Nagler, Esq., 300 N. Swall Drive #253, Beverly Hills, CA 90211.

FOUR: This corporation is authorized to issue only one class of shares of stock; and the total number of shares which the corporation is authorized to issue is one hundred thousand (100,000).

DATED: May 16, 2006

Erin Feuerbach, Incorporator

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Results Detail

Last statement filed on: 3/14/2007

Corporation		
SWEETWATER MANAGEMENT, INC.		
Number: C2879573	**Incorporation Date:**5/16/2006	**Status:**Active
Jurisdiction: CA	**Type:** Domestic Stock	
Address		
C/O GEORGE NAGLER,468 N. CAMDEN DR., #200		
BEVERLY HILLS, CA 90210		
Agent For Service Of Process		
GEORGE I. NAGLER		
468 N. CAMDEN DRIVE #200,		
BEVERLY HILLS, CA 90210		

Please review this information to determine if you have located the correct corporation. Statements of Information amendment filings are not eligible for electronic filing at this time. The corporation is not yet due to file the required statement; therefore, this filing is considered an amendment and must be filed either by mail or at our public counter in Sacramento. Forms and instructions can be downloaded from our website at http://www.sos.ca.gov/business/corp/corp_soinfo.htm.

[redacted]

Confidential Treatment Requested SEN005882

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06-292522

State of California
Kevin Shelley
Secretary of State
STATEMENT OF INFORMATION
(Domestic Stock Corporation)

FEES (Filing and Disclosure): $25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME: (Please do not alter if name is preprinted.)

Sweetwater Management, Inc.

ENDORSED - FILE
In the office of the Secretary of State
of the State of California

JUN 21 2006

This Space For Filing Use Only

CALIFORNIA CORPORATE DISCLOSURE ACT (Corporations Code section 1502)

2. ☐ CHECK HERE IF THE CORPORATION IS PUBLICLY TRADED. IF PUBLICLY TRADED, COMPLETE THIS STATEMENT OF INFORMATION AND THE CORPORATE DISCLOSURE STATEMENT (FORM SI-PTSUPP). SEE ITEM 2 OF INSTRUCTIONS.

COMPLETE ADDRESSES FOR THE FOLLOWING: (Do not abbreviate the name of the city. Items 3 and 4 cannot be PO Boxes.)

3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE c/o George Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA		ZIP CODE 90210
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY c/o George Nagler, 468 N. Camden Drive #200	CITY Beverly Hills,	STATE CA	ZIP CODE 90210
5. MAILING ADDRESS c/o George Nagler, 468 N. Camden Drive #200	CITY AND STATE Beverly Hills, CA		ZIP CODE 90210

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS: (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this statement must not be altered.)

6. CHIEF EXECUTIVE OFFICER/ Teodoro Nguema Obiang c/o George	ADDRESS Nagler, 468 N. Camden Dr. #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
7. SECRETARY/ Melinda DeHaven c/o George	ADDRESS Nagler, 468 N. Camden Dr. #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
8. CHIEF FINANCIAL OFFICER/ Teodoro Nguema Obiang c/o George	ADDRESS Nagler, 468 N. Camden Dr. #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS: (The corporation must have at least one director. Attach additional pages, if necessary.)

9. NAME Teodoro Nguema Obiang c/o George	ADDRESS Nagler, 468 N. Camden Dr. #200	CITY AND STATE Beverly Hills, CA	ZIP CODE 90210
10. NAME	ADDRESS	CITY AND STATE	ZIP CODE
11. NAME	ADDRESS	CITY AND STATE	ZIP CODE

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: -0-

AGENT FOR SERVICE OF PROCESS
- If an individual, the agent must reside in California and Item 14 must be completed with a California address.
- If another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 14 must be left blank.

13. NAME OF AGENT FOR SERVICE OF PROCESS
George I. Nagler, Esq.

14. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL 300 North Swall Drive, #253	CITY Beverly Hills,	STATE CA	ZIP CODE 90210

TYPE OF BUSINESS

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Management Services

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

Melinda DeHaven	[signature]	Secretary	6/8/06
TYPE OR PRINT NAME OF OFFICER OR AGENT	SIGNATURE	TITLE	DATE

SI-200 C (REV 04/2003) APPROVED BY SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 245

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2879573

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAY 16 2006

ARTICLES OF INCORPORATION

OF

SWEETWATER MANAGEMENT, INC.

ONE: The name of this corporation is Sweetwater Management, Inc.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is George I. Nagler, Esq., 300 N. Swall Drive #253, Beverly Hills, CA 90211.

FOUR: This corporation is authorized to issue only one class of shares of stock; and the total number of shares which the corporation is authorized to issue is one hundred thousand (100,000).

DATED: May 16, 2006

Erin Feuerbach, Incorporator

OFFICE OF THE SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 245

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State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of FEB 1 5 2008

BRUCE McPHERSON
Secretary of State

Sec/State Form CE-107 (REV 03/31/05)

Confidential Treatment Requested **SEN009062**

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568401.076

State of California
Secretary of State

File # 200604210151

ENDORSED - FILED
In the office of the Secretary of State of the State of California

FEB 08 2006

This Space For Filing Use Only

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

ENTITY NAME (End the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "L.L.C.")

1. NAME OF LIMITED LIABILITY COMPANY

Sweetwater Malibu, LLC

PURPOSE (The following statement is required by statute and may not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

George I. Nagler

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

CITY	STATE	ZIP CODE
Beverly Hills	CA	90211

300 N. Swall Drive, #253,

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY

- [x] ONE MANAGER
- [ ] MORE THAN ONE MANAGER
- [ ] ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

SIGNATURE OF ORGANIZER — DATE: 2/8/06

Liza Cunanan
TYPE OR PRINT NAME OF ORGANIZER

RETURN TO (Enter the name and the address of the person or firm to whom a copy of the filed document should be returned.)

8. NAME: George Nagler, Esq.
FIRM: Law Offices of George I. Nagler
ADDRESS: 468 N. Camden Drive #200
CITY/STATE/ZIP: Beverly Hills, CA 90210

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 03/2005) — APPROVED BY SECRETARY OF STATE

Confidential Treatment Requested — **SEN009063**

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568401.077

**ACTION BY UNANIMOUS WRITTEN CONSENT
IN LIEU OF FIRST MEETING OF
THE INCORPORATOR AND BOARD OF DIRECTORS OF
SWEETWATER MANAGEMENT, INC.**

The undersigned, being the sole incorporator and the sole director of SWEETWATER MANAGEMENT, INC. (the "Corporation"), adopts the following resolutions by unanimous written consent in lieu of a first meeting, in accordance with Sections 210, 307(b) and 307(c) of the California General Corporation Law.

1. Articles of Incorporation

RESOLVED, that the articles of incorporation of the Corporation are ordered incorporated into the minute book of this Corporation.

2. Bylaws

RESOLVED, that the Bylaws, a copy of which has been delivered to each of the undersigned, are adopted as the Bylaws of this Corporation;

RESOLVED, FURTHER, that the Secretary of this Corporation is authorized and directed to execute a certificate of the adoption of said Bylaws and to insert said Bylaws as so certified in the minute book of this Corporation, and to see that a copy of said Bylaws, similarly certified, is kept at the principal office for the transaction of business of this Corporation, in accordance with Section 213 of the California Corporations Code.

3. Election of Directors

RESOLVED, that Teodoro Nguema Obiang is elected as the sole director of the Corporation to serve until his successor is duly elected pursuant to the Bylaws, or until resignation or removal, as the case may be, and to exercise the powers of further organization and direction of the Corporation.

4. Resignation of Incorporator

RESOLVED, that the newly elected Board of Directors of the Corporation accept the resignation of the incorporator.

5. Election of Officers

RESOLVED, that the following persons are elected to the offices set forth opposite their respective names:

Teodoro Nguema Obiang	President/Chief Financial Officer/Secretary

Confidential Treatment Requested **SEN009064**

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6. Seal

RESOLVED, that the corporate seal, in the form, words and figures shown below is adopted as the seal of this Corporation.

[SEAL]

7. Share Certificate

RESOLVED, that the attached form of share certificate is approved and adopted, and the Secretary is instructed to insert a copy in the minute book immediately following this written consent.

8. Organizational Expenses

RESOLVED, that the President and the Chief Financial Officer of this Corporation are authorized and directed to pay the expenses of incorporation and organization of this Corporation.

9. Principal Office

RESOLVED, that 468 N. Camden Drive #200, Beverly Hills, CA 90210 is designated and fixed as the principal office for the transaction of business of the Corporation.

10. Business Expenses

RESOLVED, that all of the expenditures incurred by this Corporation for travel, interest, rent, entertainment or business gifts are deemed to be business expenses which are ordinary and necessary to the conduct of the regular operating affairs of this Corporation. However, should it be determined that any of such expenses are not ordinary and necessary business expenses, those amounts be treated as additional compensation in the form of a bonus in payment for services actually rendered by the employee for whose benefit the monies were spent.

11. Bank Accounts

RESOLVED, that either the President or the Chief Financial Officer of this Corporation is authorized:

(a) To open a corporate bank account at such bank or banks as such officer shall choose;

(b) To designate one or more other banks, trust companies, or other similar institutions as depositories of the funds, including, without limitation, cash and cash

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equivalents, of this Corporation;

(c) To open, keep and close general and special bank accounts, including general deposit accounts, payroll accounts, and working fund accounts, with any such depository;

(d) To cause to be deposited in such account with any such depository, from time to time, such funds, including, without limitation, cash and cash equivalents, of this Corporation as such officers deem necessary or advisable, and to designate or change the designation of the officer or officers and agent or agents of this Corporation who will be authorized to make such deposits and to endorse checks, drafts, or other instruments for such deposit;

(e) From time to time to designate or change the designation of the officer or officers and agent or agents of this Corporation who will be authorized to sign or countersign checks, drafts, or other orders for the payment of money issued in the name of this Corporation against any funds deposited in any of such accounts, and to revoke any such designation;

(f) To make such general and special rules and regulations with respect to such accounts as they may deem necessary or advisable; and

(g) To complete, execute, and/or certify any customary printed blank signature card forms in order conveniently to exercise the authority granted by this resolution and any resolutions printed thereon shall be deemed adopted as a part hereof;

RESOLVED, FURTHER, that all form resolutions required by any such depository are adopted in such form utilized by the depository, and the secretary of this Corporation is hereby authorized to certify such resolutions as having been adopted by this written consent and is directed to insert the form of such resolutions in the minute book immediately following this written consent;

RESOLVED, FURTHER, that any such depository to which a copy certified by the secretary or an assistant secretary of this Corporation of these resolutions shall have been delivered shall be entitled to rely on such certified copy for all purposes until it shall have received written notice of the revocation or amendment of these resolutions by the board of directors of this Corporation; and

RESOLVED, FURTHER, that Melinda DeHaven is authorized to sign checks and otherwise direct such depository on behalf of this Corporation.

12. Employer Identification Numbers

RESOLVED, that the President of this Corporation is authorized and directed on behalf of this Corporation to prepare and file or to cause to be prepared and filed proper applications with respect to employer identification numbers for Federal (Form SS-4) and

Confidential Treatment Requested SEN009066

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California (Form DE-1) purposes, local city licenses and any and all other licenses or permits required by law in connection with the conduct of its business and in accordance with its articles of incorporation and federal, state and local laws.

13. Fiscal Year

RESOLVED, that the Board of Directors select the fiscal year end at a later date.

14. Section 1244 Plan

RESOLVED, that the Corporation adopts, effective this date, the following plan to qualify under Section 1244 of the Internal Revenue Code of 1954, as amended, and Sections 18206-18210 of the California Revenue and Taxation Code:

(a) The maximum number of shares to be issued under this plan shall not exceed one hundred thousand (100,000) shares and the aggregate consideration to be received therefor, which shall consist only of money or other property (other than stock and securities), shall not exceed One Million Dollars ($1,000,000);

(b) This plan shall continue until terminated by the board of directors;

(c) The shares to be issued to the proposed shareholders named in the following resolution adopted at this meeting are part of the shares to be issued under this plan; and

(d) No shares other than those sold and issued under this plan shall be offered, sold or issued during the period that this plan is effective.

15. Issuance of Shares

WHEREAS, it is necessary that this Corporation have shares of stock issued and outstanding;

WHEREAS, the articles of incorporation authorize the Corporation to issue one hundred thousand (100,000) shares of voting capital stock;

WHEREAS, this Corporation has this day adopted a plan to qualify its stock for the benefits of Section 1244 of the Internal Revenue Code of 1954, as amended, and Sections 18206-18210 of the California Revenue and Taxation Code; and

WHEREAS, it is deemed to be in the best interests of the Corporation that Two Thousand Five Hundred (2,500) shares of its capital stock be offered, sold and issued in the following manner:

Confidential Treatment Requested SEN009067

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NAME OF OFFEREE	NO. OF SHARES	CONSIDERATION
Teodoro Nguema Obiang	2,500	Cancellation of indebtedness for any borrowed cash in the amount of $25,000

NOW, THEREFORE, BE IT RESOLVED, that the president and the secretary of this Corporation are authorized and directed to offer, issue and sell the shares of stock of this Corporation in the manner stated above provided the transaction complies with all of the requirements of Section 25102(f) of the California Corporations Code.

RESOLVED, FURTHER, that sales of the security shall not be made to more than 35 persons, including persons not in this state.

RESOLVED, FURTHER, that all purchasers shall have the pre-existing personal or business relationship with the Corporation or the capacity to protect their own interests, required by Section 25102(f)(2) of the California Corporations Code.

RESOLVED, FURTHER, that each purchaser shall represent that the purchaser is purchasing for the purchaser's own account (or a trust account if the purchaser is a trustee) and not with a view to or for sale in connection with any distribution of the security.

RESOLVED, FURTHER, that the offer and sale of the security shall not be accomplished by the publication of any advertisement.

RESOLVED, FURTHER, that any officer of this Corporation is authorized and directed to sign and file with the Department of Corporations on behalf of this Corporation a Notice of Transaction Pursuant to Corporation Code Section 25102(f), when and if such filing shall be deemed necessary.

Dated as of May 23, 2006

Teodoro Nguema Obiang

Incorporator

Confidential Treatment Requested SEN009068

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As of May 23, 2006

To the Board of Directors of Sweetwater Management, Inc.:

I hereby accept my election as director and as President , Secretary, and Chief Financial Officer of this corporation, effective immediately.

Teodoro Nguema Obiang

I hereby resign as the Incorporator of this Corporation, effective immediately.

Incorporator

Confidential Treatment Requested SEN009069

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HP LaserJet *3390*

Fax Call Report

George Nagler
3102787584
Jun-21-2007 12:10PM

Job	Date	Time	Type	Identification	Duration	Pages	Result
1460	6/21/2007	12:07:21PM	Send	13104572877	2:51	11	OK

Law Offices Of
GEORGE I. NAGLER
[illegible] Tel: 310-278-0034 Fax: 310-279-7884 [illegible]

TELECOPY INFORMATION

NO. OF PAGES:	11 (incl. Cover page)	DATE:	June 21, 2007
ATTENTION:	Lina Romo	TIME:	10:54 AM
FAX NUMBER:	310 467 2877	RE:	
FROM:	George I. Nagler		

Enclosed at your request is a copy of the articles for each of Sweetwater Management, Inc. and Sweetwater Malibu, LLC.

Also enclosed is a copy of the latest corporate action showing the election of Mr. Nguema as the President, Secretary and Chief Financial Officer of Sweetwater Management. Mr. Nguema is named as the manager of the LLC and is the sole officer.

GIN:lrc
Encls.

Please call 310 278 0034 if there are any transmission questions.

Confidential Treatment Requested SEN009070

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, California 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

February 1, 2007

Secretary of State
Statement of Information Unit
P.O. Box 944230
Sacramento, CA 94244-2300

Re: Sweetwater Management, Inc. and Sweetwater Malibu, LLC

Dear Sir or Madam:

Enclosed is the original and copy of the Statement of Information for Sweetwater Management, Inc. and Sweetwater Malibu, LLC, which amends previously filed statements. Please file the originals and return a conformed copy of each in the enclosed self-addressed stamped envelope provided for your convenience.

Thank you.

Very truly yours,

George I. Nagler

GIN:lrc
Encls.

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State of California
Secretary of State

S

STATEMENT OF INFORMATION
(Domestic Stock Corporation)

FEES (Filing and Disclosure): $25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME (Please do not alter if name is preprinted.)

SWEETWATER MANAGEMENT, INC.
C/O George Nagler
468 N. Camden Drive, #200
Beverly Hills, CA 90210

This Space For Filing Use Only

DUE DATE:

CALIFORNIA CORPORATE DISCLOSURE ACT (Corporations Code section 1502.1)

A publicly traded corporation must file with the Secretary of State a Corporate Disclosure Statement (Form SI-PT) annually, within 150 days after the end of its fiscal year. Please see reverse for additional information regarding publicly traded corporations.

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 2 and 3 cannot be P.O. Boxes.)

	CITY AND STATE	STATE	ZIP CODE
2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE c/o George Nagler, 468 N. Camden Dr., #200,	Beverly Hills, CA		90210
3. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY c/o George Nagler, 468 N. Camden Dr., #200,	CITY Beverly Hills,	CA	90210

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

	ADDRESS	CITY AND STATE	ZIP CODE
4. CHIEF EXECUTIVE OFFICER/ Teodoro Nguema Obiang	c/o G. Nagler, 468 N. Camden Dr.#200	Beverly Hills, CA	90210
5. SECRETARY/ Teodoro Nguema Obiang	c/o G. Nagler, 468 N. Camden Dr.#200	Beverly Hills, CA	90210
6. CHIEF FINANCIAL OFFICER/ Teodoro Nguema Obiang	c/o G. Nagler, 468 N. Camden Dr.#200	Beverly Hills, CA	90210

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (The corporation must have at least one director. Attach additional pages, if necessary.)

	ADDRESS	CITY AND STATE	ZIP CODE
7. NAME Teodoro Nguema Obiang	c/o G. Nagler, 468 N. Camden Dr.#200	Beverly Hills, CA	90210
8. NAME	ADDRESS	CITY AND STATE	ZIP CODE
9. NAME	ADDRESS	CITY AND STATE	ZIP CODE

10. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 12 must be completed with a California address. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 12 must be left blank.)

11. NAME OF AGENT FOR SERVICE OF PROCESS
George I. Nagler, Esq.

	CITY	STATE	ZIP CODE
12. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL 468 N. Camden Dr., #200	Beverly Hills,	CA	90210

TYPE OF BUSINESS

13. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Management Services

14. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	SIGNATURE	TITLE	DATE
George I. Nagler		Attorney	2/5/07

SI-200 C (REV 07/2006) APPROVED BY SECRETARY OF STATE

Confidential Treatment Requested SEN009072

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**ACTION BY UNANIMOUS WRITTEN CONSENT
IN LIEU OF FIRST MEETING OF
THE INCORPORATOR AND BOARD OF DIRECTORS OF
SWEETWATER MANAGEMENT, INC.**

The undersigned, being the sole incorporator and the sole director of SWEETWATER MANAGEMENT, INC. (the "Corporation"), adopts the following resolutions by unanimous written consent in lieu of a first meeting, in accordance with Sections 210, 307(b) and 307(c) of the California General Corporation Law.

1. Articles of Incorporation

RESOLVED, that the articles of incorporation of the Corporation are ordered incorporated into the minute book of this Corporation.

2. Bylaws

RESOLVED, that the Bylaws, a copy of which has been delivered to each of the undersigned, are adopted as the Bylaws of this Corporation;

RESOLVED, FURTHER, that the Secretary of this Corporation is authorized and directed to execute a certificate of the adoption of said Bylaws and to insert said Bylaws as so certified in the minute book of this Corporation, and to see that a copy of said Bylaws, similarly certified, is kept at the principal office for the transaction of business of this Corporation, in accordance with Section 213 of the California Corporations Code.

3. Election of Directors

RESOLVED, that Teodoro Nguema Obiang is elected as the sole director of the Corporation to serve until his successor is duly elected pursuant to the Bylaws, or until resignation or removal, as the case may be, and to exercise the powers of further organization and direction of the Corporation.

4. Resignation of Incorporator

RESOLVED, that the newly elected Board of Directors of the Corporation accept the resignation of the incorporator.

5. Election of Officers

RESOLVED, that the following persons are elected to the offices set forth opposite their respective names:

Teodoro Nguema Obiang	President/Chief Financial Officer/Secretary

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 246

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6. Seal

RESOLVED, that the corporate seal, in the form, words and figures shown below is adopted as the seal of this Corporation.

[SEAL]

7. Share Certificate

RESOLVED, that the attached form of share certificate is approved and adopted, and the Secretary is instructed to insert a copy in the minute book immediately following this written consent.

8. Organizational Expenses

RESOLVED, that the President and the Chief Financial Officer of this Corporation are authorized and directed to pay the expenses of incorporation and organization of this Corporation.

9. Principal Office

RESOLVED, that 468 N. Camden Drive #200, Beverly Hills, CA 90210 is designated and fixed as the principal office for the transaction of business of the Corporation.

10. Business Expenses

RESOLVED, that all of the expenditures incurred by this Corporation for travel, interest, rent, entertainment or business gifts are deemed to be business expenses which are ordinary and necessary to the conduct of the regular operating affairs of this Corporation. However, should it be determined that any of such expenses are not ordinary and necessary business expenses, those amounts be treated as additional compensation in the form of a bonus in payment for services actually rendered by the employee for whose benefit the monies were spent.

11. Bank Accounts

RESOLVED, that either the President or the Chief Financial Officer of this Corporation is authorized:

(a) To open a corporate bank account at such bank or banks as such officer shall choose;

(b) To designate one or more other banks, trust companies, or other similar institutions as depositories of the funds, including, without limitation, cash and cash

Confidential Treatment Requested SEN009184

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equivalents, of this Corporation;

(c) To open, keep and close general and special bank accounts, including general deposit accounts, payroll accounts, and working fund accounts, with any such depository;

(d) To cause to be deposited in such account with any such depository, from time to time, such funds, including, without limitation, cash and cash equivalents, of this Corporation as such officers deem necessary or advisable, and to designate or change the designation of the officer or officers and agent or agents of this Corporation who will be authorized to make such deposits and to endorse checks, drafts, or other instruments for such deposit;

(e) From time to time to designate or change the designation of the officer or officers and agent or agents of this Corporation who will be authorized to sign or counter-sign checks, drafts, or other orders for the payment of money issued in the name of this Corporation against any funds deposited in any of such accounts, and to revoke any such designation;

(f) To make such general and special rules and regulations with respect to such accounts as they may deem necessary or advisable; and

(g) To complete, execute, and/or certify any customary printed blank signature card forms in order conveniently to exercise the authority granted by this resolution and any resolutions printed thereon shall be deemed adopted as a part hereof;

RESOLVED, FURTHER, that all form resolutions required by any such depository are adopted in such form utilized by the depository, and the secretary of this Corporation is hereby authorized to certify such resolutions as having been adopted by this written consent and is directed to insert the form of such resolutions in the minute book immediately following this written consent;

RESOLVED, FURTHER, that any such depository to which a copy certified by the secretary or an assistant secretary of this Corporation of these resolutions shall have been delivered shall be entitled to rely on such certified copy for all purposes until it shall have received written notice of the revocation or amendment of these resolutions by the board of directors of this Corporation; and

RESOLVED, FURTHER, that Melinda DeHaven is authorized to sign checks and otherwise direct such depository on behalf of this Corporation.

12. Employer Identification Numbers

RESOLVED, that the President of this Corporation is authorized and directed on behalf of this Corporation to prepare and file or to cause to be prepared and filed proper applications with respect to employer identification numbers for Federal (Form SS-4) and

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California (Form DE-1) purposes, local city licenses and any and all other licenses or permits required by law in connection with the conduct of its business and in accordance with its articles of incorporation and federal, state and local laws.

13. Fiscal Year

RESOLVED, that the Board of Directors select the fiscal year end at a later date.

14. Section 1244 Plan

RESOLVED, that the Corporation adopts, effective this date, the following plan to qualify under Section 1244 of the Internal Revenue Code of 1954, as amended, and Sections 18206-18210 of the California Revenue and Taxation Code:

(a) The maximum number of shares to be issued under this plan shall not exceed one hundred thousand (100,000) shares and the aggregate consideration to be received therefor, which shall consist only of money or other property (other than stock and securities), shall not exceed One Million Dollars ($1,000,000);

(b) This plan shall continue until terminated by the board of directors;

(c) The shares to be issued to the proposed shareholders named in the following resolution adopted at this meeting are part of the shares to be issued under this plan; and

(d) No shares other than those sold and issued under this plan shall be offered, sold or issued during the period that this plan is effective.

15. Issuance of Shares

WHEREAS, it is necessary that this Corporation have shares of stock issued and outstanding;

WHEREAS, the articles of incorporation authorize the Corporation to issue one hundred thousand (100,000) shares of voting capital stock;

WHEREAS, this Corporation has this day adopted a plan to qualify its stock for the benefits of Section 1244 of the Internal Revenue Code of 1954, as amended, and Sections 18206-18210 of the California Revenue and Taxation Code; and

WHEREAS, it is deemed to be in the best interests of the Corporation that Two Thousand Five Hundred (2,500) shares of its capital stock be offered, sold and issued in the following manner:

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NAME OF OFFEREE	NO. OF SHARES	CONSIDERATION
Teodoro Nguema Obiang	2,500	Cancellation of indebtedness for any borrowed cash in the amount of $25,000

NOW, THEREFORE, BE IT RESOLVED, that the president and the secretary of this Corporation are authorized and directed to offer, issue and sell the shares of stock of this Corporation in the manner stated above provided the transaction complies with all of the requirements of Section 25102(f) of the California Corporations Code.

RESOLVED, FURTHER, that sales of the security shall not be made to more than 35 persons, including persons not in this state.

RESOLVED, FURTHER, that all purchasers shall have the pre-existing personal or business relationship with the Corporation or the capacity to protect their own interests, required by Section 25102(f)(2) of the California Corporations Code.

RESOLVED, FURTHER, that each purchaser shall represent that the purchaser is purchasing for the purchaser's own account (or a trust account if the purchaser is a trustee) and not with a view to or for sale in connection with any distribution of the security.

RESOLVED, FURTHER, that the offer and sale of the security shall not be accomplished by the publication of any advertisement.

RESOLVED, FURTHER, that any officer of this Corporation is authorized and directed to sign and file with the Department of Corporations on behalf of this Corporation a Notice of Transaction Pursuant to Corporation Code Section 25102(f), when and if such filing shall be deemed necessary.

Dated as of May 23, 2006

Teodoro Nguema Obiang

Incorporator

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As of May 23, 2006

To the Board of Directors of Sweetwater Management, Inc.:

I hereby accept my election as director and as President , Secretary, and Chief Financial Officer of this corporation, effective immediately.

Teodoro Nguema Obiang

I hereby resign as the Incorporator of this Corporation, effective immediately.

Erin Trauerbach
Incorporator

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EMPLOYMENT AGREEMENT – AT WILL
SWEETWATER MANAGEMENT, INC.
SUELLEN EVERETT

1. Date and Parties.

This Employment Agreement ("Agreement") is made and entered into as of December 12, 2006, by Sweetwater Management, Inc, a California corporation ("Company"), and Suellen Everett ("Employee").

2. Recitals.

2.1 Company is providing various services to Sweetwater Malibu, LLC, a California limited liability company (the "LLC"). The LLC owns that certain residential property commonly known as 3620 Sweetwater Mesa Road, Malibu, CA (the "Property").

2.2 Company proposes to employ Employee, and Employee proposes to be employed by Company on the terms and conditions set forth below.

3. Employment.

3.1 Employment of Employee. Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by Company on the terms and conditions set forth below.

3.2 Position and Duties.

(a) Company hereby employs Employee from and after December 11, 2006, at the Property or at such other locations as the president of Company may request.

(b) Employee shall serve the Company and hold such office, if any, as the President may request and shall perform such duties as the President may request including, without limitation, being responsible for the management and maintenance of the Property, supervising the other employees of Company and acting as the personal executive assistant of President.

(c) Employee agrees to serve Company to the best his or her ability and to devote his or her business time, attention, and energies to Company and the LLC, as Employee may be directed.

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(d) Employee further agrees that when fulfilling responsibilities under this Agreement, Employee will not perform services for any other person, corporation, firm, or entity without prior written consent of the President of Company.

(e) Employee's immediate supervisor at the Company shall be Teodoro Nguema Obiang, the President.

3.3 At Will Employment. Employee understands and agrees that employment with Company is at will. This means that either Employee or Company may terminate this Agreement at any time, with or without cause or notice. In addition, Company reserves the right to eliminate or change any term or condition of employment at any time with or without cause or notice. Employee further agrees that only the President of Company has the authority to make any agreement contrary to the terms of this Agreement, and any modification of the at-will nature of the employment must be in writing and executed by Employee and the President of Company.

3.4 Authorization to Work. Employee agrees, as a condition of employment, to provide (a) legally required proof of his or her identity and authorization to work in the United States including, without limitation, a duly completed and signed form I-9, (b) an IRS form W-4, and a form W-9 showing the social security number of Employee .

3.5 Resume. Employee represents that the resume showing the work experience and education of Employee that was delivered to Company is true and correct.

4. Compensation.

4.1 Compensation. Employee will earn a monthly salary of $6,666.67, less required withholding and deductions.

4.2 Compensation Paid. The salary shall be paid to Employee for the period and the times that Company pays its other employees and is expected to initially be twice a month, on the 15th and end of the month, in equal installments. If such pay day falls on a bank holiday, such pay day shall be on the immediately preceding work day.

4.3 Medical Insurance and Other Benefits. Company shall provide Employee with whatever medical insurance and other benefits it is then providing to other full time employees from time to time. Company is currently investigating various medical insurance plans and may elect to adopt such a plan to cover its full time employees. Employee will deliver to Company all Company property by the last day actually worked.

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5. Reimbursement of Expenses.

Company will only reimburse Employee for such expenses as the President of the Company approves.

6. Proprietary Information and Prohibition on Soliciting Customer or Employees.

6.1 Proprietary Information. Employee agrees that at any time following termination of Employee's relationship with Company for any reason, Employee will not use or disclose to any person or entity any information about the Company, the LLC, the president of Company, the Property or anything that Employee may learn about any of the foregoing or anyone who may be at the Property at the invitation of President of Company or have any relationship or dealings with any of the foregoing.

6.2 No Solicitation of Employees. Employee agrees that during the term of employment and for a period of 12 months immediately following the termination of his or her relationship with Company for any reason, Employee shall not either directly or indirectly, solicit, induce, recruit, or encourage any of Company's employees to leave their employment with Company.

6.3 Notification to New Employer. Employee consents to notification by Company to any new employer about Employee's rights and obligations under this Agreement.

7. Dispute Resolution.

7.1 Mediation. Mediation is recommended as a method of resolving disputes arising out of this Agreement between Company and Employee.

7.2 Arbitration. All disputes of claims between Company and Employee shall be submitted to arbitration pursuant to the rules of the American Arbitration Association National Rules for the Resolutions of Employment Disputes then in effect (the "AAA Rules"). The arbitration shall take place in Los Angeles County, California, and both Employee and Company agree to submit to the jurisdiction of the arbitrator selected in accordance with AAA Rules. Employee and Company agree that this arbitration procedure will be the exclusive avenue of redress for any disputes relating to or arising from Employee's employment with Company, including disputes over rights provided by federal, state, or local statutes, regulations, ordinances, and common law, including all laws that prohibit discrimination based on any protected classification. The parties expressly waive the right to a jury trial and agree that the award of the arbitrator shall be final and binding on both parties and nonappealable. The arbitrator shall have discretion to award monetary and other damages, or no damages, and to fashion such other relief as the arbitrator deems appropriate. The arbitrator shall also have discretion to award the prevailing party reasonable costs and attorneys' fees incurred in bringing or defending an action under this provision.

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8. General Provisions.

8.1 Entire Agreement. This Agreement sets forth the entire understanding between Employee and Company. Employee agrees that this Agreement is a final, complete, and fully binding agreement and that there are no other agreements, oral or written, express or implied, concerning the subject matter of this Agreement. Employee agrees that he or she has not relief on any promises or representations made by Company, other than those expressly set forth in this Agreement.

8.2 Severability and Governing Law. If one or more of the provisions of this Agreement are deemed unenforceable, then the remaining provisions will continue in full force and effect. The validity, interpretation, effect, and enforcement of this Agreement shall be governed by the laws of the State of California.

8.3 Credit Investigation, Drug Testing and Other Review. Employee is aware that Company may prior to hiring Employee and from time to time during employment conduct such credit investigation, drug testing and other review of Employee as Company may deem necessary or proper.

Executed on the dates and at the places indicated below.

"COMPANY"

Executed at _____

California, this ____ day of December, 2006

Sweetwater Management, Inc., a California corporation

By:_____

Print Name: _____

Its:_____
Title

"EMPLOYEE"

Executed at Beverly Hills
California, this 12 day of December 12, 2006

Suellen R. Everett
Print Name: Suellen Everett
Social Security Number [redacted]

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SWEETWATER MANAGEMENT INC
3620 Sweetwater Mesa Road
Malibu, CA 90265

SEMI-MONTHLY PAYROLL - Sweetwater Management Inc.
PAYROLL PERIOD: (July 16 through July 31, 2007 - PAYDAY, Wednesday, Aug 1, 2007

	RATE OF PAY	REGULAR HOURS		EXTRA HOURS		TOTAL HOURS	TOTAL GROSS PAY
		WE 7/16/07	WE 7/22/07	WE 7/23/07	WE 7/31/07		
[redacted]	Salary						[redacted]
[redacted]	Salary						[redacted]
[redacted]	[redacted]	40.0		56.0		96.0	[redacted]
[redacted]	[redacted]	35.0		35.0	30.0	70.0	[redacted]
[redacted]	[redacted]	40.0		49.0		89.0	[redacted]
[redacted]	[redacted]	vacation		vacation	0.0	0.0	[redacted]
[redacted]	[redacted]	40.0		56.0	0.0	96.0	[redacted]
[redacted]	[redacted]	40.0		56.0	0.0	96.0	[redacted]
						TOTAL PAYROLL	$15,174.04

APPROVED BY: Lina Romo 7-30-07
Lina Romo Date

Teodoro N. Oblang Date

[redacted]

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07/30/2007 11:03 13103179752 SWEETWATER MANAGEMET PAGE 03/06

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Sweetwater Management
Tel: 310-457-2822 Fax: 310-457-2877
Email: linaromo21@[redacted]

OVER TIME APPROVAL

From: May 28, 2007 to June 10, 2007

Hello Mr. Nguema,

The following is the break down for over time submitted to me by Jean Charles. The over time for this pay period was never submitted by Sue Ellen. The over time is for the following dates: **May 28,2007 to June 10, 2007**

Name of employee	Over time Hours	Hourly pay	Total Amount:
[redacted]	91	[redacted]	[redacted]
[redacted]	39.5	[redacted]	[redacted]
[redacted]	68.5	[redacted]	[redacted]

The total amount in over time for all three employee's @ straight pay = $ [redacted]

If these hours are approved for the pay period above please sign below. Thank you.

X
Teodoro Nguema Oblang

[redacted]

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This transmission contains Information [illegible] m the law offices of George I. Nagler that [illegible] privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

george nagler

From: george nagler [gnagler@[redacted]]
Sent: Friday, January 26, 2007 3:22 PM
To: 'Suellen Everett'
Subject: 2006 Employee tax information

Suellen, I am reminded that I handled payroll from the period ending June 30, 2006 through August 15, 2006 for Sweetwater Management, Inc. for the following employees:

Fabian Martin, Jean Charles Hoschet, Lily Panayotti, Melinda Dehaven, Salvador Martins, Santos Alvarado and Sofia Sosa.

Please confirm that you and/or the payroll service have sent them the required W-2 tax information for 2006 that includes this period.

Thanks.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

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*Please destroy this email and any attachm[illegible] [illegible]or.

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MANAGEMENT AGREEMENT

In consideration of the covenants herein contained, Sweetwater Malibu, LLC (hereinafter called "OWNER") and American Equity Properties, Inc. dba American Property Management (hereinafter called "MANAGER"), agree as follows:

1. Term of Agreement

OWNER hereby employs MANAGER exclusively to operate and manage the residential property (hereinafter called "PROPERTY") described below:

3620 Sweetwater Mesa Road
Malibu, California 90265

Commencing on June 1, 2006 and until May 31, 2007.

2. Manager's Responsibilities

MANAGER accepts the employment and agrees:

(a) To use due diligence in the management of PROPERTY for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the operating and managing of the herein described PROPERTY.

(b) To render monthly statements of receipts and expenses, and to remit to OWNER receipts less disbursements less working capital. The working capital is to remain and be maintained in the operating account so as to cover any excess operating expenses. OWNER hereby agrees to send MANAGER sufficient funds to pay anticipated expenses at least one month in advance and upon request of MANAGER. MANAGER agrees to use every resource possible in ensuring that monthly statements are distributed within 12 business days of month end.

(c) To deposit all receipts received from OWNER in an insured checking account in a national or state institution separate from MANAGER'S personal account. However, MANAGER will not be held liable in event of bankruptcy or failure of a depository. MANAGER suggests that there should be three bank accounts, on each of which Edward Mizrahi will be an authorized signatory, as follows: (1) an account in the name of the OWNER to hold all funds in an amount equal to approximately four (4) months of anticipated expenses, except what is needed for the next month for payroll, not to exceed the amount of the Manager's Fidelity Bond required to be maintained by the Manager pursuant to Paragraph 4(k) below; (2) payroll account in the name of Sweetwater Management, Inc. on which one or more of its officers shall also be an authorized signatory (the "Payroll Account"); and (3) an account in the name of MANAGER, to pay the monthly expenses of PROPERTY, other than payroll (the "Property Account").

(d) To prepare a budget at least once a year showing in reasonable detail the anticipated expenses by month for the traditional categories of expenses anticipated for the property. This budget shall be prepared by MANAGER initially from information provided by OWNER, and later revised as more accurate information is obtained.

3. Manager's Authority

The OWNER hereby gives to MANAGER the following authority and powers and agrees to assume the expenses in connection herewith:

(a) OWNER designates Melinda DeHaven (hereinafter called "PERSON IN CHARGE") to be the person in charge for the day to day operations of the PROPERTY. MANAGER will only be required to make, cause to be made, and/or supervise repairs, improvements, alterations, and decorations to the PROPERTY when the PERSON IN CHARGE is not available. OWNER may, from time to time, designate a replacement individual to be the PERSON IN CHARGE upon at least seventy-two (72) hours written notice to the MANAGER. If the PERSON IN CHARGE is not going to be available, OWNER or OWNER'S agent shall provide at least forty-eight (48) hours written notice to MANAGER of such unavailability. In the event the PERSON IN CHARGE is not going to be available due to illness or other emergency, OWNER or OWNER'S agent shall provide reasonable advance written notice to MANAGER of such unavailability.

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MANAGEMENT AGREEMENT

(b) Manager is authorized, when PERSON IN CHARGE is not available, to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the PROPERTY in its present condition, and for the operating efficiency of the PROPERTY, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. MANAGER shall obtain prior approval of OWNER on all expenditures over $5000.00 for any one item. Notwithstanding the foregoing, prior approval shall not be required for monthly or recurring operating charges, or, if in MANAGER'S opinion, emergency expenditures over the maximum are needed to protect the PROPERTY.

(c) MANAGER shall pay bills for services and supplies approved by OWNER or PERSON IN CHARGE or such other bills for services and supplies that the MANAGER is authorized to incur on behalf of the OWNER without prior approval pursuant to the terms of this Agreement.

(d) MANAGER when PERSON IN CHARGE specifically authorizes or when not available, shall select, engage, supervise and discharge any personnel necessary in MANAGER'S reasonable judgment for the operation, maintenance and protection of PROPERTY. Such personnel shall be the employees or independent contractors of MANAGER, as determined by MANAGER in its sole discretion.

(e) To make contracts in OWNER'S name for electricity gas fuel water telephone or window cleaning and other services and merchandise or such of them as MANAGER shall deem advisable; OWNER hereby assumes the obligation of any contract so entered into, providing MANAGER shall deliver a copy of such proposed contract for OWNER'S approval.

(f) MANAGER agrees to maintain errors and omissions insurance of at least $500,000.00 and maintain coverage for the for the term of this agreement.

4. **Owner's Responsibilities**

The OWNER hereby agrees to the following and assumes the following responsibilities:

(a) OWNER agrees to reimburse MANAGER for city business tax due in connection with the payroll expense for employees procured, as outlined herein, in proportion to MANAGER'S payroll expense for said employees and reasonable payroll processing costs. The provisions of this Paragraph 4 (a) shall survive the termination of this Agreement.

(b) Except as otherwise provided herein to the contrary, to indemnify, defend and hold MANAGER free and harmless from all claims, damages, liability, claims, cause of action, including reasonable attorneys' fees and costs incurred by MANAGER, in defending against the same, arising out of or pertaining to or in connection with the management of the PROPERTY and from liability from injury suffered by any employee or other person whomsoever, including, but not limited to, claims by OWNER'S employees, independent contractors, agents, invitees and governmental agencies or authorities. OWNER further agrees to carry, at its own sole cost and expense, necessary public liability and workers' compensation insurance adequate to protect the interests of the parties hereto, which policies shall be so written as to protect MANAGER in the same manner and to the same extent they protect OWNER, and will name MANAGER as co-insured if permitted by the insurance company. MANAGER also shall not be liable for any error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or negligence. The provisions of this Paragraph 4 (b) shall survive the termination of this Agreement.

(c) To pay MANAGER a monthly management fee of $4,000.00 per month, payable within 3 days prior to month end. MANAGER shall be entitled to deduct said fee from the PROPERTY'S operating account. Should the funds of the operating account be insufficient for payment of the management fee, OWNER shall contribute sufficient funds to the operating account so as to cover the expense.

(d) In the event that OWNER requests MANAGER to undertake work exceeding the ordinary management duties and obligations contemplated by this agreement, MANAGER shall be entitled to additional compensation for such activities based upon the agreement between the parties at the time such work is performed as

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MANAGEMENT AGREEMENT

is applicable. Ordinary management activities do not include the modernization, remodeling, refinancing, damage restoration, major rehabilitation, appearances before planing, zoning, building and safety committees, administrative agencies, small claims court, providing income tax or resale advice. MANAGER shall only perform such extra services when authorized in writing by OWNER including the amount of compensation. OWNER acknowledges being advised the MANAGER normally receives two hundred fifty dollars per appearance herein and a surcharge of five percent of the lowest contract price for major capital improvements, such as, as re-roofing, exterior painting, installation of perimeter gates, copper-repiping, etc. The principals of MANAGER shall not maintain any financial interests in contractors providing goods and services to PROPERTY without the prior written consent of OWNER.

(e) OWNER shall deliver $5,000 (working capital) to MANAGER to deposit in PROPERTY account which shall constitute normal working capital for the PROPERTY.

(f) All Costs, expenses, debts and liabilities of operating, managing, maintaining and repairing PROPERTY including expenses for supplies forms, postage, photo copy charges and all other expenses incurred by MANAGER in the performance of its obligations under this Agreement shall be expenses of PROPERTY, and borne solely by OWNER. OWNER shall provide necessary capital infusions to maintain accounts payable within thirty (30) days of MANAGER incurring expenses on behalf of PROPERTY. MANAGER shall not be obligated to advance or agree to advance any of its own funds to or for the account of OWNER, or to incur any contractual liability unless OWNER has furnished MANAGER with funds necessary for the discharge thereof. If MANAGER advances any funds in payment of an expense in the maintenance, operation or capital improvement of PROPERTY, MANAGER shall promptly reimburse itself therefor from PROPERTY account. If funds present in PROPERTY account are Insufficient to cover such reimbursements, OWNER shall promptly reimburse MANAGER therefor upon delivery of Itemized invoices or bills to OWNER.

(g) To avoid any miscommunications between OWNER and MANAGER, OWNER will designate the PERSON IN CHARGE or Teodoro Nguema Obiang as its representative to act on behalf of OWNER. MANAGER shall not be responsible for directives from any other party having an interest in PROPERTY other than the above-designated representative or the PERSON IN CHARGE. Copies of all communications shall be sent to the OWNER'S attorney, George I. Nagler, 468 Camden Drive #200, Beverly Hills, California 90210 fax (310)278-7584 or gnagler@[redacted] by PERSON IN CHARGE. Furthermore, OWNER shall keep MANAGER fully informed of any significant development regarding the PROPERTY and its operations.

(h) MANAGER shall not be responsible for the specification, bidding, purchasing, monitoring nor maintenance of any property insurance policies. OWNER agrees to be completely responsible for all matters concerning property insurance, and hereby agrees to indemnify, defend and hold MANAGER harmless against any claims or damages that may result as a consequence of OWNER responsibility for such matters. MANAGER shall make its best efforts to make timely and accurate payments of insurance premiums from funds available within the bank account established on behalf of the Property, and based upon invoices timely presented by OWNER or OWNER'S insurance agent. However, MANGER shall not be responsible for any lapse in coverage, nor losses that might result as a consequence of any lapse in coverage, that might result from failure to make timely premium payments or failure to secure continuing insurance coverage for the PROPERTY. As a courtesy to OWNER, MANAGER may elect to present OWNER with property insurance proposals from insurance agents or companies that may share portions of their commissions with MANAGER providing MANAGER discloses in writing such time the fee payable. MANAGER shall not be responsible to present other proposals, and OWNER agrees to indemnify, defend and hold MANAGER harmless against any claim, damages or costs it might incur as a consequence of selecting the insurance offered by the agent or Insurance company presented by MANAGER.

(i)MANAGER shall not be responsible for ensuring that there are sufficient funds in the Payroll Account to meet the OWNER'S or OWNER'S related entities' payroll obligations, including, but not limited to, worker's compensation, payroll taxes and other employment obligations. OWNER agrees to have on deposit, at all times during the term of this Agreement, sufficient funds to meet such obligations. MANAGER 'S signatory authority on the Payroll Account is solely to allow the MANAGER to perform the ministerial act of delivering funds from said account to the payroll company, on the OWNER'S behalf to meet the OWNER'S or OWNER'S related entities' payroll obligations. MANAGER shall not have the authority to determine when and/or if the payroll obligations shall be paid.

(j) In recognition of the relative risks and benefits of the services offered through this Agreement to

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MANAGEMENT AGREEMENT

both OWNER and MANAGER, the risks have been allocated such that the OWNER agrees to the fullest extent permitted by law, to limit the liability of MANAGER to OWNER for any and all claims, losses, costs damages of any nature whatsoever or claims expenses from any cause or causes, so that the total aggregate liability of Manager to Owner shall not exceed the lower of ten thousand dollars ($10,000.00), or the total management fees paid to MANAGER throughout the term of this Agreement Such claims and causes include, but are no limited to negligence, professional errors or omissions, strict liability, breach of contract, or warranty.

(k) The MANAGER agrees to maintain, at the OWNER'S expense, a Fidelity Bond which covers employee dishonesty in an amount not less than $250,000 and not greater than the amount that MANAGER may reasonably be able to procure at commercially reasonable rates ("Fidelity Bond"). Notwithstanding anything else contained in this Agreement to the contrary, MANAGER'S limit of liability for any of MANAGER'S negligence or willful misuse of the funds of the OWNER within the MANAGER'S control shall be the greater of $250,000 or the amount of the MANAGER'S Fidelity Bond maintains to cover employee's dishonesty including, without limitation, the acts or omissions of Edward Mizrahi (the President of the MANAGER). For purposes of this Paragraph 4, the term "OWNER" means and includes OWNER'S related entity Sweetwater Management, Inc., and/or Teodoro Nguema Obiang. The Fidelity Bond shall not cover and MANAGER'S liability hereunder shall not extend to any willful or negligent acts or omissions of OWNER'S employees, independent contractors or agents other than the MANAGER.

5. Owner's Authority

OWNER is the sole owner of PROPERTY and has full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder, and the signatories to this Agreement and any other agreements contemplated by this Agreement for OWNER are authorized by OWNER to sign this Agreement. If signatory signs on behalf of OWNER, then signatory shall be joint and severally responsible for all provisions and obligations herein contained. The execution, delivery and performance of this Agreement (a) do not require consent or approval of any governmental authority, (b) do not violate any provisions of law or any governmental order, and (c) do not conflict with, result in a breach of, or constitute a default under the OWNER'S charter or bylaws (if applicable) or any Instrument to which OWNER is a party or by which it or any of its property is bound.

6. Termination of Agreement

This Agreement may be terminated at any time by either party by providing the other party thirty (30) day advance written notice of intent to cancel.

(a) Notwithstanding any implied or statutory requirement for prior notice of cancellation, either party shall have the option to terminate this Agreement immediately upon the other party's filing of a petition in bankruptcy, making an assignment for the benefit of creditors, or any other act of insolvency.

(b) This Agreement may be terminated at the non-breaching party's option on twenty (20) day's written notice to the breaching party, upon a material breach of any obligation set forth in this Agreement which continues for ten (10) days after delivery of notice from the non-breaching party to the breaching party designating such breach.

(c) Upon termination of this Agreement the relationship created hereby shall immediately cease and MANAGER shall have no further right to act for OWNER. On the effective date of termination (the "TERMINATION DATE"), MANAGER shall immediately (1) deliver to OWNER all monies of OWNER on hand or in the PROPERTY operating account; provided however, that MANAGER shall retain for a period of thirty (30) days after TERMINATION DATE sufficient funds, or OWNER shall augment funds as required, in PROPERTY operating account to meet anticipated operating expenses and liabilities, including accounts payable due, incurred in MANAGER'S name, and to pay MANAGER'S final Management fee, (2) deliver to OWNER all materials and supplies, keys, contracts and documents and all other books and records pertaining to the operation of PROPERTY and (3) assign any right MANAGER may have in and to any existing contracts relating to the operation and maintenance of PROPERTY as OWNER requests.

(d) If it shall become necessary for MANAGER or OWNER to give notice of any kind, the same shall be given and shall be complete by sending such notice by express or registered mail to the last known address.

Initials _____/ E.M.

ph44585 on D330-44585-7600 with DISTILLER

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568401.103

MANAGEMENT AGREEMENT

7. Dispute Resolution

Parties agree that any claim or controversy relating to or arising from the enforcement of this Agreement shall be submitted to binding arbitration before a single arbitrator selected by the parties (which could include retired Superior Court or Federal Court Judge) from membership of the Judicial Arbitration and Mediation Services (JAMS). The parties agree that the venue for any such arbitration is in Los Angeles County, State of California. The prevailing party in arbitration shall be entitled to all costs associated with arbitration of the dispute, including reasonable attorneys' fees.

8. Miscellaneous

MANAGER'S failure to require strict compliance with the conditions of this Agreement, or to exercise any right provided for herein, shall not be deemed a waiver by MANAGER of such condition or right, nor shall it be deemed a waiver of any other condition or right in this Agreement.

If any portion of this agreement is deemed invalid, it will not affect the validity of the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this on May 23, 2006.

OWNER: Sweetwater Malibu, LLC

TEODORO NGUEMA OBIANG, Manager

Manager: American Equity Properties, Inc.

EDWARD MIZRAHI, President

Initials

ph44585 on D330-44585-7600 with DISTILLER

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568401.104

[redacted] = Redacted by the Permanent Subcommittee on Investigations

CalNational BANK — **Business Signature Card** — Page 1 of 2

Account Title: Sweetwater Management, Inc. Household Account	Account Number: 0050317205
Tax ID: [redacted]	Ownership Type: Corporation
Business Address: 1460 Westwood Blvd Suite 200 Los Angeles CA 90024	
Mailing Address: 1460 Westwood Blvd Suite 200 Los Angeles CA 90024	
Business Phone: (310) 475-4496	Business Fax: (000) 000-0000 — Email: N/A
Date Opened: 05/31/2006	Supercede Date:

[redacted] Social Security Number	02/07/1966 Birth Date	[redacted] Social Security Number	02/24/1954 Birth Date
Lazrain Mother's Maiden Name or Place of Birth	(310) [redacted] Phone	Gunn Mother's Maiden Name or Place of Birth	(310) [redacted] Phone
Self Employer	Prop Mgmt. Occupation	Sweetwater Mgmt Inc Employer	Vice Pres Occupation
Ca Dmv Primary ID (Agency)	12/12/2005 Issue Date (Primary ID)	Ca Dmv Primary ID (Agency)	01/19/06 Issue Date (Primary ID)
[redacted] Primary ID (Number)	02/07[redacted] Expiration Date (Primary ID)	[redacted] Primary ID (Number)	[redacted] Expiration Date (Primary ID)
Amex Secondary ID (Agency)	N/A Issue Date (Secondary ID)	1St Ent Cu Secondary ID (Agency)	N/A Issue Date (Secondary ID)
[redacted] Secondary ID (Number)	02/28/[redacted] Expiration Date (Secondary ID)	[redacted] Secondary ID (Number)	11/30/[redacted] Expiration Date (Secondary ID)
N/A Company Email Address	CHEXSYSTEMS [X] NRI NRI OFAC [X]	N/A Company Email Address	CHEXSYSTEMS [X] NRI NRI OFAC [X]
Edward Mizrahi Name of Authorized Signer/Title		Melinda Dehaven Name of Authorized Signer/Title	
Signature		Signature	

Social Security Number	Birth Date	Social Security Number	Birth Date
Mother's Maiden Name or Place of Birth	Phone	Mother's Maiden Name or Place of Birth	Phone
Employer	Occupation	Employer	Occupation
Primary ID (Agency)	Issue Date (Primary ID)	Primary ID (Agency)	Issue Date (Primary ID)
Primary ID (Number)	Expiration Date (Primary ID)	Primary ID (Number)	Expiration Date (Primary ID)
Secondary ID (Agency)	Issue Date (Secondary ID)	Secondary ID (Agency)	Issue Date (Secondary ID)
Secondary ID (Number)	Expiration Date (Secondary ID)	Secondary ID (Number)	Expiration Date (Secondary ID)
N/A Company Email Address	CHEXSYSTEMS [ ] OFAC [ ]	N/A Company Email Address	CHEXSYSTEMS [ ] OFAC [ ]
N/A Name of Authorized Signer/Title		N/A Name of Authorized Signer/Title	
Signature		Signature	

BANK USE ONLY

Opened By: Shirley Amin	Chex Systems on Business: No Record [X] Record Found [ ]
Reviewed By:	OFAC Check: [X]
Type of Business:	Site Visit: Yes [X] No [X] By: John Hoppe 5/31/06
NAICS Code: 525990	Facsimile Resolution: Yes [ ] No [X]
T-Y Card Sent: Yes [ ] No [X] Existing	Date Closed:

Compliance Systems, Inc. 2003 ITEM 4383711 (0310) Page 1 of 2

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 253

PSI-Cal_Nat'l_Bank-[illegible]

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01183 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

ph44585 on D330-44585-7600 with DISTILLER

RESOLUTION OF CORPORATION

Authority to Open Account(s) ,eposit and Withdraw Funds, and to Open and H7 ,ccess to Safe Deposit Box(es)

0050317205

TO: (NAME / ADDRESS OF "FINANCIAL INSTITUTION")	FROM: (NAME / ADDRESS OF "CORPORATION")
California National Bank 1460 Westwood Blvd. Los Angeles, CA 90024 0000050 Westwood	Sweetwater Management, Inc. Household Account 1460 Westwood Blvd Suite 200 Los Angeles CA 90024

Words or phrases preceded by a ☐ are applicable only if the ☒ is marked.

I certify that I am the duly elected and qualified Secretary and keeper of the records of the Corporation named above, that the following is a true and complete copy of aR esolution duly adopted at a meeting of the Board of Directors of said Corporation held on the date shown below in accordance with law and the by-laws of said Corporation, and that my delivery of this Resolution to Financial Institution certifies to Financial Institution that such Resolution is still in full force and effect.

"**IT IS RESOLVED**, that the following described officers, employees or agents of Corporation, whose names and signatures appear below, are authorized, for and on behalf of the Corporation, to open and maintain a depository account or accounts of the Corporation with Financial Institution, subject to the terms and conditions specified in the applicable Account Agreement(s), to endorse and deposit with said Financial Institution negotiable instruments or other orders for the payment of money, which endorsements may be made in writing or by stamp and without the designation of the person endorsing, and to open and have access to a safe deposit box or safe deposit boxes, subject to the terms and conditions specified in the applicable Lease(s).

BE IT FURTHER RESOLVED, that the undersigned officers, employees or agents of Corporation may sign checks or other orders for the payment of money, withdrawing funds from Corporation account(s) with Financial Institution. Any undersigned officer, employee or agent may sign without the other(s) unless specifically designated otherwise.

☐ The Financial Institution is authorized to honor facsimile and other non-manual signatures and may honor and charge the Corporation for all negotiable instruments, checks, drafts, and other orders for payment of money drawn in the name of the Corporation, on its regular accounts, including an order for electronic debit, whether by electronic tape or otherwise, regardless of by whom or by what means the facsimile signature or other non-manual signature may have been affixed, or electronically communicated, if such facsimile signature resembles the specimen attached to this Resolution or filed with the Financial Institution, regardless of whether any misuse of a specimen or non-manual signature is with or without the negligence of the Corporation. The Specimen Facsimile Signature Exhibit attached is incorporated into and is an integral part of this Resolution. Corporation indemnifies the Financial Institution for all claims, expenses, and losses resulting from the honoring of any signature certified or refusing to honor any signature not so certified;

Notwithstanding any modification or termination of the power of any officer, employee or agent or other person to represent the Corporation, this Resolution shall remain in full force and bind the Corporation and its legal representatives, heirs, and the Corporation's successors or assigns until written notice to the contrary signed by, or on behalf of, the Corporation shall have been properly received by the Financial Institution, and that receipt of such notice shall not affect any action taken by the Financial Institution prior to receipt of such notice in reliance on this Resolution."

THIS RESOLUTION APPLIES TO: ☐ **ALL ACCOUNTS** ☐ **SAFE DEPOSIT BOX NUMBER:**
(Check all that apply)

☒ **SPECIFIC ACCOUNT NUMBER(S):** 0050317205

DATE OF RESOLUTION: 05/31/2006

NAME & TITLE	SIGNATURE	NO. OF NECESSARY COUNTER SIGNATURES
Edward Mizrahi Signer		0
Melinda Dehaven Secretary		0
		0
		0
		0
		0

Additional comments or instructions:

SIGNATURE CERTIFICATION

I further certify that the foregoing are titles, names and genuine signatures of the present officers, employees and agents of the Corporation authorized by the above Resolution.
IN WITNESS WHEREOF, I have subscribed my name as Secretary on the date shown below.

I Melinda Dehaven 5-31-06
SECRETARY DATE

© Copyright Compliance Systems, Inc. 1987, 1990, 1995, 1997, 1998, 2000, 2002 ITEM 550B4(0 10212) (4095) Page 1 of 1

PSI-Cal. Nat'l Bank-01-0092
Compliance Systems, Inc. 800-858-8577 Fax 818-956-1858

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01184 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.106

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DEPOSIT TICKET

CASH ▶

90-8489/3222

3000.—

DATE 5-31-06

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITH

New Acct

SIGN HERE FOR CASH RECEIVED (IF REQUIRED)

SUB TOTAL ▶

LESS CASH RECEIVED ▶

CalNational BANK 866-373-7838 calnational.com

$ 3000.—

[redacted] [redacted] ⑈0000300000⑈

Check #:0
Account #: [redacted]
Amount: $3000.00
Proc Date:5/31/2006

MELINDA DEHAVEN
1513 HARVARD ST (310) 503-9297
SANTA MONICA, CA 90404

1226

Date 5/31/06

15-66/1220
411

Pay to the Order of Sweetwater Management Inc $ 3,000.00

Three thousand and 00/100 Dollars

Bank of America
Toluca Lake
4123 W Olive Ave
Burbank CA
818 507 0700

Customer Since 1982

For Payroll Acct

[redacted] ⑈0000300000⑈

Check #:0
Account #: [redacted]
Amount: $3000.00
Proc Date:5/31/2006

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 256

PSI-Cal_Nat'l_Bank-01-0089

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01185 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.107

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MELINDA DEHAVEN
1513 HARVARD ST (310) 503-9297
SANTA MONICA, CA 90404

1226

Date 5/31/06

15-66/1220
411

Pay to the Order of Sweetlighter Management Inc $ 3,000.00

Three thousand and 00/100 Dollars

Bank of America
Toluca Lake
4123 W Olive Ave
Burbank CA
818 507 8701

Customer Since 1982

For Payroll Acct

[redacted]

⑈0000300000⑈

Check #:0
Account #:[redacted]
Amount: $3000.00
Proc Date:5/31/2006

Processed
Fiserv-Walnut-Sorter 4

[redacted]

#50

[redacted]

MAY 31 '06

CREDITED TO THE ACCOUNT OF THE WITHIN NAMED PAYEE ABSENCE OF ENDORSEMENT GUARANTEED.
CALIFORNIA NATIONAL BANK

[redacted]

Check #:0
Account #:[redacted]
Amount: $3000.00
Proc Date:5/31/2006

PSI-Cal_Nat'l_Bank-01-0090

ph44585 on D330-44585-7600 with DISTILLER

568401.108

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

From: GNagler [gnagler@p[redacted]]
Sent: Wednesday, May 31, 2006 5:20 PM
To: 'teono@[redacted]
Subject: Ed Mizrahi & Melinda & the bank accounts

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Mr. Nguema, Ed called me from the bank. He has been able to open the accounts with Melinda in the name of Sweetwater Management, Inc. for both the payroll and the household accounts. To do this, we need to have Melinda elected the Secretary instead of being an assistant secretary. I will change the first minutes to show her as the secretary. You can remove her as secretary any time you wish but it now gives her the authority with the bank to open the bank accounts. It avoids you having to go into the bank and sign the documents.

Melinda paid both Michael and the woman at the house from the $10,000 and the balance was split between the two new accounts. Ed wrote Melinda a check for $2,000 in the form of a loan that will be repaid on June 15 when the payroll account is set up. Then, he will know the correct amount to withhold and can correct the amount payable to Melinda for the 2 weeks she worked in May.

Please advise if anything different should be done. Thank you.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 200 0407
Fax: (310) 278-7584

*Please destroy this email and any attachments and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 258

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01187 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.109

GFX Message Print - Message Inquiry Display Dialog Box

User: Narine Bank: California Natl Bank Date: 02/27/09 09:45:21

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Message Status: PNRM
Seq Num: 20061630021200 Related Seq Num:
Pay Method: FED Input Message ID: FTR811
Date Recvd: 06/12/2006 12:12:02 Value Date: 06/12/2006

Sender: [redacted]
Amount: $249,899.80
Debit info --
    Sndr: [redacted]
    Name: JPMORGAN CHASE BANK, NA
    Addr1:
    Addr2:
    Addr3:
    Addr4:

Credit info --
    Account: [redacted] Inst: 01 Br: 01 Type: DD
    Name: AMERICAN EQUITY PROPERTIES INC.
    Addr1: 1460 WESTWOOD BLVD SUITE 202
    Addr2: LOS ANGELES CA 90024
    Addr3:
    Addr4:

Advice: Dept: ACCTING Trancode: DOMESTIC
Category: Linesheet: Create Template:

Message Text:

```
                XFT811
   Msg Disp     {1100}02P N
   Acc Time     {1110}06121512FT01
   OMAD         {1120}20060612L11LPB55C000005406121512FT01
   Msg Type     {1510}1000
   IMAD         {1520}20060612B1QGC01C005124
   Amount       {2000}00C024989980
   Sender DI    [redacted]JPMORGAN CHASE*
   Sndr Ref     [redacted]*
   Rcvr DI      [redacted]NATL BK LA*
   Bus Func     [redacted] *
   BBK          {4100} *
                CALNATIONAL BANK*
                LOS ANGELES, CA90024*
                USA*
   BNF          [redacted]
                AMERICAN EQUITY PROPERTIES, INC*
                LOS ANGELES-USA*
   RFB          [redacted]SWF OF 06/06/08*
   ORG          [redacted] *
                SOCAGE*
                BATA / EQUATORIAL GUINEA*
   OGB          [redacted]BCCBPFRPPAR*
                NATEXIS BANQUES POPULAIRES-CCBP*
                FMR CAISSE CENTRALE DES HOES POP.*
                PARIS FRANCE*
   INS          {5200}BCCBPFRPP*
   OBI          {6000}/ROC/103016643 REGLT. FACTURE*
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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 259

PSI-Cal_Nat'l_Bank-01-0055

ph44585 on D330-44585-7600 with DISTILLER

568401.110

MANAGEMENT AGREEMENT

7. Dispute Resolution

Parties agree that any claim or controversy relating to or arising from the enforcement of this Agreement shall be submitted to binding arbitration before a single arbitrator selected by the parties (which could include retired Superior Court or Federal Court Judge) from membership of the Judicial Arbitration and Mediation Services (JAMS). The parties agree that the venue for any such arbitration is in Los Angeles County, State of California. The prevailing party in arbitration shall be entitled to all costs associated with arbitration of the dispute, including reasonable attorneys' fees.

8. Miscellaneous

MANAGER'S failure to require strict compliance with the conditions of this Agreement, or to exercise any right provided for herein, shall not be deemed a waiver by MANAGER of such condition or right, nor shall it be deemed a waiver of any other condition or right in this Agreement.

If any portion of this agreement is deemed invalid, it will not affect the validity of the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this on May 23, 2006.

OWNER: Sweetwater Malibu, LLC

TEODORO NGUEMA OBIANG, Manager

Manager: American Equity Properties, Inc.

EDWARD MIZRAHI, President

Initials

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 261

PSI-Cal_Nat'l_Bank-01-0024

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01189 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
56840.111

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

From: Melinda DeHaven [melindadehaven@hotmail.com]
Sent: Tuesday, June 13, 2006 12:08 PM
To: ed@americanproperty.tv
Cc: gnagler@pacbell.net
Subject: RE: Wire and Bank Accounts

Dear Ed:

When I was sending the inquiry to Mr. Nguema's banker I noticed on the wire American Equity Properties and wanted to make sure that I knew what I was talking about before I sent the email. Sorry if I didn't go about it the correct way. I didn't realize that speaking with Mr. Hoppe wasn't proper.

Best regards,

Melinda

>From: "Ed" <ed@americanproperty.tv>
>To: "'Melinda Hehaven'" <melindadehaven@hotmail.com>
>CC: "George I. Nagler" <gnagler@pacbell.net>
>Subject: Wire and Bank Accounts
>Date: Tue, 13 Jun 2006 12:01:17 -0700
>
>Melinda-
>
>
>
>I was just informed by the Manager at Cal National Bank that you were
>inquiring why the $249,899.80 wire was transferred into the American Equity
>Properties, Inc. ITF Sweetwater Malibu account and not the Household
>account
>(that you are a signer on) or the payroll account.
>
>
>
>As you know, this wire transfer was done with a detailed invoice (per the
>Owner's request) which was provided to the Owner of the property and
>through
>George Nagler. In fact, this invoice contained the account name and
>account
>number where it was to be transferred. Furthermore, this wire was approved
>by the Owner of the property and George Nagler. Moreover, the financial
>aspects of this property, including its bank accounts, are covered in the
>management agreement that our company has with the Owner.
>
>
>
>In the future, if you have questions concerning transfers of monies you
>should address them with me or George Nagler and not the bank manager.
>
>
>
>
>
>Ed Mizrahi
>
>American Property Management
>

*Please destroy this email and any attachments, and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 265

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01190 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.112

GNagler

From: Ed [ed@americanproperty.tv]
Sent: Tuesday, June 13, 2006 5:47 PM
To: 'GNagler'
Cc: Theorodo Nguema Obinang
Subject: Bank Accounts

Hi George-

As I informed you, after today's events with Melinda and her phone call to the Bank, CalNational Bank decided to review the files and researched the Owner and Ownership of the property. Upon doing so, the Bank Manager advised me of his findings and said that the Bank's policy is to have "clients that are not politically connected". He further informed me that the bank accounts (that were just opened) could potentially be closed by the bank due to their findings.

After talking to you on the phone this aftemoon, I had a face to face meeting with the Bank Manager and discovered that the Bank was mistakenly looking at our Client's father and not our client.
At this meeting, I had the opportunity to correct their error and attempted to smooth things over to the best of my ability.

The Bank's compliance department will take all facts into consideration and let us know about their decision.

I will forward the article to the Bank's Manager tomorrow and see how it's going.

Best regards,

Ed Mizrahi
American Property Management
1460 Westwood Blvd., Suite 200
Los Angeles, CA 90024
(310)475-4496 phone (310)475-4452 fax
ed@americanproperty.tv
www.americanproperty.tv

This e-mail, and any attachments thereto, are intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this e-mail in error, please immediately notify the sender at (310)475-4496 and permanently delete the original and any copy of any e-mail and any printout thereof.

-----Original Message-----
From: GNagler [mailto:gnagler@pacbell.net]
Sent: Tuesday, June 13, 2006 3:50 PM
To: 'Ed'
Subject: Background on Equatorial Guinea

Ed, please go to www.eia.doe.gov/emeu/cabs/eqguinea.html. For a positive article on the country that does identify our client as being the Minister of Agriculture and Forests. Take a look at it and if you agree you may want to forward it to John Hoppe.

George

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 267

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01191 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.113

CalNational BANK

June 22, 2006

AMERICAN EQUITY PROPERTIES INC.
DBA AMERICAN PROPERTY MGMT
ITF: SWEET WATER MALIBU
1460 WESTWOOD BLVD SUITE 200
LOS ANGELES CA 90024

Re: Account(s) # 50317171

Dear Customers:

We regret to inform you that CalNational Bank has elected to exercise their right to terminate the relationship between yourself and the bank. Please refer to the *Deposit Account & Safe Deposit Box Agreement (page 19)*, which highlights our right to exercise this option.

The above referenced account(s) will be closed and a Cashier's Check mailed to you for any available balance in your account on ***July 03, 2006***. If you prefer, you are welcome to visit a California National Bank branch and close your account in person, subject to funds availability. If your account is a Certificate of Deposit, the account will be closed without incurring any penalties.

If applicable, your ATM card and online banking have already been cancelled. **If you have a safe deposit box, you will need to visit your branch and close the box also.**

If you have any questions regarding the closure of your account, please call our customer service department at (888) 422-6507 or your domicile branch.

Sincerely,

Robert Trujillo
Executive Vice President
Retail Banking

221 South Figueroa Street • Los Angeles, CA 90012-2552

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 268

PSI-Cal_Nat'l_Bank-01-0049

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01192 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.114

[redacted] = Redacted by the Permanent Subcommittee on Investigations

GFX Message Print - Message Inquiry Display Dialog Box

User: Narine Bank: California Natl Bank Date: 02/27/09 09:45:08

Message Status: PNRM
Seq Num: 20061770027400 Related Seq Num: 20061770028600
Pay Method: FED Output Message ID: FTI0812
Date Recvd: 06/26/2006 12:57:20 Value Date: 06/26/2006

Sender: [redacted]
Amount: $203,222.80
Debit info --
Account: [redacted] Inst: 01 Br: 01 Type: DD
Name: AMERICAN EQUITY PROPERTIES INC.
Addr1: 1460 WESTWOOD BLVD SUITE 200
Addr2: LOS ANGELES CA 90024
Addr3:
Addr4:

Credit info --
Rcvr: [redacted]
Name: CITY NATIONAL BANK
Addr1:
Addr2:
Addr3:
Addr4:

Advice: Dept: BRANCH Trancode: DOMESTIC
Category: Linesheet: Create Template:

Message Text:

Sndr Info {1500}02 P *
Msg Type {1510}1000
IMAD {1520}20060626LILFB05C000043
Amount {2000}000020322280
Sender DI {3100}322284893*
Sndr Ref {3320}20061770027400*
Rcvr DI {3400}122016066*
Bus Func {3600}CTR*
BNF [redacted]
GEORGE I NAGLER TRUST ACCOUNT*
ORG [redacted]*
AMERICAN EQUITY PROPERTIES INC.*
1460 WESTWOOD BLVD SUITE 200*
LOS ANGELES CA 90024*
OBI {6000}FUNDS FROM MANAGEMENT CO*
TRUST ACCOUNT TO OWNERS ATTORNEY*
PER INSTRUCTIONS FROM OWNER*

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 270

PSI-Cal_Nat'l_Bank-01-0051

ph44585 on D330-44585-7600 with DISTILLER
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568401.115

Fred Alavi

From: Pat Davis
Sent: Tuesday, July 25, 2006 4:42 PM
To: Fred Alavi; Raymond Dellerba
Subject: RE: Teodoro Nguema Obiang

Fred, in addition to what I have previously sent to you, I can relay that the country is not on any government AML watch-list, including the FATF. The individual is not an SDN on OFAC and has no derogatory information in Lexis Nexis. Our main challenge is the BSA monitoring, especially as it relates to an attorney representing a PEP (Professional Front Scheme is a common AML scheme and one the regulators will be right on top of when they monitor our accounts). So it becomes a business risk decision, and keeping in mind that we have a BSA Officer (in contrast to a dept that larger banks have to monitor).

Pat Davis, AAP
714/438-2532 Direct
714/438-1059 Fax

From: Fred Alavi
Sent: Friday, July 21, 2006 12:21 PM
To: Raymond Dellerba; Pat Davis
Subject: FW: Teodoro Nguema Obiang

Dear Ray and Pat,

This is a prospect who really we need to check his background with regard to all regulatory compliances including OFAC and Bank Secrecy Act / MLA. Please see below email and advise.

Pat, I would suggest that you check his background thoroughly through all means available and then we can decide if the risk is warranted to have him as a client.

Regards,

Fred Alavi
Executive Vice President
Telephone: 310-860-3001

From: GNagler [mailto:gnagler@pacbell.net]
Sent: Thursday, July 20, 2006 7:30 PM
To: Fred Alavi
Subject: Teodoro Nguema Obiang

Fred, it was good talking to you again. I want to introduce to the bank a client of mine, Teodoro Nguema Obiang. Mr. Nguema, age 37, is a citizen and resident of Equatorial Guinea and is the eldest son of the President of the country, Teodoro Obiang Nguema. Equatorial Guinea is an ally of the United States and a major supplier of oil to this country.

Mr. Nguema is the Minister of Forest Products and Agriculture of his country and travels on a diplomatic passport. Attached is an informative article on the country. If you have a problem opening it you can find the article at www.eia.doe.gov/emeu/cabs/.html..

PSI-Pacific_Mercantile_Bank-01-0154

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 271

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568401.116

Mr. Nguema has just purchased a substantial residence in Malibu and intends to spend more time here although his major residence is outside the US. He plans to become active in the entertainment industry in both music and motion picture production.

He has formed two entities, a corporation and a limited liability company, to hold and manage his residence here and would like to establish one or more bank accounts for these entities. I anticipate that he would like to keep approximately $250,000 to $500,000 on hand to cover on going expenses for the staff and property. We probably would like to open at least two bank accounts, the major one for the operation of the house and a small account, $10,000 or less, for his corporation for payment of household items. Currently, I am the sole signing officer on his funds and have been paying bills out of my trust account.

I mentioned to you that there is a negative report regarding Riggs Bank in Washington from three or so years ago. Riggs Bank was investigated and penalized because it failed to file required reports regarding multi million dollar accounts that were held by a number of foreign figures including Mr. Nguema's father. Neither Mr. Nguema nor his father has ever been convicted or even charged with violating US law. That article has unfairly case a shadow on my client and his country.

The US has been a good friend of many countries that are run by dictatorships such a Saudi Arabia and Kuwait. While we may question the way these countries are run and the way their resources are shared, we respect each country's right to organize their own affairs. I understand that the US values its relationship with Equatorial Guinea and appreciates its loyalty to this country.

I suggest that Mr. Nguema will become a valued customer of the bank and someone with whom you will be proud to have a business relationship.

I know that you will treat this subject with your usual concerns for preserving the confidentiality of my client. I look forward to hearing from you.

Best regards.

George
George I. Nagler, Esq.
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

[redacted] = Redacted by the Permanent Subcommittee on Investigations

<<...>>

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OPERATING AGREEMENT

OF

TNO Entertainment, LLC

ARTICLE I
OFFICES

Section 1. Principal Office – The principal office of the Company shall be as set forth in its Articles of Organization.

Section 2. Additional Offices – The Company may have such additional offices at such other place within or without the State of its organization as the Members may from time to time determine or as the business of the Company may require.

ARTICLE II
MEETINGS

Section 1. Annual Meetings – An annual meeting of Members shall be held within five (5) months after the close of the fiscal year of the Company on such date and at the time and place (either within or without the State of its organization) as shall be fixed by the Members. At the annual meeting the Members shall elect an Operating Manager and other officers and transact such other business as may properly be brought before the meeting.

Section 2. Special Meeting – A special meeting of Members may be called at any time be the Operating Manager and shall be called by the Operating Manager at the request in writing of a majority of the Members entitled to vote at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be confined to the purposes set forth in the notice thereof.

Section 3. Notice of Meetings – Written notice of the time, place and purpose of every meeting of Members (and, if other than an annual meeting, the person or persons at whose discretion the meeting is being called), shall be given by the Operating Manager to each Member of record entitled to vote as such meeting, not less than ten nor more than fifty days prior to the date set for the meeting. Notice shall be given either personally or by mailing said notice by first class mail to each Member at his address appearing on the record book of the Company or at such other address supplied by him in writing to the Operating Manager of the Company for the purpose of receiving notice.

A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. The attendance by a Member at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice of such Member.

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EXHIBIT #134 - FN 274

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All notices given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting may be transacted at any adjournment thereof; no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

Section 4. Quorum – The holders of a majority in interest of the Members present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of Members except as otherwise provided by statute or the Articles of Organization. A Member's interest in the Company shall be in proportion to his contribution to the capital of the Company adjusted from time to time to reflect additions or withdrawals. The phrase "a majority in interest of the Members" shall mean Members who, in the aggregate, shall have Capital Contributions in excess of fifty (50%) percent of the total Capital Contributions of all the Members. If, however, a quorum shall not be present or represented at any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any Members.

Section 5. Voting – Every Member entitled to vote at any meeting shall be entitled to vote in accordance with his interest in the Company held by him of record on the date fixed as the record date for said meeting and may so vote in person or by proxy Any Company action shall be authorized by a majority in interest of the votes cast by the Members entitled to vote thereon except as may otherwise be provided by statute, the Articles of Organization or this Operating Agreement.

Section 6. Proxies – Every proxy must be signed by the Member entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Operating Manager of the Company prior to the commencement of voting on the matter in regard to which said proxy is to be voted. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise expressly provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it except as otherwise provided by statute. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statue, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the Member who executed such proxy and the revocation is filed with the Operating Manager of the Company prior to the voting of the proxy.

Section 7. Members' List – A list of Members as of the record date, certified by the Operating Manager of the Company shall be prepared for every meeting of the Members and shall be produced by the Operating Manager thereat.

Section 8. Inspectors at Meetings – In advance of any Members' meeting, the Members may appoint one or more inspectors to act at the meeting or at any adjournment thereof and if not so appointed the person presiding at any such meeting may, and at the request of any Member

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entitled to vote thereat shall, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

Section 9. Conduct of Meeting – All meetings of Members shall be presided over by the Operating Manager, or if he is not present, by a Member thereby chosen by the Members at the meeting. The Operating Manager or the person presiding at the meeting shall appoint any person present to act as secretary of the meeting.

ARTICLE III
COMMITTEES

The Members, by resolution of a majority in interest of the Members, may designate from among themselves one or more committees, each consisting of three more Members, and each of which, to the extent provided in such resolution, shall have all the authority of the Members except that no such committee shall have authority as to any of the following matters:

(a) The filling of vacancies in any committee;

(b) The fixing of compensation of the Members for serving on any committee;

(c) The amendment or repeal of this Operating Agreement or the adoption of a new Operating Agreement; and

(d) The amendment or repeal of any resolution of the Members which by its terms shall not be so amendable or repealable.

The Members may designate one or more Members as alternate members of any such committee who may replace any absent Member or Members at any meeting of such committee.

Each such committee shall serve at the pleasure of the Members. The Members shall have the power at any time to fill vacancies in, to change the membership of, or to discharge any such committee. Committees shall keep minutes of their proceedings and shall report the same to the Members at the meeting of the Members next succeeding, and any action by the committee shall be subject to revision and alteration by the Members, provided that no rights of a third party shall be affected in any such revision or alteration.

ARTICLE IV
OFFICERS

Section 1. Executive Officers – The officers of the Company shall be the Operating Manager, a Secretary and a Treasurer and such other officers as the Members may determine. Any two or more offices may be held by the same person.

Section 2. Election – The Operating Manager and the other officers shall be chosen by the Members and shall hold office for the term for which elected and until their successors have

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been elected and qualified. The Members may from time to time appoint all such other officers as they determine and such officers shall hold office from the time of their appointment and qualifications until the time at which their successors are appointed and qualified. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Members.

Section 3. Removal – Any officer may be removed from office by the Members at any time with or without cause.

Section 4. Delegation of Powers – The Members may from time to time delegate the powers or duties of any officer of the Company, in the event of his absence or failure to act otherwise, to any other officer or Member or person whom they may select.

Section 5. Compensation – The compensation of each officer shall be such as the Members may from time to time determine.

Section 6. Operating Manager – The Operating Manager shall be the chief executive officer of the Company and shall have general charge of the business and affairs of the Company, subject, however, to the right of the Members to confer specified powers on officers and subject generally to the direction of the Members.

Unless otherwise ordered by the Members, the Operating Manager, or in the event of his inability to act, an officer designated by the Members, shall have full power and authority on behalf of the Company to attend and to act and to vote at any meeting of security holders of companies in which the Company may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which, as the owner thereof, the Company might have possessed and exercised, if present. The Members by resolution from time to time may confer like powers upon any other person or persons.

Section 7. Secretary – The Secretary shall keep the minutes of all meetings and record all votes of Members and committees in a book to be kept for that purpose. He shall give or cause to be given any required notice of meetings of Members or any committee, and shall be responsible for preparing or obtaining from a transfer agent appointed by the Members, the list of Members required by Article II, Section 7 hereof. He shall be the custodian of the seal of the Company and shall affix or cause to be affixed the seal to any instrument requiring it and attest the same and exercise the powers and perform the duties incident to the office of Secretary subject to the direction of the Members.

Section 8. Treasurer – Subject to the direction of the Members, the Treasurer shall have charge of the general supervision of the funds and securities of the Company and the books of account of the Company and shall exercise the powers and perform the duties incident to the office of the Treasurer. If required by the Members, he shall give the Company a bond in such sum and with such sureties as may be satisfactory to the Members for the faithful discharge of his duties.

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Section 9. Other Officers – All other officers, if any, shall have such authority and shall perform such duties as may be specified from time to time by the Members.

ARTICLE V
RESIGNATION

Any officer of the Company or any member of any committee of the Members, may resign at any time by giving written notice to the Members, the Operating Manager or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignations shall have been accepted.

ARTICLE VI
CERTIFICATES REPRESENTING MEMBERSHIP

Section 1. Form of Certificates – Each Member shall be entitled to a certificate or certificates in such form as prescribed by the Members and by any applicable statues, which certificate shall certify the interest of the Member in the Company. The certificates shall be numbered and registered in the order in which they are issued and upon issuance the name in which each certificate has been issued together with the interest in the Company represented thereby and the date of issuance shall be entered in the Membership book of the Company by the Secretary or by the transfer agent of the Company. Each certificate shall be signed by the Operating Manager and countersigned by the Secretary and shall be sealed with Company Seal or a facsimile thereof. The signatures of the officers upon a certificate may also be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Company itself or an employee of the Company. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before the certificate is issued, such certificate may be issued by the Company with the same effect as if the officer had not ceased to be such at the time of its issue.

Section 2. Record Date for Members – For the purpose of determining the Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of determining the Members entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Members may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be more than fifty nor less than then days before the date of any meeting nor more than fifty days prior to any action taken without a meeting, the payment of any dividend or the allotment of any rights, or any other action. When a determination of Members of record entitled to notice of, or to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to and adjournment thereof, unless the Members fix a new record date under this Section for the adjournment date.

Section 3. Members of Record – The Company shall be entitled to treat the holder of record of any Membership certificate as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such membership interest on the

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Company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgments, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the laws of the State of California. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE XII
AMENDMENTS

The Members entitled at the time to vote by vote of a majority in interest of the Members, shall have the power to amend or repeal this Operating Agreement, and to adopt a new Operating Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the [illegible] day of [illegible], 2001.

Operating Manager: _____
Teodoro Nguema

Secretary: _____
Teodoro Nguema

Treasurer: _____
Teodoro Nguema

Member(s): _____
Teodoro Nguema

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Part V	Suspicious Activity Information Explanation/Description

ON 3-2-2004 THE WILSHIRE/WESTWOOD OFFICE OF CITY NATIONAL BANK OPENED CHECKING ACCOUNT #009-609326 IN THE NAME OF TEODORO N. OBIANG. CLIENT PROVIDED CNB WITH A SOCIAL SECURITY NUMBER OF #[redacted] AND A DATE OF BIRTH OF JUNE 26, 1969. A PUBLIC RECORDS SEARCH REVEALED THAT THIS SOCIAL SECURITY NUMBER BELONGS TO ANOTHER INDIVIDUAL.

ON 3-2-2004 CLIENT DEPOSITED A CHECK FOR $300,000.00 DRAWN ON HIS OWN ACCOUNT # 25773624 AT RIGGS BANK. THIS CHECK WAS RETURNED UNPAID.

ON 3-15-2004 CLIENT RECEIVED AN INCOMING WIRE FOR $999,950.00 THROUGH CITIBANK, NEW YORK. ORDERING BANK WAS CCEI BANK GUINEA ECUATORIAL, RUE DU PRESIDENT NASSER B.P. 428, MALABU EQUATORIAL GUINEA, ATTN: JOSEPH TINDJOU. ORIGINATOR TO BENEFICIARY INFORMATION: PAGOS DIVERSOS LESS CHARGES. THIS ACCOUNT HAS BEEN INACTIVE SINCE 4-27-2004 WITH A BALANCE OF $699,691.02.

CITY NATIONAL BANK MAINTAINED PREVIOUSLY A RELATIONSHIP WITH THIS CLIENT. IN 2002 THE FOLLOWING ACCOUNTS WERE ESTABLISHED:
ACCOUNT # 101-862860 TNO ENTERTAINMENT, LLC (PAYROLL ACCOUNT)
ACCOUNT # 101-862852 TNO ENTERTAINMENT, LLC (MUSIC DIVISION ACCOUNT)
ACCOUNT # 101-672085 TNO ENTERTAINMENT, LLC
ACCOUNT # 101-800261 TNO ENTERTAINMENT, LLC (SPECIAL ACCOUNT)
ACCOUNT # 101-770427 TNO ENTERTAINMENT, LLC (PETTY CASH ACCOUNT)
TEODORO NGUEMA WAS THE OWNER AND SOLE SIGNER ON THIS ACCOUNT. HE PROVIDED THE BANK WITH A DATE OF BIRTH OF 6-25-1969 AND A NON-RESIDENT STATUS.

ON 2-22-2001 CLIENT DEPOSITED A CHECK FOR $3,000,000.00 TO ACCOUNT #101-672085, DRAWN ON HIS OWN ACCOUNT #76923450 AT RIGGS BANK, WASHINGTON, D.C. THIS WAS THE OPENING DEPOSIT.

ON 11-14-2001 CLIENT DEPOSITED A CHECK FOR $400,000.00 TO ACCOUNT # 101-672085, DRAWN ON HIS OWN ACCOUNT # 76923450 AT RIGGS BANK, WASHINGTON, D.C.

ON 12-19-2001 CLIENT DEPOSITED A CHECK FOR $100,000.00 TO ACCOUNT # 101-672085, DRAWN ON RIGGS BANK, ACCOUNT # 24383122 IN THE NAME OF CONSTANCIA MANGUE NSUE.

DURING THE PERIOD 7-6-2001 THROUGH 6-28-2002 CLIENT MADE A TOTAL OF $235,800.00 IN CASH WITHDRAWALS.

THE BUSINESS ACCOUNTS WERE ALL CLOSED BY THE END OF 2003.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 274

CNB0001067

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CITY NATIONAL BANK

BUSINESS ACCOUNT AGREEMENT

GENERAL ACCOUNT INFORMATION

Account Holder(s) ("Customer") / dba: TNO ENTERTAINMENT, LLC

Type of Account: CHECKING Account Number: 101672085

Business Address: C/O Siegler & Sexton LLP, 9454 Wilshire Blvd., #701, Beverly Hills, CA 90212

Mailing Address: HOLD MAIL
(if different from above)

Telephone: (310)777-1111 E-Mail / Fax:

CLOSED

Beneficiary Information: (Name; SS#; ID; DoB; PoB; MMN) N/A

Customer represents that the beneficiary (is / is not) a natural person

OFAC REVIEWED

Beneficiary Information: (Name; SS#; ID; DoB; PoB; MMN) N/A

Customer represents that the beneficiary (is / is not) a natural person

MINIMUM NUMBER OF AUTHORIZED SIGNATURES REQUIRED FOR WITHDRAWALS: 1

Signature Message Code:

AUTHORIZATION

By signing in the "Agreement by Customer" section below, you declare under penalty of perjury under the laws of the State of California that the following is true and correct: (1) You hold the office(s) or position(s), if any, described in said section and are authorized to make this declaration on behalf of the Customer named above. (2) If this is a sole proprietorship, you are the owner / sole proprietor. If this is a partnership, you are a general partner or the Managing Partner(s). If this is a Limited Liability Company, you are Member(s) of the Company or have been designated by its Articles of Organization and/or its Operating Agreement as its only Manager(s). (3) The person signing the "Agreement by Customer" is authorized to enter into deposit, funds transfer, brokerage, investment and cash management and deposit service agreements on behalf of the Customer and to designate the Authorized Signers on its accounts. (4) No other person's signature or authorization is required to bind the Customer with respect to such agreements or transactions. (5) This authorization is in addition to all other authorizations now in existence.

TAXPAYER INFORMATION

BY SIGNING THE AGREEMENT BY CUSTOMER BELOW, I/WE DECLARE UNDER PENALTY OF PERJURY THAT THE CORRECT TAXPAYER IDENTIFICATION NUMBER OF THE ACCOUNT HOLDER TO BE USED FOR TAX REPORTING PURPOSES IS: [redacted]

OFAC REVIEWED

THE ACCOUNT HOLDER IS NOT SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDERREPORTING OF INTEREST OR DIVIDENDS AND IS A U.S. PERSON (INCLUDING A U.S. RESIDENT ALIEN), UNLESS CHECKED HERE:

☐ I/We are subject to backup withholding and have not been notified by the Internal Revenue Service that backup withholding has been terminated.

NON-RESIDENT ALIENS AND FOREIGN ENTITIES (Check here only if applicable):

☐ I/We are exempt from backup withholding and information reporting. An appropriate IRS Form W-8, foreign status certification, has been completed.

(Government Regulation may require that CNB report interest income information.)

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 275

CNB0001048

ACCOUNT TITLE TNO ENTERTAINMENT, LLC

ACCOUNT NUMBER 101672085

AGREEMENT BY CUSTOMER

By signing below, Customer confirms that it has received and agrees that its account will be governed by the authorizations set forth above, the terms and conditions, and the schedule of fees it received when opening this account and thereafter. The person(s) listed as Authorized Signer(s) on this form are authorized to withdraw funds, initiate and confirm payment orders pursuant to the security procedure selected, and otherwise give instructions on behalf of the Customer with respect to its deposit accounts. Customer agrees that any Authorized Signer may establish additional accounts in the same name(s) and with the same signature requirements as set forth on this Agreement. Customer agrees to be bound by the terms and conditions and fees and charges as they relate to products selected and/or used by Customer.

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: SIGN HERE Signature:

Name/Title: Teodoro Nguema,Managing Member Name/Title: **********

Date: Date:

SIGN IN BLACK INK ONLY

AUTHORIZED SIGNERS

SIGN HERE

Name: Teodoro Nguema
Title: Managing Member
Mother's Maiden Name: Mangue
DoB & Birthplace: 06/25/69 Equatorial Guinea
ID & SS#: Rep of Equatorial Guinea Pass# [redacted]
Home & Business Phone: Exp.6/10/2002 Non-Resident
Signature Message:

Home Address:
Occupation: Recording Executive
Employer Name / Address: Self/Same as above

SIGN HERE **********

Name: N/A
Title:
Mother's Maiden Name:
DoB & Birthplace:
ID & SS#:
Home & Business Phone:
Signature Message:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Home Address:
Occupation:
Employer Name / Address:

SIGN HERE **********

Name: N/A
Title:
Mother's Maiden Name:
DoB & Birthplace:
ID & SS#:
Home & Business Phone:
Signature Message:

Home Address:
Occupation:
Employer Name / Address:

SIGN HERE **********

Name: N/A
Title:
Mother's Maiden Name:
DoB & Birthplace:
ID & SS#:
Home & Business Phone:
Signature Message:

Home Address:
Occupation:
Employer Name / Address:

CNB0001049

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ACCOUNT TITLE TNO ENTERTAINMENT, LLC

ACCOUNT NUMBER 101672085

BANK USE ONLY

Today's Date / Time 02/22/01	Opened By M. Malekpour	Opening Deposit $3,000,000.00
Supercedes Card Dated	Superceded By	Cash Amount $
SS/06672	CIS Clearance (not used / cleared / not cleared) Supervisor override X	ChexSystem Clearance No record
Original Opening Date 02/22/01	Reviewed By	ChexSystem Report Filed?
Date Closed 12-4-03	Reason Closed	RECORDING COMPANY

ADDITIONAL ACCOUNTS

Customer authorizes the following additional accounts:

ACCOUNT INFORMATION		OPENED		REVIEWED BY	DATE CLOSED	CLOSING REASON
TYPE	ACCOUNT NO.	DATE	BY			
DDA "Petty Cash Acct"	101-770427	4-20-01	PSALAZAR	OFAC REVIEWED	11-18-03	C
DDA	101862852	8-27-01	tsr	OFAC REVIEWED	11-20-03	C
DDA	101862860	8-27-01	tsr	OFAC REVIEWED		C

CNB0001050

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01205 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.127

CITY NATIONAL BANK

PERSONAL ACCOUNT AGREEMENT

GENERAL ACCOUNT INFORMATION

Account Holder(s) ("Customer"): TEODORO NGUEMA OBIANG TEODORO NGUEMA OBIANG

Type of Account: Checking ANALIZED CHECKING Account Number: 101-770435 "HOLD MAIL"

Mailing Address: 9454 Wilshire Bl. Ste 303 Beverly Hills, CA 90212

Telephone: (310) 888-4070 E-Mail / Fax:

Beneficiary Information: (Name; SS#; ID; DoB; PoB; MMN) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

CLOSED

Customer represents that the beneficiary (is / is not) a natural person.

Beneficiary Information: (Name; SS#; ID; DoB; PoB; MMN) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Customer represents that the beneficiary (is / is not) a natural person.

MINIMUM NUMBER OF AUTHORIZED SIGNATURES REQUIRED FOR WITHDRAWALS: ONE

Signature Message Code:

TAXPAYER INFORMATION

BY SIGNING THE AGREEMENT BY CUSTOMER BELOW, I/WE DECLARE UNDER PENALTY OF PERJURY THAT THE CORRECT TAXPAYER IDENTIFICATION NUMBER OF THE ACCOUNT HOLDER TO BE USED FOR TAX REPORTING PURPOSES IS: W-8 ON FILE

OFAC REVIEWED

THE ACCOUNT HOLDER IS NOT SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDERREPORTING OF INTEREST OR DIVIDENDS AND IS A U.S. PERSON (INCLUDING A U.S. RESIDENT ALIEN), UNLESS CHECKED HERE:

☐ I/We are subject to backup withholding and have not been notified by the Internal Revenue Service that backup withholding has been terminated.

NON-RESIDENT ALIENS AND FOREIGN ENTITIES (Check here only if applicable):

☒ I/We are exempt from backup withholding and information reporting. An appropriate IRS Form W-8, foreign status certification, has been completed.

(Government Regulation may require that CNB report interest income information.)

AGREEMENT BY CUSTOMER

The persons whose signatures appear below ("the Authorized Signers") are authorized to withdraw funds, initiate and confirm payment orders pursuant to the security procedure selected, and otherwise give instructions to CNB regarding Customer's account. These instructions may include selection of one or more products offered by CNB. By signing below, I/we confirm that I/we have received and agree that our account will be governed by the authorizations set forth above, the terms and conditions, and the schedules of fees I/we received when opening this account and thereafter. I/We agree that any Authorized Signer may establish additional accounts in the same name(s) and with the same signature requirements as set forth on this Agreement. I/We agree to be bound by the terms and conditions and fees and charges as they relate to products selected and/or used by me/us.
The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

SIGN IN BLACK INK ONLY

▬ = Redacted by the Permanent Subcommittee on Investigations

AUTHORIZED SIGNERS

SIGN HERE

Name: TEODORO NGUEMA OBIANG
Title:
Mother's Maiden Name: MANGUE
DoB & Birthplace: 6/26/69 AKOAKAM-ESANGUI
ID & SS#: N/A Passport# [redacted]
Home & Business Phone: (310) 871-3101 / (310) 888-4070
Signature Message:

Home Address: 3131 ANTELO RD, LOS ANGELES, CALIFORNIA 90077
Occupation: OWNER TNO ENTERTAINMENT
Employer Name / Address: TNO ENTERTAINMENT, 9454 WILSHIRE BLVD. # 303, BEVERLY HILLS, CA 90212

PACCTAGR - rev. 6/00 Page 1 CNB0001051

ph44585 on D330-44585-7600 with DISTILLER

56840.128

ACCOUNT TITLE TEODORO NGUEMA OBIANG

ACCOUNT NUMBER 101-770-435

BANK USE ONLY

Today's Date / Time 4-20-2001	Opened By PSALAZAR	Opening Deposit -0-
Supercedes Card Dated	Superceded By	Cash Amount $ -0-
	CIS Clearance (not used / cleared / not cleared) Supervisor override CLEARED 2-22-01/Mali	ChexSystem Clearance NO RECORD
Original Opening Date 4-20-2001	Reviewed By	ChexSystem Report Filed?
Date Closed 11-19-03	Reason Closed C	

ADDITIONAL ACCOUNTS
Customer authorizes the following additional accounts:

ACCOUNT INFORMATION		OPENED		REVIEWED BY	DATE CLOSED	CLOSING REASON
TYPE	ACCOUNT NO.	DATE	BY			

CNB0001052

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01207 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.129

##XXH1309DPCSTM 11300100101672085

TNO ENTERTAINMENT, LLC
November 30, 2001

Page 2
0101672085

DEBITS

Date	Description	Debits	Control Number
11-01	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	6,269.48	00000000000000
11-02	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	1,566.01	00000000000000
11-06	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101770435	4,782.55	00000000000000
11-13	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	260.65	00000000000000
11-14	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	5,473.34	00000000000000
11-15	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101770435	55.91	00000000000000
11-15	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	3,927.78	00000000000000
11-16	Transfer Debit TRANSFER TO DEPOSIT ACCOUNT 0101800261	8,000.00	657001116173750
11-16	Automatic Transfer TRANSFER TO C N I SHARES PURCHASE 00101672085	36,799.10	00000000000000
11-16	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	1,250.00	00000000000000
11-19	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	830.02	00000000000000
11-20	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	4,448.69	00000000000000
11-27	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	1,566.01	00000000000000
11-29	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	6,802.91	00000000000000

CREDITS

Date	Description	Reference	Credits	Control Number
11-07	NSF Returned Item CHECK 2348	00002348	84,439.62	00000000109790
11-14	Deposit		400,000.00	00000006209730
11-19	Automatic Transfer TRANSFER FROM C N I SHARES REDEMPTION 00101672085		830.02	00000000000000
11-20	Automatic Transfer TRANSFER FROM C N I SHARES REDEMPTION 00101672085		35,969.08	00000000000000
11-30	Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT 0101862860		623.83	00000000000000

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
10-31	22,914.44	11-13	8,535.75	11-20	249,143.86
11-01	15,144.96	11-14	403,062.41	11-27	247,577.85
11-02	13,578.95	11-15	399,078.72	11-28	243,497.85
11-06	8,796.40	11-16	250,000.00	11-29	236,694.94
11-07	8,796.40	11-19	250,000.00	11-30	224,863.60

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 276

CNB0000655

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01208 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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0101672085 PAGE

‖XXH1309DPCSTM 12310100101672085

TNO ENTERTAINMENT, LLC
December 31, 2001

Page 3
0101672085

Date	Description	Debits	Control Number
12-10	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	279.85	00000000000000
12-13	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	3,877.68	00000000000000
12-14	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	831.79	00000000000000
12-19	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101770435	118.24	00000000000000
12-19	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	3,839.63	00000000000000
12-24	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	8,000.00	00000000000000
12-27	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	5,759.32	00000000000000
12-31	Automatic Transfer TRANSFER TO DEPOSIT SYSTEM ACCOUNT 0101862860	2,058.98	00000000000000

CREDITS

Date	Description	Reference	Credits	Control Number
12-03	Dividend Paid CNI Charter Govern ment Fund - Class		5.95	00000000001527
12-19	Deposit		100,000.00	00000040825200
12-28	Automatic Transfer TRANSFER FROM DEPOSIT SYSTEM ACCOUNT 0101862860		6,166.68	00000000000000

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
11-30	224,863.60	12-11	163,364.01	12-24	86,310.74
12-03	201,980.37	12-12	153,082.26	12-26	80,510.74
12-04	182,710.47	12-13	148,006.58	12-27	59,700.42
12-05	178,225.84	12-14	147,174.79	12-28	65,527.23
12-06	166,263.71	12-18	137,524.19	12-31	49,938.83
12-07	165,464.36	12-19	145,362.51		
12-10	165,184.51	12-20	107,912.24		

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 276

CNB0000659

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01209 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.131

##XXH1309DPCSTM 02280100101672085

This statement: February 28, 2001
Last statement: February 22, 2001

Page 1
0101672085
(0)

001
TNO ENTERTAINMENT, LLC
C/O SIEGLER & SEXTON LLP
9454 WILSHIRE BLVD # 701
BEVERLY HILLS CA 90212

0830N

Direct inquiries to:
213 427-5050

City National Bank
400 N Roxbury Drive
Beverly Hills CA 90210

WITH 46 YEARS OF QUALITY SERVICE IN CALIFORNIA, AND OVER $9 BILLION IN ASSETS, YOU CAN BE SURE THAT WE HAVE THE EXPERIENCE TO HELP YOU REACH THE NEXT LEVEL OF SUCCESS. CITY NATIONAL BANK, "THE WAY UP".

Analyzed Business Checking

Account number	0101672085	Beginning bal	$0.00
Minimum balance	$3,000,000.00	Total credits	3,000,000.00
Average balance	$3,000,000.00	Total debits	.00
Avg collect bal	$1,285,714.00	Ending balance	$3,000,000.00

CREDITS

Date	Description	Reference	Credits	Control Numbe
02-22	Deposit		3,000,000.00	00000010266320

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-22	3,000,000.00				

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 276

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ph44585 on D330-44585-7600 with DISTILLER

568401.132

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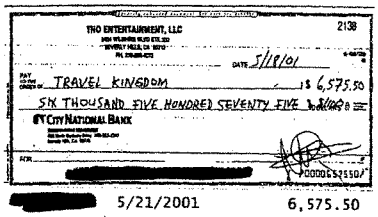

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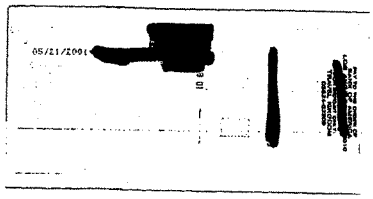

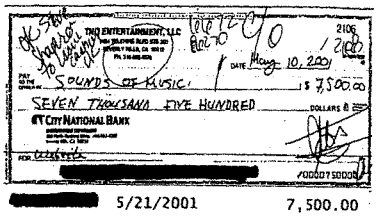

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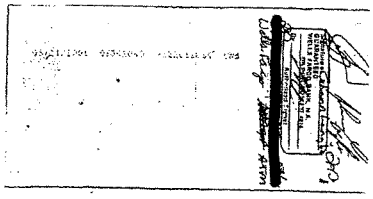

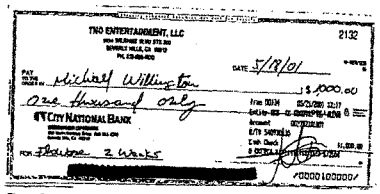

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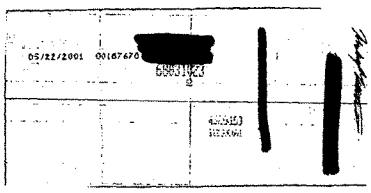

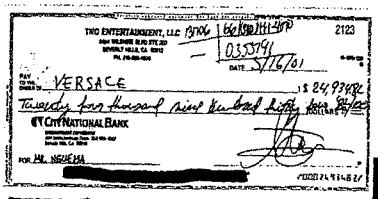

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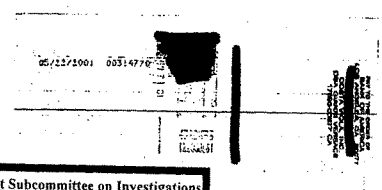

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 278

CNB0001200

ph44585 on D330-44585-7600 with DISTILLER

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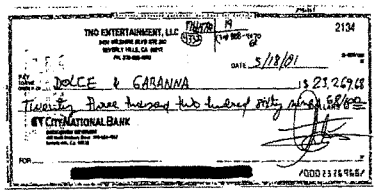

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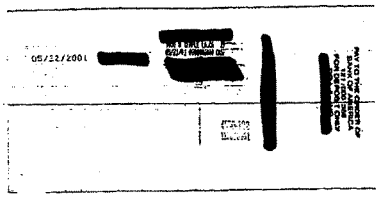

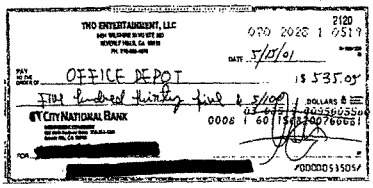

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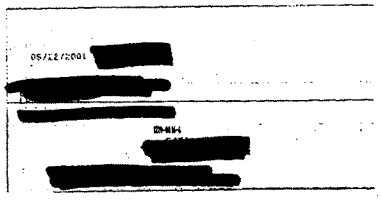

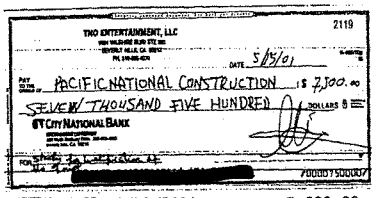

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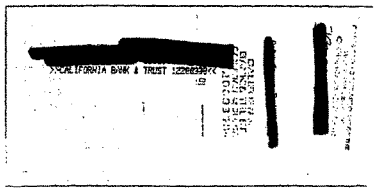

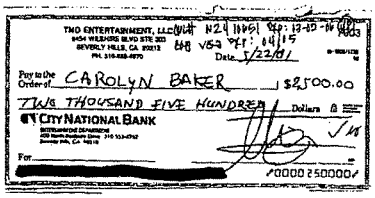

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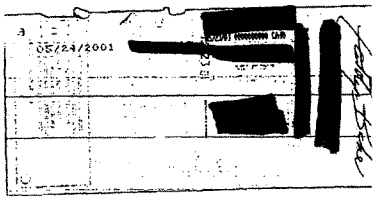

CNB0001201

ph44585 on D330-44585-7600 with DISTILLER

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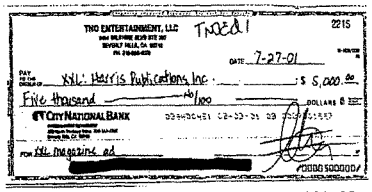

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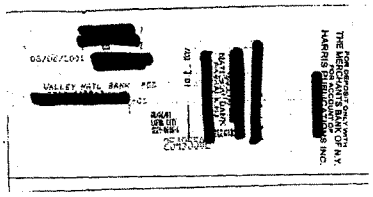

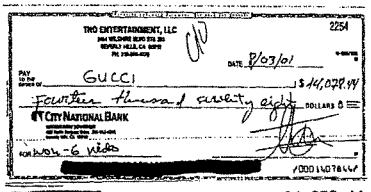

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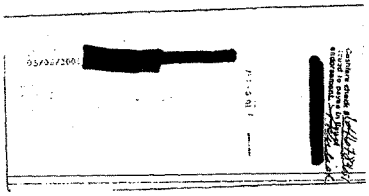

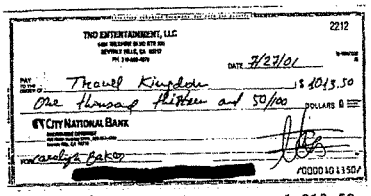

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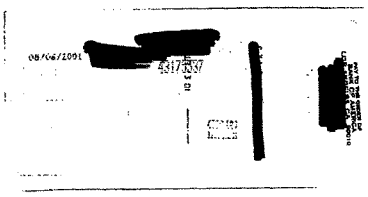

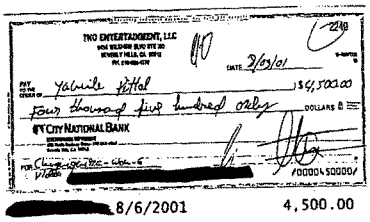

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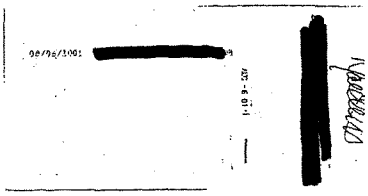

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ph44585 on D330-44585-7600 with DISTILLER

568401.135

[redacted] = Redacted by the Permanent Subcommittee on Investigations

DEC-10-2009 14:40 SSA OGC OPD CAU 4109664304 P.002

SOCIAL SECURITY

December 10, 2009

The Honorable Carl Levin
Chairman, Permanent Subcommittee on Investigations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This letter is in response to your inquiry regarding Teodoro Nguema Obiang. On behalf of the Subcommittee, you specifically requested that the Social Security Administration verify the validity and ownership of Social Security number (SSN) [redacted]

Based upon the information contained in our records, SSN [redacted] is valid. The SSN [redacted] is assigned to Teodoro Nguema Obiang, date of birth June 25, 1969.

I hope you find this information helpful. Please let me know if you require additional assistance in this matter.

Sincerely,

Jonathan R. Cantor
Executive Director
Office of Privacy and Disclosure

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 282

AUG. 25. 04 (WED) 09:47 COMMUNICATION No. 6 PAGE. 1

[redacted]

CITY NATIONAL BANK
The way up.

PERSONAL ACCOUNT AGREEMENT

GENERAL ACCOUNT INFORMATION

Account Holder(s) ("Client"): TEODORO N OBIANG

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Type of Account: Personal Checking Account Number: 009809326

Mailing Address: 3131 ANTELO ROAD LOS ANGELES, CA 90077

Telephone: (H) (310)[redacted] (B) (336[redacted] E-Mail / Fax:

MINIMUM NUMBER OF AUTHORIZED SIGNATURES REQUIRED FOR WITHDRAWALS: 1

Signature Message Code: NONE

TAXPAYER INFORMATION [X] **OFAC REVIEWED**

BY SIGNING THE "AGREEMENT BY CLIENT" BELOW, I/WE DECLARE UNDER PENALTY OF PERJURY THAT THE CORRECT TAXPAYER IDENTIFICATION NUMBER OF THE ACCOUNT HOLDER TO BE USED FOR TAX REPORTING PURPOSES IS: [redacted]

THE ACCOUNT HOLDER IS NOT SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDERREPORTING OF INTEREST OR DIVIDENDS AND IS A U.S. PERSON (INCLUDING A U.S. RESIDENT ALIEN), UNLESS CHECKED HERE:

☐ I/We are subject to backup withholding and have not been notified by the Internal Revenue Service that backup withholding has been terminated.

NON-RESIDENT ALIENS AND FOREIGN ENTITIES (Check here only if applicable):

☐ I/We are exempt from backup withholding and information reporting. An appropriate IRS Form W-8, foreign status certification, has been completed.

Government Regulation may require that CNB report interest income information.

AGREEMENT BY CLIENT

By signing below in the Authorized Signers box, I/we acknowledge receipt of the Account Agreement and Disclosures and Fee Schedule containing the terms, conditions and fees governing the account designated above and any account designated under "Additional Accounts" below. I/we agree that these terms, conditions and fees govern each account established with City National Bank ("CNB"). I/We agree that CNB may amend or change these terms, conditions and fees from time to time on any required notice. I/We agree that the Authorized Signer(s) may withdraw funds, initiate and confirm payment orders pursuant to the security procedure selected respecting the account(s) and each Authorized Signer may establish additional accounts with CNB in the same name(s) and subject to the same signing authority stated above; contract for additional services for the account(s); and otherwise give instruction to CNB. I/We guarantee to CNB that all the information on this form is true and correct. **The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid back up withholding.**

Date: 3/2/04 Place of Signing (City and State): LA / CA

AUTHORIZED SIGNERS (SIGN IN BLACK INK ONLY)

Name: TEODORO N OBIANG
Title: Individual -Primary (000)
Mother's Maiden Name: MANGUE
DoB & Birthplace: 08/28/1969 GUINEA ECUATORIAL
ID & SS#: Passport [redacted]
Home & Business Phone: (H) (310)[redacted] (B) (336[redacted]
Signature Message: 011 556 073[redacted]

Home Address: 3131 ANTELO ROAD LOS ANGELES, CA 90077
Occupation: OWNER TIMBER COMPANY
Employer Name / Address: SOFONA SAME AS ABOVE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 282

CNB0001043

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CNB WESTWOOD OFFICE Fa 24 8:37 P.01

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‖XXH1309DPCSTN 03310400009609326

This statement: March 31, 2004
Last statement: March 02, 2004

Page 1
0009609326
(0)

009
TEODORO N OBIANG
3131 ANTELO RD
LOS ANGELES CA 90077

0830N Direct inquiries to:
213 427-5050

Wilshire/Westwood Office
10889 Wilshire Boulevard
Los Angeles CA 90024

CITY NATIONAL BANK. CALIFORNIA'S PREMIER PRIVATE AND BUSINESS BANK.
CELEBRATING 50 YEARS OF SERVING BOTH THE BUSINESS AND PERSONAL WEALTH
MANAGEMENT NEEDS OF SUCCESSFUL CALIFORNIANS. CITY NATIONAL BANK.
THE WAY UP.

Personal Checking Account

Account number	0009609326	Beginning bal	$0.00
Minimum balance	$999,938.00	Total credits	1,299,955.00
Average balance	$696,256.89	Checks paid	.00
Avg collect bal	$674,034.00	Other debits	300,017.00
		Total debits	300,017.00
		Ending balance	$999,938.00

DEBITS

Date	Description	Debits	Control Number
03-08	Deposit Return Item T NGUEMA OBIANG	300,000.00	761003080000289
03-08	Service Charge DEPOSIT RETURN ITE	5.00	761003080000289
03-15	Service Charge INCOMING WIRE-DOM	12.00	40315000001709

CREDITS

Date	Description	Reference	Credits	Control Number
03-02	Deposit		300,000.00	00000040573530
03-10	Credit Memo REV. RETURN ITEM		5.00	468000310143858
03-15	Incoming Wire-Dom		999,950.00	40315000001709

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
03-02	300,000.00	03-10	.00		
03-08	-5.00	03-15	999,938.00		

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CITY NATIONAL BANK
The way up.

Maggie Dare | Vice President
Financial Sales Manager

June 2, 2004

Mr. Teodoro N Obiang
3131 Antelo Rd.
Los Angeles, CA 90077

Re: Checking account number 9609326

Dear Mr. Teodoro N Obiang:

After careful review, City National Bank has decided that your checking account number 9609326 with us must be closed. We ask that you close the account by June 8, 2004. If you do not close the account by that date, we will close the account on that date. This means we will refuse to accept any further deposits to the account after that date and when we are satisfied that all funds remaining with us are collected, we will send those funds to you by check. If during that period a check is presented to us for payment, we may return it.

We suggest that you stop making deposits or writing checks against your account with us at once. Any checks you write after you receive this notice or which are currently outstanding may not be presented to us for payment until after the date the account is closed.

When your account is closed, automatic payments or withdrawals from your account, if any, will be rejected and will not be paid.

If you have any questions, please contact us.

Sincerely,

Maggie Dare
Vice President

10889 Wilshire Boulevard Los Angeles
T: 310.888.6981

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 289

Member FDIC

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DIANE WEMPLE BAXA, State Bar No. 89805
OFFICE OF THE GENERAL COUNSEL
CITY NATIONAL BANK
400 NORTH ROXBURY DRIVE
BEVERLY HILLS, CA 90210
TELEPHONE: (310) 888-6254
FACSIMILE: (310) 888-6232

Attorneys for Defendant
CITY NATIONAL BANK, a national banking association, sued herein as City National Bank, a Corporation

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court
NOV 15 2004
John A. Clarke, Executive Officer/Clerk
By B. Rodriguez, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

TEODORO NGUEMA-OBIANG, Plaintiff, vs. CITY NATIONAL BANK, a Corporation, DOES 1 through 10, Inclusive Defendants.	CASE NO. SC 083177 **CITY NATIONAL BANK'S CROSS-COMPLAINT FOR DECLARATORY RELIEF AND INTERPLEADER** (Answer filed concurrently) Hon. Paul G. Flynn Dept.: G
CITY NATIONAL BANK, a national banking association Cross-Complainant vs. TEODORO NGUEMA-OBIANG, STATE OF NEW YORK, UNITED STATES OF AMERICA, ROES 1 through 20, Inclusive Cross-Defendants	

1. At all times herein mentioned Cross-Complainant City National Bank, (hereinafter "CNB"), was and now is a national banking association organized and existing by virtue of the laws of the United States of America, and at all times mentioned herein was and now is authorized to do business in the County of Los Angeles, State of California.

2. At all times herein mentioned, CNB was engaged in the business of opening and maintaining bank accounts in the County of Los Angeles, State of California. The funds which are the subject of the instant cross-complaint are on deposit at City National Bank in the County of Los

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 290

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Angeles, State of California. All of the acts herein mentioned occurred in the County of Los Angeles, State of California.

3. CNB is informed and believes and based upon such information and belief alleges that at all times herein mentioned Cross-Defendant Teodoro Nguema-Obiang ("Obiang") was and is an individual with a residence in the County of Los Angeles.

4. CNB is informed and believes and based upon such information and belief alleges that at all times herein mentioned Cross-Defendant the United States of America may be a claimant to the funds which CNB holds in the instant action.

5. CNB is informed and believes and based upon such information and belief alleges that at all times herein mentioned Cross-Defendant the State of New York may be a claimant to the funds which CNB holds in the instant action.

6. CNB is ignorant of the true names and capacities, whether individual, corporate, association or otherwise of Cross-Defendants Roes 1 through 20, and therefore sues these Cross-Defendants by such fictitious names. CNB will amend this Complaint to allege their true names and capacities when ascertained. CNB is informed and believes and on that basis alleges that Cross-Defendants Roes 1 through 20 may have some claim to the monies in this action.

7. On or about March 2, 2004, Account number 009-609326 was opened in the name of Teodoro N. Obiang ("the Accountholder") at the Wilshire-Westwood branch of CNB ("the Account"). A true and correct copy of the account agreement for the Account is attached hereto as Exhibit "1" and incorporated herein by reference.

8. On or about June 2, 2004, CNB determined the Account should be closed and so advised the Accountholder by letter.

9. CNB closed the Account on or about June 14, 2004. Because mail sent by CNB to the Accountholder had been returned as undeliverable, and because CNB was initially unable to reach the Accountholder by phone, CNB issued and held two official checks in the total sum of $699,691.02 ("the Official Checks") for the account balance. True and correct copies of the Official Checks, as modified (see paragraph 14, below) are attached hereto as Exhibit "2" and incorporated herein by reference.

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10. On or about July 15, 2004, the United States Senate Permanent Subcommittee on Investigations, Committee on Governmental Affairs, released a report on "Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the PATRIOT ACT Case Study Involving Riggs Bank" ("the Report"). The Report focuses on Riggs Bank's handling of various accounts, including those of "the government of Equatorial Guinea (E.G.), E. G. government officials, or their family members." The Report notes: "[t]he Subcommittee investigation has determined that Riggs Bank serviced the E.G. accounts with little or no attention to the bank's anti-money laundering obligations, turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement." At pages 43-44, footnote 162 the Report referenced the existence of accounts at CNB. A true and correct copy of the Report is attached hereto as Exhibit "3" and incorporated herein by reference.

11. On or about July 16, 2004, CNB learned "in early 2001, the State department issued a report on . . . Equatorial Guinea, warning that the country was mishandling its growing oil wealth and decrying its record on human rights." (*Los Angeles Times, July 16, 2004*)

12. On or about August 10, 2004, a Grand Jury subpoena for account records, which included within its scope the records of Obiang, issued by the District Attorney of the County of New York was personally delivered to CNB at its New York office. A true and correct copy of the August 10, 2004 subpoena is attached hereto as Exhibit "4" and incorporated herein by reference.

13. On or about August 19, 2004, a further Grand Jury subpoena for records issued by the District Attorney of the County of New York was delivered to CNB (the "August 19 Subpoena"). The August 19 Subpoena required "any and all original checks (cashiers checks and/or banker's drafts) relating to any of the following accounts and/or individuals." Included among the listed entities and individuals was Teodoro Nguema Obiang. A true and correct copy of the August 19 Subpoena is attached hereto as Exhibit "5" and incorporated herein by reference.

14. CNB understood the August 19 Subpoena to include the Official Checks. In response to the August 19 Subpoena, CNB forwarded to the New York District Attorney the original Official Checks stamped "Returned, other" and punched out the routing numbers for the checks, precluding

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the possibility of automatic processing.

15. In August, 2004, Obiang requested delivery of the funds previously on deposit.

16. In or about September, 2004, CNB advised Obiang's Counsel of concerns raised by the Report and the Grand Jury subpoenas and asked that Obiang identify the source of funds in the Account. In response to CNB's request, Obiang provided a declaration in which he stated: "The wire transfer was from one of my companies of Equatorial Guinea. The funds that were transferred to me did not come from any illegal source. It was either from Somagli Forestal or Sofona." [The last sentence is handwritten.] A true and correct copy of Obiang's Declaration is attached hereto as Exhibit "6" and incorporated herein by reference.

17. After receipt of Obiang's Declaration, CNB conducted further research and learned "Somagli Forestal and Sofona were forestry companies 'with exclusive rights for the exploitation and importation of wood in Equatorial Guinea and the sole property of Obiang'" (The Report, page 49). CNB further learned Obiang is the Minister of Forestry, or Minister of Forestry, Fishing and the Environment.

18. Various news articles report that accounts of Obiang and his family in Riggs Bank have been frozen by the United States Government. (True and correct copies of said articles are attached hereto as Exhibit "7".)

19. CNB is unable to determine whether the United States of America has or will make a claim with respect to the funds in a fashion similar to that made with respect to the funds held in Riggs Bank.

20. CNB is informed and believes that the County of New York may have contended that delivery of the official checks referenced in paragraph 13 above may preclude CNB from paying the underlying funds to any party.

21. Cross-Defendants' actual and potential claims for the balance held by CNB are each adverse and conflicting, and CNB is unable to decide the validity of each.

22. Cross-Defendants' claims and instructions are made without CNB's collusion. CNB is uncertain as to the merits of the claims and claimants and CNB cannot determine which instructions to follow and to whom said sum should be paid. CNB desires to ensure that the funds are released to

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the appropriate person(s) and/or entity(ies).

23. CNB has incurred and may incur further expenses in connection with its duties as holder of funds, and CNB will ask for leave of Court to amend its Cross-Complaint and prayer to reflect such additional fees and expenses to be charged to the interpleaded property.

24. With the exception of attorneys' fees and costs of the instant interpleader action, CNB makes no claims on said sum, and is ready and willing and hereby offers to deposit said sum in Court or to deliver the sum to such persons as the Court shall direct.

25. CNB has requested the Office of the General Counsel of CNB to institute this action. Said law offices have earned and will continue to earn a reasonable compensation for services rendered and to be rendered herein, and requests attorneys' fees for such services pursuant to California Code of Civil Procedure §386.6.

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WHEREFORE, CITY NATIONAL BANK prays judgment as against Cross-Defendants TEODORO NGUEMA-OBIANG, STATE OF NEW YORK, UNITED STATES OF AMERICA, ROES 1 through 20, inclusive, and each of them, as follows:

1. Cross-Defendants be required to interplead and litigate among themselves their respective rights and claims to said money;

2. The Clerk of the Court, or some other person, be designated and authorized to receive said money pending the outcome of this litigation;

3. CNB be discharged from any and all liability on account of the claims of Plaintiff and any Cross-Defendants upon CNB's delivering said money to the Clerk of the Court or to such other person as the Court may designate;

4. CNB be awarded its expenses and reasonable attorneys' fees to be determined by the Court from said money to be deposited with the Court; and

5. For such other and further relief as the Court may deem just and proper.

Dated: November 15, 2004

OFFICE OF THE GENERAL COUNSEL

By: Diane Wemple Baxa

Diane Wemple Baxa
Attorneys for Defendant CITY NATIONAL BANK,

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De Lorier, Michelle

From: Autenrieth, Diane
Sent: Monday, August 02, 2004 9:13 AM
To: De Lorier, Michelle
Subject: FW: Obiang

[redacted] = Redacted by the Permanent Subcommittee on Investigations

FYI

-----Original Message-----
From: Correa, John
Sent: Friday, July 30, 2004 5:22 PM
To: Baxa, Diane; Autenrieth, Diane; Gintz, Michael; Rubi, Angela
Subject: Obiang

Good Afternoon,
This afternoon I received a phone call from Teodoro Obiang. The phone number that was displayed on our screen was (818)[redacted]. In our conversation he asked me why we closed the account. I told him that we were provided with the incorrect social security number and that we had tried to reach him on many occasions and we were unsuccessful. After I told him that, he said," I thought it was due to our country and the oil." He then asked me if we could reopen the account if he were to come in and provide us with the correct social. I told him that since we were unable to get a hold of him, the legal department is now involved. I asked him since it was 5:00PM, if we could give call him first thing next week. He told me he was going to Hawaii, but he will be back either Tuesday or Wednesday. His cell # is (310)[redacted] I spoke to Michael Gintz after the call and he suggested that we have a conference call on Monday to discuss the release of funds and the final disposition of this account. Please let me know if you have any questions.

Thank you,

John Correa
86984

Permanent Subcommittee on Investigations
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9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212
Telephone: (310) 271-6223
Fax: (310) 271-9805

Law Offices of Michael Jay Berger

Fax

To:	Diane Baxa	**From:**	Michael Jay Berger
Fax:	(310) 888-6232	**Pages:**	21
Phone:		**Date:**	6/24/2005
Re:	Nguema v. City National Bank	**CC:**	

x **Urgent** x **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• Comments: Enclosed please find EX PARTE APPLICATION FOR THE COURT TO ENTER JUDGMENT PURSUANT TO STIPULATION FOR ENTRY OF JUDGMENT.

CNB0005558

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MICHAEL JAY BERGER (State Bar # 100291)
LAW OFFICES OF MICHAEL JAY BERGER
9454 Wilshire Blvd. 6th Floor
Beverly Hills, CA 90212-2929
Telephone: (310) 271-6223
Facsimile: (310) 271-9805

Attorney for Plaintiff
TEODORO NGUEMA-OBIANG

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

WEST DISTRICT, SANTA MONICA COURTHOUSE

TEODORO NGUEMA-OBIANG; Plaintiff v. CITY NATIONAL BANK, a corporation; Defendant.	CASE NO.: SC083177 EX PARTE APPLICATION FOR THE COURT TO ENTER JUDGMENT PURSUANT TO STIPULATION FOR ENTRY OF JUDGMENT; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF MICHAEL JAY BERGER, ZI CHAO LIN, AND DIANE WEMPLE BAXA IN SUPPORT THEREOF Date: June 27, 2005 Time: 8:45 a.m. Dept.: M

To Defendant CITY NATIONAL BANK and to its attorney of record:

PLEASE TAKE NOTICE that Plaintiff TEODORO NGUEMA-OBIANG hereby applies ex parte for the Court to Enter Judgment Pursuant to Stipulation for Entry of Judgment. This request is made for the following reason:

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The parties in this action have settled this case pursuant to a Stipulation for Settlement and for Entry of Judgment Pursuant Hereto. There is no longer a dispute. Pursuant to the terms of the Settlement Agreement, Judgment shall be entered and an Order from this Court is required to finalize the settlement. In order to avoid further delay, and an unnecessary Summary Judgment motion, the parties request that the Court enter the Judgment pursuant to the Stipulation of the parties.

This Application is based on the Application, the attached Stipulation for Settlement and For Entry of Judgment Pursuant Hereto, the Proposed Judgment on Stipulation for Entry of Judgment, the Declarations of Michael Jay Berger, Zi Chao Lin, and Diane Wemple Baxa, the pleadings, records and files in this action, and upon such evidence as may be presented at any hearing on this Application.

Dated: 6/24/05

LAW OFFICES OF MICHAEL JAY BERGER

MICHAEL JAY BERGER
Attorney for Plaintiff Teodoro Nguema-Obiang

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MEMORANDUM OF POINTS AND AUTHORITIES

In this case, Plaintiff deposited the sum of $699,691.02 into an account standing in his name at City National Bank ("the Funds"). Plaintiff claims entitlement as owner of all funds deposited into the account and further declares that no other person or entity has any right, claim or interest in the funds.

City National Bank refused to release the funds pursuant to Plaintiff's instruction on the grounds that City National Bank was uncertain as to whether the United States of America and/or the City, County and/ or State of New York claimed the funds or otherwise objected to payment to Plaintiff.

The United States of America (the "US") has been dismissed as a Cross-Defendant in the instant action as a result of the following: the US removed the action to federal court and brought a motion there to dismiss as to the US on the grounds that no interest of the US in the funds had been identified; the Federal Court ordered the US dismissed as a party, finding that no interest of the US in the funds had been identified.

The City, County, and State of New York, after valid service, failed to file a response to the cross-complaint and a default for failure to respond has been entered. No other person or entity had claimed entitlement to the funds. Accordingly, there is only one claimant to the funds, Plaintiff Teodoro Nguema-Obiang. There is no reason to delay further the return of his funds to him.

On June 22, 2005, Plaintiff and Defendant signed a Stipulation For Settlement And For Entry Of Judgment Pursuant Hereto. A true and correct copy of the Stipulation For Settlement And For Entry Of Judgment Pursuant Hereto is attached to the Declaration of Michael Jay Berger as Exhibit 1 and made a part hereof. Under the Stipulation, the case has been settled pursuant to *Cal. Civ. Proc. Code § 664.4.*

Pursuant to the terms of the Settlement Agreement, Judgment shall be entered and an Order from this Court is required to finalize the settlement. See Declaration of Diane Wemple

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Baxa at paragraph 2. A true and correct copy of the Proposed Judgment on Stipulation for Entry of Judgment is attached to the Declaration of Michael Jay Berger as Exhibit 2 and made a part hereof. The trial in this case is scheduled for October 29, 2005. In order to avoid trial and unnecessary delay or Plaintiff filing a summary judgment motion, the parties in this case asks that the Court approve the Proposed Judgment on Stipulation for Entry of Judgment.

On June 24, 2005, Zi Chao Lin, of the Law Offices of Michael Jay Berger, Plaintiff's Counsel called Department M of this Court and spoke to the Clerk. Mr. Lin inquired about the availability of Judge Paul G. Flynn to sign the Proposed Judgment on Stipulation for Entry of Judgment on June 24, 2005 or June 27, 2005. The Clerk stated that the only way for the Judge to sign the Proposed Judgment on June 27, 2005 was to bring an ex parte application before the Court. See Declaration of Zi Chao Lin at paragraph 2.

On June 24, 2005, at 10:20 a.m., Plaintiff's Counsel Michael Jay Berger called Defendant City National Bank and gave notice of this ex parte application to Eileen Brown. After Mr. Berger spoke to Ms. Brown, he faxed Defendant's counsel Diane Wemple Baxa a letter giving notice of this Ex Parte Application. A true and correct copy of the letter giving notice is attached to the Declaration of Michael Jay Berger as Exhibit 3 and made a part hereof. Plaintiff's Counsel Michael Jay Berger also conferred with Defendant's Counsel Diane Wemple Baxa and obtained her support in bringing this Ex Parte Application For The Court To Approve Judgment On Stipulation For Entry Of Judgment. See Declaration of Michael Jay Berger at paragraph 8 and Declaration of Diane Wemple Baxa at paragraph 3.

Plaintiff asks that the Court approve and sign the Proposed Judgment on Stipulation for Entry of Judgment.

Dated: 6/24/05

LAW OFFICES OF MICHAEL JAY BERGER

MICHAEL JAY BERGER
Attorney for Plaintiff Teodoro Nguema-Obiang

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DECLARATION OF MICHAEL JAY BERGER

I, MICHAEL JAY BERGER DECLARE:

1. I am an attorney at law duly licensed to practice law before all Courts of the State of California. I am the attorney for Plaintiff Teodoro Nguema-Obiang. I have personal knowledge of the facts set forth herein. If called as a witness herein, I could and would testify competently and truthfully as set forth herein.

2. In this case, Plaintiff deposited the sum of $699,691.02 into an account standing in his name at City National Bank ("the Funds"). Plaintiff claims entitlement as owner of all funds deposited into the account and further declares that no other person or entity has any right, claim or interest in the funds.

3. City National Bank refused to release the funds pursuant to Plaintiff's instruction on the grounds that City National Bank was uncertain as to whether the United States of America and/or the City, County and/ or State of New York claimed the funds or otherwise objected to payment to Plaintiff.

4. The United States of America (the "US") has been dismissed as a Cross-Defendant in the instant action as a result of the following: the US removed the action to federal court and brought a motion there to dismiss as to the US on the grounds that no interest of the US in the funds had been identified; the Federal Court ordered the US dismissed as a party, finding that no interest of the US in the funds had been identified.

5. The City, County, and State of New York, after valid service, failed to file a response to the cross-complaint and a default for failure to respond has been entered. No other person or entity had claimed entitlement to the funds. Accordingly, there is only one claimant to the funds, Plaintiff Teodoro Nguema-Obiang. There is no reason to delay further the return of his funds to him.

6. On June 22, 2005, Plaintiff and Defendant signed a Stipulation For Settlement And For Entry Of Judgment Pursuant Hereto. A true and correct copy of the Stipulation For Settlement

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And For Entry Of Judgment Pursuant Hereto is attached hereto as Exhibit 1 and made a part hereof. Under the Stipulation, the case has been settled pursuant to *Cal. Civ. Proc. Code § 664.4.*

7. Defendant requires an Order from this Court to finalize the settlement. A true and correct copy of the Proposed Judgment on Stipulation for Entry of Judgment is attached hereto as Exhibit 2 and made a part hereof. The trial in this case is scheduled for October 29, 2005. In order to avoid trial and unnecessary delay or Plaintiff filing a summary judgment motion, the parties in this case asks that the Court approve the Proposed Judgment on Stipulation for Entry of Judgment.

8. On June 24, 2005, at 10:20 a.m., I called Defendant City National Bank and gave notice of this ex parte application to Eileen Brown. After I spoke to Ms. Brown, I faxed Defendant's counsel Diane Wemple Baxa a letter giving notice of this Ex Parte Application. A true and correct copy of the letter giving notice is attached herein as Exhibit 3 and made a part hereof. I also conferred with Defendant's Counsel Diane Wemple Baxa and obtained her support in bringing this Ex Parte Application For The Court To Approve Judgment On Stipulation For Entry Of Judgment.

9. I ask that the Court approve and sign the Proposed Judgment on Stipulation for Entry of Judgment.

I Declare under penalty of perjury that the foregoing is true and correct, and that this Declaration is executed on June 24, 2005, at Beverly Hills California.

Michael Jay Berger

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CLOSED FILE MEMORANDUM

(From Records Retention Schedule)		
RECORD TYPE:	Litigation	
DESTRUCTION DATE:	7/2010	
Archive Box Number(s):	1)	
	2)	
Attorney Approval:		
Date:	July 1, 2005	

TO: FILE

FROM: Diane W. Baxa

SUBJECT: Nguema-Obiang, Teodoro v. City National Bank

LASC Case No.: SC083177

USDC Case No.: CV05 1006 PA

DOCKET/Branch No.: D004793 009-01

Debtor/Defendant: City National Bank

Case closed (date): July 1, 2005

☐ **Payment**	☐ **On judgment**	☐ **Pursuant to Stipulation where no judgment obtained**	☐ **Not renewed. No known assets.**	☐ **Discharge in Bankruptcy**
	Full	**Partial** (Approx. %)	Judgment:	☐ No dividend
Principal	☐	☐	Date:	☐ Dividend receive
Costs	☐	☐	Amount $	
Interest	☐	☐		
Attorneys Fees	☐	☐		

☒ **OTHER**: CNB paid funds being held to accountholder. No other sums paid by CNB; matter fully resolved. Appropriate to close file.

cc: Docket
Chron/Data Entry

00129465.DOC

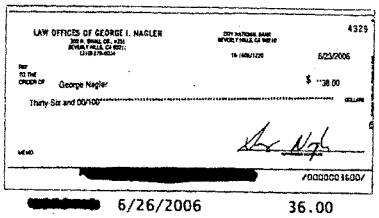
Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 303

CNB0005553

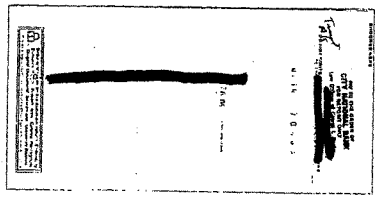
ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01232 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.154

Page 300

= Redacted by the Permanent Subcommittee on Investigations


LAW OFFICES OF GEORGE I. NAGLER
4329
6/23/2006
George Nagler
$ **38.00
Thirty Six and 00/100
[redacted]
/0000003600/

[redacted] 6/26/2006 36.00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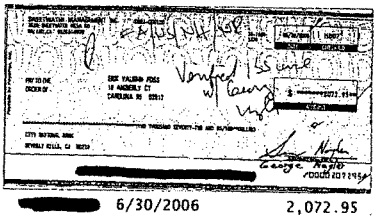
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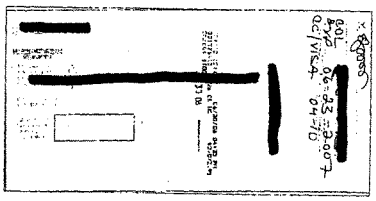
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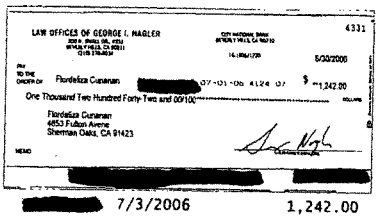
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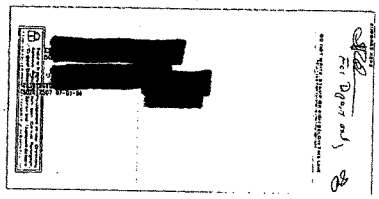
4331
5/30/2006
Flordeliza Cunanan [redacted] 07-01-06 4124 07
$ **1,242.00
One Thousand Two Hundred Forty-Two and 00/100
Flordeliza Cunanan
4653 Fulton Avenue
Sherman Oaks, CA 91423
[redacted]

[redacted] 7/3/2006 1,242.00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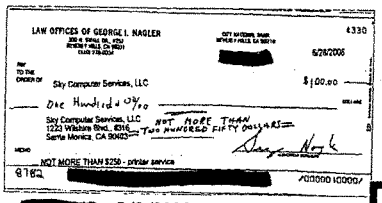
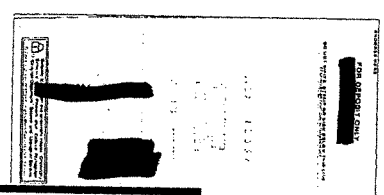

LAW OFFICES OF GEORGE I. NAGLER
4330
[redacted]
6/28/2006
Sky Computer Services, LLC
$100.00
One Hundred 00/100
Sky Computer Services, LLC
1223 Wilshire Blvd., #316
Santa Monica, CA 90403
NOT MORE THAN TWO HUNDRED FIFTY DOLLARS
NOT MORE THAN $250 - printer service
8162 [redacted]
/0000010000/

[redacted] 7/3/2006 100.00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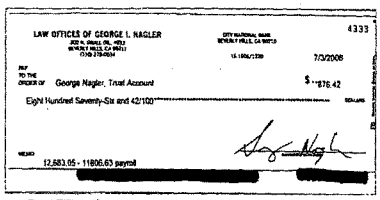
Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 305

= Redacted by the Permanent Subcommittee on Investigations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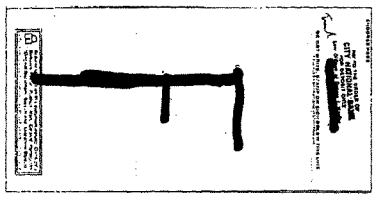
4333
7/3/2006
PAY TO THE ORDER OF George Nagler, Trust Account $ **876.42
Eight Hundred Seventy-Six and 42/100 DOLLARS
MEMO 12,683.05 - 11806.63 payroll
[redacted]



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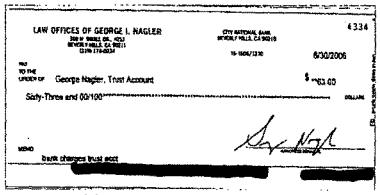
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4334
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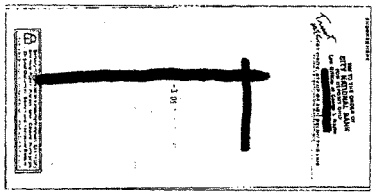
Sixty-Three and 00/100 DOLLARS
MEMO bank charges trust acct
[redacted]



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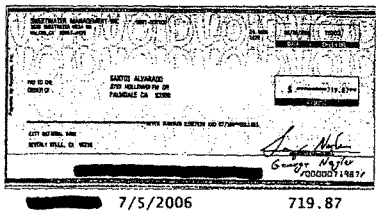
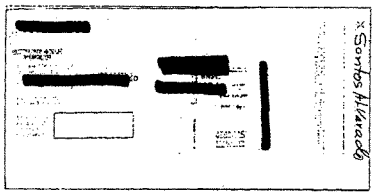

SANTOS ALVARADO
PALMDALE CA
[redacted]
George Nagler
/0000071987/


Santos Alvarado

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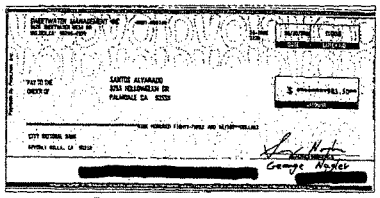
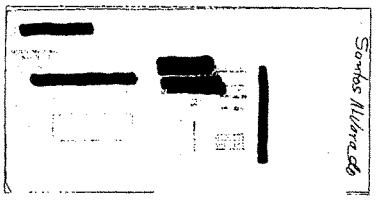

SANTOS ALVARADO
PALMDALE CA
[redacted]
George Nagler

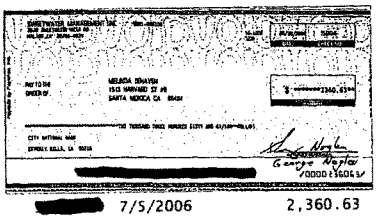

Santos Alvarado

[redacted] 7/5/2006 983.50

ph44585 on D330-44585-7600 with DISTILLER

568401.156

= Redacted by the Permanent Subcommittee on Investigations



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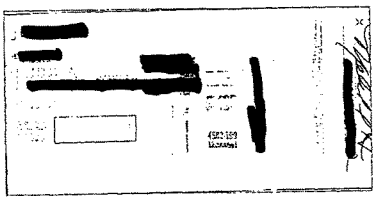

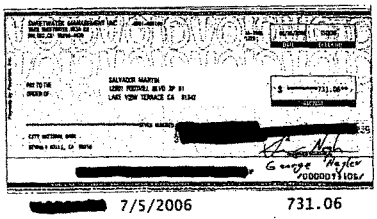

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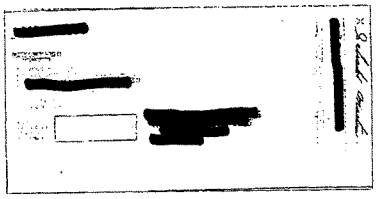

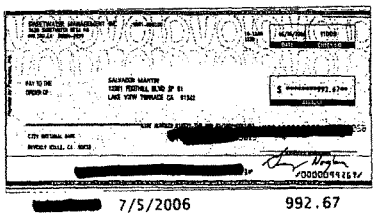

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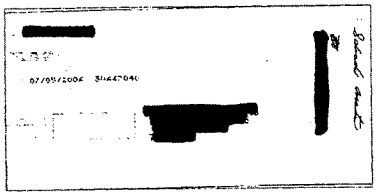
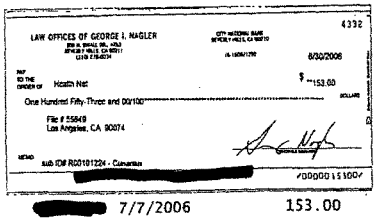




LAW OFFICES OF GEORGE I. NAGLER

4332

8/30/2006

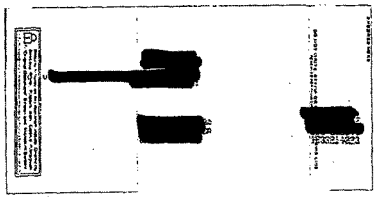
PAY TO THE ORDER OF Health Net $ **153.00

One Hundred Fifty-Three and 00/100 DOLLARS

File # 55649
Los Angeles, CA 90074

MEMO sub ID# RC0101224 - Cumarias

[redacted] 7/7/2006 153.00



ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01235 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.157

Run Date: 7-Jul-08
Run Time: 1:33 PM

Transaction Detail Report

Page: 1
User Name: TRAIL

BNK: CNB **SND DATE:** 060502 **VAL:** 060502 **TRN:** 060502-004083
AMT: $107,580.11 **CUR:** USD **FOR AMT:** 107,580.11
SRC: FED **ADV:** LTR **TYP:** FTR **LOC:** **CHECK NUM:**

DBT: [redacted]
ACC: [redacted] **ON FILE:** N
DEPT: 098 **CTRY:**
FIRST AMERICAN TRUST, F.S.B.
SANTA ANA, CA

SEND:
SNDR REF NUM: [redacted]

ORIG: [redacted]
FIRST AMERICAN TITLE COMPANY
GLENDALE ESCROW TRUST ACCOUNT
2727 CAMINO DEL RIO SOUTH, STE 235
SAN DIEGO CA 92108
REF NUM: EPI OF 06/05/02

CDT: [redacted]
ACC: [redacted] **ON FILE:** Y
DEPT: 001 **CTRY:**
LAW OFFICES OF GEORGE I NAGLER
CLIENT TRUST ACCOUNT
300 N SWALL DR # 253
BEVERLY HILLS CA 90211

BNF BNK: **BK:** N

ORIG TO BNF INFO:
FBO TEODORO NGUEMA OGIANG,
SWEETWATER MALIBU, LLC ESC#[redacted]
SA
7540

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 308

CNB0001651

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01236 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.158

0001976427 PAGE

[redacted] = Redacted by the Permanent Subcommittee on Investigations

##XXH1309DPCSTM 06300600001976427

Page 1 (4)

Account #: [redacted]

This statement: June 30, 2006
Last statement: May 31, 2006

Contact us:
213 673-7700

City National Bank
400 N Roxbury Drive
Beverly Hills CA 90210

cnb.com

001 0830L
LAW OFFICES OF GEORGE I NAGLER
CLIENT TRUST ACCOUNT
300 N SWALL DR # 253
BEVERLY HILLS CA 90211

DEPOSIT YOUR CHECKS ELECTRONICALLY. SAVE TIME AND IMPROVE CASH FLOW WITH CITY NATIONAL E-DEPOSIT. LEARN MORE BY CALLING (213)673-9393-SO. CAL.; (415)576-2761-NO.CAL.; (917)322-7434-NEW YORK; OR (800)599-0020.

Legal Services Trust Fund Acct

Account Summary	
Account number	[redacted]
Minimum balance	$69,020.07
Average balance	$151,263.27
Avg. collect bal	$151,029.00

Account Activity			
Beginning bal	(5/31/2006)		$69,020.07
Deposits	(2)	+ 7,036.00	
Electronic cr	(4)	+ 313,149.30	
Other credits	(1)	+ 54.97	
Total credits			+ $320,240.27
Checks paid	(4)	- 20,400.45	
Electronic db	(1)	- 22,000.00	
Other debits	(6)	- 117.97	
Total debits			- $42,518.42
Ending balance	(6/30/2006)		$346,741.92

DEPOSITS

Date	Description	Reference	Credits	Control Number
6-20	Deposit		1,000.00	00000030845590
6-26	Deposit		6,036.00	00000030746620

ELECTRONIC CREDITS

Date	Description	Credits	Control Number
6-16	Incoming Wire-Dom	100,000.00	60616000000180
6-26	Incoming Wire-Dom	3,000.00	60626000003510
6-26	Incoming Wire-Dom	6,926.50	60626000003516
6-26	Incoming Wire-Dom	203,222.80	60626000003505

OTHER CREDITS

Date	Description	Reference	Credits	Control Number
6-30	Interest Credit		54.97	00000000000000

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 311

CNB0000227

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01237 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.159

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Run Date: 7-Jul-08
Run Time: 1:34 PM

Transaction Detail Report

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SRC: FED **ADV:** LTR **TYP:** FTR **LOC:** **CHECK NUM:**

DBT: A/122241255
ACC: [redacted] **ON FILE:** N
DEPT: 098 **CTRY:**
FIRST AMERICAN TRUST, FSB
SANTA ANA, CA

SEND:
SNDR REF NUM: 0290200208IG

ORIG: [redacted]
FIRST AMERICAN TITLE COMPANY
GLENDALE ESCROW TRUST ACCOUNT
2727 CAMINO DEL RIO SOUTH, STE 235
SAN DIEGO CA 92108
REF NUM: EPI OF 06/07/27

CDT: [redacted]
ACC: [redacted] **ON FILE:** Y
DEPT: 001 **CTRY:**
LAW OFFICES OF GEORGE I NAGLER
CLIENT TRUST ACCOUNT
300 N SWALL DR # 253
BEVERLY HILLS CA 90211

BNF BNK: **BK:** N

ORIG TO BNF INFO:
FBO TEODORO NGUEMA OBIANG
SWEETWATER MALIBU LLC ESC #[redacted]
SA
7928

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 312

CNB0001654

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##XXH1309DPCSTM 05300300001976427

This statement: May 30, 2003
Last statement: April 30, 2003

Page 1
[redacted]
(1)

001
LAW OFFICES OF GEORGE I NAGLER
CLIENT TRUST ACCOUNT
300 N SWALL DR # 253
BEVERLY HILLS CA 90211

0830L Direct inquiries to:
213 427-5050

City National Bank
400 N Roxbury Drive
Beverly Hills CA 90210

CITY NATIONAL PROVIDES FULLY INTEGRATED TEAMS OF EXPERIENCED COMMERCIAL AND PRIVATE BANKERS, BACKED BY THE FULL RESOURCES OF CALIFORNIA'S PREMIER PRIVATE AND BUSINESS BANK. CITY NATIONAL BANK. THE WAY UP.

Legal Services Trust Fund Acct

Account number	[redacted]	Beginning bal	$306,156.08
Minimum balance	$67,415.75	Total credits	26,545.48
Average balance	$184,558.86	Checks paid	100.00
Avg collect bal	$184,425.00	Other debits	265,185.81
		Total debits	265,285.81
		Ending balance	$67,415.75

Number	Date	Amount	Control
1075	05-14	100.00	00000080071750

DEBITS

Date	Description	Debits	Control Number
05-06	Transfer Debit TRANSFER TO DEPOSIT ACCOUNT [redacted]	15,052.38	468000506143944
05-12	Domestic Wire	175,000.00	30512000001913
05-12	Service Charge DOMESTIC WIRE	30.00	30512000001913
05-14	Preauthorized Debit HARLAND CHECKS CHK ORDERS [redacted]	15.95	420000158817 05
05-28	Service Charge DOMESTIC WIRE	12.00	30528000000091
05-30	Domestic Wire	75,000.00	30530000005368
05-30	Service Charge DOMESTIC WIRE	30.00	30530000005368
05-30	Interest Transfer TO ACCOUNT NO [redacted]	45.48	00000000000000

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 314

CNB0000153

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01239 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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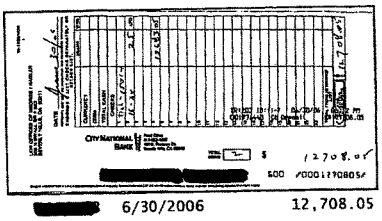

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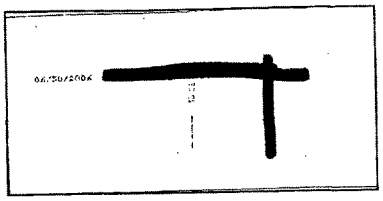
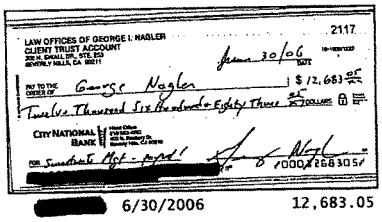
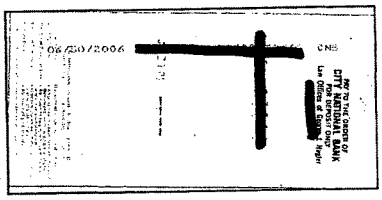
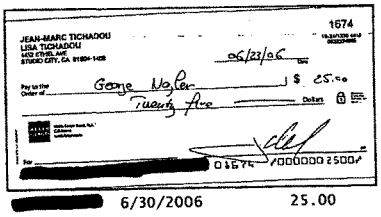


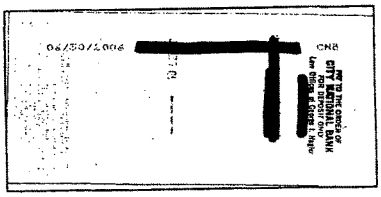


[redacted] 6/30/2006 12,683.05





[redacted] 6/30/2006 25.00



Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 315

CNB0002320

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01240 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.162

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Melinda DeHaven [melindadehaven@[redacted]]
Sent: Sunday, July 09, 2006 9:44 AM
To: gnagler@p[redacted]t
Subject: RE: Convenient Time to Meet - George's Away Schedule in July & July 15 payroll

George, Mr. Nguema left me a message and wanted me ask you if you go out of town on those dates who will be available to write checks while you are away. The boss will probably be arriving late on the 12th. He said that there are numerous bills that are waiting for his approval along with purchases that he will be making upon his arrival and will need to be paid by check. Most probably he will be leaving on the 17th. Please advise so I can let him know. Thank you. Best, Melinda

From: "GNagler" <gnagler@[redacted]>
To: "'Melinda DeHaven'" <melindadehaven@[redacted]
Subject: Convenient Time to Meet - George's Away Schedule in July & July 15 payroll
Date: Sat, 8 Jul 2006 14:20:47 -0700

Melinda, I will be out of town July 13, 14, 15 and 16. I would like to see Mr. Nguema either July 12 after he arrives or possibly by 9 or 10 am the 13th as I need to leave by noon. Otherwise, I can see him Monday, the 17th. Please ask which will be convenient for him.

Please see if I can receive the payroll checks by July 12th so I can sign them and make them available for you to pick up. Please ask Paychex to include envelopes when they send the checks.

Thank you.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

*Please destroy this email and any attachments and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 320

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01241 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.163

This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

george nagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: george nagler [gnagler@p[redacted]
Sent: Thursday, May 10, 2007 6:46 PM
To: Teodoro Nguema Obiang (teono@s[redacted]
Subject: Your Trust Account

Mr. Nguema, I note that I am still holding $4,185.10 of your funds in my trust account from last August. This amount was intended to cover check #3039 to Raffles L'Ermitage dated July 13, 2006 that was issued for $4,372.70. My records show that the check was never cashed. My notes indicate that the check was to cover 5 nights at the hotel. Please advise if this check should be cancelled.

If the check should be treated as cancelled, we can give the bank a stop payment request, and I can send you a check for $4,185.10 If you permit, I can deduct the current billing of $2,686.00 that I billed you on April 30, 2007 and refund the difference of $1,499.10.

Please advise.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

*Please destroy this email and any attachments, and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 324

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01242 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.164

PACIFIC MERCANTILE BANK
"HIGH TECH · HIGH PERSONAL TOUCH"

STOCK SYMBOL: PMBC

Deposit
#3000

① CD. [6 MOS 1 Million.
5.5 APY
interest paid @ Maturity)

② 500K, Net investor savings
APY 4.3%.

③ 1st set-up
personal checking.
about $100K.
ATM VISA/MC.
$2000 - cash.

Wire instruct
@ 10 [illegible]
Max. 2500 —
daily.

ATM for checking personal

CORP.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 334

PSI-Pacific_Mercantile_Bank-01-0201

ph44585 on D330-44585-7600 with DISTILLER

568401.165

Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	16 (incl. Cover page)	DATE:	September 15, 2006
ATTENTION: BK	Angie Kim, Pacific Merc	TIME:	12:22 PM
FAX NUMBER:	310246 1093	RE:	Teodoro Nguema Obiang
FROM:	George I. Nagler, Esq.		

Please plan to open three bank accounts; the sole signing person for each account will be Teodoro Nguema Obiang. Following is a list of the accounts and the documents being sent to you:

Sweetwater Management, Inc., a California corporation, by Teodoro Nguema Obiang, as President

1. Articles of Incorporation;
2. Statement of Information; and
3. Tax Identification number.

Sweetwater Malibu, LLC, a California limited liability company

4. Articles of Incorporation;
5. Operating Agreement;
6. Statement of Information; and
7. Tax Identification number.

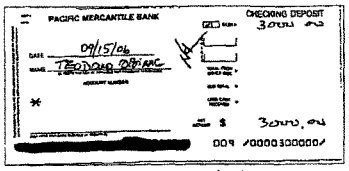
Please call 310 278 003 [illegible] iestions.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 334

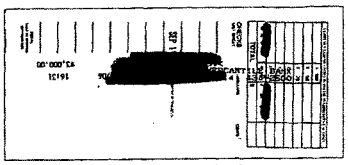
PSI-Pacific_Mercantile_Bank-01-0220

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01244 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.166

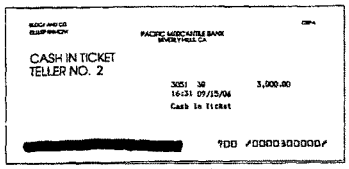
Page 1 of 1



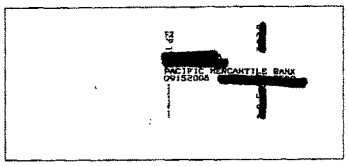
Deposit 3000.00 9/15/2006



Deposit 3000.00 9/15/2006



700 3000.00 9/15/2006



700 3000.00 9/15/2006

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 335

PSI-Pacific_Mercantile_Bank-01-0016

ph44585 on D330-44585-7600 with DISTILLER
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568401.167

PACIFIC MERCANTILE BANK

New Accounts Documentation Checklist

Account Name: Teodoro Nguema Obiang

Account Number: 3401130 **Port:** 20698

FILED/CERTIFIED COPIES ARE REQUIRED UNLESS IN *ITALICS*

Documents in *Italics* may be required due to nature of account relationship (i.e. Foreign LLCs Require an LLC-5; a Certified Copy of the Fictitious Name Statement is required on sole proprietorship accounts if name other than sole proprietor's is used), and are indicated below.

☐ A Business License (as applicable by city's requirements) is required, at the Operations Manager's discretion or for accounts with no previous account relationship, if this box is checked.

ALL ACCOUNTS

☐ **Tax ID #** ☐ **Physical Address**

CORPORATION ACCOUNT
- ☐ Articles of Incorporation
- ☐ *Statement by Domestic Stock preferred (may be waived by Operations Manager)*
- ☐ Resolution, certified by the corporate secretary (may use bank's signature card)
- ☐ *Certified copy of Fictitious Name Statement*, as applicable
- ☐ *Certificate of Qualification* (Foreign)
- ☐ *Certificate of Good Standing* (Foreign)

LIMITED LIABILITY COMPANY(LLC)
- ☐ Certified copy of the Articles of Organization (LLC-1)
- ☐ Copy of Operating Agreement
- ☐ *LLC Statement of Information (LLC-12)*
- ☐ *Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication*
- ☐ *LLC-5* (NOTE: required for foreign LLC doing business in CA)

LIMITED LIABILITY PARTNERSHIP (LLP-1)
- ☐ Partnership Agreement
- ☐ Certificate of Registration
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication

LIMITED PARTNERSHIP (LP-1)
- ☐ Partnership Agreement
- ☐ Certificate of Limited Partnership (LP-1)
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/ Proof of Publication
- ☐ *P-5* must be filed for foreign corporation

Charity/Non-Governmental Organization (NGO)
- ☐ IRS Form 990

California - Non-Profit Organization:
- ☐ Certification of Non-Profit Organization/IRS Non-Profit Determination Letter 501(c)/502(c)
- ☐ Company Charter/By Laws or Authorization Letter (in lieu of By-laws/Charter)

California - Non-Profit Organization:
- ☐ Article of Incorporation
- ☐ Statement of Domestic Non-profit Stock Corporation
- ☐ Certification of Non-Profit Organization/IRS Non-Profit Determination Letter 501(c)/502(c)
- ☐ Certificate of Qualification (if corporation was established outside of California)

GENERAL PARTNERSHIP
- ☐ Partnership Agreement (signed by all general partners)
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/ Proof of Publication

SOLE PROPRIETOR
- ☐ *Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication* required when stipulated by account naming
- ☐ Identification as required under PERSONAL ACCOUNTS

ATTORNEY CLIENT TRUST ACCOUNTS
- ☐ Appropriate documentation for entity type (Professional Corp., Part., or Sole Prop)
- ☐ State Bar Card (or Bar License or Business License for attorney/law office)
- ☐ Employer ID number (EIN) for CA- 94-6001385

PERSONAL ACCOUNTS
- ☐ Name
- ☐ Birth date
- ☐ Valid Drivers License
- ☐ Second form of ID

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 337

PSI-Pacific_Mercantile_Bank-01-0196

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568401.168

PACIFIC MERCANTILE BANK

ADDITIONAL PMB FORMS:

- ☐ Cash Management Agreement, if applicable
- ☐ Wire Transfer Agreement, if applicable
- ☐ Internet Banking Agreement, if applicable
- ☐ Bill Payment Agreement, if applicable
- ☐ Trustee Certification

The Operations Manager (or designate) will review all opening account documentation and he/she may also indicate additional verification is required (i.e. business license, certified corporate minutes, Lexis Nexis, Statement by Domestic Stock) in the **Comments** area below.

Exceptions to required documents must be indicated with an explanation below and approved by the Operations Manager before account will be opened.

Comments: _____

_____

_____ _____

Authorized Signature **Date**

PLEASE NOTE:

California - Non-Profit Organization & Non-Profit Corporation:
In order to established as an non-profit, the IRS **must approve** non-profit status. The account is exempt from interest reporting (1099-INT) and back-up holding regulations.

Useful Websites:

http://kepler.ss.ca.gov/list.html - Verify corporate or LLC standing.

https://sa2.www4.irs.gov/sa_vign/newFormSS4.doc - SS-4/Federal Tax ID/EIN: Application for Employer Tax Identification Number; can be obtained online by business customer. *About EINs:* ***An Employer Identification Number (EIN), also known as a Federal Tax Identification Number, is a nine-digit number that the IRS assigns to business entities. The IRS uses this number to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, non-profit organizations, trusts and estates, government agencies, certain individuals and other business entities.*** *Entities that May Not Apply Online:* ***The online application process is not yet available for the following types of entities:*** Foreign Addresses (including Puerto Rico), Limited Liability Company (LLC) without entity types, REMICs, State and Local Governments, Federal Government/Military, Indian Tribal Government/Enterprise. ***Please call the toll-free Business and Specialty Tax Line, 1-800-829-4933 should you need assistance filing for an EIN.***

http://www.calgold.ca.gov/ - *"The CalGOLD database provides detailed information on the business permit, license and registration requirements from all levels of government. The information includes a description of the requirement, the name, address, and telephone number of the agency, and frequently even a direct link to that agency's Internet web pages. The information identified is specific to the type of business and its location in California."*

Use this website to obtain useful information such as; does the city the business is located in require a business license? Etc. Also a good website for the customer to utilize.

www.sba.gov/hotlist/license.html - for additional business license assistance and multiple state information.

ph44585 on D330-44585-7600 with DISTILLER

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568401.169

PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☒ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

Reviewed by_____ Date__/__/__
Date__/__/__
Date__/__/__

[redacted] = Redacted by the Permanent Subcommittee on Investigations

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☐ _____
BUSINESS: _____
COUNTY & STATE OF ORGANIZATION: _____
AUTHORIZATION DATED: _____

DATE OPENED 09/15/2006 BY FRED ALAVI
INITIAL DEPOSIT $ 500,000
☐ CASH ☐ CHECK ☐ _____
HOME TELEPHONE # 310-[redacted]
BUSINESS PHONE # 310-[redacted] CELL PHONE
DRIVER'S LICENSE # CA [redacted]
EMAIL N/A
EMPLOYER INVESTOR / SELF-EMPLOYED
MOTHER'S MAIDEN NAME MANGUE
Name and address of someone who will always know your location:
_____
_____

BACKUP WITHHOLDING CERTIFICATIONS

TIN [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☐ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X _____
TEODORO NGUEMA OBIANG (Date)

Experts ©1992 Bankers Systems, Inc., St. Cloud, MN Form MPSC-LAZ-CA 11/18/2000

ACCOUNT NUMBER 3401130 PORTFOLIO NUMBER 20698

ACCOUNT OWNER(S) NAME & ADDRESS

TEODORO ~~OBIANG~~ NGUEMA OBIANG

3620 SWEET WATER MESA ROAD
MALIBU, CA 90265

TYPE OF ACCOUNT

☒ NEW ☐ EXISTING
☐ CHECKING ☒ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____

This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

CHEXSYSTEMS VERIFIED BY _____
X

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): X _____
TEODORO NGUEMA OBIANG
I.D. # [redacted] D.O.B. 06/26/1969

(2): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(3): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(4): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only) XXXXXX
X XXXXXXXXXXXXXX
I.D.# _____ D.O.B. _____

ph44585 on D330-44585-7600 with DISTILLER
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568401.170

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PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☒ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☐ _____
BUSINESS:
COUNTY & STATE OF ORGANIZATION:
AUTHORIZATION DATED:

DATE OPENED 09/15/2006 BY FRED ALAVI
INITIAL DEPOSIT $ 500,000—
☐ CASH ☐ CHECK ☐ _____
HOME TELEPHONE # 310-[redacted]7
BUSINESS PHONE # 310-[redacted] CELL PHONE
DRIVER'S LICENSE # [redacted]
EMAIL N/A
EMPLOYER INVESTOR / SELF-EMPLOYED
MOTHER'S MAIDEN NAME MANGUE
Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☐ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X _____
TEODORO NGUEMA OBIANG (Date)

ACCOUNT NUMBER 3401130 PORTFOLIO NUMBER 20698

ACCOUNT OWNER(S) NAME & ADDRESS

TEODORO OBIANG NGUEMA

3620 SWEET WATER MESA ROAD
MALIBU, CA

TYPE OF ACCOUNT
☒ NEW ☐ EXISTING
☐ CHECKING ☒ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____
This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

[X]

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): [X TEODORO NGUEMA OBIANG]
I.D. # _____ D.O.B. _____

(2): [X]
I.D. # _____ D.O.B. _____

(3): [X]
I.D. # _____ D.O.B. _____

(4): [X]
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only)
[X]
I.D.# _____ D.O.B. _____

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 338

Confidential Treatment Requested SEN008956

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01249 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.171

TERMS AND CONDITIONS OF YOUR . .OUNT

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us.

This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

(1) summarize some laws that apply to common transactions;
(2) establish rules to cover transactions or events which the law does not regulate;
(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to indorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUN .D BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this agreement "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent. **Individual Account** - is an account in the name of one person. **Joint Account** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). **Joint Account of Husband and Wife with Right of Survivorship** - This account or certificate is owned by the named parties, who are husband and wife, and is presumed to be their community property. Upon the death of either of them, ownership passes to the survivor. **Community Property Account of Husband and Wife** - This account or certificate is the community property of the named parties who are husband and wife. The ownership during lifetime and after the death of a spouse is determined by the law applicable to community property generally and may be affected by a will. **Tenancy in Common Account** - This account or certificate is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death payee(s) of that party or, if none, to the estate of that party. **P.O.D. Account with Single Party** - This account or certificate is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s). **P.O.D. Account with Multiple Parties** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s). **Totten Trust Account** - (subject to this form) - If two or more of you create this account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. **Trust Account Subject to Separate Agreement** - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

BUSINESS ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

Tho

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SETOFF - We may (without prior notice and w[illegible]mitted by law) set off the funds in this account against any due and pay[illegible]le debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such personal or legal entity's right to withdraw. The amount of the setoff may be further limited by applicable law. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER ([illegible]dual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than $1,000.00."

FICTITIOUS BUSINESS NAME ACCOUNTS - If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

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PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☐ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

[redacted] = Redacted by the Permanent Subcommittee on Investigations

___ Date__/__/__
___ Date__/__/__
Approved by_____ Date__/__/__

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☒ LLC
BUSINESS: SWEETWATER MALIBU LLC
COUNTY & STATE OF ORGANIZATION: LA CA
AUTHORIZATION DATED: _____

DATE OPENED 09/15/2006 BY FRED ALAVI
INITIAL DEPOSIT $ _____
☐ CASH ☐ CHECK ☐ _____
HOME TELEPHONE # N/A
BUSINESS PHONE # (310) [redacted]
DRIVER'S LICENSE # PASSPORT: GUINEA [redacted]
EMAIL _____
EMPLOYER SELF- INVESTORS
MOTHER'S MAIDEN NAME MANGUE
Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☒ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X TEODORO NGUEMA OBIANG

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 339

Expertex ©1992 Bankers Systems, Inc., St. Cloud, MN

ACCOUNT NUMBER 3109378 PORTFOLIO NUMBER 20698

ACCOUNT OWNER(S) NAME & ADDRESS
SWEETWATER MALIBU, LLC

3620 SWEETWATER MESA RD
MALIBU CA 90265

TYPE OF ACCOUNT
☒ NEW ☐ EXISTING
☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____
This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

X CHEXSYSTEMS VERIFIED BY _____

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): X TEODORO NGUEMA OBIANG
I.D. # [redacted] D.O.B. 06/26/1969

(2): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(3): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(4): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only)
X XXXXXXXXXXXXXX
D.O.B. _____

~~PSI-Pacific_Mercantile_Bank-01-0290~~

(page 1 of 3)

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TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us.

This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

(1) summarize some laws that apply to common transactions;
(2) establish rules to cover transactions or events which the law does not regulate;
(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to indorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this agreement "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent. **Individual Account** - is an account in the name of one person. **Joint Account** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). **Joint Account of Husband and Wife with Right of Survivorship** - This account or certificate is owned by the named parties, who are husband and wife, and is presumed to be their community property. Upon the death of either of them, ownership passes to the survivor. **Community Property Account of Husband and Wife** - This account or certificate is the community property of the named parties who are husband and wife. The ownership during lifetime and after the death of a spouse is determined by the law applicable to community property generally and may be affected by a will. **Tenancy in Common Account** - This account or certificate is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death payee(s) of that party or, if none, to the estate of that party. **P.O.D. Account with Single Party** - This account or certificate is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s). **P.O.D. Account with Multiple Parties** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s). Totten Trust Account - (subject to this form) - If two or more of you create this account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. **Trust Account Subject to Separate Agreement** - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

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STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

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SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. The amount of the setoff may be further limited by applicable law. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than $1,000.00."

FICTITIOUS BUSINESS NAME ACCOUNTS - If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

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PSI-Pacific_Mercantile_Bank-01-0258 *(page 3 of 3)*

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LIMITED LIABILITY COMPANY AUTHORIZATION RES

= Redacted by the Permanent Subcommittee on Investigations

PACIFIC MERCANTILE BANK
949 SOUTH COAST DR. 3RD FLOOR
COSTA MESA CA 92626

Referred to in this document as "Financial Institution"

By: SWEETWATER MALIBI

3620 SWEETWATER MESA RD
MALIBU CA 90265

Referred to in this document as "Limited Liability Company"

I, TEODOR NGUEMA OBIANG, certify that I am a Manager or Designated Member of the above named Limited Liability Company organized under the laws of CALIFORNIA, Federal Employer I.D. Number [redacted], engaged in business under the trade name of SWEETWATER MALIBU, LLC, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of all members of the Limited Liability Company or the person or persons designated by the members of the Limited Liability Company to manage the Limited Liability Company as provided in the articles of organization or an operating agreement, duly and properly called and held on _____ (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. TEODORO NGUEMA OBIANG- MEMBER/ MANAGER	X	X
B.	X	X
C.	X	X
D.	X	X
E.	X	X
F.	X	X

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
A	(1) Exercise all of the powers listed in this resolution.	1
A	(2) Open any deposit or share account(s) in the name of the Limited Liability Company.	1
A	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	1
A	(4) Borrow money on behalf and in the name of the Limited Liability Company, sign, execute and deliver promissory notes or other evidences of indebtedness.	
	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Limited Liability Company as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	
	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	
	(7) Other Enter into an Internet Banking Agreement for utilization of the Bank's electronic banking system, including supervisor designation.	

LIMITATIONS ON POWERS The following are the Limited Liability Company's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY
I further certify that the Managers or Designated Members of the Limited Liability Company have, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

In Witness Whereof, I have subscribed my name to this document and affixed the seal, if any, of the Limited Liability Company on _____ (date).

Attest by One Other Manager or Designated Member
TEODORO NGUEMA OBIANG

Manager or Designated Member

PSI-Pacific_Mercantile_Bank-01-0259

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As used in this resolution, the term "Manager" means the person or persons designated by the members of the Limited Liability Company in a manager-managed Limited Liability Company to manage the Limited Liability Company as provided in the articles of organization or an operating agreement. The term "Designated Member" means the member or members of the Limited Liability Company authorized to act on behalf of the Limited Liability Company in a member-managed Limited Liability Company. By signing this resolution, Manager or Designated Member represent that they have provided the Financial Institution with true and complete copies of the articles of organization and operating agreements of the Limited Liability Company as amended to the date of this resolution.

The Limited Liability Company named on this resolution resolves that,

(1) The Financial Institution is designated as a depository for the funds of the Limited Liability Company and to provide other financial accommodations indicated in this resolution.

(2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Managers or Designated Members of the Limited Liability Company and certified to the Financial Institution as governing the operation of this Limited Liability Company's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.

(3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Limited Liability Company. Any Agent, so long as they act in a representative capacity as an Agent of the Limited Liability Company, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.

(4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Limited Liability Company with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.

(5) The Limited Liability Company agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Limited Liability Company. The Limited Liability Company authorizes the Financial Institution, at any time, to charge the Limited Liability Company for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.

(6) The Limited Liability Company acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Limited Liability Company to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.

(7) The Limited Liability Company acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Limited Liability Company with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Limited Liability Company authorizes each Agent to have custody of the Limited Liability Company's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) ☐ This resolution is superseded by resolution dated _____ .

Comments:

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Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding
(Substitute Form W-8BEN)

Identification of Beneficial Owner

1 Name of individual or organization that is the beneficial owner: PEDDORO NICHELIN DRILLING FOR SWEETWATER MALIBU, LLC

2 Country of incorporation or organization (or "N/A"): USA - CALIFORNIA

3 Type of beneficial owner: ☐ Individual ☒ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.
Caretora usonga Guinea Equatorial

City or town, state or province. Include postal code where appropriate. Country (do not abbreviate): Guinea

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

[redacted] = Redacted by the Permanent Subcommittee on Investigations

6 U.S. taxpayer identification number, if required (see instructions): [redacted] ☒ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference or Account number(s) (optional)
3109386, 3401130, 3606910

Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- **I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,**
- **The beneficial owner is not a U.S. person,**
- **The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, and**
- **For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.**

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to establish your status as a non-U.S. person and, if applicable, obtain a reduced rate of withholding.

Sign Here ▶ Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (mm/dd/yyyy): 09/15/06 — Capacity in which acting: Manager

Instructions. This is a substitute form for the official IRS Form W-8BEN. This may not be adequate for all circumstances. You may need to file an official W-8BEN or refer to its more detailed instructions, both of which may be obtained from the IRS. For example, you should not use this form for the following: a U.S. person or resident alien; a person claiming an exemption under an income tax treaty between the U.S. and country of residence; a person claiming income from a notional principal contract that is not effectively connected with conduct of a business in the U.S.; a person claiming an exemption from withholding on income effectively connected with the conduct of a business in the U.S.; a withholding foreign partnership; a foreign government; an international organization; a foreign central bank of issue; a foreign tax-exempt organization; a foreign private foundation; or an intermediary receiving payment as a custodian, broker, nominee, trustee or executor, or other type of agent. (Section references are to the Internal Revenue Code.)

Purpose of Form. If you receive certain types of income, you must provide this form to establish that you are a foreign person and claim that you are the beneficial owner of the income for which this form is being provided.

You may also be required to submit Form W-8BEN or substitute form to claim an exception from domestic information reporting and backup withholding, including for certain types of income that are not subject to foreign-person withholding. Such income includes, among other things, bank deposit interest.

Who must file. You must give this form to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit the form when requested by the withholding agent or payer. DO NOT send this form to the IRS.

Note: If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person only if this form is provided by all of the owners. If a withholding agent or payer does not receive a Form W-8BEN from all of the joint owners or if it receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. Any individual who is not a citizen or resident of the United States is a nonresident alien individual.

Beneficial owner. The beneficial owner is the person who is the owner of the income for tax purposes and who beneficially owns the income. Thus, a person receiving income as a nominee, custodian, or agent for another person is not the beneficial owner of the income. Generally, a person is treated as the owner of the income to the extent it is required under U.S. tax principles to include the amount paid in gross income on a tax return. A person who is the owner of income is considered the beneficial owner of that income unless that person is a conduit entity whose participation in a transaction can be disregarded. Generally, the principles of section 7701(l) and Regulations section 1.881-3 apply to determine if a person is a conduit entity.

The beneficial owners of income paid to a partnership are those persons who, under U.S. tax principles, are the owners of the income for tax purposes in their separate or individual capacities and who beneficially own the income. Generally, the beneficial owners of income paid to a partnership are the partners, other than a partner that is itself a partnership or a conduit. (If a partner is a partnership or conduit, the beneficial owner is the first person in the chain of ownership that is not itself a partnership or a conduit. See Form W-8IMY.)

Note: A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9.

Permanent Residence Address. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

U.S. Taxpayer Identification Number (TIN). If you do not have, and are not eligible to obtain, an SSN, you may apply for an ITIN using Form W-7, Application for IRS Individual Taxpayer Identification Number. You must provide a TIN if you are a foreign trust or estate. *Note: You may want to obtain and provide a TIN on this form even though it is not required.*

Certification. If a Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form.

Change in circumstances. If a change in circumstances makes any information on the form you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you must file a new form. If you use this form to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident. You may be required to provide a Form W-9.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. A Form W-8BEN furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect. A Form W-8BEN containing a U.S. TIN remains valid for as long as the filer's status and the information relevant to the filer's certification on the form remains unchanged.

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State of California
Secretary of State

STATEMENT OF INFORMATION
(Limited Liability Company)

Filing Fee $20.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. **LIMITED LIABILITY COMPANY NAME** (Please do not alter if name is preprinted.)
Sweetwater Malibu, LLC

This Space For Filing Use Only

DUE DATE:

FILE NUMBER AND STATE OR PLACE OF ORGANIZATION

2. SECRETARY OF STATE FILE NUMBER	3. STATE OR PLACE OF ORGANIZATION
200604210451	California

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY AND STATE		ZIP CODE
3620 Sweetwater Malibu Road	Malibu CA		90260
5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)	**CITY**	**STATE**	**ZIP CODE**
3620 Sweetwater Malibu Road	Malibu CA	CA	

NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY

6. NAME	ADDRESS	CITY AND STATE	ZIP CODE

NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER (Attach additional pages, if necessary.)

7. NAME	ADDRESS	CITY AND STATE	ZIP CODE
Teodoro Nguema Obiang	3620 Sweetwater Malibu Road	Malibu CA	90260
8. NAME	ADDRESS	CITY AND STATE	ZIP CODE
9. NAME	ADDRESS	CITY AND STATE	ZIP CODE

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS
George I. Nagler

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
300 North Swall Drive, #253	Beverly Hills	CA	90211

TYPE OF BUSINESS

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY
real estate investment

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

Teodoro Nguema Obiang		Manager	9/15/06
TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	SIGNATURE	TITLE	DATE

LLC-12 (REV 07/2006) APPROVED BY SECRETARY OF STATE

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Received Fax : Feb 15 2006 11:50AM Fax Station : George Nagler P. 3

02/15/2006 12:55 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.231 P03

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

File # 200604210151

ENDORSED - FILED
in the office of the Secretary of State of the State of California

FEB 0 8 2006

This Space For Filing Use Only

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

ENTITY NAME (End the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "L.L.C.")

1. NAME OF LIMITED LIABILITY COMPANY

Sweetwater Malibu, LLC

PURPOSE (The following statement is required by statute and may not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and item 3 must be completed (leave item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

George I. Nagler

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

ADDRESS	CITY	STATE	ZIP CODE
300 N. Swall Drive, #253,	Beverly Hills	CA	90211

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- [x] ONE MANAGER
- [ ] MORE THAN ONE MANAGER
- [ ] ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

SIGNATURE OF ORGANIZER — DATE: 2/8/06

Liza Cunanan
TYPE OR PRINT NAME OF ORGANIZER

RETURN TO (Enter the name and the address of the person or firm to whom a copy of the filed document should be returned.)

8. NAME: George Nagler, Esq.
FIRM: Law Offices of George I. Nagler
ADDRESS: 468 N. Camden Drive #200
CITY/STATE/ZIP: Beverly Hills, CA 90210

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 03/2005) APPROVED BY SECRETARY OF STATE

PSI-Pacific_Mercantile_Bank-01-0263

Received Fax : Mar 30 2006 2:38PM Fax Station : George Nagler P. 7

Mar 30 06 02:41p Lina Romo 3104901354 p.7

IRS Department of the Treasury
Internal Revenue Service
P.O. BOX 9003
HOLTSVILLE NY 11742-9003

In reply refer to: 0133448482
Mar. 13, 2006 LTR 45C 0
14-1951520 000000 00 000
00762
BODC: NOBOD

SWEETWATER MALIBU LLC
CHRISTINE NGUYEN SOLE MBR
12038 CREST CT
BEVERLY HILLS CA 90210

[redacted] = Redacted by the Permanent Subcommittee on Investigations

038811

Dear Taxpayer:

Thank you for your inquiry dated Mar. 02, 2006.

IRS regulations require a single member LLC with employees to have two Employer Identification Numbers, one for the owner of the LLC as sole proprietor and one for the LLC itself. Your sole proprietor number, [redacted] has no filing requirements. Your LLC number, [redacted] has Forms 940 and 941 as filing requirements.

If you need forms, schedules or publications to respond to this letter, you may get them by:
- Visiting the IRS Website at www.irs.gov
- Calling 1-800-TAX-FORM (829-3676)
- Visiting Local IRS offices

If you have any questions, please call us toll free at 1-800-829-4933.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( )_____ Hours_____

PSI-Pacific_Mercantile_Bank-01-0264

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Received Fax : Feb 15 2006 11:50AM Fax Station : George Nagler P. 2
02/15/2006 12:55 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.231 P02

State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

FEB 2 0 2006

BRUCE McPHERSON
Secretary of State

Sec/State Form CE-107 (REV 03/31/05)

PSI-Pacific_Mercantile_Bank-01-0265

OPERATING AGREEMENT for Sweetwater Malibu, LLC

This Operating Agreement is entered into as of February 15, 2006 by Teodoro Nguema Obiang (the "Member") as the sole member of the company in order to specify the business and operation of the company.

A. The Member has formed a limited liability company (the "Company") under the Beverly-Killea Limited Liability Company Act.

B. The Member desires to enter into this Operating Agreement in order to provide for the governance of the Company and the conduct of its business.

NOW, THEREFORE, the Member hereby agrees as follows:

ARTICLE I: DEFINITIONS

The following capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement and when not so defined shall have the meanings set forth in California Corporations Code section 17001.

1.1. "Act" means the Beverly-Killea Limited Liability Company Act (California Corporations Code sections 17000-17655), including amendments from time to time.

1.2. "Agreement" means this operating agreement, as originally executed and as amended from time to time.

1.3. "Articles of Organization" is defined in California Corporations Code section 17001(b) as applied to the Company.

1.4. "Capital Account" means an account maintained and adjusted in accordance with Article III, Section 3.2.

1.5. "Capital Contribution" means the amount of the money and the Fair Market Value of any property (other than money) contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take "subject to" under IRC section 752) in consideration of a Percentage Interest held by the Member. A Capital Contribution shall not be deemed a loan.

1.6. "Capital Event" means a sale or disposition of any of the Company's capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a similar event with respect to Company property or assets.

1.7. "Code" or "IRC" means the Internal Revenue Code of 1986, as amended, and any successor provision.

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1.8. "Company" means the company named in Article II, Section 2.2.

1.9. "Economic Interest" means a Person's right to share in the income, gains, losses, deductions, credits, or similar items of, and to receive distributions from, the Company, but does not include any other rights of the Member, including the right to vote or to participate in management.

1.10. "Encumber" means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

1.11. "Encumbrance" means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated in this Agreement), option, or preferential right to purchase.

1.12. "Gross Asset Value" means, with respect to any item of property of the Company, the item's adjusted basis for federal income tax purposes, except as follows:

(a) The Gross Asset Value of any item of property contributed by the Member to the Company shall be the fair market value of such property, as mutually agreed by the Member and the Company; and

(b) The Gross Asset Value of any item of Company property distributed to the Member shall be the fair market value of such item of property on the date of distribution.

1.13. "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

1.14. "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with IRC section 703(a).

1.15. "Regulations" ("Reg") means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the Code, as such Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

1.16. "Substituted Member" is defined in Article VIII, Section 8.8.

1.17. "Successor in Interest" means an Assignee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.

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1.18. "Transfer" means, with respect to a Membership Interest, or any element of a Membership Interest, any sale, assignment, gift, Involuntary Transfer, or other disposition of a Membership Interest or any element of such a Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.

ARTICLE II: ARTICLES OF ORGANIZATION

2.1. The Articles of Organization were filed with the California Secretary of State on February 8, 2006 , File Number 200604210151. A copy of the Articles of Organization as filed is attached to this Agreement as Exhibit "A".

2.2. The name of the Company shall be Sweetwater Malibu, LLC.

2.3. The principal executive office of the Company shall be at 12038 Crest Court, Beverly Hills, CA 90210, or such other place or places as may be determined by the Member from time to time.

2.4. The initial agent for service of process on the Company shall be George I. Nagler, Esq. 300 North Swall Drive, #253, Beverly Hills, CA 90211. The Member may from time to time change the Company's agent for service of process.

2.5. The Company will be formed for the purposes of purchasing, owning and operating a residence commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265.

2.6. The term of existence of the Company commenced on the effective date of filing of Articles of Organization with the California Secretary of State, and shall continue until terminated by the provisions of this Agreement or as provided by law.

ARTICLE III: CAPITALIZATION

3.1. The Member has contributed to the capital of the Company as the Member's initial Capital Contribution the sum of $900,000.

3.2. A Capital Account shall be maintained for the Member consisting of that Member's Capital Contribution (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses, and (3) adjusted as required in accordance with applicable provisions of the Code and Regulations.

3.4. The Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

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ARTICLE IV: ALLOCATIONS AND DISTRIBUTIONS

4.1. The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to the Member.

4.2. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to the Member shall be deemed to be Profits or Losses realized by the Company immediately prior to the distribution of the property, and such Profits or Losses shall be allocated to the Member's Capital Account. Any property so distributed shall be treated as a distribution to the Member to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this Section 4.2, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

4.3. In the case of a Transfer of an Economic Interest during any fiscal year, the Assigning Member and Assignee shall each be allocated the Economic Interest's share of Profits or Losses based on the number of days each held the Economic Interest during that fiscal year.

4.4. All cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed to the Member at such times as the Member deems appropriate.

ARTICLE V: MANAGEMENT

5.1. The business of the Company shall be managed by the Member. The Member may appoint one or more non-Members as co-Managers or may resign as Manager at any time and appoint a non-Member as the Manager of the Company on such terms and conditions as the Member and such Manager may agree.

5.2. The Member as such shall not be entitled to compensation for the Member's services. The Member Manager shall be entitled to such compensation for service as the Member may decide. The non-Member Managers, if any, shall be compensated as agreed among the Member and the non-Member Managers, if any.

5.3. The Company may have a President who may, but need not, be the Member. The Member may provide for additional officers of the Company and may alter the powers, duties, and compensation of the President and of all other officers.

5.4. All assets of the Company, whether real or personal, shall be held in the name of the Company.

5.5. All funds of the Company shall be deposited in one or more accounts with one or

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more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Member. Withdrawal from such accounts shall require the signature of such person or persons as the Member may designate.

ARTICLE VI: ACCOUNTS AND RECORDS

6.1. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office.

6.2. Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company for federal income tax purposes. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.

6.3. At all times during the term of existence of the Company, and beyond that term if the Member deems it necessary, the Member shall keep or cause to be kept the books of account referred to in Section 6.2 and the following:

(a) A current list of the full name and last known business or residence address of the Member, together with the Capital Contribution and the share in Profits and Losses of the Member;

(b) A copy of the Articles of Organization, as amended;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

(d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;

(f) Financial statements of the Company for the six most recent fiscal years; and

(g) The Books and Records of the Company as they relate to the Company's internal affairs for the current and past four fiscal years.

6.4. Within 90 days after the end of each taxable year of the Company, the Company shall send to the Member all information necessary for the Member to complete the Member's federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

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ARTICLE VII: RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTEREST

7.1. The Member shall not Transfer any part of the Member's Membership Interest in the Company without first reviewing this agreement and making whatever changes such Member deems necessary or proper. Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may transfer all or any portion of his or her Membership Interest to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse, and the Member's issue; provided that the Member retains a beneficial interest in the trust and all of the Voting Interest included in such Membership Interest. A transfer of a Member's entire beneficial interest in such trust or failure to retain such Voting Interest shall be deemed a Transfer of a Membership Interest.

ARTICLE VIII: DISSOLUTION AND WINDING UP

8.1. The Company shall be dissolved on the first to occur of the following events:

(a) The decision of the Member to dissolve the Company.

(b) The sale or other disposition of substantially all of the Company's assets and the collection of the sales proceeds.

(c) Entry of a decree of judicial dissolution pursuant to California Corporations Code section 27351.

8.2. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Member shall wind up the affairs of the Company and give written Notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to the Member), the remaining assets of the Company shall be distributed or applied in the following order of priority:

(a) To pay the expenses of liquidation.

(b) To repay outstanding loans to the Member.

(c) To the Member.

ARTICLE IX: GENERAL PROVISIONS

9.1. This Agreement constitutes the whole and entire agreement with respect to the subject matter of this Agreement.

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Mar 16 06 04:37p Lina Romo 3104901354 p.12

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9.2. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

9.3. The article, section, and paragraph titles and headings contained in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

9.4. This Agreement may be altered, amended, or repealed only by a writing signed by the Member.

9.5. Time is of the essence of every provision of this Agreement that specifies a time for performance.

9.6. This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

9.7. The Member intends the Company to be a limited liability company under the Act.

IN WITNESS WHEREOF, the member has executed or caused to be executed this Agreement as of the day and year first above written.

X Name: Teodoro Nguema Obiang

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California Business Portal

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Business Search
LP/LLC

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Limited Partnerships/Limited Liability Companies LP/LLC

The information displayed here is current as of "Sep 15, 2006" and is updated weekly. It is not a complete or certified record of the Limited Partnership or Limited Liability Company.

LP/LLC		
SWEETWATER MALIBU, LLC		
Number: 200604210151	**Date Filed:** 2/8/2006	**Status:** active
Jurisdiction: CALIFORNIA		
Address		
468 NORTH CAMDEN DR. #200		
BEVERLY HILLS, CA 90210		
Agent for Service of Process		
GEORGE I. NAGLER		
300 N. SWALL DRIVE, #253		
BEVERLY HILLS, CA 90211		

Printer Friendly

New Search

- Fees and instructions for requesting certification of limited partnership and/or limited liability company records are included on the **Business Entities Records Order Form**.
- Blank fields indicate the information is not contained in the computer file.
- If the agent for service of process is a corporation, the address of the agent may be requested by ordering a status report. Fees and instructions for ordering a status report are included on the **Business Entities Records Order Form**.

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PACIFIC MERCANTILE BANK

New Accounts Documentation Checklist

Account Name: SWEET WATER MALIBU, LLC

Account Number: 003109378 **Port:** 20698

FILED/CERTIFIED COPIES ARE REQUIRED UNLESS IN *ITALICS*

Documents in *Italics* may be required due to nature of account relationship (i.e. Foreign LLCs Require an LLC-5; a Certified Copy of the Fictitious Name Statement is required on sole proprietorship accounts if name other than sole proprietor's is used), and are indicated below.

☐ A Business License (as applicable by city's requirements) is required, at the Operations Manager's discretion or for accounts with no previous account relationship, if this box is checked.

ALL ACCOUNTS

☐ **Tax ID #** ☐ **Physical Address**

CORPORATION ACCOUNT
- ☐ Articles of Incorporation
- ☐ *Statement by Domestic Stock preferred (may be waived by Operations Manager)*
- ☐ Resolution, certified by the corporate secretary (may use bank's signature card)
- ☐ *Certified copy of Fictitious Name Statement*, as applicable
- ☐ *Certificate of Qualification* (Foreign)
- ☐ *Certificate of Good Standing* (Foreign)

LIMITED LIABILITY COMPANY(LLC)
- ☐ Certified copy of the Articles of Organization (LLC-1)
- ☐ Copy of Operating Agreement
- ☐ *LLC Statement of Information (LLC-12)*
- ☐ *Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication*
- ☐ *LLC-5* (NOTE: required for foreign LLC doing business in CA)

LIMITED LIABILITY PARTNERSHIP (LLP-1)
- ☐ Partnership Agreement
- ☐ Certificate of Registration
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication

LIMITED PARTNERSHIP (LP-1)
- ☐ Partnership Agreement
- ☐ Certificate of Limited Partnership (LP-1)
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/ Proof of Publication
- ☐ *P-5* must be filed for foreign corporation

Charity/Non-Governmental Organization (NGO)
- ☐ IRS Form 990

California - Non-Profit Organization:
- ☐ Certification of Non-Profit Organization/IRS Non-Profit Determination Letter 501(c)/502(c)
- ☐ Company Charter/By Laws or Authorization Letter (in lieu of By-laws/Charter)

California - Non-Profit Organization:
- ☐ Article of Incorporation
- ☐ Statement of Domestic Non-profit Stock Corporation
- ☐ Certification of Non-Profit Organization/IRS Non-Profit Determination Letter 501(c)/502(c)
- ☐ Certificate of Qualification (if corporation was established outside of California)

GENERAL PARTNERSHIP
- ☐ Partnership Agreement (signed by all general partners)
- ☐ Certified copy of Fictitious Name Statement or Copy of Notice/ Proof of Publication

SOLE PROPRIETOR
- ☐ *Certified copy of Fictitious Name Statement or Copy of Notice/Proof of Publication* required when stipulated by account naming
- ☐ Identification as required under PERSONAL ACCOUNTS

ATTORNEY CLIENT TRUST ACCOUNTS
- ☐ Appropriate documentation for entity type (Professional Corp., Part., or Sole Prop)
- ☐ State Bar Card (or Bar License or Business License for attorney/law office)
- ☐ Employer ID number (EIN) for CA- 94-6001385

PERSONAL ACCOUNTS
- ☐ Name
- ☐ Birth date
- ☐ Valid Drivers License
- ☐ Second form of ID

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PACIFIC MERCANTILE BANK

ADDITIONAL PMB FORMS:

- ☐ Cash Management Agreement, if applicable
- ☐ Wire Transfer Agreement, if applicable
- ☐ Internet Banking Agreement, if applicable
- ☐ Bill Payment Agreement, if applicable
- ☐ Trustee Certification

The Operations Manager (or designate) will review all opening account documentation and he/she may also indicate additional verification is required (i.e. business license, certified corporate minutes, Lexis Nexis, Statement by Domestic Stock) in the **Comments** area below.

Exceptions to required documents must be indicated with an explanation below and approved by the Operations Manager before account will be opened.

Comments: _____

_____

_____ _____

Authorized Signature **Date**

PLEASE NOTE:

California - Non-Profit Organization & Non-Profit Corporation:
In order to established as an non-profit, the IRS **must approve** non-profit status. The account is exempt from interest reporting (1099-INT) and back-up holding regulations.

Useful Websites:

http://kepler.ss.ca.gov/list.html - Verify corporate or LLC standing.

https://sa2.www4.irs.gov/sa_vign/newFormSS4.doc - SS-4/Federal Tax ID/EIN: Application for Employer Tax Identification Number; can be obtained online by business customer. *About EINs:* ***An Employer Identification Number (EIN), also known as a Federal Tax Identification Number, is a nine-digit number that the IRS assigns to business entities. The IRS uses this number to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, non-profit organizations, trusts and estates, government agencies, certain individuals and other business entities.*** *Entities that May Not Apply Online:* ***The online application process is not yet available for the following types of entities:*** Foreign Addresses (including Puerto Rico), Limited Liability Company (LLC) without entity types, REMICs, State and Local Governments, Federal Government/Military, Indian Tribal Government/Enterprise. ***Please call the toll-free Business and Specialty Tax Line, 1-800-829-4933 should you need assistance filing for an EIN.***

http://www.calgold.ca.gov/ - "*The CalGOLD database provides detailed information on the business permit, license and registration requirements from all levels of government. The information includes a description of the requirement, the name, address, and telephone number of the agency, and frequently even a direct link to that agency's Internet web pages. The information identified is specific to the type of business and its location in California.*"

Use this website to obtain useful information such as; does the city the business is located in require a business license? Etc. Also a good website for the customer to utilize.

www.sba.gov/hotlist/license.html - for additional business license assistance and multiple state information.

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Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding
(Substitute Form W-8BEN)

Identification of Beneficial Owner

1 Name of individual or organization that is the beneficial owner: TEODORO NGUEMA IBIANG FOR SWEET WATER MANAGEMENT, INC

2 Country of incorporation or organization (or "N/A"): USA – CALIFORNIA

3 Type of beneficial owner: ☐ Individual ☒ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route) **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

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6 U.S. taxpayer identification number, if required (see instructions) [redacted] ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference or Account number(s) (optional): 3109360

Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- **I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,**
- **The beneficial owner is not a U.S. person,**
- **The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, and**
- **For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.**

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to establish your status as a non-U.S. person and, if applicable, obtain a reduced rate of withholding.

Sign Here ▶ Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (mm/dd/yyyy): 09/15/06 — Capacity in which acting: Manager

Instructions. This is a substitute form for the official IRS Form W-8BEN. This may not be adequate for all circumstances. You may need to file an official W-8BEN or refer to its more detailed instructions, both of which may be obtained from the IRS. For example, you should not use this form for the following: a U.S. person or resident alien; a person claiming an exemption under an income tax treaty between the U.S. and country of residence; a person claiming income from a notional principal contract that is not effectively connected with conduct of a business in the U.S.; a person claiming an exemption from withholding on income effectively connected with the conduct of a business in the U.S.; a withholding foreign partnership; a foreign government; an international organization; a foreign central bank of issue; a foreign tax-exempt organization; a foreign private foundation; or an intermediary receiving payment as a custodian, broker, nominee, trustee or executor, or other type of agent. (Section references are to the Internal Revenue Code.)

Purpose of Form. If you receive certain types of income, you must provide this form to establish that you are a foreign person and claim that you are the beneficial owner of the income for which this form is being provided.

You may also be required to submit Form W-8BEN or substitute form to claim an exception from domestic information reporting and backup withholding, including for certain types of income that are not subject to foreign-person withholding. Such income includes, among other things, bank deposit interest.

Who must file. You must give this form to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit the form when requested by the withholding agent or payer. **DO NOT** send this form to the IRS.

Note: If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person only if this form is provided by all of the owners. If a withholding agent or payer does not receive a Form W-8BEN from all of the joint owners or if it receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. Any individual who is not a citizen or resident of the United States is a nonresident alien individual.

Beneficial owner. The beneficial owner is the person who is the owner of the income for tax purposes and who beneficially owns the income. Thus, a person receiving income as a nominee, custodian, or agent for another person is not the beneficial owner of the income. Generally, a person is treated as the owner of the income to the extent it is required under U.S. tax principles to include the amount paid in gross income on a tax return. A person who is the owner of income is considered the beneficial owner of [illegible] person is a conduit entity whose participation in [illegible] disregarded. Generally, the principles of section 7[illegible] section 1.881-3 apply to determine if a person is a conduit [illegible]

The beneficial owners of income paid to a partnership are those persons who, under U.S. tax principles, are the owners of the income for tax purposes in their separate or individual capacities and who beneficially own the income. Generally, the beneficial owners of income paid to a partnership are the partners, other than a partner that is itself a partnership or a conduit. (If a partner is a partnership or conduit, the beneficial owner is the first person in the chain of ownership that is not itself a partnership or a conduit. See Form W-8IMY.)

Note: A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9.

Permanent Residence Address. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

U.S. Taxpayer Identification Number (TIN). If you do not have, and are not eligible to obtain, an SSN, you may apply for an ITIN using Form W-7, Application for IRS Individual Taxpayer Identification Number. You must provide a TIN if you are a foreign trust or estate. *Note: You may want to obtain and provide a TIN on this form even though it is not required.*

Certification. If a Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form.

Change in circumstances. If a change in circumstances makes any information on the form you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you must file a new form. If you use this form to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident. You may be required to provide a Form W-9.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any [illegible] correct. A Form W-8BEN furnished with a U.S. TIN [illegible] change in circumstances makes any information on [illegible] W-8BEN containing a U.S. TIN remains valid for as [illegible] certification [illegible]

Permanent Subcommittee on Investigations

EXHIBIT #134 - FN 340

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PACIFIC MERCANTILE BANK

BUSINESS ACCOUNT HOLDER - CUSTOMER TO COMPLETE

Personal Information for Each Owner / Signer
(Please make additional copies as required for each owner/signer)

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. **Your information will be protected by our Privacy Policy and federal law.**

Business Name: SWEET WATER MALIBU, [redacted] LLC

First Name*: Teodoro Middle Initial: Nguema Last Name*: Obiang

Citizenship*: [ ] US Citizen [✓] Resident Alien [ ] Non-Resident Alien

Social Security Number*: [redacted] Date of Birth* (mm-dd-yyyy): 6-26-69

Home Address*: 3620 Sweet Water Mesa Rd (No P.O. Box) Address 2:

City*: Malibu State*: CA Zip Code*: 90265

Home Phone* (xxx-xxx-xxxx): (310) [redacted] (Do Not List a Cell Phone Number Here)

Work Phone* (xxx-xxx-xxxx): — Other/Cell phone: (xxx-xxx-xxxx): (310) [redacted]

E-mail address: [redacted] ← Guinea

Title/Occupation: President Mother's Maiden Name*: Mangue

U.S. Driver's License or I.D. Number*: State Issued*: Expiration Date* (mm-dd-yyyy):

Passport Number: [redacted] Country Issued: Guinea Equatorial Expiration Date: (mm-dd-yyyy): 8-8-07

US Alien Registration Number: Expiration Date: (mm-dd-yyyy):

Are you a senior foreign political figure or a family member or associate of a senior foreign political figure*? (We need to know this information as part our compliance to the USA PATRIOT Act) [✓] Yes [ ] No

= Redacted by the Permanent Subcommittee on Investigations

Bank Use Only: Account Number: 3109378

* = Indicates a required field.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 340

PSI-Pacific_Mercantile_Bank-01-0281

Pacific Mercantile Bank
Internet Business Banking Agreement

1. Agreement. This Internet Business Banking Agreement establishes the terms and conditions for electronic access to your accounts using the Pacific Mercantile Bank electronic banking system (the "System"). By signing below, you agree to this Agreement. Please read it carefully and keep a copy for your records.

2. Definitions. As used in this Agreement, the following terms have the meanings given below:

- **"You", "Your(s)", "User"** and similar terms mean the account holder and anyone else authorized by that account holder to exercise control over or access to Accounts or the System.
- **"We", "Us", "Our"**, and **"Bank"** and similar terms mean Pacific Mercantile Bank.
- **"System Services"** or **"Services"** means the services provided pursuant to this Agreement.
- **"Account(s)"** means your accounts with us that are accessed through the System.
- **"Business Day"** means Monday through Friday, excluding Federal Reserve holidays.
- **"ACH"** means a transaction processed through the Automated Clearing House.
- **"Funds Transfer"** means a Payroll, Wire Transfer, Electronic Funds Transfer Tax Payments Service, ACH originations, transfer between Accounts, Bill Payment, or any other payment order processed by you using the System.
- **"Access Codes"** means the unique login ID and password associated with each authorized User, used to prevent unauthorized access to the System.
- **"Supervisor"** means a User who has maintenance authority over Accounts, access codes and Services.
- **"Consumer Transaction"** means a Funds Transfer to or from an Account of yours that is maintained primarily for personal, family or household purposes. A Funds Transfer is not considered to be a Consumer Transaction, even though the Funds Transfer is to or from a consumer Account, if the Funds Transfer: (i) is through Fedwire or a similar wire transfer system; (ii) has as its primary purpose the purchase or sale of a security or commodity regulated by the SEC (or the Commodity Futures Trading Commission) or purchased or sold through a broker-dealer (or a futures commission merchant); or (iii) is otherwise not covered by the Electronic Funds Transfer Act and its implementing federal Regulation E (12 CFR Part 205).
- **"Cut Off Time"** means a deadline we may establish from time to time on any business day by which we must receive instructions to have them considered for processing on that business day. The Cut Off Time may vary based on the Service, as shown by the inability to use the System to schedule or initiate a Service, or as otherwise indicated by us. Currently, the "Cut Off Time" for most services is 3:00 PM Pacific and 1:00 PM Pacific for wire transfers, except as otherwise specified in this Agreement or limited by the System.

3. Hours of Access. You can use the System seven days a week, twenty-four hours a day, although some or all Services may occasionally be unavailable due to maintenance or upgrades. Instructions received after a Cut Off Time, or on a day not a business day, may be treated by us as received on the next business day.

4. Access. To use the System, you must have at least one checking account with us, access to Internet service, and an e-mail address. Your Internet Brower software must support 128-bit encryption. You are responsible for the set-up, configuration, operation and maintenance of your computer, modem and all other hardware and software you use with the System. You agree that we are not responsible for any errors or failures from any malfunction outside of our control, including power interruption, delay resulting for high volumes of Internet traffic, breach of security (other than Systems under our control) or message or transfer interception in transit, or any virus or other computer problem related to the use of the Services.

5. Enrollment and Accounts. You must complete and return an Enrollment Form to us for our approval.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 340

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This Agreement is not consummated unless and until we review and approve your application to use the Services, as set out in the Enrollment Form. Your Enrollment Form will ask you to designate Users of the System. If you are approved, we will send you confirmation of our acceptance of your enrollment and Access Codes comprised of User login IDs and temporary passwords. You authorize us to obtain information about you from others (including credit reporting agencies) as part of our review of your enrollment application and from time to time thereafter. You agree to provide us with information as we request from time to time. The System can be used to access only the Accounts which you have designated for access by the System in your Enrollment Form.

You may add new Users from time to time by completing and submitting a new Enrollment Form to us. We will add Users based on the information you supply. You may also delete a User by submitting a request to us. You must appoint an individual (a "Supervisor") with the authority to designate the Services available to a User. Your Supervisor can establish limits on each User's authority to access information and conduct transactions.

You can add or delete any of your Accounts from this Agreement by completing and submitting a new Enrollment Form to us. Access to your accounts through the System will initially be based upon the identification of Users and authority levels specified by you in your Enrollment Form, but may be modified by your Supervisor using the System. While we add Users to the System based on the information you provide, the System does not verify or authenticate any Funds Transfer or communication from a User except through the security procedures. We do not, for example, verify whether any individual who accesses the System is or is not an authorized User except through the security procedures. You are responsible for all transactions, whether or not a User is authorized, as discussed below.

6. Services. You can use the System to access Funds Transfer Services or other Services designated on the Enrollment Form, as approved by us. In addition, the System will allow you to check the balances of your accounts, view account histories, view your checks, re-order checks, make stop payment requests, change your address and establish e-mail alerts. Some Services may not be available to you except after special application to and approval by us, even though the Service appears on your computer screen. Unless specifically authorized by us, you agree to use the Services solely for business purposes and not for any Consumer Transactions. In addition, limitations and restrictions may apply to Services, as explained in other sections of this Agreement. We may offer additional Services in the future. We reserve the right to determine your eligibility for any Service.

7. Security Protocols. For each User on the Enrollment Form, we will setup an Access Code consisting of a Login ID and temporary password that utilizes both upper and lower case alpha and numeric characters, with a minimum of 6 characters. The login ID associated with a User's Access Code does not change; however, upon initial login to the System, you are required to change that password. You agree, upon receipt of the Access Code, to login to the System to change the password. Passwords must utilize a minimum of 6 characters. Login IDs and temporary passwords may be communicated by us to you by phone or by mail.

We will never inquire regarding a User's password and it should not be communicated to us or to any other person not authorized by you to use the System. Passwords should not be associated with any commonly known personal identification, such as social security numbers, address, date of birth or names of children, account numbers, and should be memorized rather than written down.

Upon three unsuccessful attempts to use an Access Code, your access to the System will be disabled. To re-establish your authorization to use the System, you must contact us to have your Access Code reset or to obtain a new temporary password. The new temporary password will utilize both upper and lower case alpha and numeric characters, with a minimum of 6 characters and require you to change your password after your successful login to the System.

8. Responsibility for Unauthorized Use of the System. You agree that we are authorized to act on instructions received under an Access Code associated with you. We use the Access Code as a security procedure to protect against unauthorized use of the System, including unauthorized Funds Transfers.

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You agree that the authenticity of Funds Transfers and other communications issued to us in your name as sender will be verified by us using these security procedures. A Funds Transfer request or other communication received by us after the System is accessed using an Access Code associated with you will be deemed by us to be an authorized and a valid instruction from you; we will be entitled to rely on this authority and you will be obligated and bound by all such instructions and messages even if in fact the Funds Transfer request or other communication was not authorized by you. You acknowledge that the security procedures are for the purposes of verifying authenticity and not of detecting error. Use of any Service constitutes your agreement to be bound by these terms and conditions.

9. You are Responsible for Confidentiality and Security. You accept responsibility for the confidentiality and security of your Access Codes. You agree to keep your Access Codes secure and absolutely confidential and will inform all Users of the System that Access Codes are to be kept confidential. You agree to immediately notify us if you believe or suspect that an Access Code may have become known by unauthorized person(s) and upon termination of any previous User. WE WILL NOT BE LIABLE TO YOU FOR ANY UNAUTHORIZED FUNDS TRANSFER THAT WAS MADE USING A ACCESS CODE ASSOCIATED WITH YOU OR ANY USER IF IT OCCURS BEFORE YOU HAVE NOTIFIED US OF THIS POSSIBLE UNAUTHORIZED USE AND WE HAVE HAD A REASONABLE OPPORTUNITY TO ACT UPON YOUR NOTICE. We may disable your Access Code(s), even without receiving this notice from you, if we suspect it is being used fraudulently or in an unauthorized manner, but are not required to do so.

10. You are Responsible for Authorization Controls for Services. You are responsible for controlling access to the Services and for any limitations placed by you on the Services that may be used by other persons. The fact that we are or may be made aware of, or could have discovered, any limitation on access to a Service does not make us obligated to enforce or attempt to enforce any limitation. You understand that persons may utilize the System (including inquiries, transfers, bill payment and account verification) without regard to any restrictions otherwise applicable to an Account. You agree that any arrangements with us to require one or more authorized signatures for transactions involving your Accounts do not apply to nor limit our obligation to act upon your online instructions.

11. You are Responsible for your Supervisors. You agree and understand that the Supervisor(s) you choose may act on your behalf in all matters relative to user access and authority levels of System Services, including changing the Account(s) associated with an Access Code or a Service. You assume sole responsibility for the actions of your Supervisor, the authority he or she gives others to act on your behalf, and the actions of the persons designated by the Supervisor to use the Services. Authorization granted by a Supervisor to a User to use a Service (including any Funds Transfer Service) will be deemed to be authorization granted by you. You or your Supervisor will need to designate which Accounts will be utilized for Services, including Funds Transfers. If you or the Supervisor links an Account that would otherwise require more than one signature for the withdrawal or transfer of funds, you agree that we may act upon any Service instruction that is accompanied by an Access Code. This may mean that we may act upon the Funds Transfer request of only one person (e.g., to Wire Transfer funds), even though the signature card or loan documents for the Account in question require two or more signatures on checks or otherwise imposes specific limitations on access to deposit or loan balances. As long as an instruction is accompanied by an Access Code, the transaction will be deemed authorized by you.

12. Risks of Loss. You assume all risks associated with disclosure, discovery or misuse of any Access Code to or by your employees or others. We are not responsible for verifying whether a Funds Transfer request or other communication is originated by you other than through the verification process contained in the security procedures of the System.

13. Compliance with Security Procedures/Protection of the Services. You will establish procedures to protect the confidentiality of all information relating to the Services, including all Access Codes, and will promptly notify us if you know or suspect any Access Code is stolen, compromised, or misused. You will require and implement new passwords at reasonably frequent periods, based on your assessment of the security requirements appropriate for the Services utilized by you.

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14. Your Obligation to Review and Acknowledge Security Procedures. You will on an on-going basis review and implement all security procedures available in connection with the System. You will consider the size, type and frequency of Funds Transfers normally issued by you, along with any other factors relevant to you. After your review, you will notify us if your use of the System would necessitate or be better served by a level of security procedures better able to prevent unauthorized Funds Transfers. If you fail to notify us, you acknowledge and agree that the security procedures of the System are appropriate for your needs and provide you with a commercially reasonable degree of security against unauthorized use.

15. Access to Account Information. You can obtain balance and other account information through the Service. Since we do not process certain information and transactions until after the close of our business day, some transactions may not be reflected in the system until the next business day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Some balances are provisional, and these may be identified as such (for example, as "memo posted" to your Account(s)). Whether a transaction is or is not identified as provisional, we may reverse any transaction where doing so will assist us in preventing a loss or risk of loss to us. There may be delay or lag between the time information is sent to or from the System to the time it is received from or at your computer, and Account status or information may change during that time delay.

16. Fees and Charges. You agree to pay our fees and charges for your use of our Services, as they are set by us, and which may change from time to time. These fees are separate from and in addition to any regular Account fees and service charges which may apply to your account(s). Many of these fees and charges can be viewed on our Web site. You agree that fees and charges may be deducted from any of the Accounts maintained by you with us or any other account of yours. You agree to pay any additional charges for services you request which are not covered by this Agreement. You are also responsible for telephone, Internet service, taxes, or any third party fees or charges incurred in connection with your use of the System.

17. Receipt of Funds Transfer Requests; Duplicate Instructions; Cancellation. Funds Transfer requests or other communications are deemed to be received by us only if and when the System successfully acknowledges such instructions. You will ensure you do not send us duplicate instructions via the System. We are not responsible for duplicate Funds Transfers, even if we may have been able to ascertain that the Funds Transfer was a duplicate.

If you wish to cancel or amend any instruction, you may do so using the System if the System will allow such action. You have no right to cancel or amend any instruction after we have received it, except as may be accomplished using the System. Normally, the System will not allow cancellation or amendment after the Cut Off Time of a particular Service. You may call us if you wish our assistance, and we may at our discretion seek to assist you in canceling or amending any instruction, but are not obligated to do so. If we do, you will indemnify us in accordance with this Agreement for any losses we may suffer in connection with our efforts.

18. Processing Transfers Between Accounts. Account to Account transfer requests may be made as one-time or recurring, same day or in the future. Account transfer requests received by us through the System prior to the cut off time on a business day are posted and processed on the same day. Transfer requests received after the cut off time or on a non-business day are posted and processed the next business day. For current day transactions, you will need to have sufficient available funds in the account that funds are to be transferred from to cover the amount of the transfer. For future or recurring transactions, you will need to have sufficient available funds on the day the debit is to occur. If you do not have available funds, you may incur an insufficient funds fee. Please refer to our Schedule of Fees and Charges for details. Future dated or recurring transactions scheduled for a non-business day will be processed the next business day.

19. Other Funds Transfer Services Agreements. Use of the System for any of the following Services serves as acknowledgement by you of the appropriate separate agreement and your consent to it.

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- Bill Payment. If you are approved for the Bill Payment Services, a separate Bill Pay Agreement must be signed and executed by you. The Bill Pay Services will be subject to the terms of this Agreement and to those of the Bill Pay Agreement.
- ACH Originations. If you are approved for ACH Origination Services, a separate ACH Origination Agreement must be signed and executed by you. The ACH Services will be subject to the terms of this Agreement and to those of the ACH Origination Agreement.
- Tax Service. If you are approved for the Tax Payment Service, a separate Tax Payment Agreement must be signed and executed by you. The Tax Payment Services will be subject to the terms of this Agreement and those of the Tax Payment Agreement.
- Wire Transfers. If you are approved for the Wire Transfer Services, a separate Wire Transfer Agreement must be signed and executed by you. The Wire Transfer Services will be subject to the terms of this Agreement and to those of the Wire Transfer Agreement.
- Sole Proprietor. If you are a sole proprietor, referred to our Electronic Funds Transfer Disclosure for additional rights that you have regarding Consumer Transactions. All non-Consumer Transactions by you remain governed by this Agreement.

20. Stop Payments. You may submit stop payment requests via the System for paper checks you have written which have not posted to your Account. (For stop payments on Bill Payments, see the Bill Pay Agreement). If the stop payment request is received after 4:00 PM, the stop payment will be processed on the next business day. Your stop payment request will need to reach us in sufficient time for us to process the request before the paper item has been paid. The check covered by the stop payment request must be described exactly, to include check number, date of issuance, exact amount of check, and payee. If you make a stop payment request, you agree:

- To indemnify and hold us harmless from all liability, damage and expense incurred for refusing payment of the check.
- That the order shall automatically terminate if the Account on which the check is drawn is closed.
- To notify us in writing to release the order if and when the reason for the stop payment ceases to exist.
- That the order will expire and be of no further effect six months from date of its receipt by us unless earlier released or renewed by you in writing.
- Despite proper completion and delivery of a stop payment order, you are still liable on the check to any subsequent holder in due course. If the check for any reason is paid over the stop payment order, we may avail ourselves of remedies at law to recover the loss.
- That you are responsible for researching your records to determine whether the check you wish to place a stop payment order has in fact paid previous to the time of your placement of the stop order. If you do place a stop payment order after it has been paid, you may be assessed a stop payment fee even though the check has been and will remain paid.

21. Overdrafts. Credits to your account will be made in accordance with our standard funds availability policy. If your Account has insufficient funds to perform all electronic fund transfers and other payments from the account for a given business day, then:

- Funds transfers initiated through the System which would result in an overdraft of your account may, at our discretion, be canceled;
- In the event the electronic fund transfers initiated through the System which would result in an overdraft of your account are not canceled, overdraft charges may be assessed, pursuant to the terms of any deposit agreement for that account;
- Items may be dishonored or otherwise returned to avoid an overdraft; and
- You authorize us to seek the return of any previously sent funds transfers.

22. Automated Clearing House (ACH) Originations. Electronic payments made through the Automated Clearing House (ACH) are subject to the rules set by the National Automated Clearing House Association (NACHA), as amended from time to time, and you agree to be bound by the Operating Rules

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of the ACH and all laws and regulations of the United States. You can obtain a copy of the Rules by contacting NACHA at 13665 Dulles Technology Drive, Suite 300 Herndon, VA 20171

23. Compliance with Applicable Laws, Rules and Regulations. You agree not to use the System in violation of, and you must comply with, all laws, rules or regulations applicable to you, to us and to the System. Without limiting the foregoing, you agree not to use the System in violation of federal sanctions laws administered by the Office of Foreign Asset Controls. You agree to indemnify, defend and hold us harmless for any action or inaction by you that causes harm to us, if your action or inaction is a violation of any provision of this Section. We may act (or refuse to act) at any time and from time to time in a manner deemed by us in good faith to be appropriate or required under any law, rule or regulation applicable to us, and you agree that we will not be liable for any harm suffered by you as a result.

24. Limits on System Transactions. Federal regulations limit the number of certain types of transfers from certain interest bearing accounts; specifically savings and money market accounts. You are limited to six pre-authorized electronic fund transfers and telephone transfers (including System transactions, checks and point-of-sale transactions) per month. Of these six transactions, you are limited to no more than three transactions per month by check, draft or similar order from money market accounts. (Savings accounts are not eligible for these types of transactions). Each Fund Transfer through the System from your savings or money market deposit account is counted as one of the transactions you are permitted each month. Demand deposit accounts are not subject to these transfer limitations. All transfers between accounts or to third parties are subject to there being sufficient available funds to cover the amount of the transfer request in the affected Account. You agree to pay us in immediately available funds any amounts due to us as a result of our processing any funds transfer or request for you. If we allow transfers to be processed against insufficient funds, we are not obligated to continue that practice. We may from time to time impose lower limits on the amount of any funds transfers or requests. We will communicate these limits to you if they are imposed.

25. Security Interest in Accounts. You grant us a security interest in all Accounts or other deposits (whether general or special) of yours with us, and in all funds in such Accounts or other deposits, to secure your obligations to us under this Agreement. This security interest will survive termination of this Agreement. We may hold any funds on deposit with us by you after termination of this Agreement for up to ninety (90) days following the expiration of any return or chargeback rights regarding any funds transfers or ACH entry by you using the System or, if later, until any other claims to such funds have expired.

26. Disclosure of Account Information and Transfers. You agree that information about your Accounts or the transfers you make may be disclosed by us to others, both in connection with our providing the Services and for other business purposes. For example, we may disclose personal information to third parties in the following cases, and others:

- If we have entered into an agreement with another party to provide any of the Services;
- If it is necessary for completing transfers or otherwise carrying out your instructions;
- If it is necessary to verify the existence and condition of an Account for a third party;
- In order to comply with laws, government agency rules or orders, court orders, subpoenas or other legal process or in order to give information to any government agency or official having legal authority to request such information;
- If you otherwise give us your specific permission.

27. Periodic Statements. You will receive a monthly checking and savings account statement unless there was no activity in your savings account; then you will receive a quarterly savings statement. Your statement will include all transactions that occurred during the month in your Accounts. There will not be a separate statement for banking transactions you make using the System. Transfers to and from your Accounts using the System will appear on the respective periodic statements for your Accounts. You will not receive separate confirmation of transfers to or from your Accounts through the System, other than the information provided to you using the System.

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28. Your Right to Terminate. You may cancel your System Services at any time by providing us with written notice. Your access to the System will be suspended within three (3) business days of our receipt of instructions to cancel your System Service from any person purporting to represent you. You will remain responsible for all transactions that occur prior to termination, whether termination by you or by us, and for any fees and charges incurred prior to the date of cancellation. Any unprocessed transactions including future dated and recurring transactions, will be cancelled as a result of termination of your System Service.

29. Our Right to Terminate. You agree that we can terminate or limit your access to the System Service or any particular service for any of the following reasons:

- Without prior notice, if you have insufficient funds in any one of your Accounts or breach any term of this Agreement. System Service may be reinstated, at our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits.
- Upon reasonable notice (including immediate), for cause (including the foregoing) or without cause, in our sole discretion.

Any unprocessed transactions including future dated and recurring transactions will be cancelled as a result of termination of your System Service.

30. Inactivity. We may remove an Access Code from the System if it is not used to sign on to the System for over one hundred and eighty (180) days, without prior notification from us to you. If your Access Code is removed, you must contact us to have a new Access Code created. Any unprocessed transactions associated with the cancelled Access Code, including future dated and recurring transactions, will be cancelled.

31. Communications Between You and Us. You can write to us at Pacific Mercantile Bank, Central Operations, 949 South Coast Dr., Third Floor, Costa Mesa, CA 92626. We may write to you at the most current address shown in our records.

Data transferred via the System is encrypted in an effort to provide transmission security. Notwithstanding our efforts to insure that the System is secure, you acknowledge that the Internet is inherently insecure and that all data transfers (including transfer requests and electronic mail) occur openly on the Internet. This means that the data transfers potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing the System will not be monitored or read by others. We will not send, and strongly suggest that you do not send, any confidential information unless using the electronic communication options provided by the System.

32. Your Duty to Notify Us of Error. If you fail to notify us within 60 days after you receive notice (whether by paper statement or electronic statement) of an unauthorized or erroneous transfer or transaction, you will be precluded from asserting any lack of authorization or any error against us.

33. Data Recording. Your usage of the System may be maintained as part of our records. You consent to such recordkeeping.

34. Consent to Electronic Communication. You agree that any notice or other communication may be provided to you by us electronically (including by e-mail to you or by posting on our web site). You agree to notify us immediately of any change in your e-mail address. Any communication we make will be considered made when transmitted or posted by us.

35. Change in Terms. We may change the terms of this Agreement at any time. We may provide you with notice of the change electronically, as described above. Your continued use of any Service offered through the System indicates your acceptance of the change in terms. We reserve the right to waive, reduce or reverse charges or fees in individual situations.

36. Limitation on Liability. As a condition precedent to any liability of ours, you must notify us in writing

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of any alleged negligence or breach of this Agreement by us as promptly as reasonably possible, but in no event later than five (5) business days following the day on which such alleged negligence or breach was, or could reasonably have been, discovered by you. Our entire liability and your sole remedy under this Agreement, whether or not the claim is in contract or tort, will not exceed an amount of the fees charged by us to you for your use of the Services during the 3-month period preceding the date of the alleged negligence or breach. Except as set forth herein, we will not be liable or have any responsibility of any kind or any loss or damage thereby incurred by you as a result, directly or indirectly, of any unauthorized person gaining access to, or otherwise making use of, the System. We cannot and do not warrant that the System will operate without errors, or that any or all System Services will be available and operational at all times. This paragraph shall survive termination of this Agreement by either party.

37. NO CONSEQUENTIAL DAMAGES. IN NO EVENT WILL WE BE LIABLE FOR SPECIAL, GENERAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR SIMILAR DAMAGES, EVEN IF WE HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY OF NON-INFRINGEMENT OF THIRD PARTY PATENT OR OTHER PROPRIETARY RIGHTS. THIS PARAGRAPH WILL SURVIVE THE TERMINATION OF THIS AGREEMENT BY EITHER PARTY, AND ALSO LIMITS THE LIABILITY OF ANY AGENT, EMPLOYEE OR AFFILIATE OF BANK.

38. Indemnity. You will indemnify, defend and hold us harmless from against any and all loss, liability, cost, charges or other expenses (including reasonable attorneys' fees) which we may incur or be subject to, arising out of or related directly or indirectly to any breach by you of your obligations under this Agreement.

38. Governing Law. This Agreement is also subject to applicable federal laws and the laws of the State of California (except to the extent this Agreement can and does vary such rules or laws, and excluding California rules governing conflicts of law). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs, successors and assigns. Any of your obligations pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement.

39. Arbitration. The parties expressly agree that any legal proceeding, any action, dispute, claim, or controversy of any kind (e.g., whether in contract or in tort, statuary or common law, legal or equitable) now existing or hereafter arising between the parties in any way arising out of, pertaining to or in connection with this Agreement shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules and Supplemental Procedures for Financial Disputes of the American Arbitration Association. The foregoing matters shall be referred to as a "Dispute." Any of the parties hereto may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Dispute. Any such arbitration shall proceed in Orange County, California, and shall be governed by the substantive laws of the State of California.

The decision of the arbitrator shall be final and binding upon all parties and judgment upon the award may be entered in any court having jurisdiction thereof by an party Any arbitrator chosen to preside over the dispute must be a member of the California State Bar either actively engaged in the practice of law or a retired member of the California State or federal judiciary, and, unless otherwise agreed in writing, must have expertise in the process of deciding disputes in the deposit account and/or internet banking services context.

In Disputes involving indebtedness or other monetary obligations, each party agrees that the other party may proceed against all liable persons, jointly and severally, or against one or more of them, less than all, without impairing rights against other liable persons. Nor shall a party be required to join the principal

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obligor or any other liable persons in any proceeding against a particular person. A party may release or settle with one or more liable persons as the party deems fit without releasing or impairing rights to proceed against any persons not so released.

These arbitration provisions shall survive any termination, amendment or expiration of any provision of the Documents, unless otherwise expressly agreed in writing.

THE PARTIES UNDERSTAND THAT THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL, OR A TRIAL BEFORE A JUDGE IN A PUBLIC COURT.

40. Miscellaneous. All times in this Agreement are in local time of the Bank. This Agreement, together with the Enrollment Form, constitutes the entire agreement between you and us with respect to the Services, except as expressed provided herein. The terms and conditions of the deposit agreements and disclosures for each of your Accounts, as well as your other agreements with us (such as for loans or other Services), continue to apply except as specifically altered by this Agreement. This Agreement shall be effective when we accept and agree to it, as evidenced by the signature of a Bank officer below. You represent and warrant that this Agreement, once duly executed and delivered by both parties, will be a valid agreement enforceable against you in accordance with its terms. You agree to cooperate with us in all manner reasonably requested by us, including providing us with information about you and executing and delivering to us any documents reasonably requested by us to further the purposes of this Agreement.

AGREED AND ACCEPTED:

Customer:

Signature	Printed Name: Teodoro Obiang Nguema	Date: 09/15/01
	Title: SOLE MEMBER/MANAGER	Company Name: SWEET WATER MALIBU, LLC.
Signature	Printed Name	Date
	Title	Company Name

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PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☐ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

Reviewed by_____ Date__/__/__
Scanned by_____ Date__/__/__
Approved by_____ Date__/__/__

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☒ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☐ _____

BUSINESS: MANAGEMENT COMPANY
COUNTY & STATE OF ORGANIZATION: LOS ANGELES, CA
AUTHORIZATION DATED: MAY 16, 2006

DATE OPENED 09/15/2006 BY ANGELA KIM
INITIAL DEPOSIT $ _____
☐ CASH ☐ CHECK ☐ _____
HOME TELEPHONE # 310- [redacted]
BUSINESS PHONE # 310- [redacted] CELL PHONE
DRIVER'S LICENSE # PASSPORT NUMBER IN FILE
EMAIL N/A
EMPLOYER SELF-EMPLOYED
MOTHER'S MAIDEN NAME HANGUE
Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☐ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X TEODORO NGUEMA OBIANG

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 341

Express ©1992 Bankers Systems, Inc., St. Cloud, M

ACCOUNT NUMBER 3109360 PORTFOLIO NUMBER 20098

ACCOUNT OWNER(S) NAME & ADDRESS

SWEETWATER MANAGEMENT, INC

[redacted] = Redacted by the Permanent Subcommittee on Investigations

3620 SWEETWATER MESA
MALIBU CA 90265

TYPE OF ACCOUNT
☒ NEW ☐ EXISTING
☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____

This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

CHEXSYSTEMS VERIFIED BY _____

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): X TEODORO NGUEMA OBIANG
I.D. # [redacted] D.O.B. 06/26/1966

(2): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(3): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(4): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only)
XXXXXXXXXXXXXX

PSI Pacific_Mercantile_Bank-01-0210

(page 1 of 3)

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TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us.

This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

(1) summarize some laws that apply to common transactions;
(2) establish rules to cover transactions or events which the law does not regulate;
(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to indorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this agreement "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent. **Individual Account** - is an account in the name of one person. **Joint Account** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). **Joint Account of Husband and Wife with Right of Survivorship** - This account or certificate is owned by the named parties, who are husband and wife, and is presumed to be their community property. Upon the death of either of them, ownership passes to the survivor. **Community Property Account of Husband and Wife** - This account or certificate is the community property of the named parties who are husband and wife. The ownership during lifetime and after the death of a spouse is determined by the law applicable to community property generally and may be affected by a will. **Tenancy in Common Account** - This account or certificate is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death payee(s) of that party or, if none, to the estate of that party. **P.O.D. Account with Single Party** - This account or certificate is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s). **P.O.D. Account with Multiple Parties** - This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s). **Totten Trust Account** - (subject to this form) - If two or more of you create this account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. **Trust Account Subject to Separate Agreement** - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

BUSINESS ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

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SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. The amount of the setoff may be further limited by applicable law. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than $1,000.00."

FICTITIOUS BUSINESS NAME ACCOUNTS - If the name in which the account is held is ficitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

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CORPORATE AUTHORIZATION RESOLUTION

PACIFIC MERCANTILE BANK
9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

By: SWEETWATER MANAGEMENT, INC

3620 SWEETWATER MESA
MALIBU CA 90265

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, TEODORO NGUEMA OBIANG, certify that I am Secretary (clerk) of the above named corporation organized under the laws of CALIFORNIA, Federal Employer I.D. Number [redacted], engaged in business under the trade name of SWEETWATER MANAGEMENT, INC, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on 6-21-06 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

	Name and Title or Position	Signature	Facsimile Signature (if used)
A.	TEODORO NGUEMA OBIANG - PRESIDENT	X	X
B.		X	X
C.		X	
D.		X	
E.		X	X
F.		X	X

= Redacted by the Permanent Subcommittee on Investigations

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
A	(1) Exercise all of the powers listed in this resolution.	01
A	(2) Open any deposit or share account(s) in the name of the Corporation.	01
A	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	01
A	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	01
A	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	01
A	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	01
A	(7) Other Enter into an Internet Banking Agreement for utilization of the Bank's electronic banking system, including supervisor designation.	01

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY
I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

☐ If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on _____ (date).

Attest by One Other Officer

Secretary

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RESOLUTIONS

The Corporation named on this resolution resolves that,

(1) The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.

(2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Board of Directors of the Corporation and certified to the Financial Institution as governing the operation of this corporation's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.

(3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation. Any Agent, so long as they act in a representative capacity as an Agent of the Corporation, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.

(4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.

(5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation. The Corporation authorizes the Financial Institution, at any time, to charge the Corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.

(6) The Corporation acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Corporation to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.

(7) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Corporation with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Corporation authorizes each Agent to have custody of the Corporation's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) ☐ This resolution is superseded by resolution dated _____

Comments:

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Received Fax : May 23 2006 9:49 Fax Station : George Nagler 2

05/23/2006 09:56 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.045 D02

2879573

State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 22 2006

BRUCE McPHERSON
Secretary of State

Sec/State Form CE-107 (REV 03/31/05)

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Received Fax : May 23 2006 9:3 Fax Station : George Nagler

05/23/2006 09:56 LAW OFFICE OF WILLIAM S GREGORY → 13102787584 NO.045 D03
323 935 0090

2879573

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAY 16 2006

ARTICLES OF INCORPORATION

OF

SWEETWATER MANAGEMENT, INC.

ONE: The name of this corporation is Sweetwater Management, Inc.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is George I. Nagler, Esq., 300 N. Swall Drive #253, Beverly Hills, CA 90211.

FOUR: This corporation is authorized to issue only one class of shares of stock; and the total number of shares which the corporation is authorized to issue is one hundred thousand (100,000).

DATED: May 16, 2006

Erin Feuerbach, Incorporator

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06-292522

State of California
Kevin Shelley
Secretary of State
STATEMENT OF INFORMATION
(Domestic Stock Corporation)

FEES (Filing and Disclosure): $25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

ENDORSED - FILE
In the office of the Secretary of State of the State of California
JUN 21 2006

This Space For Filing Use Only

1. CORPORATE NAME: (Please do not alter if name is preprinted.)
Sweetwater Management, Inc.

CALIFORNIA CORPORATE DISCLOSURE ACT (Corporations Code section 1502)

2. ☐ CHECK HERE IF THE CORPORATION IS PUBLICLY TRADED. IF PUBLICLY TRADED, COMPLETE THIS STATEMENT OF INFORMATION AND THE CORPORATE DISCLOSURE STATEMENT (FORM SI-PTSUPP). SEE ITEM 2 OF INSTRUCTIONS.

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 3 and 4 cannot be P.O. Box.)

	STREET ADDRESS	CITY	STATE	ZIP CODE
3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills, CA		90210
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills,	CA	90210
5. MAILING ADDRESS	c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills, CA		90210

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this statement must not be altered.)

	ADDRESS	CITY AND STATE	ZIP CODE
6. CHIEF EXECUTIVE OFFICER/	Teodoro Nguema Obiang c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
7. SECRETARY/	Melinda DeHaven c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
8. CHIEF FINANCIAL OFFICER/	Teodoro Nguema Obiang c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (The corporation must have at least one director. Attach additional pages, if necessary.)

	ADDRESS	CITY AND STATE	ZIP CODE
9. NAME Teodoro Nguema Obiang c/o George	Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
10. NAME	ADDRESS	CITY AND STATE	ZIP CODE
11. NAME	ADDRESS	CITY AND STATE	ZIP CODE

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: -0-

AGENT FOR SERVICE OF PROCESS
- If an individual, the agent must reside in California and Item 14 must be completed with a California address.
- If another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 14 must be left blank.

13. NAME OF AGENT FOR SERVICE OF PROCESS
George I. Nagler, Esq.

	CITY	STATE	ZIP CODE
14. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL: 300 North Swall Drive, #253	Beverly Hills,	CA	90210

TYPE OF BUSINESS

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Management Services

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

Melinda DeHaven		Secretary	6/8/06
TYPE OR PRINT NAME OF OFFICER OR AGENT	SIGNATURE	TITLE	DATE

SI-200 C (REV 04/2003) APPROVED BY SECRETARY OF STATE

PSI-Pacific_Mercantile_Bank-01-0217

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California Business Portal

Secretary of State BRUCE McPHERSON

SECRETARY OF STATE | ELECTIONS & VOTER INFO | POLITICAL REFORM | CA BUSINESS PORTAL | ARCHIVES & MUSEUM | SPECIAL PROGRAMS

Business Search
Corporations

- Printer Friendly Page
- New Search
- Search Tips
- Field Definitions
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- Name Availability
- Corporate Records
- Business Entities
- Records Order Form
  - Certificates
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- FAQS
- Corporations Main Page
- Site Search

Corporations

The information displayed here is current as of "SEP 15, 2006" and is updated weekly. It is not a complete or certified record of the Corporation.

Corporation		
SWEETWATER MANAGEMENT, INC.		
Number: C2879573	**Date Filed:** 5/16/2006	**Status:** active
Jurisdiction: California		
Address		
468 N CAMDEN DR #200		
BEVERLY HILLS, CA 90210		
Agent for Service of Process		
GEORGE I NAGLER		
300 N SWALL DR #253		
BEVERLY HILLS, CA 90210		

Printer Friendly

New Search

- For information about certification of corporate records or for additional corporate information, please refer to **Corporate Records**.
- Blank fields indicate the information is not contained in the computer file.
- If the status of the corporation is "Surrender", the agent for service of process is automatically revoked. Please refer to California Corporations Code **Section 2114** for information relating to service upon corporations that have surrendered.

Copyright ©2001 California Secretary of State. **Privacy Statement**.

PSI-Pacific_Mercantile_Bank-01-0218

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X

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
PHILADELPHIA PA 19255-0023

004787.247936.0014.001 2 MB 0.563 1020

SWEETWATER MANAGEMENT INC
% MELINDA DEHAVEN
3620 SWEETWATER MESA
MALIBU CA 90265

004787

Date of this notice: 05-31-2006

Employer Identification Number:

Form: SS-4

Number of this notice: CP 575 A

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you . This EIN will identify your business account, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, please use the label we provided. If this isn't possible, it is very important that you use your EIN and complete name and address exactly as shown above on all federal tax forms, payments and related correspondence. Any variation may cause a delay in processing, result in incorrect information in your account or even cause you to be assigned more than one EIN. If the information isn't correct as shown above, please correct it using tear off stub from this notice and return it to us so we can correct your account.

Based on the information from you or your representative, you must file the following form(s) by the date(s) shown.

Form 941	07/31/2006
Form 1120	03/15/2007
Form 940	01/31/2007

If you have questions about the form(s) or the due dates(s) shown, you can call or write to us at the phone number or address at the top of the first page of this letter. If you need help in determining what your tax year is, see Publication 536, Accounting Periods and Methods, available at your local IRS office or you can download this Publication from our Web site at www.irs.gov.

We assigned you a tax classification based on information obained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination on your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1,2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue.)

PSI-Pacific_Mercantile_Bank-01-0219

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PACIFIC MERCANTILE BANK

BUSINESS ACCOUNT HOLDER - CUSTOMER TO COMPLETE

Personal Information for Each Owner / Signer
(Please make additional copies as required for each owner/signer)

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. **Your information will be protected by our Privacy Policy and federal law.**

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Business Name: SWEET WATER MANAGEMENT, INC

First Name*: Teodoro Middle Initial: Nguema Last Name*: Obiang

Citizenship*: [ ] US Citizen [✓] Resident Alien [ ] Non-Resident Alien

Social Security Number*: [redacted] Date of Birth* (mm-dd-yyyy): 6-26-69

Home Address*: 3620 Sweetwater Mesa Rd (No P.O. Box) Address 2:

City*: Malibu State*: CA Zip Code*: 90265

Home Phone* (xxx-xxx-xxxx): (310) [redacted] (Do Not List a Cell Phone Number Here)

Work Phone* (xxx-xxx-xxxx): Other/Cell phone: (xxx-xxx-xxxx): (310) [redacted]

E-mail address:

Title/Occupation: President Mother's Maiden Name*: Mangue

U.S. Driver's License or I.D. Number*: State Issued*: Expiration Date* (mm-dd-yyyy):

Passport Number: [redacted] Country Issued: Rep of Guinea Ecuatorial 5/5/03 Expiration Date: (mm-dd-yyyy): 04/05/07

US Alien Registration Number: Expiration Date: (mm-dd-yyyy):

Are you a senior foreign political figure or a family member or associate of a senior foreign political figure*? (We need to know this information as part our compliance to the USA PATRIOT Act) [✓] Yes [ ] No

Secondary ID: Mastercard Chase exp 5-07

Bank Use Only: Account Number: 003109360

* = Indicates a required field.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 342

PSI-Pacific_Mercantile_Bank-01-0222

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not a business day or if a payment instruction is received by us after the Cut Off Time, we will process the payment on the following business day. Except as required by law, we will not be responsible for any losses, including late fees, finance charges or other action taken by the payee that you may incur, as a consequence of a late or missing payment.

5. Available Funds. You must have sufficient available funds in your account to cover the amount of the bill payment on the Processing Date, and we will debit your account at that time. You can initiate payments up to the amount of available funds in your account, plus any linked credit or other overdraft facility. If you exceed these limits, we may prevent (or reverse) any payments in any order and in any amount that we choose. If you do not have sufficient or available funds, you may be charged an insufficient funds fee. Refer to our Schedule of Fees and Charges for details. We will not re-initiate any payment instruction prevented or reversed due to insufficient funds.

6. Right to Refuse a Payment Instruction. In addition to any other rights we may have, we may refuse to process any payment instruction at any time, for any reason or for no reason. We will seek to notify you promptly, unless there are security reasons for not doing so (but no notice is required if we refuse to process a payment that is prohibited under this Agreement or by law, rule or regulation applicable to us). You agree not to make any of the following types of payments through the Bill Pay Service:

- Tax payments and other governmental fees
- Court ordered payments, alimony and child support payments
- Payments to payees outside of the United States
- Traffic tickets and other types of government fines
- Payments for any illegal purpose

7. How we will Debit your Account. You agree we can debit the account you have designed online for bill pay by electronic funds transfer.

8. Canceling Schedule Payments. To cancel a payment instruction that you have scheduled, you must cancel online prior to the Cut Off Time on the Processing Date. An electronic payment cannot be cancelled after this time. A payment by check may be cancelled through the stop payment method described in this Agreement.

9. Stop Payments. You can not stop pay on an electronic bill payment after the Cut Off Time. For payments made by check, you can only stop payment if the check has not cleared. To be effective, you must contact us and follow the stop payment procedures. Your stop payment request will need to reach us in sufficient time for us to process the request before the paper item has cleared. Standard stop payment fees will apply. With respect to all stop payment orders, you agree as follows:

- To indemnify and hold us harmless from all liability, damage and expense incurred on account for refusing payment of the check.
- To notify us in writing to release the order if and when the reason for the stop payment ceases to exist.
- That the order will expire and be of no further effect six months from date of its receipt by us unless earlier released or renewed by you in writing.
- Despite proper completion and delivery of a stop payment order, you may still be liable on the check to any subsequent holder in due course. Should the check described for any reason be paid over the stop payment order, we may avail ourselves of remedies at law to recover the loss.

10. Fees and Charges. You agree to pay the fees that we establish for bill pay. The fees will be charged to the account designated on your application or the deposit account used for the bill payment. If the account has insufficient funds to cover payment for the fees, we may deduct the fee from any account you have with us now or in the future. If the fee cannot be paid, we may cancel your right to use bill pay.

11. ACH. Electronic payments may be made through the Automated Clearing House. You agree to be bound by the rules set by the National Automated Clearing House Association (NACHA), as amended from time to time,

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and all laws and regulations of the United States, including sanctions laws administered by the Office of Foreign Asset Controls.

13. Inactivity. If the Bill Pay Service is not used for a period of ninety days (90), the service may be disabled.

14. Change in Terms. We reserve the right to amend this Agreement at any time. We may give notice of change at our discretion by mail or by electronic communication. The use of Bill Pay Services constitutes agreement to these terms and conditions and any modifications thereof.

15. Canceling Service. You may cancel the Service at any time by simply contacting us. The Service will be cancelled within five business days. We may cancel or limit your access to the Service at any time, with or without prior notice to you. Canceling the Bill Pay Service does not automatically cancel payments already scheduled by you. You are responsible for canceling all schedule payments before canceling the Service. Cancellation of this Agreement or of the Service does not terminate your obligations as to any payment or Service before the effective date of any termination of this Agreement. Payments already sent will not be affected by the cancellation of your Service.

AGREED AND ACCEPTED:

Customer:

Signature	Printed Name: Teodoro Obiang Nguema	Date: 09/15/06
Required for business accounts:	Title: PRESIDENT	Company Name: SWEET WATER MANAGEMENT, INC.
Signature	Printed Name	Date
Required for business accounts:	Title	Company Name

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obligor or any other liable persons in any proceeding against a particular person. A party may release or settle with one or more liable persons as the party deems fit without releasing or impairing rights to proceed against any persons not so released.

These arbitration provisions shall survive any termination, amendment or expiration of any provision of the Documents, unless otherwise expressly agreed in writing.

THE PARTIES UNDERSTAND THAT THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL, OR A TRIAL BEFORE A JUDGE IN A PUBLIC COURT.

40. Miscellaneous. All times in this Agreement are in local time of the Bank. This Agreement, together with the Enrollment Form, constitutes the entire agreement between you and us with respect to the Services, except as expressed provided herein. The terms and conditions of the deposit agreements and disclosures for each of your Accounts, as well as your other agreements with us (such as for loans or other Services), continue to apply except as specifically altered by this Agreement. This Agreement shall be effective when we accept and agree to it, as evidenced by the signature of a Bank officer below. You represent and warrant that this Agreement, once duly executed and delivered by both parties, will be a valid agreement enforceable against you in accordance with its terms. You agree to cooperate with us in all manner reasonably requested by us, including providing us with information about you and executing and delivering to us any documents reasonably requested by us to further the purposes of this Agreement.

AGREED AND ACCEPTED:

Customer:

Signature	Printed Name: Teodoro Abiang Nguema	Date: 9-15-06
	Title: PRESIDENT	Company Name: INFET WATER MANAGEMENT, INC
Signature	Printed Name	Date
	Title	Company Name

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06-292522

State of California
Kevin Shelley
Secretary of State
STATEMENT OF INFORMATION
(Domestic Stock Corporation)

FEES (Filing and Disclosure): $25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

ENDORSED - FILE
in the office of the Secretary of State of the State of California

JUN 21 2006

This Space For Filing Use Only

1. CORPORATE NAME: (Please do not alter if name is preprinted.)

Sweetwater Management, Inc.

CALIFORNIA CORPORATE DISCLOSURE ACT: (Corporations Code section 1502)

2. ☐ CHECK HERE IF THE CORPORATION IS PUBLICLY TRADED. IF PUBLICLY TRADED, COMPLETE THIS STATEMENT OF INFORMATION AND THE CORPORATE DISCLOSURE STATEMENT (FORM SI-PTSUPP). SEE ITEM 2 OF INSTRUCTIONS.

COMPLETE ADDRESSES FOR THE FOLLOWING: (Do not abbreviate the name of the city. Item 3 and 4 cannot be P.O. boxes.)

	CITY AND STATE	STATE	ZIP CODE
3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills, CA		90210
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills,	CA	90210
5. MAILING ADDRESS c/o George Nagler, 468 N. Camden Drive #200	Beverly Hills, CA		90210

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS: (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this statement must not be altered.)

	CITY AND STATE	ZIP CODE
6. CHIEF EXECUTIVE OFFICER/ ADDRESS Teodoro Nguema Obiang c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
7. SECRETARY/ ADDRESS Melinda DeHaven c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
8. CHIEF FINANCIAL OFFICER/ ADDRESS Teodoro Nguema Obiang c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS: (The corporation must have at least one director. Attach additional pages, if necessary.)

	CITY AND STATE	ZIP CODE
9. NAME ADDRESS Teodoro Nguema Obiang c/o George Nagler, 468 N. Camden Dr. #200	Beverly Hills, CA	90210
10. NAME ADDRESS		
11. NAME ADDRESS		

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: -0-

AGENT FOR SERVICE OF PROCESS
- If an individual, the agent must reside in California and Item 14 must be completed with a California address.
- If another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 14 must be left blank.

	CITY	STATE	ZIP CODE
13. NAME OF AGENT FOR SERVICE OF PROCESS George I. Nagler, Esq.			
14. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL 300 North Swall Drive, #253	Beverly Hills,	CA	90210

TYPE OF BUSINESS

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Management Services

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

Melinda DeHaven — TYPE OR PRINT NAME OF OFFICER OR AGENT

Secretary — TITLE

6/8/06 — DATE

SI-200 C (REV 04/2003)

APPROVED BY SECRETARY OF STATE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 343

Pacific_Mercantile_Bank-01-0217

PACIFIC MERCANTILE BANK

BUSINESS ACCOUNT HOLDER - CUSTOMER TO COMPLETE

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. *A "person" is defined in this context as the account entity, as well as an individual.*

Check One:
[✓] Corporation
[ ] General Partnership
[ ] Non-Profit Association
[ ] Charity/"NGO"
[ ] Limited Liability Partnership
[ ] Limited Partnership
[ ] State Bar Legal Services Trust Fund Program Account (Attorney Client Trust Account-Section 6212)
[ ] Limited Liability Company (LLC)
[ ] Sole proprietorship
[ ] Other_____

Documents are required for each account type prior to account opening; see New Accounts Documentation Checklist.

Name of Business*: Sweet Water Management, Inc.
(For Corporations, as shown on Articles of Incorporation)

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Doing Business As/DBA Name: *(if applicable)*_____

Business (Street) Address*: 3620 Sweet Water Mesa Road
(Physical address; if you prefer correspondence & statements sent to a P.O. Box, complete the Mailing Address below)

City*: Malibu State*: CA Zip*: 90265 Date Business Established: _____ Years at this location: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____
(if different from street address)

Business Phone*: [redacted] Fax Phone*: _____ E-mail*: _____

Tax ID Number*: [redacted] ID Type*: [✓] EIN [ ] SSN *(Social Security acceptable for sole proprietorships and LLCs)*

Type of Industry/ Business*: Management company
(please be specific)

Number of Owners*: 1 Number of Employees*: _____ Annual Revenue*: _____ Period Reported* (mm -yyyy): _____

State Where Your Business is Headquartered, if not California: _____

Country Where Your Business is Headquartered, if not the United States: _____

Your Business Sales Market/Territory*: [✓] International [ ] National [ ] ___ Regional [ ] ___ Local

Please list these primary geographic locations*: 1. _____ 2. _____

3. _____ 4. _____ 5. _____

Will there be foreign wire activity in this account*? [✓] Yes [ ] No

Please list countries: 1. _____ 2. _____ 3. _____

4. _____ 5. _____ 6. _____

Does your business cash checks*? [ ] Yes [✓] No If Yes, is this amount more than $1,000 in one day? [ ] Yes [✓] No
(Except your own employee's payroll checks)

Does your business provide currency remittance services*? *(money transfers or telegram services, e.g.)* [ ] Yes [✓] No

Does your business sell money orders or traveler's checks, sell gift cards that can be exchanged for cash or exchange currency*? [ ] Yes [✓] No

Former Banking Relationship*: _____ Referred By: Fred Anavi

Bank Use Only: Account Number: 0031093600

* = Indicates a required field.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 344

PSI-Pacific_Mercantile_Bank-01-0221

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PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☒ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

Reviewed by_____ Date__/__/__
Scanned by YO Date__/__/__
Approved by_____ Date__/__/__

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☐ _____
BUSINESS: _____
COUNTY & STATE OF ORGANIZATION: _____
AUTHORIZATION DATED: _____

DATE OPENED 09/15/2006 BY FRED ALAVI
INITIAL DEPOSIT $ 1,000,000.00
☐ CASH ☐ CHECK ☒ INCOMING WIRE
HOME TELEPHONE # (310) [redacted]
BUSINESS PHONE # (310) [redacted]
DRIVER'S LICENSE # PASSPORT GUINEA
EMAIL [redacted]
EMPLOYER SELF INVESTOR
MOTHER'S MAIDEN NAME MANGUE
Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☒ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X TEODORO NGUEMA OBIANG

Experts ©992 Bankers Systems, Inc., St. Cloud, MN

ACCOUNT NUMBER 3606910 PORTFOLIO NUMBER 20698

ACCOUNT OWNER(S) NAME & ADDRESS

TEODORO NGUEMA OBIANG

[redacted] Redacted by the Permanent Subcommittee on Investigations

3620 SWEETWATER MESA ROAD
MALIBU, CA 90265

TYPE OF ACCOUNT

☒ NEW ☐ EXISTING
☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☒ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____

This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

X CHEXSYSTEMS VERIFIED BY YO

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): X TEODORO NGUEMA OBIANG
I.D. # [redacted] D.O.B. 06/26/1969

(2): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(3): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(4): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only)
X XXXXXXXXXXXXXX
D.O.B. _____

SI-Pacific_Mercantile_Bank-01-0184

(page 1 of 3)

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 345

Certificate of Deposit Receipt

PACIFIC MERCANTILE BANK

This receipt is issued to:

TEODORO NGUEMA OBIANG

3620 SWEET WATER MESA ROAD
MALIBU, CA

Account Number: 3606910
IRA Number:

Amount $ 1000000.00
Date Opened 09/18/2006
Term 6 Months
Maturity Date 03/18/2007
Interest Rate 5.3500 %
Annual Percentage Yield 5.50 %

The account evidenced by this receipt is subject to and further explained in the terms and conditions contained in the account agreement and account disclosures. The account is Not Negotiable and Not Transferable. Only the items checked apply.

☒ **Fixed Interest Rate** ☐ **Variable Interest Rate**
☒ **Additions Permitted**
☒ **Automatically Renewable** ☐ **Single Maturity** (not automatically renewable) ☐ **Callable** ☐ **Notice Account**

Interest will be:
☐ mailed to the owner(s).
☒ added to principal (compounded).
☐ paid to _____ account No. _____.
☐ _____
_____.

© 1994 Bankers Systems, Inc., St. Cloud, MN Form CDREC-BK-LAZ 8/7/2002

FDIC

(page 1 of 1)

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 345

PSI-Pacific_Mercantile_Bank-01-0188

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PACIFIC MERCANTILE BANK

BUSINESS ACCOUNT HOLDER - CUSTOMER TO COMPLETE

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. *A "person" is defined in this context as the account entity, as well as an individual.*

Check One:
[ ] Corporation
[ ] General Partnership
[ ] Non-Profit Association
[ ] Charity/"NGO"
[ ] Limited Liability Partnership
[ ] Limited Partnership
[ ] State Bar Legal Services Trust Fund Program Account (Attorney Client Trust Account-Section 6212)
[✓] Limited Liability Company (LLC)
[ ] Sole proprietorship
[ ] Other_____

Documents are required for each account type prior to account opening; see New Accounts Documentation Checklist.

Name of Business*: SWEET WATER MALIBU, ~~INC~~ LLC.
(For Corporations, as shown on Articles of Incorporation)

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Doing Business As/DBA Name: *(if applicable)*_____

Business (Street) Address*: 3620 Sweet Water Mesa Road
(Physical address; if you prefer correspondence & statements sent to a P.O. Box, complete the Mailing Address below)

City*: Malibu State*: CA Zip*: 90265 Date Business Established: _____ Years at this location: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____
(if different from street address)

Business Phone*: _____ Fax Phone*: _____ E-mail*: _____

Tax ID Number*: [redacted] ID Type*: [✓] EIN [ ] SSN *(Social Security acceptable for sole proprietorships and LLCs)*

Type of Industry/ Business*: Dept. of Agriculture / Guinea Equatorial Investors
(please be specific)

Number of Owners*: 1 Number of Employees*: 1 Annual Revenue*: _____ Period Reported* (mm -yyyy): _____

State Where Your Business is Headquartered, if not California: _____

Country Where Your Business is Headquartered, if not the United States: _____

Your Business Sales Market/Territory*: [✓] International [ ] National [ ] ___ Regional [ ] ___ Local

Please list these primary geographic locations*: 1. _____ 2. _____

3. _____ 4. _____ 5. _____

Will there be foreign wire activity in this account*? [✓] Yes [ ] No

Please list countries: 1. Guinea Equatorial 3. _____

4. _____ 5. _____ 6. _____

Does your business cash checks*? [ ] Yes [✓] No If Yes, is this amount more than $1,000 in one day? [ ] Yes [ ] No
(Except your own employee's payroll checks)

Does your business provide currency remittance services*? *(money transfers or telegram services, e.g.)* [ ] Yes [✓] No

Does your business sell money orders or traveler's checks, sell gift cards that can be exchanged for cash or exchange currency*? [ ] Yes [✓] No

Former Banking Relationship*: — Referred By: Fred Mavi

Bank Use Only: Account Number: 310 9378

* = Indicates a required field.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 346

PSI-Pacific_Mercantile_Bank-01-0280

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01301 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.223

3606710

= Redacted by the Permanent Subcommittee on Investigations

PACIFIC MERCANTILE BANK

INDIVIDUAL ACCOUNT HOLDER - CUSTOMER TO COMPLETE

(A separate form is required for each customer)

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Your information will be protected by our Privacy Policy and federal law.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

First Name*: TEODORO Middle Initial: ~~O~~ NGUEMA Last Name*: NGUEMA OBIANG

Citizenship*: [ ] US Citizen [ ] Resident Alien [X] Non-Resident Alien Date of Birth* (mm-dd-yyyy): 6/26/69

Trust Name: _____ (if applicable)

X Social Security Number*: TIN: ~~O~~ [redacted] or Tax ID # *(trust account, e.g.)*: _____

X Home Address*: 3620 Sweetwater Mesa Rd. (No P.O. Box) Address 2: _____

City*: Malibu State*: CA Zip Code*: 90265 Years at current address*: _____

For customers who do not have a residential street address, an AFO/FPO (military) or Next of Kin/Contact Individual address is acceptable.

Prior Address (if less than three years at current address): _____ / _____

City: _____ State: ____ Zip Code: _____

Mailing Address (if different from Home Address): Same / _____

City*: _____ State*: ____ Zip Code*: _____

Home Phone* (xxx-xxx-xxxx): (310) [redacted] Do Not List a Cell Phone Number Here)

Work Phone* (xxx-xxx-xxxx): _____ Other/Cell phone: (xxx-xxx-xxxx): (310) [redacted]

E-mail address: _____ [redacted]

U.S. Driver's License or I.D. Number*: _____ State Issued*: ____ Expiration Date* (mm-dd-yyyy): _____

Passport Number: [redacted] Country Issued: Guinea Equitorial Expiration Date: (mm-dd-yyyy): 8/8/07

US Alien Registration Number: _____ Expiration Date: (mm-dd-yyyy): _____

X Birth Place City*: Equitorial Guinea X Birth Place State*: _____ X Mother's Maiden Name*: Mangue

Are you a senior foreign political figure or a family member or associate of a senior foreign political figure*? (We need to know this information as part our compliance to the USA PATRIOT Act) [X] Yes [ ] No

Employment Status*: [X] Owner [ ] Employee [ ] Student [ ] Retired [ ] Unemployed

Occupation (Required if not Retired or Unemployed): Investors Employer: Self

Will there be foreign wire activity in this account? [X] Yes [ ] No Minister of Agriculture / Foresty

If yes, please list countries: 1. _____ 2. _____ 3. _____

[redacted]ture*: [signature] Date: 9-15-06

Bank Use Only: Account Number: 3109396

* = Indicates a required field.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 346

PSI-Pacific_Mercantile_Bank-01-0194

ph44585 on D330-44585-7600 with DISTILLER

568401.224

Personal CIP (Bank Use Only Form)

Bank Use Only:

Customer Name: Teodoro Nguema Obiang

Secondary ID: Issuer: Chase M/C Expiration Date: 5/2007

Supplementary Documentary Forms of Identification ***(requires Operations Manager's approval)***

Document	Name of Issuer on Form	ID Number	Issuance Date	Expiration Date
Social Security Card	U.S. Govt.			
Birth Certificate				
Utility or Property Tax Bill				
Voter Registration Card				
Home/car/renter insurance papers				

I certify that I have personally viewed the identification documents listed herein and the information is accurately recorded from these documents, and I have reasonably confirmed the identity of the applicant.

Signed Name: Grace Nassar Printed Name: Grace Nassar Date: 9-15-06

Cross-sell: [ ] MMA [ ] COD [ ] DDL [ ] Loan [ ] Safe Deposit Box

Non-Documentary Forms of Identification ***(requires Operations Manager's approval)***

Credit Report: _____ Prior Banking References: _____ Contact Letter: [ ]

Port #: 20698 Account #: 3606910 Account Type: CD

Penley Verification: ✓ ChexSystems: ✓ Disclosures Provided: ✓ Account Opening: ____ Mailed

Due Diligence/Risk Rating: High Date Opened: 9-15-06

Opened by: Grace Approved by: _____ Callback: _____ Date: _____

Operations Manager/Supervisor Comments: _____

Online Banking Agreement: [ ] Bill Pay Agreement: [ ]

ATM Card Requested: [ ] Debit Card Requested: [ ] Amount: _____ Sent for Approval: [ ]

PSI-Pacific_Mercantile_Bank-01-0195

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01303 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.225

PACIFIC MERCANTILE BANK

9720 WILSHIRE BLVD SUITE 100
BEVERLY HILLS, CA 90212

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

☐ INDIVIDUAL ☐ _____
☐ JOINT ACCOUNT ☐ TENANCY IN COMMON ACCOUNT
☐ COMMUNITY PROPERTY ACCOUNT OF HUSBAND AND WIFE
☐ JOINT ACCOUNT OF HUSBAND AND WIFE WITH RIGHT OF SURVIVORSHIP
☐ TRUST - SEPARATE AGREEMENT: _____
☐ TOTTEN TRUST OR ☐ PAY-ON-DEATH
DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

Reviewed by_____ Date__/__/__
Scanned by_____ Date__/__/__
Approved by_____ Date__/__/__

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

☐ SOLE PROPRIETORSHIP
☒ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ PARTNERSHIP
☐ _____
BUSINESS: MANAGEMENT COMPANY
COUNTY & STATE OF ORGANIZATION: LOS ANGELES, CA
AUTHORIZATION DATED: MAY 16, 2006

DATE OPENED 09/15/2006 BY ANGELA KIM
INITIAL DEPOSIT $ _____
☐ CASH ☐ CHECK ☐ _____
HOME TELEPHONE # 310- [redacted]
BUSINESS PHONE # 310- [redacted] CELL PHONE
DRIVER'S LICENSE # PASSPORT NUMBER IN FILE
EMAIL N/A
EMPLOYER SELF-EMPLOYED
MOTHER'S MAIDEN NAME NANGUE
Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: [redacted]

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☐ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X TEODORO NGUEMA OBIANG

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 347

ACCOUNT NUMBER 3109360 PORTFOLIO NUMBER 20698

ACCOUNT OWNER(S) NAME & ADDRESS
SWEETWATER MANAGEMENT, INC

[redacted] = Redacted by the Permanent Subcommittee on Investigations

3620 SWEETWATER MESA
MALIBU CA 90265

TYPE OF ACCOUNT
☒ NEW ☐ EXISTING
☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW ☐ _____
This is your (check one):
☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

X CHEXSYSTEMS VERIFIED BY [signature]

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

☒ Deposit Account ☒ Funds Availability ☒ Privacy
☒ Electronic Funds Transfer ☒ Truth in Savings
☐ _____

(1): X [signature]
TEODORO NGUEMA OBIANG
I.D. # [redacted] D.O.B. 06/26/1968

(2): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(3): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

(4): X XXXXXXXXXXXXXX
I.D. # _____ D.O.B. _____

☐ Authorized Signer (Individual Accounts Only)
X XXXXXXXXXXXXXX

Pacific Mercantile Bank 01-0210

Expertise ©992 Bankers Systems, Inc., St. Cloud, MN F

(page 1 of 3)

September 15, 2006

To Pacific Mercantile Bank Operations:

If Teodoro Nguema Obiang is out of the country and needs to conduct an internal transfer via phone, it is acceptable between personal and business accounts, and vice versa.

Account numbers affected are 3109360,3109378,3109386.

This internal transfer from business to personal is approved by Fred Alavi.

Signed:

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 350

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01305 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.227

PACIFIC MERCANTILE BANK

TELEPHONE TRANSFER AUTHORIZATION

This Telephone Transfer Authorization ("Authorization") is dated as of 9/15/06, and is entered into between SWEETWATER MANAGEMENT ("Customer") and Pacific Mercantile Bank.

WHEREAS, the Undersigned ("Authorized Signers") has established two or more deposit relationships ("Account") with Pacific Mercantile Bank ("Bank"), which individuals have been authorized pursuant to signature cards to execute instruments for withdrawal or deposit of funds. It is for the benefit of the Authorized Signers to enter into an agreement with Bank so that any one of the below named parties can transfer funds between the below listed Accounts.

IT IS UNDERSTOOD THAT THE TELEPHONE TRANSFER SERVICE IS PROVIDED AS A CONVENIENCE TO THE UNDERSIGNED AND THAT THE BANK SHALL NOT BE LIABLE FOR ANY OF THE FOLLOWING:

1. Transfer of funds between the Accounts upon telephone request which the Bank employee believed in good faith to have been given by an Authorized Person.
2. The disposition of funds transferred between the Accounts which are withdrawn therefrom by check or withdrawal order executed in accordance with the signature authorization for the respective Account on file with the Bank.
3. Genuineness or authenticity of any caller giving telephonic instructions except to the extent that the Undersigned has designated herein.
4. The good faith refusal of Bank to honor any request for transfer.
5. To ensure the transfer takes place on the same day as the request, all telephone transfer requests must be made prior to 5:00 p.m. Monday through Friday.

The Undersigned agrees to indemnify and hold harmless and defend the Bank from and against any and all actions, claims, demands, liability, loss, damages or expense of any nature including interest, costs, and attorney fees that may rise out of or occur in connection with any transfer pursuant to the Authorization, other than resulting from the gross negligence or willful misconduct of Bank or its employees or agents.

Transfers from Accounts shall be made only from collected funds and shall be available for withdrawal, from the Account into which the transfer is made, as of the next banking day.

Customer shall have no right to the cancellation or amendment of any Telephone Transfer request after its receipt by Bank. However, Bank shall use reasonable efforts to act on a request by Customer for cancellation of a Telephone Transfer prior to Bank processing of item, provided such request is made in good faith.

Customer may terminate this Authorization at any time. Such termination shall be effective on the second business day following the day of Bank's receipt of written notice of such termination or such later date as is specified in that notice. Bank reserves the right to terminate this Authorization immediately upon providing written notice of such termination to Customer. This Authorization will otherwise remain in effect until further notice or until canceled in writing by either party.

Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Bank's control.

Bank shall charge the rate specified in its service charge schedule for this service. The minimum transfer is $500.00 per authorized request. From time-to-time, Bank may amend any of the terms and conditions contained in this Authorization. Such amendments shall become effective upon receipt of notice by Customer or such later date as may be stated in Bank's notice to Customer.

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01306 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.228

PACIFIC MERCANTILE BANK

Bank shall be entitled to rely on any written notice or other written communication believed by it, in good faith, to be genuine and to have been signed by such person. The name and signatures of authorized representative are set forth below. Customer may add or delete any authorized party by written notice to Bank signed by all authorized parties other than those being added or deleted. Such notice shall be effective on the date it is approved by Bank, unless prior arrangements have been made.

Transfers from money market and savings accounts have transfer limitations per government regulation, to no more than six (6) per month. Telephone transfer requests in excess of the maximum allowed are subject to a per item fee, as disclosed in our Schedule of Fees & Charges. Continued excessive transfers may result in either closure of the money market or savings account, or its transfer to a non-interest earning account. We will contact you prior to this. Note it is the customer's responsibility, when making the telephone transfer request, to be in compliance with the transfer limitations contained herein.

NOTE: We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D.

Those account numbers listed below are the accounts in which transfer are executed:

ACCOUNT NUMBERS

00319360 _____

_____ _____

This Authorization, together with the Agreement governing the Account ("Signature Card") is the complete and exclusive statement of the authorization between Bank and Customer with respect to the subject matter hereof and supersedes any prior Authorization(s) between Bank and Customer with respect to such subject matter. In the event of any inconsistency between the terms of this Authorization and the Signature Card, the terms of this Authorization would result in a violation of any present or future statute, regulation or government policy to which Bank is subject, and which governs or affects the transactions contemplated by this Authorization shall be deemed amended to the extent necessary to comply with such stature, regulation or policy, and Bank shall incur no liability to Customer as a result of such violation or amendment.

ALL AUTHORIZED SIGNERS MUST sign this Telephone Transfer Authorization form.

AUTHORIZED SIGNATURES

_____ _____

_____ _____

_____ _____

BANK USE ONLY

ACCEPTED BY: _____ DATE: _____

APPROVED BY: _____

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01307 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.229

= Redacted by the Permanent Subcommittee on Investigations

E·FUNDS℠

Verification Checks
Batch Checks
Reporting
Help & Training
Logout

ID Verification Results for TEODORO N OBIANG

Printer-friendly Version

RESULTS SUMMARY
OFAC CHECK: FAILED
ID CHECK: FAILED

Next Steps

Warning: There may be multiple persons using this social security number. :
deem necessary, you may notate additional documentation verified by clickin

SSN: PASSED
Issued between 09/03/1996 and 01/02/1997 in California.
Input SSN: [redacted]

NAME M TCH: PASSED
Input Name: TEODORO N OBIANG

ADDRESS MATCH: FAILED
Input Address: 3620 SWEETWATER MESA ROAD MALIBU C
90265
Dif. Info: 12038 CREST CT BEVERLY HILLS CA 90210

DATE OF BIRTH MATCH: No Data Available
Input Date of Birth: 06/26/1969

Alternative Verifications

HOME PHONE MATCH: No Data Available
Input Home Phone: 310[redacted]

LICENSE MATCH:
Input License Number: No Verification Data Given

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 353

PSI-Pacific_Mercantile_Bank-01-0179

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01308 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.230

DECEASED: NO

Additional actions taken: add

Account Status: Click here to document that the account w
Opened

OFAC Results

OFAC Result
Name : Teodoro Nguema OBIANG Mangu
Owner : (Ret.)
Remarks : Min of Agriculture Forests - (Ret.)
Source : POLITICALLY EXPOSED LIST (PEP-CIA)
Name : Teodoro OBIANG Nguema Mbasogo Brig Gen
Owner : Equatorial Guinea
Remarks : President - Equatorial Guinea
Source : POLITICALLY EXPOSED LIST (PEP-CIA)

Keys
SDN/FBI: Specially Designated Nationals (SDN) List. (Incorporating the FBI most wa list.)
DPL: Denied Persons List.
OSFI: Office of the Superintendent of Financial Institutions.
NCCT: Non-Cooperative Countries and Territories.
PEP/CIA: Politically Exposed Persons.
PLC: Palestinian Liberation Council.

View Captured Data | Enter New Identity | Get Screening Report | Create SAR Form | Create CTR Form

PSI-Pacific_Mercantile_Bank-01-0180

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01309 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.231

E·FUNDS℠

Verification Checks
Batch Checks
Reporting
Help & Training
Logout

[redacted] = Redacted by the Permanent Subcommittee on Investigations

ChexSystems℠

Consumer Information (As Captured)

TEODORO N OBIANG
3620 SWEETWATER MESA ROAD
MALIBU CA 90265

SSN: [redacted]
DOB: 06261969
DL#:
DL STATE:

Phone: 310[redacted]
Country of Citizenship: US

Identification Information

SSN Validation: BECAME AVAILABLE FOR ISSUANCE IN 1996 IN CA SSN:Y

ChexSystems History

Previous Inquiries: No Previous Inquiries Found.

Closures:
No closure history found for this consumer.

Reference Detail

Transaction Tracking ID: 1158605238599:21913:PHXID066_P1:

ChexSystems™ Powered by eFunds

All services are provided by ChexSystems, Inc., a wl owned subsidiary of eFunds Corporation.

PSI-Pacific_Mercantile_Bank-01-0181

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01310 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.232

PACIFIC
MERCANTILE
BANK

September 19, 2006

Mr. Teodoro Nguema Obiang
3620 Sweetwater Mesa Road
Malibu CA 90265

Dear Mr. Obiang:

It was a pleasure to meet with you last week. Thank you for choosing Pacific Mercantile Bank and the opportunity to serve you. I am delighted to have you as our valued customer.

My assistant Silvia Kloc has been assigned as your personal banker. If we may be of further assistance with any of your financial needs, please do not hesitate to call Silvia directly at 310-860-3008 or myself at 310-860-3001. For your ready reference, my cell phone number is 310-420-0616.

Thank you once again for choosing Pacific Mercantile Bank. I look forward to developing a mutually beneficial banking relationship.

Best regards,

Fred Alavi
Executive Vice President
Beverly Hills Financial Center
310-860-3001

Cc: Mr. George Nagler

9720 WILSHIRE BOULEVARD
SUITE 100
BEVERLY HILLS, CA 90212

877-450-BANK TOLL FREE
310-860-3000 PHONE
310-246-1093 FAX

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 361

PSI-Pacific_Mercantile_Bank-01-0089

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01311 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.233

Wire Original Information Report

Our Ref 2006-FDI-1214-553

ID	Category	Value
3700	Charge	BUSD30,
3710	Charge	USD499973,53
1100	Message Disposition	02 P N
1110	Acceptance Time Stamp	1214 0800 FT01
1120	OMAD	20061214 [redacted] 0800 FT01
1510	Type Code	1000
1520	IMAD	20061214 [redacted] 000567
2000	**Amount**	**$499,943.53**
3100	Sender FI	[redacted] DBTCO AMERICAS NYC
3320	Sender Reference	[redacted]
3400	Receiver FI	[redacted] PAC MERC BK NEWBCH
3600	Business Code	CTR
4100	Beneficiary's FI	PACIFIC MERCANTILE BANK 949 S. COAST DRIVE, 3RD FLOOR COSTA MESA, CA 92626
4200	**Beneficiary**	D 3109386 TEODORO NGUEMA OBIANG 3620 SWEETWATER MESA ROAD MALIBU, CA 90265
4320	Reference for the Beneficiary	[redacted]
5000	**Originator**	D [redacted] SOMAGUI FORESTAL AVENIDA ASONGA BATA / EQUATORIAL GUINEA
5100	Originator FI	B RUBBFRPP F.B.F. (FORTIS BANQUE FRANCE) 13 RUE NOTRE DAME DES VICTOIRES 75082 PARIS CEDEX 02, FRANCE
5200	Instructing Institution	B GEBABEBB36A FORTIS BANK (BELGIUM) 3 MONTAGNE DU PARC

[redacted] = Redacted by the Permanent Subcommittee on Investigations

12/18/2006 5:44:20PM

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 362

PSI-Pacific_Mercantile_Bank-01-0020

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01312 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.234

ID	Category	Value
5200	Instructing Institution	BRUSSELS, BELGIUM
6000	Originator to Beneficiary Information	REGLEMENT FACTURE NR.1612-0001 / SW EETWATER MALIBU, LLC

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01313 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.235

Jimmy L. Hornsby

From: Sherry Spott
Sent: Thursday, January 11, 2007 3:22 PM
To: Jimmy L. Hornsby
Subject: Possible Fraud

Hi Jimmy,

I got a call from Marcell Calingo from Washington Mutual Fraud card services #925-738-4827. One of your customers #3109386, made out a check for $50,000. from his account with us payable to Wamu to pay his credit card. I was informed that his credit limit doesn't even amount to $50,000.00. It is check # 1010. I told him I would forward the information to you. If you need to speak with him his number is above. Thanks

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 363

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01314 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.236

ph44585 on D330-44585-7600 with DISTILLER

NO. 6428 P. 2

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TEODORO NGUEMA OBIANG

90-4288/1222
003109365

1010

DATE 12/21/06

PAY TO THE ORDER OF Washington Mutual $50,000.00

fifty thousand dollars + NO/100 DOLLARS

PACIFIC MERCANTILE BANK

MEMO 4185-8647 7455 9296

[redacted] 1010

JAN. 11. 2007 3:49PM WMCS

PSI-Pacific_Mercantile_Bank-01-0088

[10] Personal Checking 3109386 PACIFIC MERCANTILE BANK 2/5/2007 11:00:14 AM
Printed by: JIMMY HORNSBY Reporting Institution: 28

Demand Deposit 3109386 - TEODORO NGUEMA OBIANG

	Rel	Birthdate	Phone	Tax Identification
[01] TEODORO NGUEMA OBIANG		Jun 26, 1969	[H] (310) [redacted] [B] (310) [redacted]	Foreign [redacted]

3620 SWEETWATER MESA ROAD
MALIBU CA 90265

Tax Name: [1] TEODORO NGUEMA OBIANG

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Account Classification

Portfolio:	20698	Responsibility Code:	[306] FRED ALAVI
Product:	[290110] [10] Personal Checking	Account Type Code:	[5] INDIVIDUAL
Accounting Branch:	[3] Beverly Hills - 03		

All Transactions

Description	Debits	Credits	Date	Balance
Balance Forward:			Dec 15, 2006	$502,928.53
Check #1001	$5,400.00		Dec 20, 2006	$497,528.53
Check #1002	$2,174.00		Dec 22, 2006	$495,354.53
Check #1008	$54,720.00		Dec 26, 2006	$440,634.53
Check #1007	$22,289.00		Dec 27, 2006	$418,345.53
Check #1009	$51,903.14		Dec 28, 2006	$366,442.39
Check #1011	$253,204.46		Dec 28, 2006	$113,237.93
****Statement Produced****			Jan 12, 2007	$113,237.93
Check #1012	$56,544.00		Jan 22, 2007	$56,693.93
Balance This Statement:			Feb 04, 2007	$56,693.93

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 365

PSI-Pacific_Mercantile_Bank-01-0096

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01316 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.238

Print

[redacted] = Redacted by the Permanent Subcommittee on Investigations

[10] Personal Checking 3109386 PACIFIC MERCANTILE BANK 1/11/2007 3:38:54 PM
Printed by: JIMMY HORNSBY Reporting Institution: 28

Demand Deposit 3109386 - TEODORO NGUEMA OBIANG

	Rel	Birthdate	Phone	Tax Identification
[01] TEODORO NGUEMA OBIANG		Jun 26, 1969	[H] (310) 317-9737 [B] (310) 926-9440	Foreign [redacted]

3620 SWEETWATER MESA ROAD
MALIBU CA 90265

Tax Name: [1] TEODORO NGUEMA OBIANG

Account Classification

Portfolio:	20698	Responsibility Code:	[306] FRED ALAVI
Product:	[290110] [10] Personal Checking	Account Type Code:	[5] INDIVIDUAL
Accounting Branch:	[3] Beverly Hills - 03		

Summary

Memo Ledger Balance:	$113,237.93	Last Deposit Sep 15, 2006:	$3,000.00
Memo Available Balance:	$113,237.93	Last Check Dec 28, 2006:	$253,204.46
Current Ledger Balance:	$113,237.93	Date Opened:	Sep 15, 2006
Current Available Balance:	$113,237.93		
Overdraft Limit:	$0.00		

Projected Float

Projected Date	Available Float	Expiring Holds	Projected Balance
Projected Balances do not include Presentments			
Jan 11, 2007 Thursday			$113,237.93
Jan 12, 2007 Friday			$113,237.93
Jan 13, 2007 Saturday			$113,237.93
Jan 14, 2007 Sunday			$113,237.93
Jan 15, 2007 Monday			$113,237.93
Jan 16, 2007 Tuesday			$113,237.93

Service Charge

Date Last Service Charge:	Dec 15, 2006	Service Charge Cycle:	15th of the Month
Average Ledger Balance:	$285,865.40	Maintenance Method:	1
Average Available Balance:	$285,865.40	Credit Back Method:	1
Days Into This Period:	26	Credit Back Option 1:	All Primary Demand Deposit
Date Minimum Balance:	Dec 28, 2006	Credit Back Option 2:	All Primary Savings
Minimum Balance:	$113,237.93	DDA Credit Back Identification:	0
Amount of Cash In:	$0.00	Waiver Service Charge Code:	[0]
Amount of Cash Out:	$0.00	Waiver Sales Tax:	Assess Sales Tax
Number of CHECKS:	6		

Charge

ATM Charge Option:	Charge	Dormant Charge Code:	0
EIM Charge Option:	Charge	Waiver Overdraft Charge Code:	[0]
Other Charge Option:	Charge	Waiver Overdraft Interest Code:	[0]

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 365

PSI-Pacific_Mercantile_Bank-01-0090

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01317 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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[10] Personal Checking 3109386 PACIFIC MERCANTILE BANK 1/11/2007 3:38:54 PM

Printed by: JIMMY HORNSBY Reporting Institution: 28

Other Non-Taxable Charge Option:	Charge	Waiver FDIC Insurance Charge Code:	[0]
Fee Charge Option:	Charge	Waiver Sales Tax:	Assess Sales Tax
BPM Charge Code:	0		
EIM NSF Force Override:	EIM NSF Specifications		
EIM Charge Back Notice Detail:	One Notice - Current Balance		
EIM Exception Code:	0		

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01318 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

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imagesolutions

Account: 610015098

DOCUMENT IS PRINTED ON CHEMICAL SECURITY PAPER WITH VISIBLE FIBERS, TONER ADHESION PAPER, HEAT SENSITIVE, RED IMAGE DISAPPEARS WITH HEAT

PACIFIC MERCANTILE BANK

9720 Wilshire Blvd #100
Beverly Hills, CA 90212
(310) 860-3000

Cashiers Check
0046137
90-4295/1222

02/08/07

PAY ***FIFTY SIX THOUSAND SIX HUNDRED NINETY THREE and 93/100***USDollars $ 56,693.93

TO THE ORDER OF ********TEODORO NGUEMA OBIANG********

Jimmy Hornsby

REMITTER CLOSE 3109386

[redacted] 500 ⑈0005669393⑈

[redacted]

ENDORSEMENT
FOR DEPOSIT ONLY

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 366

PSI-Pacific_Mercantile_Bank-01-0038

ph44585 on D330-44585-7600 with DISTILLER

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GNagler

From: GNagler [gnagler@pacbell.net]
Sent: Wednesday, June 14, 2006 4:07 PM
To: 'teono@[redacted]'; 'Melinda DeHaven'
Subject: FW: Sweetwater Mesa - lease termination Midnight Wednesday June 14.

Mr. Nguema, I spoke to Paul Finestone concerning the state of the insurance market for coverage for the house, liability insurance for the the property and workmen's compensation insurance to protect the LLC from claims from people working for you injured on their jobs. He recommends that you should take the Homeland Insurance proposal that will cover the property for physical damage from fire and other casualties even though the cost is approximately $85,305.

He believes that he can quickly secure a proposal for the liability and workmen's compensation insurance for approximately $25,000, a total of approximately $110,305.

He understands that this is more than what the Chubb policy would have cost but Chubb declined coverage for the reason set forth below. This is the only proposal for coverage he has. I believe that you need to insure the property. This premium is approximately .7% of the estimated $12 million insurable value. Otherwise, you will have no coverage and in case of fire, you will bear all the risk of loss. Perhaps, the market will be better in one year. In the meantime you will have coverage.

If you agree, you need to have Ed issue a check for the amount to accept the quote. It should be done tomorrow, June 15.

Please call me if you wish to discuss.

George

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

From: Paul J. Finestone [mailto:coverage@earthlink.net]
Sent: Wednesday, June 14, 2006 12:06 PM
To: 'GNagler'; 'Melinda DeHaven'
Subject: RE: Sweetwater Mesa - lease termination Midnight Wednesday June 14.

HOMEOWNERS SUMMARY; 11:57 AM WEDNESDAY June 14, 2006

As a matter of practice we will be advising Sweetwater Mesa, LLC (previous owners) to maintain coverage until the walk through on Thursday and signed acceptance by the new owners. Then the coverage she has been continuing on the entire property will under her instructions be cancelled.

On the Sweetwater Malibu, LLC property we have the following results from home Insurance

Permanent Subcommittee on Investigations
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companies and clearly politics is part of the placement process on this property.:

State Farm Insurance: Declined, too large, brush zone, would write HO and DIC only if qualified, rarely exceed $2,000,000 insured value
Allstate: Declined, brush zone
Lexington Insurance: Declined, would exceed available reinsurance as they have lost significant capacity since Hurricane Katrina
AIG Private Client: Quoted, withdrawn, will not write due to political exposure for this insured.
Fireman's Fund: Declined, size, brush and ancillary hazard
Hartford: Declined, too large, brush
Safeco: Declined, too large, brush
Chubb Insurance: DECLINED, "Client profile is too high"

Farmers Insurance: Submit for Approval on property for Sweetwater Malibu, LLC, Lessor risk building property & liability only no contents no personal liability indication quote. Does include earthquake and as CEA signatory this is the California Earthquake Authority and not Farmers on earthquake coverage. Quote is for $9,999,000. Premium indication is $76,000. This file is subject to brush zone (computer system indicates that brush zone exceeds acceptable rating) and pond review as Farmers have serious issues with any open water particularly deep water and pools and will require that all be fenced and will not write coverage until after this has been done if they accept the risk. Farmers Insurance does not fully appreciate whom their client is at this time and we hesitate to trip them into a detailed review given the current automobile savings.

Lloyds of London: Pending, no response as of this instant {but please note while we do expect them to quote they are well known for pricing the risk)

Homeland Insurance: **ACCEPTED, will write property but not liability, Carrier clearly understands who they are underwriting**

There are a number of other carriers available but only for smaller homes and maximum values range from $600,000 to $1,000,000 based on reinsurance programs and their underwriting guidelines and we have not wasted time obtained "Declined" status from them as we knew that this could never be written on an underwriting basis without reference to either the brush zone or the other issues.

We can proceed with Homeland, or not. We can go into formal submit for approval with Farmers, but with a detailed review we may end up with a full decline on all business and we currently have the Tenants Package with Personal Liability, the automobiles and a personal umbrella for five million. We also note that no funds have yet hit the trust account and we are getting to the end of payment grace periods as this was supposed to fund by last Friday.

Please advise your instructions, if any.
Thank you.
Paul Finestone

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01321 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.243

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: GNagler [gnagler@pacbell.net]
Sent: Tuesday, December 12, 2006 5:29 PM
To: 'suellen_everett@[redacted]
Subject: TNO Group Health Quote
Attachments: TNO Group Health.pdf

Suellen, attached is a very detailed report on available health insurance. We will receive tomorrow a summary listing the top three recommendations. You may want to inform Mr. Nguema that this proposal includes him. Paul Finestone will need to substitute you in place of Melinda and have your date of birth so that he can get an accurate rate. Please send him your date of birth and remind him to use your information in place of Melinda.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 200 0407
Fax: (310) 278-7584

From: Paul J. Finestone [mailto:coverage@earthlink.net]
Sent: Tuesday, December 12, 2006 4:51 PM
To: 'gnagler'
Subject: FW: TNO Group Health Quote

Group Health illustration.

As requested.
Paul

Paul Finestone
Tel: 818-995-6706
Fax: 818-995-3401
Cell: 818-535-5399

Yes, this is a private, confidential and priviledged communication only intended for the addressed recipient. If you got it, and weren't supposed to, please email us back letting us know, and please delete this message.

Thank you.

From: Carmen Sanchez [mailto:carmen@EcologyEnergy.com]
Sent: Tuesday, December 12, 2006 4:47 PM
To: 'Paul J. Finestone'
Subject: TNO Group Health Quote

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ph44585 on D330-44585-7600 with DISTILLER
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568401.244

As you requested.

Carmen Sanchez
Finestone Insurance Agency
13263 Ventura Blvd., Suite #1
Studio City, CA 91604
(818) 995-6706 Office
(818) 995-3401 Fax

ph44585 on D330-44585-7600 with DISTILLER
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568401.245

GNagler

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From: Paul J. Finestone [coverage@earthlink.net]
Sent: Friday, May 05, 2006 2:21 PM
To: gnagler@pacbell.net
Subject: FW: SWEETWATER MESA MALIBU RESIDENCE

As per our discussion yesterday evening. See below summary.

Regards

Paul

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818[redacted]

From: Paul J. Finestone [mailto:coverage@earthlink.net]
Sent: Friday, April 28, 2006 6:25 PM
To: Neal Baddin (nealbaddin@[redacted])
Subject: SWEETWATER MESA MALIBU RESIDENCE

As per our conversation this will confirm that coverage is currently:

$12,200,000 with Extended Replacement Cost on Building,

Other permanent structures, included with extended replacement cost on rebuilding

$ 8,540,000 Contents, replacement cost

$1,000,000 Personal Liability with $10,000 Medical payments

Annual Premium for Homeowners is $42,000 with a separate blanket earthquake at $18,000, plus estate vehicles and excess program which will vary by owner requirements. "AAA" carrier. Additional limits are available and carrier is amenable to stated increases as necessary.

The carrier knows the residence and has been on risk for several years, and has inspected and approved the entire estate including ponds, generator system, golf course, pool and sprinkler and alarm systems. Building replacement cost, not land and location value is the basis of the current insured amount on structures.

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As long as your client is not "notorious" this transfer could be very easily accomplished over several days as full coverage remains in force on the residence.

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818[redacted]

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ph44585 on D330-44585-7600 with DISTILLER

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GNagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Friday, June 02, 2006 4:58 PM
To: 'GNagler'
Subject: QUOTES WITHDRAWN, AIG RE: OBIANG, TEODORA INSURANCE FOR SWEETWATER ESTATE
Importance: High

We have very bad news indeed.

We have this instant received a fax from the AIG underwriters representative who advises that they have reviewed web sites concerning Teodoro Obiang and that they are withdrawing the written quotations submitted to us for you on all of the coverage for the estate. We cannot get through to them this instant as they have already closed for the weekend but we have left voice mails and will try to have this reversed on Monday.

We will also instantly review other alternatives and report back on Monday.

We understand that our client is not the current President but a member of his family. We will keep you posted.

We have instructed Farmers to bind the coverage on the cars and the tenants' package. They are not a market for the estate.

Paul Finestone

From: GNagler [mailto:gnagler@pacbell.net]
Sent: Friday, May 26, 2006 10:51 AM
To: 'Paul J. Finestone'
Cc: 'Melinda DeHaven'
Subject: RE: OBIANG, TEODORA INSURANCE FOR SWEETWATER ESTATE

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ph44585 on D330-44585-7600 with DISTILLER
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Paul, thank you for the proposal. I assume that the insurance company will be AIG. Please confirm. The client is out of town until approximately June 4 and the current tenant will not be leaving until approximately June 9. I forwarded the information to Melinda DeHaven, the client's executive assistant.

I will attempt to get an answer before then.

George

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George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

From: Paul J. Finestone [mailto:coverage@earthlink.net]
Sent: Wednesday, May 24, 2006 5:57 PM
To: 'GNagler'
Subject: OBIANG, TEODORA INSURANCE FOR SWEETWATER ESTATE
Importance: High

Further to our conversation of this afternoon herewith a quick summary of the coverage offering for Mr. Obiang. The quotes with a proposal date and quote number are formal offers of coverage by the Insurance Company. They may be bound by a signed request document and the tender of the annual premium. If you would like to bind coverage please advise us at your early convenience and please allow two days for the clearing of payment and the issuance of binder documents.

Proposal Date 05/23/2006 Quote Number: Q00192355

COVERAGE: <u>HOMEOWNERS BROAD FORM POLICY</u>

$12,000,000 Primary Dwelling, Replacement cost on Building with extended Rebuilding endorsement.

$ 2,500,000 Other structures, blanket basis with extended Rebuilding endorsement.

$ 5,000,000 Contents of every description, Replacement Cost (subject to fine arts and antiques limitations)

$ 1,000,000 Personal Liability, including Workers' Compensation

$ 10,000 Voluntary Medical Payments

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Policy Includes credits for:

Burglar Alarm system, Guard Gated Community, Sprinkler system with flow alarm, External perimeter security, and Back-up electrical generator.

Deductible:	Premium:	
$1,000	$45,652	
$2,500	$43,397	
$5,000	$41,132	
$10,000	$38,628	All premiums are indicated for annual period.

COVERAGE: EARTHQUAKE POLICY

Proposal Date 05/23/2006 Quote Number: EQ10135321; Zone Rating Territory 1, 2 Stories, Frame with Stucco

$12,000,000 Dwelling(s) structure, Replacement Cost

$ 500,000 Contents, Replacement Cost 15% [$1,800,000 deductible per occurrence] Deductible

Premium: $31,864. Annual

Or

Proposal Date 05/23/2006 Quote Number: EQ10135321; Zone Rating Territory 1, 2 Stories, Frame with Stucco

$12,000,000 Dwelling(s) structure, Replacement Cost

$ 5,000 Contents, Replacement Cost 15% [$1,800,000 deductible per occurrence] Deductible

Premium: $22,230. Annual

Indication Only:

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Umbrella Liability, blanket basis USA, excess of Home and two estate vehicles

$10,000,000 Limit of Liability (possibly written as two policies).

Premium Indication: $4,700. Annual

We have no information on Estate Vehicles and have therefore made no indication for you on automobile insurances.

We have no information on Fine Arts, Jewels or Antiques and have therefore made no indication for you on inland marine insurances.

We have no information on any additional locations or storage locations and have therefore made no indication for you on same.

Should there be any other property or vehicles or locations we should be reviewing and adding for you please advise us accordingly.

Please contact us with your instructions or with any questions. Thank you.

Paul

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818-[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

ph44585 on D330-44585-7600 with DISTILLER

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568401.251

GNagler

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From: GNagler [gnagler@pacbell.net]
Sent: Thursday, June 08, 2006 3:41 PM
To: 'Paul J. Finestone'
Subject: RE: T.N. OBIANG PLACEMENT ISSUES - A Suggested Information Article

Paul I found a favorable article that you may want to consider forwarding to the underwriters. Its at www.eia.doe.gov/emeu/cabs/eqguinea.html. I think that this is a favorable article on the country and it clearly mentions our client. Let me know what you think.

George

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

From: Paul J. Finestone [mailto:coverage@earthlink.net]
Sent: Wednesday, June 07, 2006 1:38 PM
To: 'GNagler'
Cc: melindadehaven@[redacted]
Subject: T.N. OBIANG PLACEMENT ISSUES...

You had asked us to reference media which are being directly cited to us in our attempts to secure coverage for Teodoro N. Obiang. Directly below is the response we have had on two of our separate placement attempts which we have responded to as follows:

Paul:

The Underwriter called this afternoon and after doing a GOOGLE on Teodoro N Obiang I came up with this website.

http://www.publicintegrity.org/bow/report.aspx?aid=151

Please advise if this is the "Teodoro N. Obiang"?

The Underwriter needs to know the following:

a) Confirm his occupation

b) Is AIG going to offer a quote for Mr. Obiang – I believe you said "no"

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ph44585 on D330-44585-7600 with DISTILLER
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c) Mr. Obiang has Security Guards – are they armed? If yes? Why?

d) Is this Mr. Obiang's primary residence?

e) Did he already purchase the home from the previous owner?

Please advise at your earliest.

Thank you and Regards,

RESPONSE:

The article is about "Teodoro Obiang Nguema Mbasogo" who is the father by one of his wives to T. N. Obiang, who is one of his sons. I would point out that nowhere in the referenced article is there any allegations of any violation of American laws and further his country is a major supplier of oil to America and a critical interest of American energy needs. Further it is a basic American tenant that each individual is responsible for his own actions, not the actions of others, even family members (or perhaps for many people especially family members).

While I may have some issues with the fathers approach, it is consistent with the entire continent of Africa and most of the Middle East where they would joyfully murder me if they had the chance –and that is not rhetorical, that is cold fact. The father is no better and no worse than the Saudi Royal family who are also absolute dictators who eliminate their opposition whenever necessary. The Saudi Royal family who have directly funded Hamas and other terrorist groups depending on their mood and who are such great friends of ours. We insure billions and billions of dollars of Saudi property bought with our oil money here in America and AIG has no problem handling a great deal of that business.

To answer your questions:

A) Obiang Jr. is independently wealthy; he is an investor and a collector.

B) AIG Private Client group is not going to quote; we are not quoting two AIG companies against each other.

C) The security guards he has hired are exactly the same people whom our prior client utilized without problem for the last seven years at this location. They are highly qualified, they are all American and I have no information on how they operate. They are a corporation and their staffs are not directly employed by my client. I can tell you that in the seven years I have handled the insurance of this estate I have been on premises over 10 times and never saw them –they are very unobtrusive to invisible. Mr. Obiang has security guards for the same reason that other wealthy people do. They are a target for K&R which is why we sell that coverage to so many American Corporations and wealthy individuals. They are also a prime target for home invasion robberies, of which we have dozens every year in Los Angeles. I assume that if a very wealthy white woman has security guards and is insured without difficulty that a very wealthy black person who hires exactly the same people in exactly the same place should not be subject in America to a difference in approach.

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D) This would be the primary residence in America. He does travel extensively, but there is professional full time staff on premises continuously including several who worked for the previous owner who will continue in service to the estate.

E)The Home has been purchased but the previous owner has leased the home back for a period of time expected to expire around June 14th, 2006 and is responsible to maintain coverage until then.

I trust that this gives you everything that you require.
Paul

We continue to work to secure this placement.

Regards

Paul

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818[redacted]

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GNagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Friday, June 09, 2006 2:59 PM
To: 'GNagler'
Cc: melindadehaven@[redacted]
Subject: CONFIRMATION OF QUOTE

Further to our conversation of this afternoon herewith a quick summary of the coverage offering for Mr. Obiang. They may be bound by a signed request document and the tender of the annual premium and WE ARE CERTAIN THAT THE INSURER KNOWS WHO THEY ARE INSURING. If you would like to bind coverage please advise us at your early convenience and please allow two days for the clearing of payment and the issuance of binder documents.

Proposal Date 06/10/2006 Quote Number: 0610-1PJ

COVERAGE: HOMEOWNERS BROAD FORM PROPERTY ONLY POLICY

$12,000,000 Primary Dwelling, Replacement cost on Building with extended Rebuilding endorsement.

$ 2,400,000 Other structures, blanket basis with extended Rebuilding endorsement.

$ 5,000,000 Contents of every description, Replacement Cost (subject to fine arts and antiques limitations)

$ 0 Personal Liability, NO Included Workers' Compensation

$ 0 Voluntary Medical Payments

Policy Includes credits for:

Burglar Alarm system, Guard Gated Community, Sprinkler system with flow alarm (THIS IS A WARRANTY), External perimeter security, and Back-up electrical generator.

Deductible:	Premium:	
$10,000	$85,305	All premiums are indicated for annual period, and include fees.

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ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01333 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.255

COVERAGE: EARTHQUAKE POLICY

Zone Rating Territory 1, 2 Stories, Frame with Stucco

$12,000,000 Dwelling(s) structure, Replacement Cost

$ 5,000,000 Contents, Replacement Cost

$10,000 PER OCCURRENCE DEDUCTIBLE EXCEPT 10% [$2,180,000 deductible per occurrence]

NOTE: THE EARTHQUAKE COVERAGE IS SUBJECT TO AN AGGREGATE LIMIT OF $15,000,000

Premium: $INCLUDED Annual

This policy is for property standard ISO all risks of physical loss except as excluded, and earthquake. No casualty of any kind is included.

We are separately going to place a commercial workers compensation policy for Sweetwater Malibu's employees. We are preparing to send out applications for commercial general liability for premises and operations of Sweetwater Mesa, as well as excess liability applications matching the primary and we are attempting to secure $10,000,000 of liability coverage excess of the primary to restore the full program. We are estimating premium at $25,000 for this and have included this on the invoice as per Melinda's request but please note this is advisory only. If we run into problems in the commercial market all is subject to revision.

We have no information on Fine Arts, Jewels or Antiques and have therefore made no indication for you on inland marine insurances.

Please contact us with your instructions or with any questions. Thank you.

Paul

6/9/2006

ph44585 on D330-44585-7600 with DISTILLER

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Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818-[redacted]

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6/9/2006

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george nagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Sunday, April 29, 2007 4:52 PM
To: 'george nagler'
Subject: RE: Insurance Coverage for Saurman Investigative Services

There are two possible cases, the independent contractor status holds up on examination, or it does not.

Assuming that the independent contractor status is held to be valid and enforceable, then there is a) no workers compensation liability and b) the contractor is able to sue if he is injured on the job on premises and if he can show negligence on behalf of the management company (then he has a basis for a suit and possible damages). If he is held to be an employee, then he has direct access to workers compensation for his injuries sustained on the job, and his ability to sue is blocked.

We do not have liability in place for Sweetwater Malibu, Inc. as we were unable to secure coverage at any reasonable price when we were placing coverage last year. We had a single market prepared to accept coverage on the homeowners and they refused liablity coverage given whom the client is and their percieved exposure to political risk and "social" risk. We had approached a number (over 15 companies) of markets and there was nothing available then for up to $25,000 of premium. This is topical, because we are redoing the applications this week to attempt, for the June renewal, to turn that situation around. We now have a year claims free on location. We are hoping to change someones mind.

You may recall the discussions last year as we issued a tenants package policy for Mr. Obiang at the Sweetwater location, and we have as well a $5,000,000 umbrella in his personal name to provide him personal protection and indemnity from some of this exposure.

We have prepared the Workers Compensation coverage three times now for Sweetwater Management. The first two times the State Fund who were the only ones who would write this coverage came in at approximately $50,000 annually. Both those quotes had expired after 30 days (but it takes about 45 days to get a quote out of them). We actually appealed the rating basis used the second time and we recently won a major reduction. We have an offer which is expiring at $15,000 annually with State Fund that I understand our client has refused. Suellen did call on Friday to try to get policy wordings for this which we will forward to her this week as apparently someone is reviewing this on the Client side. It might be very helpful if you could let our mutual client know that California mandates that every California employer (Sweetwater Management) must have workers compensation coverage if you have one or more employees. I am thinking that he must believe that this is not the case or he is relying on his diplomatic status.

Of course, without the worker's compensation there can be no group health insurance either, but I assume that you are aware of this.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 382

Confidential Treatment Requested SEN008867

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01336 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.258

To go back to your question, if there is no workers compensation, and Mr. Obiang is deemed a "special employer" then the State of California will go after him. Special Employer is a term used to describe someone who has what is deemed to be a "special" employer (with a direct or indirect) relationship with the employee and the state deems him the "special employer" and goes after him for workers compensation violations (like failing to procure the State Mandated coverage). While Mr. Obiang is likely to escape any personal liability, the same probably cannot be said for Sweetwater Malibu or Sweetwater Management. You should definitely review this with a Labor Attorney, but, my understanding is that if you have violated any one or more of approximately 11 standards reviewed (also used by the IRS) then they can and will invalidate the IC status of the "employees" and you are on the hook. This has apparently happened with some of the labor leasing companies when employers "lease back" their employees. The State would then be pursuing you on behalf of the employees. This is not a burden of proof issue, if they can rule on any basis that this is an employee of a special employer, they will typically do so.

Is this a major task or significant cost to obtain the Liability Insurance? Yes, unless we can get a homeowners market to agree to write this for the June renewal. Can it be bought in the commercial market, yes, at significant cost and I will be pleased to review our work from last year with you.

Can we buy Workers Compensation coverage? Yes. Available right now from State Fund at $15,000 annually.

I will be travelling on Monday and Tuesday, but will be in the office the rest of the week. Be happy to go over this with you.

Regards
Paul

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Paul Finestone
Tel: 818-995-6706
Fax: 818-995-3401
Cell: 818[redacted]

Yes, this is a private, confidential and privledged communication only intended for the addressed recipient. If you got it, and weren't supposed to, please email us back letting us know, and please delete this message.

Thank you.

From: george nagler [mailto:gnagler@pacbell.net]
Sent: Thursday, April 26, 2007 9:23 AM
To: 'Paul J. Finestone'
Subject: Insurance Coverage for Saurman Investigative Services

4/29/2007

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01337 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.259

Paul, I am resending today.

= Redacted by the Permanent Subcommittee on Investigations

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

From: george nagler [mailto:gnagler@pacbell.net]
Sent: Thursday, April 19, 2007 6:23 PM
To: 'Paul J. Finestone'
Subject: Insurance Coverage for Saurman Investigative Services

Paul, Bob Saurman reminded me that he does not carry either workmen's compensation insurance or third party liability insurance for the people he employs as independent contractors. He explains that everyone who he hires usually works no more than 24 hours a week at the property, works at other places for other employees and has a valid business license.

Attached is a copy of his contract with Sweetwater Malibu LLC. Please note particularly 7 of the agreement that reads as follows:

> **"Sweetwater agrees to indemnify and hold harmless SIS from any claims by any third parties for any thing that occurs that is related to or arises in connection with the security services provided by SIS at or near the Property except for any negligent or willful acts of SIS or any of its investigator/security persons, but not exceeding the amount of liability insurance in force at the Property and covered within the normal coverage terms and conditions of Sweetwater's existing general liability insurance policy then in force."**

Bob Saurman specifically negotiated for not having any insurance coverage subject to the LLC's ability to secure coverage. I am not sure what insurance coverage exists for the LLC. As we discussed, you are going to check to see if the LLC has any liability if one of the independent contractors has an accident at the property and is injured or injures someone else.

Please advise what insurance coverage Sweetwater Malibu LLC has, should have or can get to cover any potential liability and the potential cost. If this is a substantial task, lets talk first.

Thank you.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

<<...>>

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568401.260

GNagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Monday, June 12, 2006 5:13 PM
To: 'Melinda DeHaven'
Cc: 'GNagler'
Subject: MOTORCYCLES
Importance: High

Melinda & George,

We are having an unexpectedly very hard time finding coverage for these two motorcycles including property damage at anything approaching sanity. Every one of the normal carriers we use simply will not quote this coverage at regular premium numbers without a California driver's license –and they will not release any quotation. We have special applications out to several markets including Chubb Custom who are reviewing this for us right now, but we do not have confirmed coverage which we can bind.

Two additional markets would do this at custom level, but again they want time to review the coverage, obtain an appraisal of the coverage, and they want a hard copy loss history and preferably a MVR. We could place the Liability coverage with them for approximately $3,450 annually for both motorcycles but they are demanding a California license. Options are get T.N. Obiang a California license, or perhaps lease the motorcycles to George for a dollar a year and he can "lend" them back to T.N. Obiang. Please note, if T.N. does get a California license (which he does not have to use for anything other than obtaining insurance) there are several carriers who would provide good quotations who are refusing to provide quotes without the license.

We had discussed last week the necessity of a statement of a loss free history for Mr. Obiang from his home jurisdiction which we still do not have in hand, and in addition to the motorcycles we really do need this urgently for the cars as well.

Let me repeat that –We require a loss run/driving record from his insurance people in Equatorial Guinea on appropriate letterhead (Department of Insurance or what ever government ministry or his insurance company if such is in operation there) with his loss runs and infraction free record, that we have translated into English by a certified translator (which we can do here), and we need that as soon as possible stating that he has a loss free history.

We have been chasing the just expired automobile carrier for loss runs which we have not yet gotten. We need those as well and we are chasing.

We are expecting possible answers tomorrow morning including physical damage which is not included in the above quote for $3,450 because they want essentially value of the motorcycles for physical damage which is simply nonsense.

Paul Finestone

Tel: 818-995-6706

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 387

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01339 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.261

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GNagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Wednesday, June 14, 2006 9:22 AM
To: 'Melinda DeHaven'
Cc: 'GNagler'
Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES // AUTOMOBILES POTENTIALLY

COMMERCIAL AUTO AND MOTORCYCLES AS A "FLEET" -DRIVERS

We are doing this on the commercial auto fleet applications only. The fact that you are a listed driver does not mean that you have to drive any vehicles at all. It also creates no personal liability at all for you individually that we know of -but I will defer to George to confirm that.

What it means is that you have access to the vehicles at some time and under some circumstance might be required to drive. We are therefore adding you to the standard drivers list. The same could be said for security people.

The benefit we were seeking to add to this application was that if there were a couple of relatively clean drivers with CA information that the underwriters could verify on the drivers list which forms part of the application, it makes it easier for them to reasonably accept a foreign non California licensed driver as the primary driver. We have a number of instances where one not so great driver is permitted when the other drivers on a fleet are good.

We continue to look for every possibility to best secure and put to bed all of the various problems for Mr. Obiang.

Paul

[redacted] = Redacted by the Permanent Subcommittee on Investigations

-----Original Message-----
From: Melinda DeHaven [mailto:melindadehaven@[redacted]]
Sent: Wednesday, June 14, 2006 6:37 AM
To: coverage@earthlink.net
Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES // AUTOMOBILES POTENTIALLY

Paul I need to run this by Mr. Nguema first - Also I will continue looking for his expired California drivers license George said that he does not want

to be listed as a potential driver. Are you doing this to include in a commercial package for the liabilitiy? Mr. N is still insured by Farmers as

we speak isn't he? Also would you please make sure that the changes we gave

Carmen yesterday are cross referenced for the Farmers policy. Thank you.

>From: "Paul J. Finestone" <coverage@earthlink.net>
>To: "'Melinda DeHaven'" <melindadehaven@[redacted]>
>CC: "'GNagler'" <gnagler@pacbell.net>
>Subject: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES //
>AUTOMOBILES POTENTIALLY
>Date: Tue, 13 Jun 2006 14:54:33 -0700
>
>

*Please destroy this email and any attachments, and advise me if you received this in error.

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GNagler

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Wednesday, June 14, 2006 8:56 AM
To: 'Melinda DeHaven'
Cc: 'GNagler'
Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES // AUTOMOBILES POTENTIALLY

If it could be found and re-instated this would make a HUDGE difference and we could have the motorcycles solved in a day.

If he could fax you a copy, or get you the license number we could track this down and find out what it takes to get it back.

We will still need the letter we asked for and that is still a high priority until we have the license resolved.

Paul

= Redacted by the Permanent Subcommittee on Investigations

-----Original Message-----
From: Melinda DeHaven [mailto:melindadehaven@[redacted]]
Sent: Tuesday, June 13, 2006 9:18 PM
To: coverage@earthlink.net
Cc: gnagler@pacbell.net
Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES // AUTOMOBILES POTENTIALLY

George do we need to run this by Mr. Nguema first? Also Paul Mr. Nguema said that he had a CA driver's license but it has expired. I tried to find it in the file but haven't found it yet. I will keep looking.

Melinda DeHaven [redacted]
[redacted]
Santa Monica, CA [redacted]
2/24/[redacted]

>From: "Paul J. Finestone" <coverage@earthlink.net>
>To: "'Melinda DeHaven'" <melindadehaven@h[redacted]
>CC: "'GNagler'" <gnagler@pacbell.net>
>Subject: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES //
>AUTOMOBILES POTENTIALLY
>Date: Tue, 13 Jun 2006 14:54:33 -0700
>
>
>
>We have just got off the phone with them and we cannot get an answer yet.
>
>The underwriters have gone to Management to get an approval on being
>allowed
>to release a quote on this account.
>
>They indicate that we will have that answer tomorrow morning before lunch.
>
>Separately:
>

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568401.263

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GNagler

From: Melinda DeHaven [melindadehaven@[redacted]]
Sent: Wednesday, June 14, 2006 6:31 AM
To: gnagler@pacbell.net
Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES // AUTOMOBILES POTENTIALLY

Thank you for confirmation of my thoughts.

[redacted] = Redacted by the Permanent Subcommittee on Investigations

```
>From: "GNagler" <gnagler@pacbell.net>
>To: "'Melinda DeHaven'"
><melindadehaven@[redacted],<coverage@earthlink.net>
>Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES //
>AUTOMOBILES POTENTIALLY
>Date: Tue, 13 Jun 2006 23:13:25 -0700
>
>Melinda, I do not intend to list myself as a driver of any of Mr. Nguema's
>vehicles.  Is it possible that Erik may have to drive any of them?  I think
>that you should ask Mr. N as to who he would want on the fleet policy after
>explaining what Ed needs.
>
>If he can or will revive his California drivers license, that will be
>helpful to Paul's search for reasonable coverage.  That is something you
>may
>want to discuss with Mr. N.
>
>George
>George I. Nagler
>468 N. Camden Drive #200
>Beverly Hills, CA  90210
>Tel: (310) 278-0034; mobile: 310[redacted]
>Fax:  (310) 278-7584
>
>
>-----Original Message-----
>From: Melinda DeHaven [mailto:melindadehaven[redacted]
>Sent: Tuesday, June 13, 2006 9:18 PM
>To: coverage@earthlink.net
>Cc: gnagler@pacbell.net
>Subject: RE: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES //
>AUTOMOBILES POTENTIALLY
>
>George do we need to run this by Mr. Nguema first?  Also Paul Mr. Nguema
>said that he had a CA driver's license but it has expired.  I tried to find
>it in the file but haven't found it yet.  I will keep looking.
>
>Melinda DeHaven [redacted]
>[redacted]
>Santa Monica, CA [redacted]
>2/24/[redacted]
>
>
> >From: "Paul J. Finestone" <coverage@earthlink.net>
> >To: "'Melinda DeHaven'" <melindadehaven@[redacted]
> >CC: "'GNagler'" <gnagler@pacbell.net>
> >Subject: CHUBB CUSTOM PENDING QUOTE, HOMEOWNERS AND MOTORCYCLES //
> >AUTOMOBILES POTENTIALLY
> >Date: Tue, 13 Jun 2006 14:54:33 -0700
> >
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568401.264

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Paul J. Finestone [coverage@earthlink.net]
Sent: Tuesday, June 13, 2006 11:46 AM
To: 'Melinda DeHaven'
Cc: 'GNagler'
Subject: T.N. OBIANG DRIVERS HISTORY LETTER SAMPLE
Attachments: TNOBIANG DRIVERS STATEMENT.doc

Attached is a sample draft letter that would accomplish what we need. Please review and call if you have any questions.

Thank you.

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818[redacted]

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 390

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01343 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.265

On letterhead of the Ministry or Insurance or Department of Insurance or Department of State or whatever is most appropriate in Equatorial Guinea.

June 13, 2006

To Whom It May Concern:
Driving Record History

REFERENCE: MR. TEODORO N. OBIANG
E.G. DRIVERS LICENSE #: <<INSERT DRIVERS LICENSE NUMBER>>
PASSPORT NUMBER: <<INSERT PASSPORT NUNMBER>>

Dear Sirs:

This is to certify the official driving record of the above captioned citizen who is licensed to drive both automobiles and motorcycles up to commercial class vehicles. This certification is valid for the period of time specified below.

TEODORO N. OBIANG [Original License date June 28, 1985]
<<INSERT HOME ADDRESS MATCHING PASSPORT>>

The period of time of this certification is from:	**June 13, 1999 to June 13, 2006**
Tickets from Federal or State Police:	**None**
Accidents on record:	**None**
Special Citations:	**None**

This concludes the record between the dates specified.

Sincerely yours,

ph44585 on D330-44585-7600 with DISTILLER
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GNagler

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From: Melinda DeHaven [melindadehaven@hotmail.com]
Sent: Wednesday, July 26, 2006 9:09 AM
To: coverage@earthlink.net
Cc: gnagler@pacbell.net
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE

I understand what your saying but not sure what you are trying to tell me.
Thank you for more clarification.

From: "Paul J. Finestone" <coverage@earthlink.net>
To: "'Melinda DeHaven'" <melindadehaven@[redacted]>
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE
Date: Wed, 26 Jul 2006 08:08:18 -0700

I am going to try to get us the extra 15 days, but NOTE: When we collapse the current application in the State Farm computer it will be as if there was no coverage for this 15 day period.

Paul

Paul Finestone
Tel: 818-995-6706
Fax: 818-995-3401
Cell: 818-[redacted]

Yes, this is a private, confidential and priviledged communication only intended for the addressed recipient. If you got it, and weren't supposed to, please email us back letting us know, and please delete this message.

Thank you.

-----Original Message-----
From: Melinda DeHaven [mailto:melindadehaven@[redacted]]
Sent: Tuesday, July 25, 2006 9:52 PM
To: coverage@earthlink.net
Cc: gnagler@pacbell.net; carmen@ecologyenergy.com
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE

Paul - he does not have a hard copy of his license. I sent you the dmv printout that I received and the suggestions of going ahead with AAA and maybe they could solve it. I will wait until I speak with you though. Tonight he did say that he would go to the DMV when he returned around the 6th.

From: "Paul J. Finestone" <coverage@earthlink.net>
To: "'Melinda DeHaven'" <melindadehaven@[redacted]>
CC: "'gnagler'" <gnagler@pacbell.net>,"Carmen Sanchez" <carmen@ecologyenergy.com>
Subject: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE
Date: Mon, 24 Jul 2006 16:32:00 -0700

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 391

ph44585 on D330-44585-7600 with DISTILLER
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568401.267

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State Farm have just advised us that if we cannot get license data cleared to them by this Wednesday, that the coverage is dead.

We are out of options for coverage to provide a better value.

Photocopy of whatever there is or what he is carrying when driving in California is what we need immediately.

Regards

Paul

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818-[redacted]

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Thank you.

<< image001.gif >>

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GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Melinda DeHaven [melindadehaven@[redacted]]
Sent: Tuesday, July 25, 2006 9:52 PM
To: coverage@earthlink.net
Cc: gnagler@pacbell.net; carmen@ecologyenergy.com
Subject: RE: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE

Paul - he does not have a hard copy of his license. I sent you the dmv printout that I received and the suggestions of going ahead with AAA and maybe they could solve it. I will wait until I speak with you though. Tonight he did say that he would go to the DMV when he returned around the 6th.

From: "Paul J. Finestone" <coverage@earthlink.net>
To: "'Melinda DeHaven'" <melindadehaven@[redacted]>
CC: "'gnagler'" <gnagler@pacbell.net>,"Carmen Sanchez" <carmen@ecologyenergy.com>
Subject: COVERAGE DECLINATION WITHOUT AUTOMOBILE LICENSE
Date: Mon, 24 Jul 2006 16:32:00 -0700

State Farm have just advised us that if we cannot get license data cleared to them by this Wednesday, that the coverage is dead.

We are out of options for coverage to provide a better value.

Photocopy of whatever there is or what he is carrying when driving in California is what we need immediately.

Regards

Paul

Paul Finestone

Tel: 818-995-6706

Fax: 818-995-3401

Cell: 818[redacted]

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Thank you.

<< image001.gif >>

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EXHIBIT #134 - FN 392

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568401.269

HAGERTY

Collector Car Insurance

Underwritten By:
Encompass Insurance Co.
(A Stock Company)
2775 Sanders Rd Northbrook, IL 60062

Hagerty Insurance Agency, Inc.
PO Box 87
Traverse City, MI 49685
Service and Claims: 800-922-4050

Classic Automobile Renewal Offer

Policy Number: 243596016 **Policy State:** CA
Policy Term: Effective 10/30/2007 to Expiration 10/30/2008 at 12:01 a.m. standard time **Issue Date:**09/17/2007

Named Insured:
Teodoro Obiang
3620 Sweetwater Mesa Rd
Malibu, CA 90265

Agent:
Finestone Insurance Agency
13263 Ventura Blvd
Studio City CA 91604-
(818) 995-6706

Driver(s)	Excluded Person(s)
Teodoro Obiang	None

Liability Coverage Part - Limit: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

	Total Coverage Premiums	
A: Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	95
A: Property Damage: $100,000 Per Accident	$	27
B: Medical Payments: $1,000 Per Person/Per Accident	$	27
C: Uninsured Motorists Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	45
C: Uninsured Motorists Property Damage: $3,500 Per Accident; $0 deductible		INCL
Limited Earthquake Coverage: Policy Annual Aggregate of $1,000,000	$	10

Coverage for Damage to your Auto(s) - Part D: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

Other Than Collision	$	48,212
Collision	$	51,050

Policy Discounts/Credits, Surcharges, Other *Vehicle factors are shown under "Vehicles we cover"*

$5,000 Deductible Credit	APPLIED
Good Driver Discount	APPLIED
Number of Years Licensed: 3-4	APPLIED
Multi-Vehicle Discount: 5-10 Vehicles	APPLIED

Total Annual Policy Premium:	$	99,466
Hagerty Plus Membership Fee:	$	85
Previous Balance:	$	0
Total Amount Due:	$	99,551

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 394

SEN000213

ph44585 on D330-44585-7600 with DISTILLER
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568401.270

The coverages listed above are afforded if indicated by an "X" and/or where a premium is shown below:

Vehicle(s) We Cover:

	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
1) 2005 PORSCHE CAYENNE TURBO VIN: WP1AC2935LA90465 Agreed Value: $91,000 Collision: $1279; $5000 deductible Other Than Collision: $1207; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
2) 2004 PORSCHE CARRERA GT 2D VIN: WPOCA29884L001125 Agreed Value: $504,000 Collision: $7979; $5000 deductible Other Than Collision: $6688; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
3) 2004 ROLLS-ROYCE PHANTOM VIN: SCA1S68474UX07448 Agreed Value: $291,500 Collision: $4094; $5000 deductible Other Than Collision: $3868; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
4) 2004 ROLLS-ROYCE PHANTOM VIN: SCA1S68448UX07314 Agreed Value: $291,500 Collision: $4096; $5000 deductible Other Than Collision: $3868; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
5) 1998 ROLLS-ROYCE PARK WARD 4D VIN: SCAZW19C4WCXB0253 Agreed Value: $163,500 Collision: $2578; $5000 deductible Other Than Collision: $2434; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
6) 2005 MERCEDES BNZ SLK VIN: WDDAJ78F85M00369 Agreed Value: $998,000 Collision: $8398; $5000 deductible Other Than Collision: $7933; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
7) 2006 BUGATTI VEYRON 2D VIN: VF9SA15B86M795858 Agreed Value: $1,305,000 Collision: $19329; $5000 deductible Other Than Collision: $17310; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X

ph44585 on D330-44585-7600 with DISTILLER
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568401.271

8) 2007 ROLLS-ROYCE PHANTOM 4D VIN: SCA1S68537UX08433 Agreed Value: $370,000 Collision: $5197; $5000 deductible Other Than Collision: $4608; $5000 deductible Rate Code: E Rate Factor: CEBAAC	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
	X	X	X	X	X	X

Rate Code: A = Antique C = Classic/Modified E = Exotic T= Trailer

Additional Interests:

None

Forms and Endorsements Made Part of This Policy at time of Issue:

Competition Exclusion - CA*	G1-71872-A
Amendment of Policy Provisions - CA*	PP 01 89 08 05
Classic Auto Policy - CA	G1-31435-A
Coverage for Damage to Your Covered Auto	G1-31981-A
Automatic Coverage for Add'l Vehicles	G1-70368-A
Auto Show Medical Reimbursement*	G1-71143-B
Limited Earthquake - CA	G1-70225-C
Reproduction Models and Exotic/Spcl. Int. Veh.	G1-30756-B
Split Liability Limits	PP 03 09 04 88
Uninsured Motorists Coverage - CA*	PP 04 87 08 05

Other Important Notices and Enclosures:

G1-71877-A Competition Exc. Policyholder Notice - CA*

G1-71228-C Premium Discounts Available - CA

*Enclosed in this Mailing

SEN000215

ph44585 on D330-44585-7600 with DISTILLER
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568401.272

HAGERTY

Collector Car Insurance™

Underwritten By:
Encompass Insurance Co.
(A Stock Company)
2775 Sanders Rd Northbrook, IL 60062

Hagerty Insurance Agency, Inc.
PO Box 87
Traverse City, MI 49685
Service and Claims: 800-922-4050

Classic Automobile Renewal Offer

Policy Number: 243596050 **Policy State:** CA
Policy Term: Effective 10/30/2007 to Expiration 10/30/2008 at 12:01 a.m. standard time **Issue Date:**09/17/2007

Named Insured:
Teodoro Oblang
3620 Sweetwater Mesa Rd
Malibu, CA 90265

Agent:
Finestone Insurance Agency
13263 Ventura Blvd
Studio City CA 91604-
(818) 995-6706

Driver(s)	Excluded Person(s)
Teodoro Oblang	None

Liability Coverage Part - Limit: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

	Total Coverage Premiums	
A: Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	95
A: Property Damage: $100,000 Per Accident	$	27
B: Medical Payments: $1,000 Per Person/Per Accident	$	27
C: Uninsured Motorists Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	45
C: Uninsured Motorists Property Damage: $3,500 Per Accident; $0 deductible		INCL
Limited Earthquake Coverage: Policy Annual Aggregate of $1,000,000	$	10

Coverage for Damage to your Auto(s) - Part D: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

Other Than Collision	$	38,995
Collision	$	41,289

Policy Discounts/Credits, Surcharges, Other *Vehicle factors are shown under "Vehicles we cover"*

$5,000 Deductible Credit	APPLIED
Good Driver Discount	APPLIED
Number of Years Licensed: 3-4	APPLIED
Multi-Vehicle Discount: 5-10 Vehicles	APPLIED

Total Annual Policy Premium:	$	80,488
Previous Balance:	$	0

SEN000216

ph44585 on D330-44585-7600 with DISTILLER
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The coverages listed above are afforded if indicated by an "X" and/or where a premium is shown below:

Vehicle(s) We Cover:

	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
1) 1989 FERRARI 512 M VIN: ZFFVA40B000105518 Agreed Value: $62,800 Collision: $881; $5000 deductible Other Than Collision: $834; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
2) 2001 FERRARI 550 BARCHETTA VIN: ZFFZR52B000124413 Agreed Value: $230,000 Collision: $3230; $5000 deductible Other Than Collision: $3051; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
3) 2005 FERRARI 612 SCAGLIETTI VIN: ZFFAA54A650141842 Agreed Value: $292,000 Collision: $4102; $5000 deductible Other Than Collision: $3872; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
4) 2003 FERRARI ENZO COUPE VIN: ZFFCW56A130134684 Agreed Value: $1,180,000 Collision: $16573; $5000 deductible Other Than Collision: $15653; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
5) 1992 FERRARI F40 VIN: ZFFMN34A8N0091471 Agreed Value: $280,000 Collision: $3932; $5000 deductible Other Than Collision: $3715; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
6) 1995 FERRARI F50 VIN: ZFFTA46B000106855 Agreed Value: $560,000 Collision: $7866; $5000 deductible Other Than Collision: $7428; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
7) 1999 FERRARI MARANELLO VIN: ZFFZR43B000114315 Agreed Value: $126,000 Collision: $1770; $5000 deductible Other Than Collision: $1671; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X

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568401.274

8) 2007 MERCEDES BENZ S65 4D VIN: WDDNG79X17A108440 Agreed Value: $208,844 Collision: $2935; $5000 deductible Other Than Collision: $2771; $5000 deductible Rate Code: E Rate Factor: CEBAAC	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
	X	X	X	X	X	X

Rate Code: A = Antique C = Classic/Modified E = Exotic T= Trailer

Additional Interests:

None

Forms and Endorsements Made Part of This Policy at time of Issue:

Competition Exclusion - CA*	G1-71872-A
Amendment of Policy Provisions - CA*	PP 01 69 08 05
Classic Auto Policy - CA	G1-31435-A
Coverage for Damage to Your Covered Auto	G1-31981-A
Automatic Coverage for Add'l Vehicles	G1-70368-A
Auto Show Medical Reimbursement*	G1-71143-B
Limited Earthquake - CA	G1-70225-C
Reproduction Models and Exotic/Spcl. Int. Veh.	G1-30756-B
Split Liability Limits	PP 03 09 04 88
Uninsured Motorists Coverage - CA*	PP 04 87 08 05

Other Important Notices and Enclosures:

G1-71877-A Competition Exc. Policyholder Notice - CA*

G1-71226-C Premium Discounts Available - CA

*Enclosed in this Mailing

SEN000218

ph44585 on D330-44585-7600 with DISTILLER
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568401.275

HAGERTY

Collector Car Insurance

Underwritten By:
Encompass Insurance Co.
(A Stock Company)
2775 Sanders Rd Northbrook, IL 60062

Hagerty Insurance Agency, Inc.
PO Box 87
Traverse City, MI 49685
Service and Claims: 800-922-4050

Classic Automobile Renewal Offer

Policy Number: 243596128 **Policy State:** CA
Policy Term: Effective 10/30/2007 to Expiration 10/30/2008 at 12:01 a.m. standard time **Issue Date:**09/17/2007

Named Insured:
Teodoro Obiang
3620 Sweetwater Mesa Rd
Malibu, CA 90265

Agent:
Finestone Insurance Agency
13263 Ventura Blvd
Studio City CA 91604-
(818) 995-6706

Driver(s)	Excluded Person(s)
Teodoro Obiang	None

Liability Coverage Part - Limit: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

	Total Coverage Premiums	
A: Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	103
A: Property Damage: $100,000 Per Accident	$	31
B: Medical Payments: $1,000 Per Person/Per Accident	$	31
C: Uninsured Motorists Bodily Injury: $250,000 Per Person $500,000 Per Accident	$	49
C: Uninsured Motorists Property Damage: $3,500 Per Accident; $0 deductible		INCL
Limited Earthquake Coverage: Policy Annual Aggregate of $1,000,000	$	10

Coverage for Damage to your Auto(s) - Part D: *See per-vehicle coverage/premiums in "Vehicles We Cover"*

Other Than Collision	$	37,335
Collision	$	39,341

Policy Discounts/Credits, Surcharges, Other *Vehicle factors are shown under "Vehicles we cover"*

$5,000 Deductible Credit	APPLIED
Good Driver Discount	APPLIED
Number of Years Licensed: 3-4	APPLIED
Multi-Vehicle Discount: 5-10 Vehicles	APPLIED

Total Annual Policy Premium:	$	76,900
Previous Balance:	$	0

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568401.276

The coverages listed above are afforded if indicated by an "X" and/or where a premium is shown below:

Vehicle(s) We Cover:

	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
1) 2001 BENTLEY CONTINENTAL R VIN: SCBZB25E71CX83511 Agreed Value: $152,000 Collision: $2136; $5000 deductible Other Than Collision: $2017; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
2) 2004 BENTLEY ARNAGE R VIN: SCBLF34F64CX09880 Agreed Value: $176,000 Collision: $3459; $5000 deductible Other Than Collision: $2321; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
3) 2001 BENTLEY CONTINENTAL VIN: SCBLC31E61CX06442 Agreed Value: $192,000 Collision: $2697; $5000 deductible Other Than Collision: $2546; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
4) 2005 LAMBORGHINI MURCIELAGO VIN: ZHWBU16UM5LA01346 Agreed Value: $282,000 Collision: $3991; $5000 deductible Other Than Collision: $3741; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
5) 2005 MAYBACH MABYBACH 57 VIN: WDBVF78J85A001187 Agreed Value: $327,750 Collision: $4604; $5000 deductible Other Than Collision: $4348; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
6) 2005 MAYBACH 62 VIN: WDBVG78J55A001037 Agreed Value: $377,750 Collision: $5306; $5000 deductible Other Than Collision: $5011; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X
7) 2005 LAMBORGHINI 2D CONV VIN: ZHWBU26S35LA01645 Agreed Value: $276,000 Collision: $3883; $5000 deductible Other Than Collision: $3648; $5000 deductible Rate Code: E Rate Factor: CEBAAC	X	X	X	X	X	X

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	Liab BI	Liab PD	Med Payments	UM BI	UM PD	EQ
8) 2006 ASTON MARTIN VANQUISH 2D VIN: SCFAC24366B502088 Agreed Value: $285,000 Collision: $3299; $5000 deductible Other Than Collision: $3299; $5000 deductible Rate Code: C Rate Factor: CEBAAC	x	x	x	x	x	x
9) 2007 BENTLEY AZURE 2D CONV VIN: SCBDC47L87CX12428 Agreed Value: $392,173 Collision: $5528; $5000 deductible Other Than Collision: $5202; $5000 deductible Rate Code: E Rate Factor: CEBAAC	x	x	x	x	x	x
10) 2007 BENTLEY AZURE 2D CONV VIN: SCBDC47L37CX12482 Agreed Value: $392,173 Collision: $5528; $5000 deductible Other Than Collision: $5202; $5000 deductible Rate Code: E Rate Factor: CEBAAC	x	x	x	x	x	x

Rate Code: A = Antique C = Classic/Modified E = Exotic T= Trailer

Additional Interests:

None

Forms and Endorsements Made Part of This Policy at time of Issue:

Competition Exclusion - CA*	G1-71672-A
Amendment of Policy Provisions - CA*	PP 01 69 08 05
Classic Auto Policy - CA	G1-31435-A
Coverage for Damage to Your Covered Auto	G1-31981-A
Automatic Coverage for Addl Vehicles	G1-70368-A
Auto Show Medical Reimbursement*	G1-71143-B
Limited Earthquake - CA	G1-70225-C
Reproduction Models and Exotic/Spcl. Int. Veh.	G1-30756-B
Split Liability Limits	PP 03 09 04 88
Uninsured Motorists Coverage - CA*	PP 04 87 08 05

Other Important Notices and Enclosures:

G1-71877-A Competition Exc. Policyholder Notice - CA*

G1-71228-C Premium Discounts Available - CA

*Enclosed in this Mailing

ph44585 on D330-44585-7600 with DISTILLER
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568401.278

Finestone Insurance Agency

13263 Ventura Blvd., Suite 1
Studio City, CA 91604-1839

Invoice

DATE	INVOICE #
10/15/2007	100482

BILL TO
TEODORO N OBIANG PRIVATE HANDLING

[redacted] = Redacted by the Permanent Subcommittee on Investigations

P.O. NO.	TERMS	PROJECT
	Due on receipt	

QUANTITY	DESCRIPTION	RATE	AMOUNT
	AUTOMOBILE COVERAGE HAGERTY ENCOMPASS AUTOMOBILE ALL VEHICLES AS SCHEDULED ATTACHED AND AMENDED SUBSEQUENTLY BY ENDORSEMENT. POLICY NUMBERS: 243596016 10/30/2007 TO 10/30/2008 243596050 10/30/2007 TO 10/30/2008 243596128 10/30/2007 TO 10/30/2008 PROPERTY VALUES PER VEHICLE: AS SCHEDULED AND ATTACHED LIABILITY COVERAGE APPLICABLE TO ALL AUTOMOBILES $250,000 PER PERSON $500,000 AGGREGATE PER ACCIDENT BODILY INJURY LIABILITY $100,000 PER ACCIDENT PROPERTY DAMAGE LIABILITY $ 5,000 PER ACCIDENT COLLISION DEDUCTIBLE $ 5,000 PER INCIDENT COMPREHENSIVE COVERAGE DEDUCTIBLE Bank Name: Wells Fargo Account Name: PJ Finestone Insurance Trust Account Account # [redacted] Routing Number: [redacted] SWIFT Number: [redacted] Amount to Transfer: $256.939	256,939.00	256,939.00
Please remit to above address.		**Total**	$256,939.00

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 394

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ph44585 on D330-44585-7600 with DISTILLER
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568401.279

Finestone Insurance Agency

13263 Ventura Blvd., Suite 1
Studio City, CA 91604-1839

Invoice

DATE	INVOICE #
6/21/2007	100475

BILL TO
SWEETWATER MALIBU, LLC TEODORA N OBIANG PRIVATE HANDLING

[redacted] = Redacted by the Permanent Subcommittee on Investigations

P.O. NO.	TERMS	PROJECT
	Due on receipt	

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	AUTOMOBILE COVERAGE DIRECT PHYSICAL DAMAGE; AMOUNTS OF COVERAGE AS SCHEDULED IN POLICY ESSEX INSURANCE COMPANY 06/20/2007 TO 06/20/2008 2001 Toik Chopper Motorcycle valued at $ 40,000 2003 Toik Chopper Motorcycle valued at $ 80,000 2005 Replioca RSD Motorcycle valued at $ 115,000 1995 Harley Davidson motorcycle valued $ 30,000 Bank Name: Wells Fargo Account Name: PJ Finestone Insurance Trust Account Account # [redacted] Routing Number: [redacted] SWIFT Number: [redacted] Amount to Transfer: $ 17,177.88 PREMIUM INCLUDES ANY &/OR ALL TAXES, FEES, STAMPING FEES, SURCHARGES, CALIFORNIA INSURANCE GUARRANTEE ASSOCIATION CHARGES, INCLUDES AGENCY, COMPANY OR MGA PLACEMENT FEES AND INSURANCE COMPANY INSPECTION FEES AS MAY BE APPLICABLE TO THIS PLACEMENT. ALL FEES AND CHARGES ARE EARNED AT INCEPTION OF THE POLICY OR THE ENDORSEMENT OR AUDIT TO WHICH THEY MAY APPLY. THANK YOU FOR YOUR BUSINESS.	12,326.88	12,326.88
We appreciate your prompt payment.		**Total**	$17,177.88

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Permanent Subcommittee on Investigations
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SEN000293

ph44585 on D330-44585-7600 with DISTILLER

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568401.280

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: linaromo21@[redacted]
Sent: Thursday, August 11, 2005 10:45 AM
To: gnagler@pacbell.net
Subject: From: Lina

Good Morning,

Thank you for taking the time to speak to me. His name is Teodoro Nguema Obiang from Equatorial Guinea, his father is the president of this country.

LINA ROMO

310 [redacted]

310 [redacted]

12038 Crest Ct. (off of) Summit

2 PM

Confidential Treatment Requeste

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 395

ph44585 on D330-44585-7600 with DISTILLER
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This transmission contains information from the law offices of George I. Nagler that is privileged, confidential and for the exclusive use of the addressee. If you are not the addressee, please do not read or distribute the contents to anyone.*

GNagler

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: GNagler [gnagler@pacbell.net]
Sent: Tuesday, November 21, 2006 2:42 PM
To: 'teodoro nguema'
Subject: Public Relations Firm

Attachments: Winner & Assoc Proposal draft 11-21-061.doc

Attached is a proposal from Winner & Associates for your review. Please call me to discuss.

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310[redacted]
Fax: (310) 278-7584

Winner & Assoc Proposal draft...

*Please destroy this email and any attachments, and advise me if you received this in error.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 397

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568401.282

GNagler

From: Carrie Chassin [cchassin@winnr.com]
Sent: Tuesday, November 21, 2006 2:25 PM
To: GNAGLER@PACBELL.NET
Subject: Winner & Associates Proposal
Attachments: Mr Nguema Proposal draft 11-21-061.doc

George, Attached is an electronic version of our proposal. I have messengered over 2 hard copies and the DVD illustrating our work in Chad which is referenced in the proposal. Please let me know if this meets your client's needs. The negative communications we are monitoring seem to be more frequent and the sooner we can interevene, the better. If you have any questions, please call me. Thanks, Carrie

Carrie Chassin
Executive Vice President
Winner & Associates
16501 Ventura Blvd, Suite 605 Encino, CA 91436
818-385-1900 Fax 818-385-1867
www.winnerandassociates.com

The information contained in this e-mail is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable laws. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivery to the intended recipient, you are hereby notified that any use, printing, reproduction, disclosure or dissemination of this communication may be subject to legal restriction or sanction.

Confidential Treatment Requested

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568401.283

WINNER & ASSOCIATES

A PUBLICIS CONSULTANTS COMPANY

MEMORANDUM **- CONFIDENTIAL -**

TO: GEORGE NAGLER

FROM: WINNER & ASSOCIATES

DATE: NOVEMBER 20, 2006

RE: PROPOSAL FOR MR. NGUEMA

Introduction

You have asked us for a proposal for strategic communications services to assist in repositioning Mr. Nguema with important targeted audiences. In addition, we understand that Mr. Nguema desires to communicate on a range of issues including the progress being made by Equatorial Guinea. Several of the issues that have helped bring about that progress involve positive developmental programs that are unknown or misunderstood by certain non-governmental organizations which have been communicating negatively about Mr. Nguema and the government of Equatorial Guinea.

Winner & Associates has a long and successful history in positively repositioning controversial individuals, corporations, and governmental bodies with respect to both public & private projects. Our thirty-years of experience have been effectively employed in North America, Asia, Europe, and Africa. Our extensive experience on behalf of ExxonMobil, Chevron, Shell, Elf, and Petronas in securing World Bank approval for the oil development and pipeline project in Chad and Cameroon as well as our continued work on that project and other consulting work in Africa give our firm unique qualifications to assist Mr. Nguema. Attached to this proposal is a DVD that illustrates some of our work with NGO's and others on behalf of the Chad project.

Winner & Associates is engaged in shaping and moving public opinion in election and non-election settings. As the leading and most successful firm in the field of ballot measure campaigns, we have proven that our communications methodology works. We employ the same techniques and methods on behalf of all our clients, but in each case the strategic thinking is tailored to the particular objective. Our ability to influence the attitudes of large populations as well as those of targeted decision-makers has made us one of the premier global public policy communications firms.

Based on the limited information that we have regarding Mr. Nguema, we believe that our services in the areas of crisis communication, media relations, third-party advocacy, and strategic positioning can assist in communicating positive information about Mr. Nguema, his government, and his country, while at the same time curtailing what has become a tide of misinformation put into a negative context by Mr. Nguema's adversaries.

ph44585 on D330-44585-7600 with DISTILLER

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As you are aware from the materials sent earlier, Winner & Associates is a full-service strategic communications firm specializing in issues management, public relations, crisis communications, image enhancement, media training, litigation support, and image and issue advertising. Since its inception in 1975, Winner & Associates has served the U.S. and international communications needs of corporations, trade associations, law firms, government and environmental organizations, including more than fifty Fortune 500 companies in the U.S. and abroad. We have provided customized communications services -- outlined below – to clients in fields as diverse as power generation, oil and gas, entertainment, telecommunications, construction, land development, digital media and commerce, transportation, legal services, investment banking, health care, electronics, aerospace, and major league sports.

Strategic Communications Services

Consultation: Development of strategic communications and marketing plans and ongoing strategic communications consultation.

Public Relations: Execution of earned media campaigns. Design of print and electronic press kits. Writing and editing of press releases, op-ed articles, and feature stories.

Media Relations: Media training, media relations, and direct media outreach capability, provided by our senior staff which includes former journalists.

Media and Spokesperson Training: Individually customized on-camera training sessions, where emphasis is placed on improving credibility and developing message delivery capability.

Program and Message Development: Strategy-based communications program development, including identification of messages and design of the tone, content and form of all communications activities.

Public Policy Decision-making: In-depth understanding of government decision-making process and familiarity with those in positions to make or influence such decisions. Extensive experience on Capitol Hill, in the executive branch, international agencies, and private sector.

Grassroots Organization: Cultivation and mobilization of broad-based public support and third-party advocacy, including international NGO's.

Direct Mail: Design and implementation of targeted direct mail campaigns, including newsletters. Production of copy and design art for direct mail packages. Audience and message segmentation, and list acquisition.

Media Buying: Development of purchasing strategies, negotiation of rates, and placement of electronic and print media in national and global markets.

Litigation Support Services: Strategic development of case themes and arguments, design and production of demonstrative exhibits, witness preparation, focus groups and community attitude surveys.

16501 Ventura Boulevard, Encino, CA 91436 • Tel 818 385-1900 • Fax 818 385-1867 • Email winner@winar.com

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Creative and Production Services

Radio/Television: Scripting, production, and editing of television and radio advertisements, long and short form video programs, airline video and audio programs, slide shows and multimedia presentations.

Graphic Arts: Design and production of magazine and newspaper print advertisements, brochures, posters, and newsletters.

Special Events/Conferences: Design, coordination, and oversight of special events, including conferences and media events.

Website: Supervision, design, and maintenance of new websites or consultation regarding existing sites.

Fees

Winner & Associates' fee for services will be calculated on an hourly basis, against a $25,000 minimum monthly retainer, plus expenses.

Next Steps

We look forward to meeting with you and Mr. Nguema at your earliest convenience so that we can determine specific communications objectives and move forward with implementation.

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568401.286

george nagler

From: Carrie Chassin [cchassin@winnr.com]
Sent: Friday, January 19, 2007 11:28 AM
To: gnAGLER@PACBELL.NET
Subject: Fwd: Teodorin Nguema in the LA Weekly

You may have already seen this as you are mentioned in the story.

Delivery-date: Fri, 19 Jan 2007 10:34:04 -0800
Date: Fri, 19 Jan 2007 11:02:22 -0800
To: cchassin@winnr.com
From: Bim Ayandele <bayandele@winnr.com>
Subject: Teodorin Nguema in the LA Weekly

http://www.laweekly.com/news/news/malibu-bad-neighbor/15436/

Bim Ayandele
Winner & Associates
A Publicis Consultants Company
16501 Ventura Blvd., Suite 605
Encino, CA 91436
Phone: (818) 385-1900 Fax: (818) 385-1867
bayandele@winnr.com
www.winnerandassociates.com

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Carrie Chassin
Executive Vice President
Winner & Associates

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george nagler

From: Carrie Chassin [cchassin@winnr.com]
Sent: Tuesday, February 06, 2007 2:38 PM
To: gnAGLER@PACBELL.NET
Subject: More bad news coverage

Dear George, The communications context for your client appears to be going further downhill. There will be a point beyond which we will be unable to help. Regards, Carrie

Dictator's son moves in; time for Malibu to speak out

http://graphic.pepperdine.edu/perspectives/2007/2007-02-01-dictator.htm

Melissa Giaimo
Assistant Perspectives Editor

Indifference of Malibu citizens, combined with U.S. oil interests, perpetuate systemic injustice, rather than demanding a new transparency in Equatorial Guinea.

Recent publicity has brought fresh attention to the son of an African dictator. Equatorial Guinea's Dictator-in-training Teodoro Nguema Obiang Mangue is under suspicion for corrupt handling of government funds after purchasing a $35 million Malibu mansion February in 2006.

Non-governmental anticorruption watchdog group Global Witness raised a cry for justice when young Obiang despite his paltry official salary of $5,000 per month paid cash for the 16-acre oceanfront property, complete with a private golf course. Watchdog groups asked how Obiang, the Minister of Agriculture and Forestry, could afford what Forbes ranks as the sixth most expensive home sale of 2006.

Almost a year later, the question remains unanswered. And despite a recent anti-corruption initiative from the White House, Obiang retains possession of his

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15,000 square foot mansion.

Transparency International, an anticorruption watchdog group, places Equatorial Guinea among the top 10 most corrupt countries. Among the nation's many human rights grievances are torture, sex trafficking, minority discrimination, as well as restrictions on freedom of the press, religion and speech. Although Equatorial Guinea's earns $3 billion in annual oil revenues, the country's riches do not reach the people. Most live in abject poverty, surviving on a mere $1 per day.

Not all of Obiang's extravagant purchases have been successful. Suspecting fund embezzlement, South Africa seized little Teodoro's Capetown properties. Nor did he make the cut in New York City. When the glam dictator-in-training tried to buy a Fifth Avenue apartment, the neighbors cried foul and the homeowner's association kept him out.

But in Malibu, Obiang moves in without a hitch.

"The purchase of the Malibu property supports our contention that the ruling kleptocracy in Equatorial Guinea is happy to continue plundering the national coffers," said Chris Schoeman, the South African attorney who prosecuted Obiang, according to LA Weekly.

With the exception of the Graphic and Malibu Surfside News, Obiang's arrival to Serra Retreat's gated community of luxury property-owners merited hardly a mention in the California press.

Although Dr. Robert Williams, associate professor of Political Science at Pepperdine, had predicted a negative response from Malibu residents, the city has responded with indifference to its new neighbor.

When interviewed by the Malibu Surfside News, some residents seemed more concerned about the bad press that Malibu might receive than with human rights.

Arguably, more influential people reside in Malibu than in any city of its size in the nation. It's time for Malibu residents to realize their power and speak out against something more significant than animal rights.

By failing to scrutinize Obiang's purchase, the Bush administration has missed a major test case of its new anti-kleptocracy initiative, which aims to apprehend rulers who exploit national resources and steal. In August, Bush unveiled his new plan to fight high-level corruption, which included seizure of assets and denial of political and financial haven to kleptocrats.

Why then is the United States not "ensuring greater accountability of development assistance," as stated in the anti-kleptocracy initiative, and demanding transparency in Equatorial Guinea's funds? Why is the United States playing softball with Obiang? Oil.

As the United States seeks less dependence on oil from the Middle East, Equatorial Guinea, sub-Saharan Africa's third-largest oil producer, is an increasingly attractive partner. The United States is the largest foreign investor in

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Equatorial Guinea, having pumped in an estimated $11 billion to date, and the largest importer of petroleum, its main export.

The government is inconsistent in its relations with Equatorial Guinea. In January 2004, Bush issued a proclamation attempting to limit the entry of corrupt foreign officials into the United States. And in March 2004, the State Department released its human rights report on Equatorial Guinea, profiling the nation's long list of injustices.

But in April 2006, Secretary of State Condoleezza Rice rolls out the welcome mat for President Obiang on his visit to the United States.

"You are a good friend, and we welcome you," Rice said before posing for photographs.

How does oppressing innocent citizens make Obiang a good friend, Condi? Oil should not trump human rights.

The day before, Equatorial Guinea signed an agreement with U.S. Agency for International Development.

"[The agreement is] so that our people may enjoy greater economic prosperity and are able to combat poverty," President Obiang said. Translation: the United States is picking up the tab for combating poverty so that my son's extravagant lifestyle can continue.

Condoleezza Rice might have welcomed the dictator, but Malibu does not have to follow her poor example. Residents of Malibu can denounce perpetrators of injustice and show the world that neither the U.S. government nor Los Angeles real estate agents should cut deals with dictators. By remaining complacent about this transaction, the U.S. encourages Equatorial Guinea's tyrannical regime.

It's time to picket Serra Retreat, speak to the Malibu City Council officials, summon Cher and Barbara, visit Schwarzenegger, call Pelosi and besiege President Bush with mail.

There is much more at stake here than one house in Malibu. According to watchdog groups, $718 million of Equatorial Guinea's funds are still tucked away in offshore accounts. Obiang's seaside abode is merely the latest glaring manifestation of continuing injustice in Equatorial Guinea.

Submitted 02-01-2007

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Carrie Chassin
Executive Vice President
Winner & Associates
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818-385-1900 Fax 818-385-1867
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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310·278·0034 Fax: 310·278·7584 gnagler@pacbell.net

TELECOPY INFORMATION

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NO. OF PAGES:	8 (incl. Cover page)	DATE:	June 7, 2006
ATTENTION:	Simon T	TIME:	4:05 PM
FAX NUMBER:	305 294 1718	RE:	Teodoro Nguema Obiang
FROM:	George I. Nagler, Esq.		

Melinda told me that you need more information. I called you early today and left my phone number as I wanted to talk to you directly to be sure that I am sending you the information that you need.

Teodoro Nguema Obiang was born in 1969 and is a citizen of Equatorial Guinea. He is the Minister of Agriculture and Forests of Equatorial Guinea. Following is some information on the country. He has been a regular visitor to the United States for many years and maintains a residence in Los Angeles at 12038 Crest Court, Beverly Hills, CA 90210.

Following are some business references that you may call and the nature of their relationships:

1. Neal Baddin, a senior broker at Coldwell Banker, at the 9000 Sunset Boulevard office, cell: 323 [redacted], office: 310 278 9470;
2. Thomas Linn, Global Jet, a representative of a jet plane leasing company, 602 326 4538;
3. Rick Black, an exotic car dealer, who has done business with my client for a number of years, 310 278 8500;
4. Ray Salim, Peterson Automotive Museum, cell: 818 [redacted], office: 323 964 6327, has leased space to my client for storage of certain automobiles for over a year.

Please call me if you need additional information as I am not sure what you requested.

We would appreciate you keeping this information private except to the extent you need to share this information with the appropriate people at the airport .

Please call 310 278 0034 if there are any transmission questions.

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GNagler

From: Melinda DeHaven [melindadehaven@[redacted]n]
Sent: Wednesday, June 07, 2006 6:27 AM
To: gnagler@pacbell.net
Subject: FW: RE: Hangar Space @ Santa Monica Airport

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George do you think you could please try and salvage this. This space is important. Thank you.

>From: "Simon T" <simon@[redacted]
>To: "'Melinda DeHaven'" <melindadehaven@[redacted]>
>Subject: RE: Hangar Space @ Santa Monica Airport
>Date: Wed, 7 Jun 2006 00:44:34 -0700
>
>Hi Melinda,
>
>I was hoping that I would have gotten the information I have been asking
>for
>on your employer from you or your attorney. All the attorney sent me was a
>copy of his passport. I got the feeling when I did not get the material
>that he was not interested in disclosing his client's background.
>
>I don't feel comfortable in being responsible for someone I have no idea
>who
>he is and on top of that, one who has diplomatic credentials. My hanger is
>on an airport. I am very sensitive as to who will have access to the
>property and my hanger.
>
>I would feel better renting to someone I can feel comfortable with.
>
>T
>
>
>-----Original Message-----
>From: Melinda DeHaven [mailto:melindadehaven[redacted]]
>Sent: Monday, June 05, 2006 3:34 PM
>To: simon@[redacted]
>Subject: Hangar Space @ Santa Monica Airport
>
>Dear Simon T:
>
>Tried to leave a message for you on your cell but the mailbox was full.
>Was
>
>wondering if you had a chance to make a decision on the space. We would
>like to move forward so please let me know at your earliest convenience.
>Thank you.
>
>Best regards,
>
>Melinda DeHaven
>Ass't to Mr. Obiang
>(310)[redacted] cell
>(310)550-1915 office
>
>
>
>
>

*Please destroy this email and any attachments, and advise me if you received this in error.

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SEN011096

GNagler

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From: GNagler [gnagler@pacbell.net]
Sent: Thursday, September 22, 2005 3:35 PM
To: Christine Ngyuen (ncrystean@[redacted])
Subject: New Corporation

Attachments: Application for Employer Identification Number.pdf

Application for Employer Ident...

Christine, I am forming a new corporation for Mr. Obiang, a new client. He asked if we could provide someone to act as the officer and director for him. You will have no responsibility other than signing the standard minutes. The company is being formed only to handle the payroll for the 3 people who work at his house and any other personal affairs here. You can resign at any time. Assuming you agree, I need you to sign the attached application for a tax identification number and fax it back to me.

Otherwise, I expect to see you next Wednesday.

George

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

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Subj: **GEORGE NAGLER**
Date: 8/14/2007 10:40:47 P.M. Pacific Daylight Time
From: LinaRomo21
To: MIKEBERGER

Hello Michael,

These are the invoices that George Nagler submitted me. George Nagler keeps billing Mr. Smith. Mr. Smith has advised me he signed a letter that Suellen typed up stating that Mr. Smith was terminating his relationship with Nagler. He said Suellen submitted this letter to Nagler. He has asked me to look in the file for this letter, I will when I arrive in the office. Mr Smith wants this invoice reduced. He will pay & thats it.... FINITO!!!!

I spoke to the boss, he advised me he would like you to notify Bob Saurman & Paul Finestone to stop all contact with Nagler. They should not discuss any matters that pertain to Mr. Smith , Sweetwater Mgmt , Inc & Sweetwater Malibu,LLC. He would like you to advise them that you are the attorney representing him. (Mr. Smith is willing to sign a document that states this)

Mr. Smith would like you to type up a letter, stating that he is terminating all business matters with Nagler, he should hand over all of Mr. Smiths files over to you. Unless he gives other instructions in writing.

Mr. Smith would also like for you to verify how Nagler came up with the dollar amount.

I HOPE THIS HELPS, CALL ME IF YOU HAVE ANY QUESTIONS. BUENAS NOCHES.

Lina Romo

Get a sneak peek of the all-new AOL.com.

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Jose A. Mendoza – CA State Bar # 186827
THE LAW DEPARTMENT
COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY
11611 San Vicente Boulevard, Ninth Floor
Los Angeles, California 90049-6510
Telephone: (310) 207-2561
Facsimile: (310) 447-1902

Attorneys for Respondents COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY, FRAN HUGHES, and NEAL WARREN BADDIN

BEVERLY HILLS/GREATER LOS ANGELES ASSOCIATION OF REALTORS

ARBITRATION COMPLAINT CASE NUMBER AB06-15

MIRZO INTERNATIONAL, INC., SILVA MIRZOIAN, JOHN DAVID KERRIGAN,	)	**CASE NUMBER: AB06-15**
Complainants,	)	
vs.	)	**DECLARATION OF TEODORO NGUEMA OBIANG**
JEFFREY HYLAND; HILTON & HYLAND; NEAL WARREN BADDIN; FRANCINE R. HUGHES; COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY,	)	
Respondents.	)	

DECLARATION OF TEODORO NGUEMA OBIANG

I, Teodoro Nguema Obiang, declare and state as follows:

1. I am the Minister of Forestry for The Republic of Equatorial Guinea. The facts set forth below are true of my own personal knowledge, and, if called upon to testify thereto, I

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could and would competently do so under oath.

2. In or about March 2001, I initially listed my home on Antelo Road near Mulholland Drive and the 405 Freeway ("the Antelo Property") with John Kerrigan of Mirzo International, Inc ("Kerrigan"). During the listing and sale of the Antelo Property, I became dissatisfied with the way Kerrigan handled that transaction. As a result, I decided to use Coldwell Banker Residential Brokerage Company and Neal Baddin (collectively "Coldwell Banker") in my search for other properties in Southern California.

3. In or about October 2004, my attorney, Michael Berger, had referred Coldwell Banker to me since I did not want to use Kerrigan in my purchase of real property.

4. During our first meetings with Coldwell Banker, Mr. Baddin asked both my attorney and me why Kerrigan was not representing me in purchasing the Sweetwater Property as and/or other properties in Southern California. I told Coldwell Banker that I was unhappy with the way Kerrigan handled the Antelo Property transaction and therefore did not want to use Kerrigan.

5. On or about November 1, 2004, I authorized Mr. Berger, as then President of my company, Beautiful Vision, Inc., to sign an Exclusive Retainer Agreement to Locate Real Property ("Buyer's Exclusive") with Coldwell Banker for the real property located at 3620 Sweetwater Mesa Road, Malibu, California 90265 (the "Sweetwater Property"). Attached hereto as Exhibit "A" is a true and correct copy of the Buyer's Exclusive.

6. Thereafter Coldwell Banker showed me numerous other properties.

7. Over a period of 13 months, I authorized Coldwell Banker to present four (4) signed offers on my behalf for the Sweetwater Property. In December 2005, I asked Mr. Baddin for a commission credit if I purchased the Sweetwater Property. This was the **first and only time** that I ever discussed a commission credit with Mr. Baddin. Eventually, I reached an

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agreement with Neal Baddin to receive a commission credit of 50% for my purchase of the Sweetwater Property. The fourth and final offer was accepted by the seller of the Sweetwater Property on or about January 6, 2006.

8. On or about March 31, 2006, I asked, and Coldwell Banker agreed, to sign a Confidentiality Agreement with me. In that Confidentiality Agreement, I demanded that Coldwell Banker not disclose my identity or any particulars of the Sweetwater Property transaction to any third-party not related to that transaction.

9. Coldwell Banker and **not Kerrigan** represented me in the purchase of the Sweetwater Property and therefore Coldwell Banker deserves 100% of its commission. **I was adamant that I did not want to use Kerrigan in my purchase of the Sweetwater Property before Coldwell Banker was referred to me by my attorney!** If I had not been represented by Coldwell Banker, then I would have been represented by a different brokerage. In any event, I would not have been represented by Mirzo.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ____ day of January 2007 at Los Angeles, California.

TEODORO NGUEMA OBIANG

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Commission to C/B $4890 withheld 3⅓% 27,000 each. Page 1 of 1

net proceeds 586,107.82
5
591,107.82

Neal Baddin

From: "GNagler" <gnagler@pacbell.net>
To: <nealbaddin@[redacted]
Cc: <linaromo21@[redacted]
Sent: Thursday, September 29, 2005 5:07 PM
Subject: Mr. Nguema address in Paris re: Malibu Property

Neal, for your information, here is the Paris address if you need to overnight anything to the buyer. I assume that you are going to fax him the relevant pages for his initialing and signature as well as approval.

George

[redacted] = Redacted by the Permanent Subcommittee on Investigations

George I. Nagler
468 N. Camden Drive #200
Beverly Hills, CA 90210
Tel: (310) 278-0034; mobile: 310 [redacted]
Fax: (310) 278-7584

From: linaromo21@aol.com [mailto:linaromo21@[redacted]
Sent: Thursday, September 29, 2005 2:37 PM
To: gnagler@pacbell.net
Subject: Mr. Nguema re: Malibu Property

Hello Mr. Nagler,

I spoke to Mr. Nguema. He would like you to send the documents for the Malibu property to him If you decide to use Fed Ex or DHL. Here is the address you can send them to:

Hotel Crillon
C/O Excellency Teodoro Nguema Obiang
10 Place Concorde
Paris, France 75008

Please feel free to contact me if you have any questions. Thank you

LINA ROMO

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 422

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9/30/2005

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568401.300

Neal Baddin

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: "alla" <alla@hiltonhyland.com>
To: <nealbaddin@[redacted]>
Sent: Monday, October 03, 2005 2:16 PM
Subject: Sweetwater Mesa

Dear Neal,
in order for us to present your offer on Sweetwater Mesa to the owner's attorney, we need verification of funds from your buyer.

Thank you for your cooperation.

Alla Furman
for Jeff Hyland

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 430

PSI-Coldwell_Banker-01-000386
10/3/2005

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568401.301

COLDWELL BANKER

COLDWELL BANKER
9000 SUNSET BOULEVARD, SUITE 100
LOS ANGELES, CA 90069
BUS (310) 278-9470 FAX (310) 858-6907

TO: MAT HSU
FROM: Neal Badding
COMPANY:
DATE:
FAX NUMBER:
TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER:
RE:

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

Hi Mat,

Let me know if you need anything.

Take Care,

Neal

WWW [illegible] .COM

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 431

PSI-Coldwell_Banker-01-000706

WEST COAST ESCROW

9000 Sunset Blvd., #100
Los Angeles, CA 90069
Phone (310) 859-3860 Fax (310) 859-3915
Anthony.Leonard@westcoastescrow.com

WIRE INSTRUCTIONS

[redacted] = Redacted by the Permanent Subcommittee on Investigations

BANK NAME:	**COMERICA BANK ATTN: FINANCIAL SERVICES 2321 ROSECRANS AVENUE EL SEGUNDO, CA 90245**
BANK PHONE:	**800 376-0430**
ABA #	[redacted]
ACCOUNT NO.	[redacted]
CREDIT TO:	**WEST COAST ESCROW LOS ANGELES, CA 90069**
REFERENCE:	**SS-00023-AL**
ESCROW OFFICER	**ANTHONY J LEONARD**

ATTENTION: PLEASE MAKE SURE ALL WIRES REFERENCE YOUR NAME AND YOUR ESCROW NUMBER TO ENSURE PROPER CREDIT TO YOUR ACCOUNT.

TO AVOID ANY DELAY IN THE CLOSING, ALL WIRED FUNDS MUST BE RECEIVED BY ESCROW HOLDER A MINIMUM OF TWO BUSINESS DAYS PRIOR TO CLOSE OF ESCROW TO ENABLE ESCROW HOLDER TO COMPLY WITH LENDER REQUIREMENTS.

PLEASE NOTE, THERE IS A $25.00 PROCESSING FEE FOR EACH INCOMING WIRE TRANSFER.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR ESCROW OFFICER AT (310) 859-3860.

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SIDLEY AUSTIN LLP
SIDLEY

SIDLEY AUSTIN LLP
ONE SOUTH DEARBORN STREET
CHICAGO, IL 60603
(312) 853 7000
(312) 853 7036 FAX

wcoulon@sidley.com (312) 853-7384

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SAN FRANCISCO
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SINGAPORE
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TOKYO
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FOUNDED 1866

December 17, 2009

By Email: Laura_Stuber@hsgac.senate.gov

Laura Stuber
Counsel
U.S. Senate Permanent Subcommittee
On Investigations
199 Russell Senate Office Building
Washington, DC 20510

Dear Ms. Stuber:

This letter is in response to your inquiry of December 2, 2009 regarding wire transfers from Sidley Austin LLP to Teodoro Ngeuma Obiang.

In or about February, 2005, Sidley Austin Brown & Wood LLP (now Sidley Austin LLP) ("Sidley") performed legal services to facilitate the purchase of an aircraft by its client, Mr. Obiang, from Gulfstream Aerospace Corporation ("Gulfstream"). Mr. Obiang was, at that time, the Minister of Forestry for Equatorial Guinea.

As part of its due diligence, Sidley sought and received a letter from the United States Department of Justice dated April 18, 2005 confirming that the funds used in connection with Mr. Obiang's transaction with Gulfstream would not violate the U.S. anti-money laundering laws and that there was no basis to restrain or freeze such proceeds. (The April 18, 2005 letter from the Department of Justice, as well as an updated letter dated January 6, 2006, are enclosed for your review).

Negotiations between Gulfstream and Mr. Obiang were unsuccessful. On July 28, 2005, Sidley accepted into its client trust account a wire transfer from Gulfstream in the amount of $21,086,523.97 representing the purchase money that had been held in escrow by Gulfstream on behalf of Mr. Obiang. The transfer from Gulfstream to Sidley was done at the direction of Mr. Obiang, with the understanding that the funds would be remitted to Mr. Obiang.

Sidley Austin LLP is a limited liability partnership practicing in affiliation with other Sidley Austin partnerships

CHI 5940265v.1

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SIDLEY AUSTIN LLP
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Laura Stuber
December 17, 2009
Page 2

The December 21, 2005 wire transfer of $19,570,635.18 you reference in your letter was never completed. On December 21, 2005, Sidley attempted unsuccessfully to wire transfer $19,570,635.18 of Mr. Obiang's funds from its client trust account to Mr. Obiang's personal bank account at Sociéte Générale de Banques en Guinée Équatoriale ("Sociéte Générale"). This wire transfer was attempted at the request and instruction of Mr. Obiang. However, as noted above, the attempted transfer of December 21, 2005 was never completed. Sociéte Générale Americas, the bank's domestic U.S. office, did not approve the transfer. As a result, except as described below, Mr. Obiang's funds remained in Sidley's client trust account.

On January 24, 2006, after again clearing Sidley's intended release of the funds at issue with the United States Department of Justice and receiving a letter saying that the use of the funds would not violate the U.S. anti-money laundering laws and that there was no basis to restrain or freeze such proceeds, Sidley attempted to execute a wire transfer, and this time the transfer of $19,570,635.18 from the client trust account to Mr. Obiang's personal bank account at Sociéte Générale was successful. On January 26, 2006, Mr. Christian Delmas of Sociéte Générale confirmed the receipt of Mr. Obiang's funds into Mr. Obiang's personal account.

Sidley sent the following other wire transfers to, or on behalf of, and pursuant to the instruction and authorization of, Mr. Obiang:

On December 8, 2005, Sidley transferred $250,000 from Mr. Obiang's funds in the client trust account to Aero Records & Title Co. Escrow.

On December 21, 2005, Sidley transferred $265,887.53 from Mr. Obiang's funds in the client trust account to the firm's general account and recorded the same as the payment of legal fees through November 1, 2005.

On December 21, 2005, Sidley transferred $100,001.26 from Mr. Obiang's funds in the client trust account to the firm's general account and recorded the same as a retainer payment.

On December 22, 2005, Sidley transferred $900,000 from Mr. Obiang's funds in the client trust account to West Coast Escrow.

Documentation regarding each of these wire transfers is attached hereto.

In the previous ten years, Mr. Obiang has paid Sidley Austin a total of $341,672.81 in legal fees and expenses.

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SIDLEY AUSTIN LLP
SIDLEY

Laura Stuber
December 17, 2009
Page 3

We expect that this information fully answers your questions. However, should you have further questions or wish to discuss this, please do not hesitate to contact me.

Very truly yours,

William F. Conlon

WFC:k
Enclosures
Cc: Mary D. Robertson (w/enclosures)
(via Email)

PSI-Sidley Austin-01-000003

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Roe, Barbara V.

From: Tangri, Asha [CPB] [asha.tangri@citigroup.com]
Sent: Thursday, December 22, 2005 3:43 PM
To: Roe, Barbara V.
Subject: RE:

Hello Barb:

The wire transfer has been completed.

Thank you,

Asha

-----Original Message-----
From: Roe, Barbara V. [mailto:broe@Sidley.com]
Sent: Thursday, December 22, 2005 2:31 PM
To: Tangri, Asha [CPB]
Subject:

Hi Asha,

I just faxed a request for a wire transfer for $900,000.00. Please let me know when the wire has been completed.

Thank you,
Barb Roe
Sidley Austin Brown & Wood LLP
One S Dearborn
Chicago, IL 60603
(phone) 312-853-2102
(email) broe@sidley.com

Sidley Austin Brown & Wood LLP mail server made the following annotations on 12

****

IRS Circular 230 Disclosure: To comply with certain U.S. Treasury regulations,

****

This e-mail is sent by a law firm and may contain information that is privilege

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First American Title Company
520 North Central Avenue Glendale, CA 91203

PR: 06243 Ofc: 1901 (543) DATE: 02/06/2006

RECEIPT NO.: 64100
FILE NO.: LGL-2261234

RECEIPT FOR DEPOSIT

FUNDS IN THE AMOUNT OF: $900,000.00

WERE RECEIVED FROM: Teodoro Nguema Obiang

CREDITED TO THE ACCOUNT OF:

TYPE OF DEPOSIT: Wire **REPRESENTING:** Initial Deposit

Comments:

Property Location: 3620 Sweetwater Mesa Road, Malibu, CA 90265

DEPOSITED WIRE INFORMATION:

Bank Name: Comerica Bank
Contact:
Federal Routing Number: [redacted]
Confirmation Number: [redacted]
Confirmation Date/Time: 02/06/2006

[redacted] = Redacted by the Permanent Subcommittee on Investigations

BY: Rachael Hofeld, 02/06/2006

ESCROW OFFICER: Shari Anderson

$900,000.00

ACCOUNT: [redacted]
TYPE: WIRE TRANSFER CREDIT
REF: [redacted]
IMAD: [redacted]
OMAD: [redacted]
SENDER ABA: [redacted] COMERICA BANK
RECEIVER ABA: [redacted] FST AM TR CO SANA
ORG: [redacted]
WEST COAST ESCROW-SUNSET
ESCROW-TRUST ACCT
MISSION VIEJO, CA 926910000
OGB:
BNF:
OBI:FBO OBIANG FILE LGL[redacted] SLA
ATTN SHARI ANDERSON
RCVBKINFO:
IBKINFO:
BBKINFO:
BNFINFO:
BBI:
RFB:[redacted]

Permanent Subcommittee on Investigations
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Confidential Treatment Requested

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CONFIDENTIALITY AGREEMENT (Broker)

1. Date and Parties

This Confidentiality Agreement ("Agreement") is dated March 23, 2006 and is entered into for the benefit of Teodoro Nguema Obiang ("TNO") and Sweetwater Mesa, LLC ("Seller") by Coldwell Banker ("Broker").

2. Recitals

Broker is acting as a broker on behalf of either the seller or TNO in connection with the purchase and sale of that certain residential property commonly known as 3620 Sweetwater Mesa Road, Malibu, CA (the "Property"). TNO has agreed to purchase the Property. TNO requires Broker to agree to keep confidential everything concerning the proposed purchase of the Property, including, without limitation, the identity of buyer and the terms and conditions of the purchase and sale, as provided below.

3. Agreement

In consideration of the premises and the covenants set forth in this document, Broker hereby agrees as follows:

3.1 Confidential Information. Broker acknowledges that the identity of TNO or any assignee of TNO as the buyer of the Property and Sweetwater Mesa, LLC and its members and managers as seller of the Property and all terms and conditions of the purchase and sale, the ownership, the value and any knowledge of the Property are confidential and are not to be disclosed to anyone except as provided below. Broker further acknowledges that written and oral information and certain documents and data previously and hereafter obtained by it or any of its representatives from Seller or any of the inspectors used by TNO or any of Seller's representatives in connection with the contemplated transaction are confidential. Such confidential information and documents, including, without limitation, the identity of the buyer of the Property, any assignee of the buyer and any terms of the purchase of the Property, financial information, technical data, and agreements and related information are collectively referred to as the "Confidential Information." Broker further acknowledges and agrees that such Confidential Information constitutes valuable property and trade secrets of both TNO and Seller, which each such party is entitled to protect.

3.2 No Disclosure. Broker shall hold in strict confidence all Confidential Information and neither Broker nor any of its affiliates or representatives shall directly or indirectly (a) disclose the identity of the buyer or any assignee of buyer other than to seller and its representatives, (b) use or permit the use of any of the Confidential Information for any purpose other than in connection with its services as broker to either TNO or Seller, as the case may be, or (b) disclose or permit the disclosure of any of the Confidential Information to any person or entity other than Seller, TNO's or Seller's representatives; provided that (i) this obligation not to disclose shall not extend to any Confidential Information which is or has become generally available to the public through no act or omission of the party receiving the information or any of its affiliates or representatives, and (ii) Broker may disclose any Confidential

Permanent Subcommittee on Investigations
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Information which is it legally compelled to do so pursuant to legal process or regulatory requirement; provided however that Broker shall notify both TNO's attorney, George Nagler, 468 N. Camden Drive, #200, Beverly Hills, CA 90210, phone 310 278 0034, fax 310 278 7584 or gnagler@pacbell.net ("Nagler") and Seller's attorney, Dennis Ellman, Greenberg Glusker Fields Claman Machtinger & Kinsella LLP, 1900 Avenue of the Stars, #2100, Los Angeles, CA 90067 310 201 7417 fax 310 553 0687 or dellman@ggfirm.com ("Ellman") prior to disclosure of any Confidential Information to any person pursuant to this paragraph.

3.3 Copies. Any duplicate copies made by Broker or any of its affiliates or representatives of any of the Confidential Information shall be subject to all the provisions of this agreement.

3.4 Documents. Broker shall keep confidential all copies of any Confidential Information heretofore or hereafter obtained by it or any of its representatives in connection with the contemplated transaction.

3.5 Transaction Confidential. Without the prior written consent of TNO and Seller, neither Broker nor any of its representatives shall disclose, directly or indirectly, either the fact that a purchase is pending or any of the terms, conditions or other facts concerning such transaction, or anything relating to the Property, whether or not connected to the services provided by Broker, to any person who is not an employee, or representative of either TNO or Seller. For the purpose of this agreement, the term "representative" includes attorneys, consultants, accountants and auditors, or anyone else who needs to know such matters in order to perform such person's business duties in connection with the contemplated transaction.

4. Compliance.

Without in any way limiting any other obligation or liability under this Agreement, Broker shall take all appropriate action by instruction or otherwise, to prevent the unauthorized use, disclosure, copying, or reproduction of the Confidential Information and shall take all reasonable precautions to protect and maintain the confidentiality of the Confidential Information. Broker shall advise its employees and representatives to whom such party discloses any of the Confidential Information of the terms of this Agreement and cause them to comply with this Agreement. Broker shall immediately notify Nagler and Ellman of the circumstances surrounding any breach or anticipated breach of this Agreement of which Broker becomes aware.

5. Term.

The undertakings and obligations set forth in this Agreement shall continue for a period of fifty years from the date first set forth above.

6. Miscellaneous.

6.1 Neither this Agreement nor any of its provision may be amended or modified, and no waiver may be granted, except by a written instrument signed by TNO Seller. This Agreement shall be binding upon and inure to the benefit of and be

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enforceable by each of TNO, Seller and their respective successors and assigns. With respect to its subject matter, this Agreement contains the entire understanding of the parties.

6.2 If any provision or provisions of this Agreement are held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

6.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

6.4 Should any action arise under this Agreement, the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred, including but not limited to reasonable attorneys' fees and costs for the services rendered to such prevailing party as may be awarded by the court having jurisdiction over such matters.

7. Signatures.

This document is executed at the place and on the date indicated opposite the signature set forth below.

Executed at Los Angeles, California
this 23 day of March, 2006

By: _____

Neal Baddin
Print name

Its: _____

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04/27/06

FIRST AMERICAN TITLE INSURANCE COMPANY

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:
SWEETWATER MALIBU, LLC
C/O GEORGE NAGLER
468 N CAMDEN DRIVE
SUITE 200
BEVERLY HILLS, CA 90210

06 0927085

MAIL TAX STATEMENTS TO:
SWEETWATER MALIBU, LLC
3620 SWEETWATER MESA ROAD
MALIBU, CA 90265

[redacted] = Redacted by the Permanent Subcommittee on Investigations

GRANT DEED

THE UNDERSIGNED GRANTOR declares: DOCUMENTARY TRANSFER TAX IS NOT OF PUBLIC RECORD.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SWEETWATER MESA LLC, a Delaware limited liability company,

HEREBY GRANTS TO: SWEETWATER MALIBU, LLC, a California limited liability company

the following described real property in the City of Malibu, County of Los Angeles, State of California:

See legal description attached hereto as Exhibit "A" and incorporated herein by this reference.

(Commonly known as 3620 Sweetwater Mesa Road, Malibu, CA 90265)

APN: [redacted] and [redacted]

Dated: 2-27-06

SWEETWATER MESA LLC, a Delaware limited liability company

By: Karen L. Rabe, Mgr.
Karen L. Rabe, Manager

The notarial acknowledgment for the above signature appears on a separate sheet which is attached to this GRANT DEED and incorporated into it by reference.

@4/27/6

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 438

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04/27/06

NOTARIAL ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On February 27, 2006, before me, Howard R. Spanier, Notary Public, personally appeared Karen L. Rabe, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

HOWARD R. SPANIER
Commission # 1590411
Notary Public - California
Los Angeles County
My Comm. Expires Jul 4, 2009

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Law Offices Of
GEORGE I. NAGLER
468 North Camden Drive #200, Beverly Hills, CA 90210 Tel: 310-278-0034 Fax: 310-278-7584 gnagler@pacbell.net

TELECOPY INFORMATION

NO. OF PAGES:	5 (incl. Cover page)	DATE:	March 23, 2006
ATTENTION:	Teodoro Nguema Obiang	TIME:	4:05 PM
FAX NUMBER:	1010288 011 240 08 40 96	RE:	Malibu
FROM:	George I. Nagler, Esq.		

Enclosed is a set of Supplemental Escrow Signatures for your signature. This document instructs escrow that title will be taken in the name of the new company, Sweetwater Malibu, LLC. If satisfactory, please sign the instruction in two places, one for you, and one as manager of Sweetwater Malibu, LLC.

Please fax a copy back and also send me a signed original.

cc Lina Roma via fax 310 550 1969

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

SUPPLEMENTAL ESCROW INSTRUCTIONS
Date: March 23, 2006

To: First American Title Company, 520 North Central Avenue, Glendale, CA 91203, Phone - (818)242-5800 x 5145 Fax - (866)744-0233

Shari Anderson, Escrow Officer; File No.: [redacted]

Re: 3620 Sweetwater Mesa Road, Malibu, CA 90265 ("Property")

The Escrow Instructions are amended as follows:

1. Teodoro Nguema Obiang shall take title to the Property in the name of Sweetwater Malibu, LLC, a California limited liability company. Attached as Exhibit A is a copy of the Articles of Organization showing that the company was incorporated on February 8, 2006. Escrow Holder is instructed to change any and all documentation necessary to reflect the vesting change, over signatures thereon, if applicable.

2. Effective the earlier of either April 6, 2006 or one business day before the close of escrow,

   (a) Teodoro Nguema Obiang hereby assigns to Sweetwater Malibu, LLC all his right, title and interest in and to these escrow instructions including, without limitation, the right to purchase the Property on the terms and conditions of this escrow; and

   (b) Sweetwater Malibu, LLC, a California limited liability company, hereby assumes all the duties and obligations of Teodoro Nguema Obiang under these escrow instructions. Teodoro Nguema Obiang confirms that this assignment and assumption does not relieve him from his duties and obligations under these escrow instructions and the purchase agreement between the buyer and seller named in this escrow.

3. As a matter with which Escrow is not to be concerned, Buyer hereby represents and warrants to Seller that Buyer now owns , and at the close of escrow will own, 100% of the ownership interests of Sweetwater Malibu, LLC.

4. ALL OTHER TERMS AND CONDITIONS OF THIS ESCROW WILL REMAIN THE SAME.

BUYER:

_____
Teodoro Nguema Obiang

Sweetwater Malibu, LLC, a California limited liability company

By: _____
Teodoro Nguema Obiang, its Manager

SELLER:
Sweetwater Mesa LLC., a Delaware limited liability company

_____
By: Karen Rabe

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MAYER · BROWN

Mayer Brown LLP
1909 K Street, N.W.
Washington, D.C. 20006-1101

Main Tel (202) 263-3000
Main Fax (202) 263-3300
www.mayerbrown.com

Marc R. Cohen
Direct Tel (202) 263-3206
Direct Fax (202) 263- 5206
mcohen@mayerbrown.com

November 21, 2008

Laura E. Stuber, Esq.
Michael P. Flowers, Esq.
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
199 Russell Senate Office Building

Re: September 25, 2007, Subpoena to Wachovia Corporation

Dear Ms. Stuber and Mr. Flowers:

This letter, the attachment to this letter, and the accompanying documents and CD are respectfully submitted by Wachovia Corporation ("Wachovia") in response to the follow-up questions you sent Charles Neal concerning Wachovia's prior responses to the subpoena dated September 25, 2007 (the "Subpoena") issued by the Permanent Subcommittee on Investigations (the "Subcommittee"), with respect to Banque De France and Teodoro Nguema Obiang. The attachment and accompanying documents and CD are further described as follows:

(i) The attachment is an original document entitled, "Wachovia Corporation Responses To Additional Questions From The Senate Permanent Subcommittee On Investigations Concerning Banque De France and Teodoro Nguema Obiang," that contains your original questions to Charles Neal followed by Wachovia's written response to those questions immediately below each question (the "Response").

(ii) The documents that accompany this letter are referenced in the Response and are being provided to you in further response to questions A, F, and G of the Subpoena, and include:

(a) Copies of additional due diligence materials relating to Banque de France for the years 2000, 2002, and 2006. (BF-A-00292 to BF-A-00305.) These documents are discussed in questions 9(a) and 14(c) of the Response.

(b) Copies of Wachovia's enterprise-wide list of high-risk jurisdictions from 2005 to 2008. (BF-F-00098 to BF-F-00102.) These documents are discussed in question 9(c)(i) of the Response.

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Mayer Brown LLP

(c) Copies of the underlying funds transfer messages for the 14 transactions that you inquired about, including the original SWIFT messages. (BF-G-00001 to BF-G-00042.) These documents are discussed in question 1 of the Response.

(d) Copies of the underlying funds transfer messages for two recent transactions (May and July 2008) that may have involved Teodoro Nguema Obiang but not Banque de France. (BF-G-00043 to BF-G-00056.) These documents are discussed in question 3 of the Response.

(iii) The CD labeled "Wachovia Corporation Response to PSI Subpoena documents Produced on 11/21/08" contains electronic copies of the documents described in (ii), above.

Wachovia appreciates that certain information that has been provided to the PSI in the form of materials responsive to the Subpoena and in response to additional questions raised by you, may be referred to in connection with the Subcommittee's ongoing investigation and in any subsequent hearings or report that may be prepared. We respectfully request that this letter and the accompanying materials be accorded confidential treatment. These documents contain confidential financial information regarding certain of Wachovia's customers, the disclosure of which could be harmful to Wachovia and its customers. In addition, the accompanying materials contain internal communications between and among Wachovia employees and officers as well as information relating to Wachovia's anti-money-laundering procedures, the disclosure of which could be harmful to the bank and or its employees. If the Subcommittee determines that any or all of the documents will not be given confidential treatment, we request that Wachovia be given prior notice of their disclosure so that it may have an opportunity to discuss the confidentiality concerns further with the Subcommittee staff and to take steps to mitigate the harm that could result from the release of these documents to the public.

Please contact me at (202) 263-3206 if you have any questions. Thank you.

Sincerely,

Marc R. Cohen

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CONFIDENTIAL
November 21, 2008

WACHOVIA CORPORATION RESPONSE TO ADDITIONAL QUESTIONS FROM THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS CONCERNING BANQUE DE FRANCE AND TEODORO NGUEMA OBIANG

1. *With regard to the 14 wire transfers originating with Teodoro Nguema Obiang and passing through both Banque de France and Wachovia:*

   a. *Define the relationship between Teodoro Nguema Obiang and Banque de France.*

   Wachovia lacks sufficient information to describe the relationship between Banque de France ("BF") and Teodoro Nguema Obiang ("Obiang") based on the 14 wire transfers involving BF as Wachovia's correspondent and Obiang as originating party. Based on the records for those transactions (copies of which are attached at BF-G-00001 to BF-G-00042),[1] it appears that Obiang was not a customer of BF's, but rather dealt indirectly with BF through the Bank of Central African States (and perhaps also Societe Generale's affiliate in Equatorial Guinea).

   b. *Describe whether or not any of the 14 wire transactions were reversed, at any point, either by Wachovia, Banque de France, or any other financial institution.*

   Wachovia has not found information that indicates that any of the 14 wire transactions was reversed.

   Because some of the transactions occurred on the same day and/or appeared to be in similar amounts, Wachovia had some initial concerns as to whether all of the transactions actually occurred. This was communicated to the Department of Homeland Security ("DHS") in an e-mail dated February 21, 2007 (BF-F-00020). Wachovia subsequently reported to the DHS on April 10, 2007, that all of the funds transfers "were in fact sent" (BF-F-00021). Additional research conducted by Wachovia in connection with responding to this question confirmed that determination.

   c. *Describe any communications between Wachovia personnel and Banque de France personnel with regard to these 14 wire transfers.*

   Wachovia has not had any conversations with BF concerning these transfers.

2. *Did the transactions involving Mr. Obiang result in additional scrutiny of the Banque de France relationship by Wachovia? If yes, please describe.*

   No, Wachovia has not subjected BF accounts to additional scrutiny on account of the Obiang transactions.

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[1] The printout for each transaction is three pages. Page two of the underlying funds transfer records, which shows the original SWIFT message, contains additional information not captured in the screen prints (BF-F-00059-00088) produced to the Subcommittee as part of the Wachovia investigative file.

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= Redacted by the Permanent Subcommittee on Investigations

3. *After the Wachovia investigation regarding these wire transfers ended, were there additional transactions involving Teodoro Nguema Obiang and Wachovia? If yes, please describe these transactions to the Subcommittee.*

To respond to this question, Wachovia performed a second search of its funds transfer systems and identified two transfers that occurred after Wachovia responded to the Subcommittee's subpoena that potentially could have involved Obiang. Neither transaction involved BF.

One transaction involved a payment of $144,017.99 on February 6, 2008, from an account belonging to an individual named "Teodoro Nguema" at CCEI Bank GE in Equatorial Guinea to Tai Ping Carpets[2] in Los Angeles, California. The payment appears to have been made through, Wachovia's correspondent, Fortis Bank, Brussels.

The second transaction involved a payment of $1,468.51 on July 30, 2008, from an account belonging to an individual named "Nguema Obiang Teodoro" at CCEI Bank GE in Equatorial Guinea to an account at Wachovia in Dumfries, VA belonging to an individual named Eulalia Salome Obono Nze. The payment also appears to have been made through Fortis Bank, Brussels.

Despite the fact that the names are slightly different, it appears that both transactions originated from the same account (no. [redacted]) at CCEI Bank. Copies of the funds transfer messages (each captured in two of Wachovia's legacy funds transfer systems, see letter to the Subcommittee dated February 22, 2008 (discussing the funds transfer systems)) are attached to this response at BF-G-00043 to BF-G-00056.

4. *Please explain why Wachovia personnel did not identify these transactions and instead were alerted to them by an employee from the Department of Homeland Security.*

The wire transfers did not generate hits on Wachovia's pre-execution filter (which screens transactions against U.S. Office of Foreign Asset Control ("OFAC"), United Nations, and United Kingdom sanction lists) because none of the names involved in the transactions matched names on the filter. The transactions did not generate alerts on Wachovia's post-execution transaction monitoring software because the transaction amounts were consistent with the profile of a central bank, such as BF, that routinely transfers large round dollar amounts.

5. *Aside from [redacted] and the internal investigation, please describe any additional actions Wachovia took with regard to Banque de France and the Obiang wires.*

Other than responding to the DHS inquiry that prompted the internal investigation, Wachovia did not take any additional actions in connection with the BF wires originated by Obiang.

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[2] The beneficiary of the funds transfer appearing on the message is "Tia Ping Carpets," but this appears to be a typographical error. Research indicates that the Los Angeles, California address provided for the beneficiary in the funds transfer message matches the address of "Tai Ping Carpets."

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6. *Please describe any concerns that Wachovia has or had with regard to its relationship with Banque de France.*

Wachovia has not had any compliance-related concerns with BF.

7. *The investigative file notes that the Wachovia wire system was not adequately tracking wires which may have resulted in counting the transactions twice. Please describe the issues surrounding the transactions being counted twice and describe whether or not these issues have been resolved.*

The 14 wire transfers in question occurred more than two years ago, and Wachovia is unable to locate information that sheds additional light on the issue that the investigator referred to when he said that the wire transfer system was not adequately tracking wires. The investigator is no longer an employee of Wachovia.

As noted in the response to question 1(b), above, Wachovia researched the 14 wire transfers in question and determined that each was a unique transaction.

8. *With regard to Wachovia's correspondent relationship with Banque de France, please identify the date on which the account was opened and any account opening documentation, including the relationship managers and compliance officers for the account.*

BF opened its correspondent account through the Paris Representative Office of Wachovia's predecessor institutions, First Union/CoreStates, on January 2, 1992. The Relationship Manager ("RM") at the time was George Doolittle. He was succeeded by John Knutson, who was followed by Norman Pavlak and then Walter Triches. The relationship is currently supported by a team of people in the Paris Representative Office, that includes Walter Triches (who is now the head of the Paris Office), Anne-Sophie Lagroy, Pamela Kouyoumdjian, and Aurelie Saint-Pastou.

The current Managing Director of Global Financial Institutions and Trade Services Group ("GFITS") Compliance, which is the compliance unit that supports the business unit responsible for the Banque de France relationship is Helene Johnson. She has been in that position since 1998. Her predecessor was William Quinn, Vice President, International Division Compliance. He was the first person to hold this position, and he served from 1995-1998.

Wachovia cannot locate the original account opening documents; however, the account opening date appears on a printout from Wachovia's client information system that Wachovia previously provided to the Subcommittee. (See BF-F-00009).

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9. *With regard to Bates BF-A-00246-00255, "Foreign Financial Institutions Customer Profile," dated 2003,*

   a. *Is this document the first due diligence Wachovia performed with regard to its relationship with Banque de France? If not, please provide earlier due diligence.*

   The identified document, a "Foreign Financial Institutions Customer Profile," was not the first due diligence that Wachovia performed on Banque de France. Wachovia completed its first due diligence profile of BF on September 27, 2000. A copy of that document accompanies this response and is labeled BF-A-00292 to BF-A-00296. In responding to the Subcommittee's question, Wachovia also located a due diligence profile from July 2002, a copy of which is also being provided to the Subcommittee with this response. (See BF-A-00297 to BF-A-00301.)

   b. *Please identify the person(s) who completed this form.*

   The Wachovia RM responsible for the account usually completes the "Foreign Financial Institutions Customer Profile" based on information that the client provides Wachovia in an Anti-Money Laundering Affidavit ("AML Affidavit") and, among other things, discussions with the client. In some instances the RM's assistant helps prepare the form and gather the necessary information from the client. The September 27, 2000, form was signed by Norman Pavlak, the RM at the time. Subsequent forms have been completed by Walter Triches (2002-2005, with the exception of 2004, as explained in the response to question 11, below), Anne-Sophie Cerbonney (now known as Anne-Sophie Lagroy) (2006), and Pamela Kouyoumdjian (2007).

   c. *Bates BF-A-00247 notes that Banque de France "acts on behalf on the French Treasury as well as on behalf of specific other central banks such as the ones of the African countries which are part of the former 'zone Franc.'" Also at Bates BF-A-00247, Banque de France responds that it does not provide services to "banks located in high risk jurisdictions" or in "countries of primary concern." Please describe whether or not Banque de France provides services to "countries of primary concern" or "banks located in high risk jurisdictions" and, if so, please identify these "countries of primary concern" and "banks located in high risk jurisdictions" serviced by Banque de France.*

   It is Wachovia's understanding that BF does not maintain relationships with commercial banks in any jurisdiction – high risk, of primary concern, or otherwise. As indicated in the question, BF, France's central bank, makes payments on behalf of the French Treasury and engages in transactions with other central banks. Some of these central banks may be located in high risk jurisdictions or in countries of primary concern.

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(i) *Please describe whether Wachovia or Banque de France considers Equatorial Guinea to be a country of primary concern.*

As explained in more detail below, until 2005, Wachovia did not consider Equatorial Guinea as a country of primary concern. As a result of enhancements to its internal systems of classifying high risk jurisdictions, in 2005, Wachovia classified Equatorial Guinea as a country of primary concern. Before 2005, for purposes of completing the "Foreign Financial Institutions Customer Profile" (see, e.g., BF-A-00246 to BF-A-00256), Wachovia considered countries to be of primary concern if they were (1) classified by FinCEN and/or FATF as "non-cooperative" in the fight against money-laundering (so-called "NCCT" countries) or (2) on the U.S. State Department's International Narcotics Control Strategy Report ("INCSR") list of countries of "primary concern," (with the exception of the United States and beginning November 25, 2002, Australia, Canada, France, Japan, Spain, and the United Kingdom). Equatorial Guinea is not on either list. In 2005 Wachovia began using its own enterprise-wide list of high-risk jurisdictions that includes Equatorial Guinea. (A copy of the list that was in effect on April 27, 2005, accompanies this response and has been labeled BF-F-00098. Subsequent releases for the years 2006-2008 appear at BF-F-00099 to BF-F-00102.)

Wachovia does not know whether BF considers Equatorial Guinea to be a country of primary concern.

d. *Please explain why Banque de France did not provide a list of the names of its correspondent bank relationships as noted at Bates BF-A-00250.*

Wachovia requests that its correspondent banks provide the names of the institutions with whom they maintain correspondent relationships. However, many of Wachovia's customers, including BF, decline to provide the information, claiming that it is deemed to be legally restricted pursuant to local privacy or data protection laws, or is confidential business and/or proprietary information. In such cases, Wachovia documents that its client declined to provide the information and does not pursue obtaining the information because, as a practical matter, Wachovia has access to information on its correspondents' correspondents from funds transfer messages. With respect to page BF-A-00250, the RM who completed the "Foreign Financial Institutions Customer Profile" provided a general response, stating that BF offers "services to different other central banks notably in French speaking African countries."

(i) *Please describe any follow up on Wachovia's part with regard to obtaining the names of correspondent bank relationships of Banque de France.*

As explained above, no such additional inquiries were made of Banque de France.

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e. *Please explain why Bates BF-A-00246 notes that Banque de France is located in a non cooperative territory.*

Question II.A. on page BF-A-00246 asks whether the customer is "located in a non-cooperative territory as defined by FinCEN/FATF or a country of primary concern on the State Department's INCSR list." France was not included on the FinCEN/FATF list of "non cooperative" territories; however, France, many other Western European countries, and the United States were included on the U.S. State Department's INCSR list of countries of "primary concern."

According to the head of Wachovia's Paris Office, who was the RM at the time, the question was answered "Yes" because of the INCSR classification; however, a little more than six months earlier, the compliance office of GFITS, which is the business unit responsible for the BF relationship, had revised its anti-money laundering and terrorist financing policy to exclude from the INCSR list countries that it regarded as low risk, namely the United States, Australia, Canada, France, Japan, Spain, and the United Kingdom. It is not clear whether the Paris office mistakenly selected "Yes" in responding to the question or if the information available to the Paris office that was required to complete the form had not been updated to reflect the decision to exclude France and certain other countries. Regardless, it appears that the "Yes" answer was not correct based on Wachovia's exclusion of France from the INCSR classification at the end of November 2002.

f. *Please explain why the enhanced due diligence section, Bates BF-A-00256, was not completed.*

The "Foreign Financial Institutions Customer Profile" form calls for completion of Section XIII (Enhanced Due Diligence) if any of the questions in Section II are answered "Yes." Although Wachovia answered "Yes" to question II.A. (as explained in 10(e) above), because France was included on the State Department's INCSR list, Wachovia does not require enhanced due diligence on central banks (with which it is not prohibited from doing business under applicable law) because Wachovia does not classify central banks as high risk entities.

g. *Please explain why Banque de France is restricted from operating in certain markets as per BF-A-00247.*

French law restricts the scope of BF's operations.

11. *Please provide 2004 due diligence materials for Banque de France.*

Due diligence materials were compiled at the end of 2004, but the review was not completed until the beginning of 2005. Accordingly, the profile that was completed on March 11, 2005, covered 2004 and 2005. (See BF-A-000275 to BF -A-00286.)

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12. *With regard to the "Anti-Money Laundering Affidavit" at Bates BF-A-00257-9 and the "Customer Due Diligence Database" at BF-A-00275-286, both dated 2005:*

    a. *Please describe how these two documents relate to one another.*

    As explained in the response to question 9, above, the AML Affidavit (BF-A-00257 to BF-A-00259) is a required document that the correspondent customer (in this case, BF) must complete as part of the due diligence process. It is one of the sources of information that the RM uses to complete the "Foreign Financial Institutions Customer Profile." The "Foreign Financial Institutions Customer Profile" was eventually enhanced and replaced by an electronic version of the form, which was incorporated into the "Customer Due Diligence Database" (BF-A-00275 to BF-A-00286).

    b. *Please identify the individual(s) who completed these forms.*

    Gilles Bonnazzi, a division head of BF, completed the Anti-Money Laundering Affidavit. (See BF-A-00259.)

    Walter Triches, the Wachovia RM responsible for the BF relationship at the time completed the "Customer Due Diligence Database." It was subsequently reviewed and approved by Mary Hubert, the Regional/Area Manager. (See BF-A-00285.)

    c. *Please provide an explanation as to why Banque de France did not answer question IV 2 located at BF-A -00279. Please provide any follow up on Wachovia's part with regard to obtaining this information.*

    The "Customer Due Diligence Database" is an internal Wachovia document that is completed by Wachovia personnel. Section IV ("Enhanced Due Diligence") is only required to be completed if the answers to any of the questions in Section II ("AML Risk Assessment") is "Yes." All of the questions in Section II were answered "No." Accordingly, answers were not required for any of the questions in Section IV.

13. *With regard to the "Customer Due Diligence Database," dated 2006, at BF-A-00260-00274 and the 2006 "Foreign Financial Institutions Anti Money Laundering Affidavit," BF-A-00234-239 please respond to the following:*

    a. *Please describe how these documents relate to one another.*

    Please refer to the answer to question 12(a), above.

    b. *Please identify the individual(s) who completed these forms.*

    Marie-Hélène Meunier, the Head of Overseas Collections and Transfers Division of BF, completed the Anti-Money Laundering Affidavit. (See BF-A-00237.)

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Anne-Sophie Cerbonney, an Assistant Client Representative involved in the BF relationship completed the "Customer Due Diligence Database." It was subsequently reviewed and approved by Walter Triches, the Regional/Area Manager. (See BF-A-00272.)

c. *At BF-A-00265, Banque de France does not provide names of its correspondent banks and instead supplies the following answer "NA as confidential." Please describe why Banque de France did not provide information concerning its correspondent relationships including why the Wachovia relationship manager did not mention that the information was not provided at BF-A-00272. Please describe any follow up done by Wachovia with regard to obtaining this information.*

Please refer to the answer to question 9(d) above concerning issues Wachovia regularly encounters when attempting to obtain information from its correspondents about their correspondent relationships.

For these reasons the RM did not mention the issue further in the "Relationship Manager's Recommendation" on page BF-A-00272. Completing Section IV of the form was not required (see answer to 12(c)) because the answers to all of the questions in Section II were "No" and the answer to Question III.C. was "No."

d. *Please describe why "Compliance Review," Section XIII, was not completed at Bates BF-A-00272-4.*

The "Compliance Review," Section XIII is completed by the International Compliance office after the RM submits the Customer Due Diligence Database. However, similar to the requirements for responding to questions in Section IV, discussed above, the questions in Section XIII, must be completed only if the answer to any of the questions in Section II ("AML Risk Assessment") is "Yes." Because the answers to all of the questions in Section II were "No" (see BF-A-00260 to BF-A-00261), Section XIII was not required to be completed. Also, as explained in the response to 10(f), Wachovia does not require enhanced due diligence on central banks because they are not considered to be high risk entities.

e. *With regard to question IIF at BF-A-00261, please describe whether or not a politically exposed person has a controlling interest or executive management role at Banque de France.*

As the central bank of France, BF is a governmental entity and as a matter of practice is considered politically exposed. Accordingly, Wachovia policies do not require further screening to determine if politically exposed persons have a controlling interest or executive management role at central banks.

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f. *Please explain the statement at BF-A-00262 that Banque de France "cannot anymore have private individuals maintaining accounts in its books nor it can accept deposits from those customers."*

Before a change in French law, BF was permitted to maintain certain accounts for individuals. After the law changed, BF was generally prohibited from having any individual customers except for "grandfathered" staff or individuals who had an account as of August 6, 1993, or persons expressly authorized to open accounts by a decision of the governing General Council.

g. *Bates BF-A-00263 notes that "if response to 'G' is 'yes', Sections (i), (ii) and (iii) must be completed." Please clarify to which section G this question refers.*

The form contains a numbering error. Question "III. H). High Risk Information" on page BF-A-00263 is immediately followed by a question that is labeled "G)". That question should have been labeled "H)" and the question that says, "If the response to 'G' is 'yes', sections (i), (ii), and (iii) must be completed," should have said "H" instead of "G" because it refers to the immediately preceding question that was incorrectly labeled. Because none of the responses to question "III. H)" was answered "No," the material below that erroneously referred to the "response to 'G'" did not need to be completed.

h. *Please explain why section XIII was not completed. See Bates BF-A-00272-274.*

See response to (d), above.

i. *In the "Foreign Financial Institutions Anti Money Laundering Affidavit," it notes on BF-A-00236 that Banque de France does not provide banking services to "senior foreign political officials/associates/family members." Please explain whether or not Banque de France or Wachovia considers or considered Teodoro Obiang to be a senior foreign political official/associate/family member.*

Wachovia would consider Obiang to be a "senior foreign political official/associate/family member" and assumes (but does not know) that BF would have the same view. Obiang was not Wachovia's client, and, based on the funds transfer records for the relevant transactions (see response to 1(a) above), he was not a customer of BF, but rather dealt indirectly with BF through the Bank of Central African States (and perhaps also Societe Generale's affiliate in Equatorial Guinea).

14. *With regard to BF-A-00193-00229, "Customer Due Diligence Database," dated 2007:*

a. *Please identify the individual(s) who completed this form.*

Pamela Kouyoumdjian, a RM in the Paris Representative Office, completed the "Customer Due Diligence Database." It was subsequently reviewed and approved by

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the Regional/Area Manager at the time, Christopher Webster-Vogell. (See BF-A-00207.)

b. *At BF-A-00210, Carl Brown notes, "This is a central bank, thus a PAC is not required. Numerous governors and officers were ID'ed as PEP's, thus the bank and other affiliated parties may be determined to be PEP's." Please describe whether or not Wachovia identified Banque de France as a PEP and if so, please provide the personnel at Wachovia who identified Banque de France as a PEP, the date on which Banque de France was identified as a PEP, and describe any additional due diligence done on Banque de France once it was determined that Banque de France was a PEP.*

The first sentence, "This is a central bank, thus a PAC is not required," refers to the fact that central banks are exempt from Patriot Act Certification (PAC). See 31 C.F.R. pt. 103, subpt. I, App. A.

Although Wachovia does not require enhanced due diligence on central banks (as explained in the response to 10(f)), International Compliance decided to complete the enhanced due diligence section because of management changes at BF that are discussed at pages BF-A-00194 and BF-A-00197 to BF-A-00198 of the "Customer Due Diligence Database" that was completed in September 2007.

The enhanced due diligence review includes submitting the names of all management officials (officers and directors) of BF to Wachovia's third-party compliance service provider, Compliance Data Center, Inc. ("CDC"), for PEP screening.

Because BF is a central bank and many of the individuals are government officials, CDC identified them to International Compliance as potential PEPs (see generally BF-A-00211 to BF-A-00232) and BF as an entity with PEP associates in its infrastructure. Upon receiving this information from CDC, International Compliance recorded this fact in the "Customer Due Diligence Database" (BF-A-00210) and forwarded the CDC reports to Wachovia's Anti-Money Laundering Services (AMLIS) for further evaluation and a determination as to whether the names should be entered into Wachovia's PEP tracking database. AML IS added the names to its database on December 17, 2007, and classified BF as a PEP entity.

c. *In 2006, Banque de France noted that it did not do business with banks located in "high risk jurisdictions." See BF-A-00263. In 2007, Banque de France noted that it does conduct business in "high risk jurisdictions." Please describe what occurred to change Banque de France's response to this question from 2006 to 2007 and if this change resulted in additional due diligence of Banque de France by Wachovia.*

The notations referred to were made by Wachovia (not BF) in 2006 and 2007. (See answer to question 9(b), above.)

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To complete the "Customer Due Diligence Database," the RM and/or the RM's assistant rely on their own knowledge of the client relationship and on information provided by the client, including information contained in an AML Affidavit and KYC Questionnaire. BF provided Wachovia with an AML Affidavit (BF-A-00234 to BF-A-00237) and a KYC Questionnaire[3] in 2006 and checked the "No" box on the AML Affidavit in response to the question of whether it provides banking services to "entities in high risk jurisdictions" and also checked the "No" box on the KYC Questionnaire in response to the question of whether it provides services to "banks located in high risk jurisdictions."

Because Wachovia considers central banks to be low risk and the questions contained in the AML Affidavit and KYC Questionnaire are generally more applicable to commercial banks (that have individual and corporate customers) than central banks, such as BF, Wachovia did not obtain an AML Affidavit or KYC Questionnaire from BF in 2007. (See BF-A-00200 (stating AML Affidavit is "not applicable as Banque de France is a Central Bank").) Instead, the RM and/or the RM's assistant completed the 2007 "Customer Due Diligence Database" based on their own knowledge of the customer relationship and included references to the BF website on the "Customer Due Diligence Database" form for additional information concerning BF. (BF-A-00199 to BF-A-00200). Because the staff of the Paris Representative Office knew that BF provided services to foreign central banks located in certain countries in Africa that are deemed to be "high risk" jurisdictions, Pamela Kouyoumdjian answered the question "Yes" on page BF-A-00196 even though there were no material changes between 2006 and 2007 with respect to this issue.

d. *Please explain why Banque de France does not provide names of high risk clients and instead writes "N/A" on the form at BF-A-00196. Please describe any follow up by Wachovia with regard to inquiring as to who the high risk clients of Banque de France are.*

Please refer to the response to question 9(d). BF considers such information to be confidential and not able to be disclosed to third parties including other banks outside of France.

e. *BF-A-00199 notes that when Banque de France is asked about information with regard to correspondent bank relationships, the response is, "NA as confidential." Please describe whether and how Wachovia followed up with regard to obtaining these correspondent relationships as well as Wachovia's policy with regard to obtaining correspondent relationships from its correspondent clients.*

Please refer to the response to question 9(d).

[3] The April 2006 KYC Questionnaire was not included in the documents previously provided to the Subcommittee. A copy accompanies this response at BF-A-00302 to BF-A-00305.

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f. Please explain the notation at BF-A-00230, "EDD Team refers to AML-Alert forwarded to AML PEP Team for further investigation."

The Corporate Patriot Act Compliance System ("CPACS") (BF-A-00230) is used by International Compliance to track the enhanced due diligence requests it submits to CDC.

As explained in the response to question 14(b), International Compliance requested PEP screens from CDC on various BF management officials and, upon receiving alerts from CDC, forwarded the CDC results to AMLIS for additional review.

In this particular case, International Compliance (Delene Stankiewicz) submitted a request to CDC on the name "Jean-Pierre Landau" on August 24, 2007; CDC alerted Wachovia as to a possible PEP match on August 27, 2007; and the alert was forwarded by International Compliance to a AMLIS for further review the same day.

15. With regard to BF-A-00240-45

a. Please describe whether or not Wachovia was able to learn the identities of Banque de France's high risk customers and correspondent relationships. If so, please provide a list to the Subcommittee. If not, please explain why Wachovia did not obtain such information and provide any follow up done by Wachovia with regard to obtaining this information.

Wachovia did not obtain a list of BF's high risk customers and correspondent relationships. Please refer to the response to question 9(d).

b. Please identify the Wachovia personnel in this e-mail chain and explain whether or not they were satisfied with Banque de France's response.

Pamela Kouyoumdjian, is an employee in the Paris Representative Office of Wachovia. She assists Walter Triches as a RM on the BF account.

Anne-Sophie Lagroy (formerly Cerbonney) is an Assistant Client Representative in the Paris Representative Office of Wachovia.

Delene Stankiewicz is a Compliance Analyst at Wachovia in the GFITS Compliance Group.

Dianna Derose is a member of the AML Underwriting team in the GFITS Compliance Group. She reports to Reguina Kneuer .

Reguina Kneuer is a member of the AML Underwriting team in the GFITS Compliance Group.

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Please refer to the response to question 9(d), concerning Wachovia's efforts to obtain information on BF's correspondent relationships in 2003 and its procedure applicable to this situation.

16. *Please explain Wachovia's policy with regard to a customer either not providing information requested by Wachovia or providing misinformation.*

Wachovia's response depends on the type of information that is being requested from the client. If the client refuses to provide Wachovia with information that Wachovia is legally required to obtain, Wachovia will not open an account with the client or, in the case of an existing client, will exit the account relationship. If the request relates to information that is required by a Wachovia policy (but not applicable law) and the client does not provide the exact form of documentation, but provides data that would convey the same information, based on the applicable circumstances, Wachovia may decide to accept the alternative data. In the case of obtaining information on correspondent banking information from clients, Wachovia sought this information because it was considered to be a reasonable request and a "best practice." However, as explained previously, few non-U.S. institutions provide this information, citing either its protected, or proprietary and confidential nature. In any event, in the case of correspondent bank transfers, Wachovia is able to obtain information about specific correspondent transactions from the transactions records that are generated when the transaction takes place.

17. *Please identify Bates BFA-00001-2.*

These documents relate to a BF account with Wachovia Bank London.

18. *Does Wachovia currently maintain a correspondent relationship with Wachovia?*

Wachovia currently maintains a correspondent relationship with BF. (We assume the Subcommittee was inquiring about Wachovia's relationship with BF.) .

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9/18/05

This is a letter to confirm the agreement that Neal Beddin of Coldwell Banker will share the commission on 3620 Sweetwater 50/50, with Teodoro Nguema Obiang.

Neal Beddin 9/18/05

9/18/05

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NRT

Residential Estate
Cash Receipts Input Document

Date: March 27, 2006 5:26:10 PM

Deal Number:	[redacted]			Sale Price:	$30,750,000.00
Branch:	[redacted]	Sub Office:	6000000	Contract Date:	02/09/2006
Deal Type:	OC	Sales/Lease/Referral:	Referral	Est Closing Date:	04/07/2006
				Closing Date:	
Property Address:	3620 SWEETWATER Malibu, CA 90265			Status:	Pending

Listing/Seller

Selling/Buyer
Tedoro Nguema Obiang
3620 SWEETWATER
Malibu, CA 90265

Office Distribution (Listing Side)

Office Distribution (Sale Side)

Branch	Sub	Split%	Comm%	FlatFee	OGP
94017601	00000	100.00	2.00	0.00	66112.50
				Estimated Office Net Check:	66112.50

Agent Distribution (Listing Side)

Agent Distribution (Sale Side)

Branch	Sub	S/A ID	Split%	Award%	Comm%	S/A Comm.
94017601	00000	13636	100.00	100.00	81.500	241315.32

Expense Detail (Sale Side)

	Amount
Commission	615000.00
GROSS COMMISSION	615000.00

S/A ID	Agent Name	Expense	Pay	How Paid	Split%	Level%	Prcnt	Agent	Office	Totals
13636	BADDIN, NEAL WAF	REVENUE ADJUST:	BOTH	Escrow	100.00	81.500	0.00	250612.50	56887.50	307500.00
13636	BADDIN, NEAL WAF	ADMINISTRATIVE F	AGENT	NotPaid	100.00	100.000	0.00	9225.00	0.00	9225.00
13636	BADDIN, NEAL WAF	Los Angeles City Ta:	AGENT	NotPaid	100.00	100.000	0.00	72.18	0.00	72.18
13636	BADDIN, NEAL WAF	PROCESSING FEE(	AGENT	NotPaid	100.00	100.000	0.00	250.00	0.00	250.00
13636	BADDIN, NEAL WAF	Escrow Paid Agent (	AGENT	Escrow	100.00	100.000	0.00	241065.33	0.00	241065.33
13636	BADDIN, NEAL WARREN		Estimated Net Check					[redacted]		

Coop Broker (Listing Side)

Coop Broker (Sale Side)

Referral (Listing Side)

Referral (Sale Side)

Closing Comments

Closing Information

Closing Checks

Deposit Date	SELLING Check #	Check Amt
	Selling Total:	0.00
	GRAND TOTAL:	0.00

Earnest Money

Deposit Date	SELLING Check #	Earnest Amt	Status
	Selling Total:	0.00	
	GRAND TOTAL:	0.00	

S/A Approval

Mgr. Approval

Reg. Mgr. Approval (if applicable)

Financial Officer

Permanent Subcommittee on Investigations
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NRT

Residential Real Estate Cash Receipts for Agent BADDIN, NEAL WARREN (13636)

Date: March 27, 2006 5:26:10 PM

Deal Number:	[redacted]			Sale Price:	$30,750,000.00
Branch:	[redacted]	Sub Office:	6000000	Contract Date:	02/09/2006
Deal Type:	OC	Sales/Lease/Referral:	Referral	Est Closing Date:	04/07/2006
				Closing Date:	
Property Address:	3620 SWEETWATER Malibu, CA 90265			Status:	Pending

Selling/Buyer

Tedoro Nguema Obiang
3620 SWEETWATER
Malibu, CA 90265

Expense Detail (Sale Side)

	Amount
Commission 2.00%	615000.00
GROSS COMMISSION	**615000.00**

S/A ID	Agent Name	Expense	Pay	How Paid	Split%	Level%	Prcnt	Agent	Office	Totals
13636	BADDIN, NEAL WAF	REVENUE ADJUST	BOTH	Escrow	100.00	81.500	0.00	250612.50	56887.50	307500.00
13636	BADDIN, NEAL WAF	ADMINISTRATIVE F	AGENT	NotPaid	100.00	100.000	0.00	9225.00	0.00	9225.00
13636	BADDIN, NEAL WAF	Los Angeles City Ta:	AGENT	NotPaid	100.00	100.000	0.00	72.18	0.00	72.18
13636	BADDIN, NEAL WAF	PROCESSING FEE(	AGENT	NotPaid	100.00	100.000	0.00	250.00	0.00	250.00
13636	BADDIN, NEAL WAF	Escrow Paid Agent (	AGENT	Escrow	100.00	100.000	0.00	241065.33	0.00	241065.33
13636	BADDIN, NEAL WARREN		Estimated Net Check					[redacted]		

Agent Distribution (Listing Side)

Agent Distribution (Sale Side)

Branch	Sub	S/A ID	Split%	Award%	Comm%	S/A Comm.
94017601	00000	13636	100.00	100.00	81.500	241315.32

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Neal Baddin

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From: "Neal Baddin" <nealbaddin@sbcglobal.net>
To: <teono@[redacted]>
Sent: Monday, November 06, 2006 10:54 AM

Dear Teodoro,
I received a package from The Greater Los Angeles Real Estate Board stating that John Kerrigan has instituted a complaint and suit against me . He wants the commission of $620,000 that was given from the seller of Sweetwater. He
is basing this on his past service to you. I was told when I
started working with you that you weren't happy with the way
things went with the sale of your home on Antelo Road and
you didn't want to use him again because of all the problems. Teodoro, it would really help me out tremendously if you could write a letter stating that you didn't want to use
him in the purchase of Sweetwater because of previous problems in your real estate dealings with him. (I was told he let the Buyer of Antelo in before the close of escrow and the escrow was delayed because of this error.)
He has
accused me of luring you to my services when we first met ,by offering you half the commission back so you would drop him and only work with me. As you recall, you asked me shortly before our second and last offer was accepted which I was happy to do. The time frame of when you asked me to split the commission is really important to the case because I didn't propose it to you back in October or 2004 when we first met . You proposed this to me late in the deal and I accepted.
The arbitration will probably happen soon. I would
truly appreciate if you could send me a letter on your behalf
stating these facts as true as soon as possible. Also,
if you are out of the country, it would need to be notarized.
I know you are a fair man and that you will help me with these
false accusations. Please call so we can discuss this matter. Now we know what all this was leading up to!
My Best Regards to you,

Neal Baddin
Coldwell Banker
Office 310-887-0208
Fax 323-850-7561

Permanent Subcommittee on Investigations
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EXHIBIT 1

STATEMENT OF FACTS DESCRIBING THE CONTROVERSY.

Arbitration Claim for Procuring Cause Against Respondents 1, 2, and 3.

Commission Amount in Dispute:
$620,000 plus costs.

Complainant(s):
Intro Broker: Mirzo International, Inc.
468 N. Camden Drive #200
Beverly Hills, CA 90210
Broker: Silva Mirzoian
Sales Associate: John Kerrigan
Office: (310) 273-3766 Fax: (310) 247-9378

Respondent 1:
Listing Broker: Hilton & Hyland / Jeffrey Hyland
250 N. Canon Drive, 2nd Floor
Beverly Hills, Ca. 90210
Listing Agent: Jeffrey Hyland

Respondent 2:
Closing Broker: Neal Warren Baddin
DRE License [redacted]
9000 Sunset Blvd. #100
Los Angeles, Ca. 90069

Respondent 3:
Closing Broker: Coldwell Banker-Sunset
9000 Sunset Blvd. #100
Los Angeles, Ca. 90069
Agent: Neal Warren Baddin (Closing Broker)

Buyer:
Mr. Teodoro Nguema Obiang (on title under Sweetwater Malibu LLC)

Buyer's Attorney:
George Nagler, Esq.
300 N. Swall Drive #253
Beverly Hills, CA 90211

Seller's Attorney:
Dennis B. Ellman, Esq.
Greenberg Glusker Fields Claman & Machtinger LLP
1900 Avenue of the Stars, #2100
Los Angeles, CA 90067

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Escrow and Title Company:
First American Title Company
520 N. Central Avenue
Glendale, California 91203
Title Representative: Loren Goldman
Title Officer: Lee Wilson
Escrow Officer: Debbie Parrack

Regarding the Sale of Property At:
3620 Sweetwater Mesa Road, Malibu, CA 90265

Sale Price:
$31,000,000.

Commission to Selling Broker:
2% = $620,000.

A Brief Synopsis of the Arbitration Claim for Procuring Cause on the Malibu Property.

Complainants, Mirzo International, Inc. (Responsible Broker) and John Kerrigan (Sales Associate) for Mirzo International, Inc. are filing an arbitration claim for Procuring Cause on the sale of the property at 3620 Sweetwater Mesa Road in Malibu, California. The property was listed with Hilton & Hyland in Beverly Hills (Respondent 1) for $35,000,000. (Exhibit 2) The Listing Agent is Jeffrey Hyland.

According to discussions between John Kerrigan and the Buyer, Mr. Teodoro Nguema in August 2006, the property was sold by Neal Baddin, (Respondent 2) representing the Buyer under his own brokerage "Neal Baddin" or under the brokerage of Coldwell Banker-Sunset Blvd. (Respondent 3) The Selling Agent shows up in the C.L.A.W. MLS "Sold" printout as a "Non Subscriber" and the Selling Office shows up as a "Non Participant Office." (Exhibit 3) Based on a copy of the executed grant deed of February 27, 2006, (Exhibit 4) and the LLC filing date of February 8, 2006, (Exhibit 4) it appears the property was put under sales contract sometime at the beginning of February 2006 and closed escrow April 27, 2006. (Exhibit 5) Based on John Kerrigan's verbal negotiations with the Listing Agent Jeffrey Hyland in December 2005, (Exhibit 6) and the written counter offers received by John Kerrigan from Jeffrey Hyland since September 1,

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2004, (Exhibit 7) it appears the property has sold for the Seller's verbal counter offer price of $31,000,000. (Exhibit 6) The total commission offered to the Selling Broker in the MLS by Hilton & Hyland is 2% of the sale price or $620,000.

It is the claim of Mirzo International, Inc. and John Kerrigan, that the Closing Agent Neal Baddin intentionally interfered with the long term (3 year), on going, agency relationship that John Kerrigan had established with the Buyer, Mr. Teodoro Nguema, regarding the purchase of the subject property in Malibu. In conversations that John Kerrigan had with his client Mr. Nguema, in the middle of December 2005, it was learned that Neal Baddin conspired with the Buyer and offered the Buyer a financial incentive to leave John Kerrigan, in the form of a commission "kickback" of 50% of the selling commission, and as a result, the Buyer purchased the property through Neal Baddin. The Buyer, Mr. Nguema, in conversation with John Kerrigan in the middle of December 2005, indicated to John Kerrigan that he had in his possession a "signed piece of paper" from Neal Baddin confirming that he would receive 50% of the commission back from Neal Baddin at the close of escrow. Mirzo International, Inc. is aware of the fact that it is not illegal for an agent to give away part of his commission. It is only the fact that the Closing Agent Neal Baddin used the commission "kickback" as an incentive to pull the Buyer away from his agent John Kerrigan, who had shown the property to the Buyer several times already. John Kerrigan was still involved with the Buyer in negotiating on the Malibu property up until January 17, 2006, three (3) weeks before the Buyer formed Sweetwater Malibu, LLC (Exhibit 4) to take title to the property.

After the escrow closed at the end of April 2006 and the Buyer was occupying the Malibu property, John Kerrigan, helped the Buyer, Mr. Nguema close up his property on Crest Court that he had leased him two years earlier and he helped send some of Mr. Nguema's belongings to the new home in Malibu. On August 13, 2006 at 10:00 A.M. Los Angeles time, John Kerrigan received a phone call from the Buyer, Mr. Nguema. The Buyer was calling from his country, Equatorial Guinea and wanted to discuss the availability of other real estate he was interested in. In the course of the conversation, when John Kerrigan asked Mr. Nguema how he

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liked the Malibu property, Mr. Nguema indicated that he felt the Malibu property was "a very good purchase."

As the enclosed documentation will show, John Kerrigan introduced the Buyer to the subject property in June of 2003. (Exhibit 9) He showed the property to the Buyer a total of four times since June 2003 and has submitted offers and counter offers, on the Malibu property, to Jeffrey Hyland on four separate occasions since June of 2003. (Exhibit 7) The most recent negotiation with Jeffrey Hyland was done as late as December 2005.

Since June of 2003, at the Buyer's request, John Kerrigan made appointments and showed the Buyer the interiors of over 28 other estate properties all over Beverly Hills and Bel Air in order to educate the Buyer as to what else was available. (Exhibit 11) After seeing all these properties with John Kerrigan, the Buyer came to the decision that the Malibu property was the best value at 31 million. Only because of the commission "kickback" arrangement with Neal Baddin, did the Buyer end up buying the property in Malibu through Neal Baddin. The offer of $31,000,000 was accepted and the property went into escrow in early February 2006. It did not show up as "Pending" in the C.L.A.W. MLS system until April 25, 2006, two days before it closed escrow on April 27, 2006.

It is also the claim of Mirzo International, Inc. and John Kerrigan that the Listing Agent, Jeffrey Hyland and the Selling Agent, Neal Baddin conspired to conceal the circumstances of the sale information in the MLS system by presenting the Selling Agent, Neal Baddin, as a "Non Subscriber" and the Selling office as a "Non Participant Office" instead of showing the transaction as "Neal Baddin" and his brokerage "Coldwell Banker-Sunset." (Exhibit 3) In addition, Neal Baddin and Jeffrey Hyland, anticipating a commission dispute between Neal Baddin and John Kerrigan, for Procuring Cause, attempted to conceal the sale of the property in early February of 2006. They deliberately delayed changing the status in the MLS system from "Active" to "Pending" until two days before the property closed escrow on April 27, 2006. (Exhibit 5)

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After considerable effort introducing and showing the Buyer the Malibu property four times since June of 2003, negotiating with the Seller over a three year period writing offers and counter offers, and spending three years of work showing the Buyer the interiors of over 28 other estate properties, Mirzo International, Inc. and John Kerrigan feel that their Procuring Cause claim on the sale of the Malibu property is justified and they are entitled to the full commission of $620,000 offered by the Seller to have her property sold. The Brokers, Neal Baddin, Coldwell Banker-Sunset, Hilton & Hyland and Jeffrey Hyland, because of their complicity in deliberately attempting to conceal the sale and their "kicking back" of commission money in order to procure the Buyer, should all be held liable. The escrow closed with the brokers deliberate efforts to conceal the sale information and they allowed the Buyer to secretly pocket half of the selling commission that should have gone to the true Procuring Broker – i.e., Mirzo International, Inc./John Kerrigan. They should forfeit the selling commission and take responsibility for any commission money that was given away to the Buyer.

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EXHIBIT 1A

Detailed Information by John Kerrigan on the Agency Relationship of John Kerrigan with the Buyer, Leading up to the Purchase of the Malibu Property.

I, John Kerrigan, am employed with Mirzo International, Inc. as a real estate sales associate. My client in this situation is Teodoro Nguema Obiang, a diplomat and the son of the president of Equatorial Guinea on the gulf coast of Africa. As the enclosed documentation, letters, e-mails and photographs will show, I have had an extensive, continuous, and on going, real estate agency relationship with the Buyer, Mr. Teodoro Nguema Obiang, for the past seven years, from September 1999 all the way to the present, October 2006. In addition to helping Mr. Nguema with his real estate needs, I have been closely connected to helping him adjust to living here in the U.S. over the last seven years. Whenever he came into town I would always make myself available to him, at his request, to run errands, help him out with selecting furniture, finding secretaries to work for him, finding the best hotels online for him to travel to on vacation, and finding rental apartments for his friends, all with no commission compensation to me. (Exhibit 10) I was always willing to help him any way I could in order to build a strong working relationship with this client.

Mr. Nguema holds the title of Minister of Forests and Infrastructures in his country and has a lot of demands for his time from a lot of people around the world. As such, he has been a very difficult and challenging client to work with over the last seven years. Working with Mr. Nguema and scheduling appointments to show properties to him has been very difficult because the client has not been able to keep appointments easily the way you would expect and a lot of time was invested showing him properties over the last seven years. He would only be in Los Angeles for short periods of time up to 3 months out of the year.

When I first met him from a floor call at Re/Max Beverly Hills in the summer of 1999, he indicated to me that he was interested in purchasing a single family home in Beverly Hills or Bel Air

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area in the $15,000,000 to $20,000,000 price range. He would come into town for three weeks at a time and stay at the Beverly Hills Hotel. He had five or six luxury cars which he had just purchased in Los Angeles and he stored them at the hotel and local dealerships while he was in and out of town. Over the course of the next year 2000 to 2001, after much time and difficulty trying to fit his schedule, I managed to show him approximately eight to ten homes. One day as I was booking more homes to show him, he called me up and told me that he had just bought a home from his insurance agent who had sold him the insurance on his cars. The insurance agent just happened to have a real estate sales license also. This agent showed him only one property and sold him a home on Antelo Road near Mulholland Drive and the 405 Freeway for 6.5 million in March of 2001. It was a home that I had told Mr. Nguema about, but he told me then that he did not want to see it because it was a contemporary style and he preferred Mediterranean. After all the time and effort I spent I was very disappointed that he did not buy it from me but I continued to work with him just the same. Four months after purchasing the home on Antelo Road, he indicated to me that he did not like the home he had just purchased and he wanted to look at other properties. He never moved into the home on Antelo Road the whole time he owned it.

Over the next two years, from June of 2001 until June of 2003, I continued to show him homes in the Beverly Hills, Bel Air and Malibu area whenever he came into town. The brochures from various properties that I showed him are submitted as a separate exhibit and the list of all the homes I have shown him since June 2003 is also attached. (Exhibit 11) During the two years, June 2001 to June 2003, I also showed him a number of condominiums that he wanted to lease or purchase because he was getting tired of staying in the hotels. He wanted a condo in addition to a large home and the plan was to let his out of town friends stay in the condo after he purchased a home. He put in offers to purchase with me on two penthouse condos for $8,000,000 and $7,500,000 on Wilshire Blvd. corridor. The offer for $7,500,000 was accepted and he opened escrow in May 2002. Then, two and a half months later, he abruptly cancelled the escrow for no reason in August 2002 and walked away from most of his deposit. I continued to work with him, and, from November 2002 to November 2003 I leased him a condo on Wilshire corridor for a one

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year term. From October 2003 to October 2004 I leased him another condo in a different building on Wilshire Blvd for a one year term.

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EXHIBIT 1B

Detailed Statement of Facts from John Kerrigan Supporting the Broker's Claim for Procuring Cause on the Sale of the Subject Property in Malibu.

It was back in June of 2003 that I first introduced Mr. Teodoro Nguema to the property at 3620 Sweetwater Mesa Road in Malibu. When I previewed the property I knew it would suit his needs in all respects. The property had a lot of room for cars, great security, a large guesthouse, pool, ocean views, tennis court, and two guard houses. These were all the features he was asking me for. The property was listed at $35,000,000 with Hilton & Hyland in Beverly Hills. The listing agent was Jeff Hyland. When I made the appointment and showed the property, Mr. Nguema loved the property right away. I took color photographs of the property on the outside, which are enclosed, (Exhibit 9) and I had them all mounted and packaged, and I hand delivered them to his hotel room at the Beverly Hills Hotel. On October 18, 2003 Mr. Nguema told me to submit a written offer on the Malibu property for $21,000,000 which I did. (Exhibit 7) At this time he still owned the property on Antelo Road and he was being very conservative in his offering price. We received a verbal counter offer back from the owner and Jeff Hyland indicated that it would probably not sell for less than $30,000,000 with furniture. I submitted another written offer on January 29, 2004 for $24,000,000, and received a written counter offer back from the Seller's lawyer, Dennis Ellman, for $33,900,000. (Exhibit 7) On February 5, 2004, my Buyer countered back at $27,000,000. (Exhibit 7) On February 9, 2004 the Seller countered back at $33,500,000. (Exhibit 7) On August 27, 2004 the Buyer had John Kerrigan submit an offer to Jeff Hyland for $28,000,000. (Exhibit 7) On September 1, 2004, the Seller and Jeff Hyland countered back to the Buyer for $32,000,000. (Exhibit 7) Mr. Nguema, after September 2004 went back to Europe and we communicated by phone on several occasions discussing the Malibu property. Around the beginning of December 2005 my Buyer came back to Los Angeles. After discussions with Jeff Hyland and my Buyer, Mr. Nguema, Jeff Hyland suggested that my Buyer write up an offer for $30,000,000 (Exhibit 7) and Jeff would see if the Seller would counter back at $31,000,000.

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I showed the property to Mr. Nguema a total of four times beginning in June of 2003 up until September of 2004. I offered to show him the property again several times after September 2004, and Mr. Nguema told me that it was not necessary, that he knew the property very well. He told me that in order to buy the Malibu property in the 30 million dollar price range he would have to sell the property he owned on Antelo Road. In March 2004 I listed the Antelo Road property and sold it in November of 2004. After he sold Antelo Road, I leased him a home on Crest Court off Mulholland Drive in a gated community.

As the attached documentation will show in (Exhibit 7), the Buyer Mr. Nguema, had me submit offers and counter-offers, written and verbally presented, to Jeff Hyland from October 2003 through until December of 2005. On three separate occasions the Buyer told me to write up offers for $27,000,000, $28,000,000, and $30,000,000. Mr. Nguema's schedule was very hectic and unpredictable. Some of the offers he told me to write up and present, I could not get signed by him as he was leaving town frequently and I was only able to present them verbally to Jeff Hyland over the phone. As the enclosed documents show in (Exhibit 7), Jeff Hyland and his Seller's lawyer sent me and my client Mr. Nguema, written signed counter offers back and forth on three or four separate occasions and Jeff Hyland responded back verbally to me and my Buyer with counter offers on several more occasions up until the middle of December 2005. We had not come to an agreement on price yet, but as time went on we were getting closer to making a deal on the Malibu home.

While the home on Antelo Road was listed and after it closed escrow in November 2004, Mr. Nguema told me that he also wanted to see large properties available in the Beverly Hills and Bel Air area. He told me that his girlfriend "Eve" was working at the film studios in town and he might have to consider a home closer in the Beverly Hills / Bel Air area. Throughout the end of 2004 and into 2005, I continued to show him all the large estate properties that were available in the 20 to 30 million dollar price range. (Exhibit 11) He was becoming increasingly aware of the fact that the type of property that he was looking for was going to cost over 25 million. Scheduling

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the properties and getting him inside to see them was the hardest thing I had ever done in real estate. On several occasions he would be an hour or two late for the appointments. Several appointments I made to show him properties were missed all together with no explanation and I had to reschedule. [All the properties that I have shown him since June 2003 are all listed on a separate sheet attached in (Exhibit 11) and many of the color brochures are presented as an additional exhibit also.]

During the time from late October 2005 through to December 15, 2005, as I mentioned before, I was still in touch with Jeff Hyland and he told me that the Malibu property was still available. I told Mr. Nguema that the property was still available and he asked me to find out if the property could be bought for $30,000,000 with furniture included. Around the end of October 2005, I made contact with Jeff Hyland and inquired about the status of the Malibu property. I got feed back from Jeff Hyland that the property might sell for $31,000,000 with furniture. I communicated this to my Buyer by e-mail. (Exhibit 6) I spoke with Jeff Hyland again around December 10, 2006 and he suggested I write up a counter offer from my Buyer, Mr. Nguema, for $30,000,000 including furniture. (Exhibit 6) Jeff told me that he was not sure if the owner would accept less than $31,000,000 with furniture, but he said to write up an offer at $30,000,000 with furniture and the owner could counter back at $31,000,000. He also indicated that the escrow period should be 45 days with the Seller having the option to remain in the property for 30 days after the close of escrow and that the owner would be responsible for all the utilities during that time.

It was at this point in the middle of December 2005 that Jeff Hyland reluctantly told me that my client Teodoro Nguema had been to the property in the late summer of 2005 with Neal Baddin. He also told me that Neal had shown the Malibu property to "a couple of Mr. Nguema's lawyers". At this point I was shocked and in total disbelief to say the least. I remembered that Neal Baddin had come to my client's open house on Antelo Road a year and a half earlier when I

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had it listed and he was aware of who Mr. Nguema was. I do not know how and when they met since then.

I immediately called up my client to ask him what was going on and why he was looking at the Malibu property with Neal Baddin. He proceeded to tell me that Neal Baddin had offered to kick him back 50% of the selling commission if he bought the Malibu property through him. At first I thought my client was joking and just trying to get me to do the same. He then assured me that Neal was definitely going to give him 50% of the commission back because Neal Baddin had "signed a piece of paper" and my client had it in his possession. When I continued to express my disbelief, Mr. Nguema, then offered to fax the "signed paper" from Neal Baddin to me so I could see it. I continued talking with my client for about 20 minutes and I tried to make him understand about all the time and energy I had spent showing him properties over the last six years. When I finished the conversation I thought that I had convinced him to continue to work with me only. He told me that he would and we ended the conversation.

It was not until I tried to show him a newly listed property on Alpine Drive in Beverly Hills a few weeks later that I realized my worse fear. I had sent Mr. Nguema an e-mail and photos of the property on Alpine Drive to his home the day before. When I went to the property to preview it on Thursday January 12, 2006, I looked out in the court yard of the Alpine Road property and my client was standing there with Neal Baddin. He had just seen the property with Neal 10 minutes earlier. He saw me and called me over to him. I explained to him that I had made an appointment to show him the property the next day and he told me not to worry because he did not like the property anyway. I said hello to Neal who was standing about 20 feet away and then I left to go home. I did not feel I should confront him at that time about his "offer" to my client. I called Mr. Nguema that evening and he told me that he was getting ready to leave town in 4 or 5 days and he wanted to see this large Bel Air property on St. Cloud Road that was not listed yet, that I had tried to show him several times before. Two days later with considerable difficulty I made arrangements to get him in to see the Bel Air property. He liked it a lot and came back to see

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it again with me a day later, two hours before he was ready to leave town to go back to Europe around January 17, 2006. This was the last time I saw or heard from my client until after he bought the property in Malibu.

After I had showed him all the large estate properties that were available in Beverly Hills and Bel Air over the last three years, Mr. Nguema commented about how they did not compare to the Malibu property. I knew that it was becoming apparent to Mr. Nguema that the property on Sweetwater Mesa Road in Malibu was the best value and the most suitable property for him. It took a lot of effort on my part educating him as to the value of the property in Malibu, unfortunately he left town on short notice and I could not get him to sign another counter offer before he left. Mr. Nguema was still over in Europe throughout the end of January 2006, and all of February and March 2006. During this time he must have taken advantage of Neal Baddin's "commission kickback" offer and made arrangements with Neal Baddin while he was in Europe to purchase the Malibu property through his lawyer in Los Angeles. The new grant deed on the Malibu property (Exhibit 4) and the LLC file date (Exhibit 4) seems to suggest that Mr. Nguema submitted an offer through Neal Baddin and had it accepted sometime at the end of January 2006 or in the first week of February, 2006. This was 2 to 3 weeks after my last meeting with my client before he left to go back to Europe. The grant deed indicates that the Seller executed the grant deed over to "Sweetwater Malibu LLC" (Teodoro Nguema) on February 27, 2006. (Exhibit 4)

** **Note**: The Buyer, Mr. Nguema, has always been concerned with his privacy and thus took title to the property in Malibu in the name of an LLC. Mr. Nguema, in August of 2006, verbally confirmed to me that he bought the property at 3620 Sweetwater Mesa Road in Malibu. Also, I have twice dropped off items for Mr. Nguema at the Malibu property, after the close of escrow, which were accepted by his staff.**

At the end of January 2006, and during March and April of 2006, without knowledge of what had transpired, I sent e-mails to Mr. Nguema (Exhibit 8) and tried to call him but got no

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response. I checked the MLS system daily for any new properties and the status of the Malibu property. Even though the Malibu property was sold to my client around the end of January or the first week of February 2006, it was still showing as "Active" in the MLS all through February, March and April of 2006.

Then on April 26, 2006 I saw that the property on Sweetwater Mesa was showing as "Pending" in the Westside CLAW MLS. (Exhibit 5) I phoned Jeff Hyland to inquire about it and ask him if the Buyer was my client Teodoro Nguema. Jeff told me that he had signed "three confidentiality agreements" and that he could not disclose any information regarding the transaction.

Two days later on April 28, 2006 it showed up in the MLS as "Sold". (Exhibit 3) I phoned a title company the next day and got them to send me a copy of the grant deed. It showed, as I indicated earlier, that the Seller had executed the grant deed two months ago, back on February 27, 2006. (Exhibit 4) I am guessing, because of the LLC filing date on February 8, 2006, (Exhibit 4) that the property had an accepted offer, went into escrow, and was actually "Pending" around February 1, 2006.

The MLS has strict rules regarding the Listing Agent's responsibility to enter accurate information about their property listings in the MLS. I am also speculating that Jeff Hyland intentionally withheld the posting of the "Pending" status in the MLS for two and a half months until April 26, 2006, two days before the transaction closed on April 28, 2006. He did this in order to conceal the sale back in February and avoid any commission conflict between my brokerage Mirzo International, Inc., Hilton & Hyland, and Neal Baddin and his brokerage, early in the escrow. When the property was marked as "Sold" in the MLS, the Selling Office was shown in the MLS printout as a "Non Participant Office" and the Selling Agent was shown as a "Non Subscriber". (Exhibit 3) Because it is the Listing Agent's responsibility to input listing status information in the MLS, this might have been another deliberate attempt by Jeff Hyland and Neal Baddin to hide the

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Selling Agent information or it is possible that Neal Baddin ran the transaction through his own Broker Name of "Neal Baddin" and not Coldwell Banker as the Selling Broker in order to hide his name from the "Sold" printout. Neal Baddin certainly knew that under his own name the "Sold" info printout as far as broker and agent would show up as "Non Participant" and "Non Subscriber". The broker name of "Neal Baddin" does not appear to be a participating office in the MLS system and the agent name "Neal Baddin" appears to be a non-subscriber when I check the status of those names in the MLS roster search. Neal Baddin could have put the transaction through under his "Neal Baddin" brokerage deliberately in order to cover up the fact that he sold the property. Neal Baddin certainly knew that if I saw his name as "Selling Agent" on the Malibu property, that I would know right away that my client had bought the property through him. The new property title on the 3620 Sweetwater Mesa Road grant deed shows the new owner Teodoro Nguema as "Sweetwater Malibu LLC". (Exhibit 4) The previous owner was "Sweetwater Mesa LLC".

The main issue is the fact that I have spent seven years working with this client and through my efforts and my efforts only, Mr. Nguema ended up buying the property in Malibu. The property is not an easy property to sell. It has been on the market for sale for the past six years. I spent three solid years educating Mr. Nguema on the value of the property in Malibu compared to other large estate properties all over Beverly Hills and Bel Air. When I first showed him the property in Malibu I hand delivered a package of mounted color photographs to his hotel room that I had taken of the property. These photos are enclosed. (Exhibit 9) I sent him numerous letters and phone communications describing the benefits of the Malibu property compared to all the other properties we had seen. (Exhibit 9 & 6) I continued to negotiate with Jeff Hyland and Mr. Nguema right up until December of 2005. Then, when Neal Baddin entered the picture:

> ***Neal Baddin intentionally interfered with the agency relationship that I had established with Mr. Nguema over a seven year period, by intentionally offering my client a financial incentive to leave me and work with him, in the form of a commission "kickback" from the sale of the Malibu property at 3620 Sweetwater Mesa Road.***

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For the foregoing reasons, Mirzo International, Inc. is submitting this claim to the B.H./G.L.A.A.R. Arbitration Board as the "Procuring Cause" on the sale of the Malibu property. My brokerage Mirzo International, Inc. is entitled to the full 2% commission of $620,000 that was paid by the Owner to have her property sold.

Sincerely,

John Kerrigan
Mirzo International, Inc.

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EDD Main | Transaction Profiler | View Reports | Admin | USER NAME : McCarthy, John

RESULTS FOR PROFILE: BY ANY PARTY ID

Transaction Description	Transaction Code	Original Amount	Value Date	Internal Reference Number	Debit Party
Fed In	RFE	6,221,100.00	19 Mar 2001	[redacted]	F 054000030 RIGGS BANK NA WASHINGTON, D C

Credit Party	By Order Party	Third Party	Instructing Party	Fourth Party	Originating Party
D [redacted] BEVERLY HILLS ESCROW TTEE FOR ESC. TRUST ACCT. CO 693-02 118 S. BEVERLY DR., STE. 222 BEVERLY HILLS, CA 90212	[redacted] TEODORO NGUEMA OBIANG C/O EMBASSY BANKING DIVISION AFRICA & CARIBBEAN REGION G 4001				

Fifth Party	Originating Bank Info.
	RE: ESCROW #30946 LL PROPERTY @ 3131 ANTELO ROAD, LOS ANGELES, CA

Bank to Bank Info.	Reference Number
21515 HAWTHORNE BLVD TORRANCE, CA 90503	

[redacted] = Redacted by the Permanent Subcommittee on Investigations

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Total Transaction: 1 Total Amount: 6,221,100.00

[redacted]

Permanent Subcommittee on Investigations
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COMMONWEALTH LAND TITLE CO.

RECORDING REQUESTED BY
COMMONWEALTH LAND TITLE

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENT TO:
DANNY PAKRAVAN and BEHNAZ PAKRAVAN
3131 ANTELO ROAD
LOS ANGELES, CA 90077

Escrow No: 3-34351;3
Title Order No: 0503;690-06

11/18/04

04 2995545

3

[redacted] = Redacted by the Permanent Subcommittee on Investigations

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Grant Deed

(44 80)

THE UNDERSIGNED GRANTOR(S) DECLARE(S) Tax Parcel No. [redacted]

DOCUMENTARY TRANSFER TAX IS $ 8,470.12 CITY TAX $ 34,650.00
[X] computed on full value of property conveyed, or
[ ] computed on full value less value of liens or encumbrances remaining at time of sale,

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
TEODORO NGUEMA OBIANG a single man

Hereby GRANT(S) to
DANNY PAKRAVAN, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY

The following described real property in the City of Los Angeles, County of Los Angeles, State of California

EXACT LEGAL DESCRIPTION OF SUBJECT PROPERTY ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A" CONSISTING OF TWO (2) PAGES.

DATED: October 8, 2004

TEODORO NGUEMA OBIANG

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
ON October 15th, 2004 before me the undersigned, notary public personally appeared TEODORO NGUEMA OBIANG

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s)(is)/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature:

GUSTAVO CHACON
Commission # 1301290
Notary Public - California
Los Angeles County
My Comm. Expires Apr 27, 2005

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE;IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

Name City & State

Permanent Subcommittee on Investigations
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SEP-01-2004 15:15 HILTON HYLAND 310 278 4998 P.01/04

HILTON & HYLAND

Exclusive Affiliate of CHRISTIE'S GREAT ESTATES

FAX COVER

FROM THE OFFICE OF:

JEFF HYLAND

DIRECT FACSIMILE: (310) 278-8088

TO: Jon Kerrigan DATE: 9-1-04

FAX NUMBER: 818-981-~~[illegible]~~ 7220 NUMBER OF PAGES: _____

SUBJECT: Counter on Sweetwater Mesa

COMMENTS:

[illegible] NORTH CANON DRIVE, BEVERLY HILLS, CALIFORNIA, 90210
TELEPH[illegible]

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 470

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Contract Addendum No. 1 to Counter Offer No. 1
Dated September 1, 2004 between
Teodoro Nguema Obiang, as Buyer,
and Sweetwater Mesa LLC, a Delaware limited liability company as Seller,
for property located at 3620 Sweetwater Mesa Road, Malibu, California

Paragraph 1C

Section 1A of the Offer is hereby amended to provide that the "Buyer" is Teodoro Nguema Obiang. It is understood that Teodoro Nguema Obiang will have the right to assign his rights under the Offer to a trust of which he is the beneficiary and/or a limited liability company of which he is the sole member.

(ii) Section 1C is hereby amended to provide that the Purchase Price shall be $32,000,000.

(iii) Section 2A is hereby amended to provide that the Deposit shall be $1,000,000 and shall be released to the Seller upon Buyer's waiver of contingencies in accordance with Section 14 of the Offer.

(iv) Section 1D is hereby amended to provide that the balance of the purchase price shall be $31,000,000.

(v) Section 2I is hereby deleted from the Offer in its entirety it being understood and agreed that Buyer's obtaining a loan shall not be a contingency to his obligation to purchase the Property.

(vi) Section 2L is hereby deemed checked by the parties and a part of the Offer.

(vii) Section 4B(1) is hereby amended to provide that the Buyer shall pay to have the septic system at the Property inspected.

(viii) Sections 4D(1) and 4D(2) are hereby amended to provide that the Escrow Holder shall be Heritage Escrow Company and the Title Company shall be First American Title Company (Sue Coon).

(ix) Section 4E(5) is hereby amended to provide that the maximum cost of the home warranty policy shall be $2,500.

(x) Section 8B(3) is hereby amended to delete all of the typed material therein it being understood and agreed that except for built-in appliances, no appliances, furniture or furnishings or equipment to maintain the Property shall be included in the sale of the Property.

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(xi) Section 8C is hereby amended to add the following item which is excluded from the sale of the Property: Five (5) antique lighting fixtures i.e., those in the master bathroom, guest suite entrance, coat closet, dining room and breakfast room.

(xii) Section 9A is hereby supplemented so as to provide that all inspections performed by Buyer shall be performed at mutually convenient times by appointment only upon not less than 24 hours prior notice to Seller. Buyer shall not have the right to inspect the security system and equipment at the Property but Seller represents and warrants to Buyer that the same will be in good working order upon the Close of Escrow. Any inspection performed by Buyer shall be performed accompanied by an employee of Seller.

(xiii) Section 14B(1) is hereby amended to change the 17-day period set forth therein to 10 days

(xiv) Section 20 is hereby deleted in its entirety.

(xv) Section 1 of Addendum One to the Offer is hereby deleted in its entirety.

(xvi) The following new paragraph is hereby inserted as a new Paragraph 34:

> 34. Back-up Offers. Seller shall have the right to accept back-up offers for the property until the Close of Escrow.

(xvii) A new Paragraph 35 is hereby added as follows:

> 35. Confidentiality. Buyer and Seller (on behalf of themselves, their employees, representatives and agents), acknowledge and agree that the privacy of Seller and Buyer is highly valued and that all efforts shall be made to maintain confidentiality with respect to all information and other materials of every kind concerning the terms of this transaction. Accordingly, Seller and Buyer each hereby agree for themselves, their employees, representatives and agents not to disclose, directly or indirectly, any information in any way relating to the terms of this transaction, and all such information shall be deemed to be confidential, private, secret and sensitive and shall be kept confidential and secret. Nothing herein shall prohibit the disclosure of any information as required by regulation, ordinance or law, including preliminary change in ownership report filing or 1099-S reporting at close of escrow, or pursuant to a validly enforceable subpoena of any judicial body, or mutual written authorization or instruction or Seller and Buyer to do so, or disclose to Seller's or Buyer's attorneys, accountants, financial advisors, insurance brokers, and lenders provided such professionals agree to keep the terms of this transaction confidential. By accepting its designation as Escrow Holder hereunder, Escrow Holder agrees to be bound

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by the provisions of this Section 35 as if it were a party to this Agreement for purposes of this Section only.

SWEETWATER MESA LLC,
a Delaware limited liability company

By _____
Its Manager

_____
TEODORO NGUEMA OBIANG

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CALIFORNIA ASSOCIATION OF REALTORS®

COUNTER OFFER No. Two

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/02)

Date February 5, 2004, at Los Angeles, California.
This is a counter offer to the: ☐ California Residential Purchase Agreement, ☒ Counter Offer, or ☐ Other ("Offer"),
dated February 3, 2004, on property known as 3620 Sweetwater Mesa Road, Malibu ("Property"),
between (Buyer) In Trust ("Buyer") and
Sweetwater Mesa LLC,a Delaware limited liability company ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
   A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
   B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
   C. (1) Sales Price to be $27,000,000. (Twenty-Seven Million Dollars)

      (2) All appliances on property, all items of furniture/furnishings, all equipment to maintain property,are included in the sale price. Seller and Buyer to agree on separate inventory list.

2. The following attached supplements are incorporated in this Counter Offer: ☐ Addendum No. ____ ☐ ____ ☐ ____
3. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
4. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is Signed by the Buyer or Seller to whom it is sent and a Copy of the Signed Counter Offer is personally received by the person making this Counter Offer or John Kerrigan who is authorized to receive it, by 5:00 PM on the third Day After this Counter Offer is made or, (if checked) by ☐ ____ (date), at ____ ☐ AM ☐ PM. This Counter Offer may be executed in counterparts.
5. ☐ (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by ____, who is authorized to receive it. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.
6. OFFER: ☒ BUYER OR ☐ SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
   (Buyer) In Trust Date February 5, 2004
   ____ Date ____
7. ACCEPTANCE: I/WE accept the above Counter Offer (If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
   ____ Date ____ Time ____ ☐ AM ☐ PM
   ____ Date ____ Time ____ ☐ AM ☐ PM
8. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
   NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
   ____ Date ____ Time ____ ☐ AM ☐ PM
   ____ Date ____ Time ____ ☐ AM ☐ PM
9. (____/____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) ____, at ____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Published by the
California Association of REALTORS®

Reviewed by ____ Date ____

Agent: John Kerrigan
Broker: Bankers Realty 468 N. Camden

Prepared using WINForms® software

Permanent Subcommittee on Investigations
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FEB-13-2004 13:29 HILTON HYLAND P.01/01

Feb-13-2004 09:20am From-GREENBERG GLUSKER ET AL T-229 P.002/002 F-250

CALIFORNIA ASSOCIATION OF REALTORS®

COUNTER OFFER No. THREE

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/02)

Date February 8, 2004, at Malibu, California.

This is a counter offer to the: ☐ California Residential Purchase Agreement, ☒ Counter Offer, or ☐ Other ("Offer"),

dated February 5, 2004, on property known as 1820 Sweetwater Mesa Road ("Property"),

between Theodore Hayden Obiang ("Buyer") and

Sweetwater Mesa LLC, a Delaware limited liability company ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
   A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 10 of this or another Counter Offer.
   B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
   C. (i) Purchase Price to be $33,800,000 with initial deposit in the amount of $1,006,000.
   (ii) Appliances, Furniture, Furnishings, and equipment to maintain property are excluded from sale.
   D. The following attached supplements are incorporated in the Counter Offer: ☐ Addendum No. ☐
2. OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time, prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by Buyer or Seller to whom it is sent and a Copy of the Signed Counter Offer is personally received by the person making this Counter Offer Jeff Hyland or Dennis Gilman, Esq. who is authorized to receive it, by 5:00 PM on the third Day After this Counter Offer is made or, (if checked) by ☐ (date), at ☐ AM ☐ PM. This Counter Offer may be executed in counterparts.
4. ☐ (If checked) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller in paragraph 7 below and a Copy of the Counter Offer signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 PM. Upon the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.
5. OFFER: ☐ BUYER OR ☒ SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

   Sweetwater Mesa LLC, a Delaware limited liability company — Date _____
   By: Kaiser Ventures — Date 2-13-04
6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER(S)) and acknowledge receipt of a Copy.

   _____ Date _____ Time _____ ☐ AM ☐ PM
   _____ Date _____ Time _____ ☐ AM ☐ PM
7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
   NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)

   _____ Date _____ Time _____ ☐ AM ☐ PM
   _____ Date _____ Time _____ ☐ AM ☐ PM
8. (_____ / _____) (check) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Feb-03-2004 02:03pm From-GREENBERG GLUSKER ET AL 3105510426 T-[illegible] P.001/004 F-198

FAX COVER SHEET

GreenbergGlusker
GREENBERG GLUSKER FIELDS CLAMAN MACHTINGER & KINSELLA LLP

DATE: February 3, 2004

FROM: Dennis B. Ellman

PHONE NUMBER: 310.201.7417

NO. OF PAGES: (including fax cover sheet) 4

FAX NUMBER: 310.551-0426

ATTORN[illegible]

FILE NUMBER: 7325[illegible]

RECIPIENT	FIRM/PHONE NUMBER	FAX NUMBER
John Kerrigan		818-981-7220 HARD COPY TO FOLLOW Yes [illegible]

DOCUMENT TITLE:

RE: 3620 Sweetwater Mesa Road

MESSAGE:

Attached is Counter Offer No. One signed by the Seller.

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL 310.553.3610, EXT. 00

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CALIFORNIA ASSOCIATION OF REALTORS®

COUNTER OFFER No. ONE

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/02)

Date February 3, 2004, at Malibu, California

This is a counter offer to the ☒ California Residential Purchase Agreement, ☐ Counter Offer, or ☐ Other _____ ("Offer")

For the real property located at January 29, 2004, on property known as 1820 Sweetwater Mesa Road ("Property")

between Theodore Nguyen Ohlsen ("Buyer") and Sweetwater Mesa LLC, a Delaware limited liability company ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
   A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
   B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
   C. Addendum No. 1 attached hereto and incorporated herein.

The following attached supplements are incorporated in this Counter Offer: ☒ Addendum No. One

☐ ☐

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transactions, and at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's right, prior to Buyer's acceptance and communication of notification of this Counter Offer, also revokes the Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by Buyer or Seller to whom it is sent and a Copy of the Signed Counter Offer is personally received by the person making the Counter Offer, or by Jeff Ryland or Dennis Ellman, Esq. who is authorized to receive it, by 5:00 PM on the third Day After the Counter Offer is made or, (if checked) by ☐ _____ (date) at _____ ☐ AM ☐ PM. This Counter Offer may be executed in counterparts.
4. ☐ (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective Buyer(s) on terms that may be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently reaffirmed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____ who is authorized to receive it. Prior to the communication of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

OFFER: ☐ BUYER OR ☒ SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Sweetwater Mesa LLC, a Delaware limited liability — Date _____

_____ Date _____

5. ACCEPTANCE: I/WE accept the above Counter Offer (if checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

_____ Date _____ Time _____ ☐ AM ☐ PM

_____ Date _____ Time _____ ☐ AM ☐ PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 8. (Paragraph 7 applies only if paragraph 4 is checked.)

_____ Date _____ Time _____ ☐ AM ☐ PM

_____ Date _____ Time _____ ☐ AM ☐ PM

8. (_____ / _____) (initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Contract Addendum No. 1 to Counter Offer No. 1
Dated February 3, 2004 between
Teodoro Nguema Obiang, as Buyer,
and Sweetwater Mesa LLC, a Delaware limited liability company as Seller,
for property located at 3620 Sweetwater Mesa Road, Malibu, California

1. **Paragraph 1C**

(i) Section 1A of the Offer is hereby amended to provide that the "Buyer" is Teodoro Nguema Obiang. It is understood that Teodoro Nguema Obiang will have the right to assign his rights under the Offer to a trust of which he is the beneficiary and/or a limited liability company of which he is the sole member.

(ii) Section 1C is hereby amended to provide that the Purchase Price shall be $33,900,000.

(iii) Section 2A is hereby amended to provide that the Deposit shall be $1,0 shall be released to the Seller upon Buyer's waiver of contingencies in accordance w of the Offer.

(iv) Section 1D is hereby amended to provide that the balance of the purchase pri be $32,900,000.

(v) Section 2I is hereby deleted from the Offer in its entirety it being understo agreed that Buyer's obtaining a loan shall not be a contingency to his obligation to purc Property

(vi) Section 4B(1) is hereby amended to provide that the Buyer shall pay to have the septic system at the Property inspected.

(vii) Sections 4D(1) and 4D(2) are hereby amended to provide that the Escrow Holder and Title Company shall be First American Title Company (Sue Coen).

(viii) Section 4E(5) is hereby amended to provide that the maximum cost of the home warranty policy shall be $2,500

Section 8B(3) is hereby amended to delete all of the typed material therein it being understood and agreed that except for built-in appliances, no appliances, furniture or furnishings or equipment to maintain the Property shall be included in the sale of the Property.

(x) Section 8C is hereby amended to add the following item which is excluded from the sale of the Property: Five (5) antique lighting fixtures.

(xi) Section 9A is hereby supplemented so as to provide that all inspections performed by Buyer shall be performed at mutually convenient times by appointment only upon not less than 24 hours prior notice to Seller Buyer shall not have the right to inspect the security system and equipment at the Property but Seller represents and warrants to Buyer that the same will be

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in good working order upon the Close of Escrow. Any inspection performed by Buyer shall be performed accompanied by an employee of Seller.

(xii) Section 20 is hereby deleted in its entirety.

(xiii) Section 25C is hereby deleted in its entirety.

(xiv) The following new paragraph is hereby inserted as a new Paragraph 34:

34. Back-up Offers. Seller shall have the right to accept back-up offers for the property until the Close of Escrow.

(xv) A new Paragraph 35 is hereby added as follows:

35. Confidentiality. Buyer and Seller (on behalf of themselves, their employees, representatives and agents), acknowledge and agree that the privacy of Seller and Buyer is highly valued and that all efforts shall be made to maintain confidentiality with respect to all information and other materials of every kind concerning the terms of this transaction. Accordingly, Seller and Buyer each hereby agree for themselves, their employees, representatives and agents not to disclose, directly or indirectly, any information in any way relating to the terms of this transaction, and all such information shall be deemed to be confidential, private, secret and sensitive and shall be kept confidential and secret. Nothing herein shall prohibit the disclosure of any information as required by regulation, ordinance or law, including preliminary change in ownership report filing or 1099-S reporting at close of escrow, or pursuant to a validly enforceable subpoena of any judicial body, or mutual written authorization or instruction or Seller and Buyer to do so, or disclose to Seller's or Buyer's attorneys, accountants, financial advisors, insurance brokers, and lenders provided such professionals agree to keep the terms of this transaction confidential.

SWEETWATER MESA LLC,
a Delaware limited liability company

By: Karen Rale
Its Manager

TEODORO NGUEMA OBIANG

73254-[illegible]-1392615 ;

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CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 10/02)

Date January 29, 2004, at Los Angeles, California.

1. OFFER:
   A. THIS IS AN OFFER FROM Buyer In Trust ("Buyer").
   B. THE REAL PROPERTY TO BE ACQUIRED is described as 3620 Sweetwater Mesa Road, Malibu, CA 90265, Assessor's Parcel No. 4452-017-009, situated in Malibu, County of Los Angeles, California, ("Property").
   C. THE PURCHASE PRICE offered is Twenty-Four Million Dollars $ 24,000,000.00
   D. CLOSE OF ESCROW shall occur on _____ (date) (or ☒ 45 Days After Acceptance).
2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.
   A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of ..... $ 720,000.00 to the agent submitting the offer (or to ☒ Escrow Company), by personal check (or ☒ Wire Transfer), made payable to Escrow Company, which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or ☐ Wired to escrow upon acceptance), with Escrow Holder, (or ☐ into Broker's trust account).
   B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of ..... $ _____ within _____ Days After Acceptance, or ☐ _____
   C. FIRST LOAN IN THE AMOUNT OF ..... $ _____
      (1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____. (These terms apply whether the designated loan is conventional, FHA or VA.)
      (2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.)
      [illegible] shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer [illegible] to exceed $ _____. Seller shall pay the cost of lender required Repairs (includ[illegible] for [illegible] pest) not otherwise provided for in this Agreement, ☐ not to exceed [illegible]. (Actual loan amount may increase if mortgage insurance premiums, funding [illegible] fee[illegible]).
      (3) SELLER FINANCING: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing [illegible]
      (4) ASSUMED FINANCING: ☐ assumed financing (C.A.R. Form PAA, paragraph 4B)
   E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of ..... $ 23,280,000.00 [illegible] Escrow Holder within sufficient time to close escrow.
   [illegible] PURCHASE PRICE (TOTAL): ..... $ 24,000,000.00
   [illegible] LOCATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.
   H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.
   I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☒ 30) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are fu[illegible].
   J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or ☐ _____) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or _____) Days After Acceptance.
   K. ☐ NO LOAN CONTINGENCY (if checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
   L. ☐ ALL CASH OFFER (if checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.
3. CLOSING AND OCCUPANCY:
   A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.
   B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 12:00 ☐ AM ☒ PM, ☒ on the date of Close Of Escrow, ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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Buyer's Initials (TWD) (_____)
Seller's Initials (_____) (_____)
Reviewed by _____ Date _____

Agent: John Kerrigan PH
Broker: Bankers Realty 468 N. Camden Drive.

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Property Address: 1620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

C. **Tenant-occupied property: (i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR (ii) (If checked) ☐ **Tenant to remain in possession.** The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);

OR (iii) (If checked) ☐ **This Agreement is contingent** upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.

D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. **ALLOCATION OF COSTS:** (If checked) ☐ Unless otherwise specified here, this paragraph only determines who is to pay for the inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. **WOOD DESTROYING PEST INSPECTION:**

(1) ☐ Buyer ☒ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by sellers choice, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☒ detached garages and carports, ☒ detached decks, ☒ the following other structures or areas Guest House, two Gate Houses. The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR (2) ☒ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. **OTHER INSPECTIONS AND REPORTS:**

(1) ☐ Buyer ☒ Seller shall pay to have septic or private sewage disposal systems inspected if applicable

(2) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity _____

(3) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by Sellers choice

(4) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____

(5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____

C. **GOVERNMENT REQUIREMENTS AND RETROFIT:**

(1) ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.

(2) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____

D. **ESCROW AND TITLE:**

(1) ☒ Buyer ☒ Seller shall pay escrow fee 50/50 Split

Escrow Holder shall be Sellers choice

(2) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12 Sellers choice

Owner's title policy to be issued by _____

(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. **OTHER COSTS:**

(1) ☐ Buyer ☒ Seller shall pay County transfer tax or transfer fee _____

(2) ☐ Buyer ☒ Seller shall pay City transfer tax or transfer fee _____

(3) ☐ Buyer ☒ Seller shall pay HOA transfer fees if applicable

(4) ☐ Buyer ☒ Seller shall pay HOA document preparation fees if applicable

(5) ☐ Buyer ☒ Seller shall pay the cost, not to exceed $ _____, of a one-year home warranty plan, issued by Sellers choice

with the following optional coverage: All systems,roofs, pools, spas, pond, irrigation

(6) ☐ Buyer ☐ Seller shall pay for _____

(7) ☐ Buyer ☐ Seller shall pay for _____

5. **STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordnance location disclosure (C.A.R. Form SSD).

(2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.

(3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials (JWD)(_____)

Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

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Property Address: 3620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

(4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)

(5) **Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.**

B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **DATA BASE DISCLOSURE: NOTICE:** The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

6. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**

A. **SELLER HAS: 7 (or ☐ _____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).

B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or ☐ _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14.

7. **CONDITIONS AFFECTING PROPERTY:**

A. Unless otherwise agreed: (i) the Property is sold (a) in its **PRESENT** physical condition as of the date of Acceptance and (b) subject to **Buyer's Investigation rights**; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

B. **SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).**

C. **NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

D. **NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.**

8. **ITEMS INCLUDED AND EXCLUDED:**

A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. **ITEMS INCLUDED IN SALE:**

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and

(3) The following items: All appliances on property, 7 items of furniture / furnishings on property, All equipment to maintain property. Seller and Buyer to agree on inventory list.

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. **ITEMS EXCLUDED FROM SALE:** _____

9. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Buyer's Initials (TWO)(_____)
Seller's Initials (_____)(_____)

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Property Address: 7620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

10. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
11. **BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
12. **TITLE AND VESTING:**
    A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
    B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
    C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
    D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
    E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.
13. **SALE OF BUYER'S PROPERTY:**
    A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.

OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
    A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.
    B. (1) **BUYER HAS:** 17 (or ☐ _____) Days After Acceptance, unless otherwise agreed in writing, to:
       (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
       (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
       (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
       (3) By the end of the time specified in 14B(1) (or 2I for loan contingency or 2J for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if the following inspections, reports or disclosures are not made within the time specified in 14A, then Buyer has 5 (or ☐ _____) Days after receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing: (i) government-mandated inspections or reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B.
    C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
       (1) **Seller right to Cancel; Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
       (2) **Continuation of Contingency:** Even after the expiration of the time specified in 14B(1), Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
       (3) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 18. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
       (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or ☐ _____) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

Buyer's Initials (TNO)(_____)
Seller's Initials (_____)(_____)
Reviewed by _____ Date _____

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Property Address: 3620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to $1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.

16. **LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)**

Buyer's Initials JND / _____ Seller's Initials _____ / _____

17. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. **ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.**

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17 A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials JND / _____ Seller's Initials _____ / _____

Buyer's Initials (JND)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

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Property Address: 2620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
20. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
25. **OTHER TERMS AND CONDITIONS**, including attached supplements:
    A. ☑ Buyer's Inspection Advisory (C.A.R. Form BIA)
    B. ☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers:)
    C. This agreement is contingent on the Buyer arranging suitable financing from his bank within 30 days after acceptance of offer.
26. **DEFINITIONS:** As used in this Agreement:
    A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
    B. **"Agreement"** means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
    C. **"C.A.R. Form"** means the specific form referenced or another comparable form agreed to by the parties.
    D. **"Close Of Escrow"** means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
    E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.
    F. **"Days"** means calendar days, unless otherwise required by Law.
    G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
    H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
    I. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
    J. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
    K. **"Notice to Buyer to Perform"** means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
    L. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
    M. **"Signed"** means either a handwritten or electronic signature on an original document, Copy or any counterpart.
    N. **Singular and Plural** terms each include the other, when appropriate.

Buyer's Initials (TNO)( )
Seller's Initials ( )( )
Reviewed by _____ Date _____

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568401.368

Property Address: 1620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

27. **AGENCY:**
   A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
   B. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
   C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
   Listing Agent: Hilton & Hyland R.E.I (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
   Selling Agent Bankers Realty Inc. (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
28. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
   A. **The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder,** which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and C, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
   B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
   C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
   D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.
29. **BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.
30. **TERMS AND CONDITIONS OF OFFER:**
   This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials (TWS)(_____)
Seller's Initials (_____)(_____)
Reviewed by _____ Date _____

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568401.369

Property Address: 3620 Sweetwater Mesa Road, Malibu, CA 90265 Date: January 29, 2004

31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by John Kerrigan, who is authorized to receive it by 5:00 PM on the third calendar day after this offer is signed by Buyer (or, if checked, ☒ by _____ (date), at 9:00 ☐ AM ☒ PM).

Date 01/30/04 Date _____
BUYER _____ BUYER _____
Buyer In Trust (Print Name) _____ (Print Name)
on file. (Address)

32. **BROKER COMPENSATION FROM SELLER:**
A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.
☐ (if checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** _____

Date _____ Date _____
SELLER _____ SELLER _____
(Print Name) _____ (Print Name)
(Address)

(____ / ____) (Initials) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ ☐ AM ☐ PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

REAL ESTATE BROKERS:
A. **Real Estate Brokers are not parties to the Agreement between Buyer and Seller.**
B. **Agency relationships are confirmed as stated in paragraph 27.**
C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) ☐ (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) Bankers Realty Inc.
By _____ Date November 3, 2003
Address 468 N. Camden Drive #300 City Beverly Hills State Ca. Zip 90210
Telephone (310)383-2994 Fax (818)981-7220 E-mail jker@earthlink.net

Real Estate Broker (Listing Firm) Hilton & Hyland R.E.I
By _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:
Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.
Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____
Escrow Holder Sellers choice Escrow # _____
By _____ Date _____
Address _____
Phone/Fax/E-mail _____
Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License # _____

(____ / ____) (Seller's Initials) **REJECTION OF OFFER:** No counter offer is being made. This offer was reviewed and rejected by Seller on _____ (Date)

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Published by the California Association of REALTORS®

Reviewed by _____ Date _____

CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 10/02)

Property Address: 3620 Sweetwater Mesa Road, Malibu, CA 90265 ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

1. **GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. **SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
3. **WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.

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BIA REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials (DWR) (_____)
Seller's Initials (_____) (_____)
Reviewed by _____ Date _____

Agent: John Kerrigan Phone: (310)383-2994 Fax: (818)981-7220 Prepared using WINForms® software
Broker: Bankers Realty 468 N. Camden Drive, Suite 300, Beverly Hills CA 90210-

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CALIFORNIA ASSOCIATION OF REALTORS®

WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST ADDENDUM

(C.A.R. Form WPA, Revised 10/02)

This is an addendum to the ☒ California Residential Purchase Agreement or ☐ Other _____ ("Agreement"), dated January 29, 2004, on property known as 3620 Sweetwater Mesa Road, Malibu, CA 90265 ("Property"), between Buyer In Trust ("Buyer") and _____ ("Seller").

THE FOLLOWING SHALL REPLACE THE WOOD DESTROYING PEST INSPECTION PARAGRAPH (4A in the California Residential Purchase Agreement (RPA-CA)) and shall supersede any conflicting terms in any previously-generated agreement:

WOOD DESTROYING PESTS

A. ☐ Buyer ☒ Seller shall pay for a Pest Control Report for wood destroying pests and organisms only ("Report"). The Report shall be prepared by Sellers choice, a registered structural pest control company, who shall separate the Report into sections for evident infestation or infection (Section 1) and for conditions likely to lead to infestation or infection (Section 2). The Report shall cover the main building and attached structures and, if checked: ☒ detached garages and carports, ☒ detached decks, ☒ the following other structures on the Property: Guest House, Two Gate Houses.
The Report shall not include roof coverings. If the Property is a unit in a condominium or other common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred, and shall not include common areas. Water tests of shower pans on upper level units may not be performed unless the owners of property below the shower consent. If Buyer requests inspection of inaccessible areas, Buyer shall pay for the cost of entry, inspection and closing for those areas, unless otherwise agreed. A written Pest Control Certification shall be issued prior to Close Of Escrow, unless otherwise agreed, only if no infestation or infection is found or if required corrective work is completed.

B. **(Section 1)** ☐ Buyer ☒ Seller shall pay for work recommended to correct "Section 1" conditions described in the Report and the cost of inspection, entry and closing of those inaccessible areas where active infestation or infection is discovered.
(Section 2) ☒ Buyer ☐ Seller shall pay for work recommended to correct "Section 2" conditions described in the Report if requested by Buyer.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Addendum.

Date 01/30/04 Date _____

Buyer Buyer In Trust Seller _____

Buyer _____ Seller _____

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CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

(As required by the Civil Code)
(C.A.R. Form AD-11, Revised 10/01)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agen relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:
A Fiduciary duty of utmost care, integrity, honesty, and loyalty in dealing with the Seller.

To the Buyer and the Seller:
(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:
A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:
(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:
(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

☒ BUYER ☐ SELLER _____ Date January 29, 2004 Time 12:00 ☐ AM ☒ PM
Buyer Initials

☐ BUYER ☐ SELLER _____ Date January 29, 2004 Time 12:00 ☐ AM ☒ PM

AGENT Bankers Realty (Please Print) By _____ (Associate-Licensee or Broker Signature) Date 01/29/2004

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code §2079.14):
- When the listing brokerage company also represents the Buyer, the Listing Agent shall give one AD-11 form to the Seller and one to the Buyer.
- When Buyer and Seller are represented by different brokerage companies, then the Listing Agent shall give one AD-11 form to the Seller and the Buyer's Agent shall give one AD-11 form to the Buyer and one AD-11 form to the Seller.

SEE REVERSE SIDE FOR FURTHER INFORMATION

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Reviewed by
Broker or Designee _____ Date _____

Bankers Realty 468 N. Camden Drive, Suite 300, Beverly Hills CA 90210-
Phone: (310)385-2994 Fax: (818)981-7220 John Kerrigan

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CHAPTER 2 OF TITLE 9 OF PART 4 OF DIVISION 3 OF THE CIVIL CODE

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

_____ is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.
(Name of Listing Agent)

_____ is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or
(Name of Selling Agent if not the same as the Listing Agent) ☐ both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure

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CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 10/02)

Date OCTOBER 18, 2003 at BEVERLY HILLS, California

OFFER:

A. THIS IS AN OFFER FROM TEODORO NGUEMA OBIANG ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 3620 SWEETWATER MESA ROAD, Assessor's Parcel No. 4452-017-009, situated in CITY OF MALIBU, County of LOS ANGELES, California, ("Property").

C. THE PURCHASE PRICE offered is TWENTY-ONE MILLION Dollars $ 21,000,000.00

D. CLOSE OF ECROW shall occur on _____ (date)(or ☑ 45 Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below **is a contingency** of this Agreement unless: (I) either 2K or 2L is checked below; or (II) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs **is not a contingency**. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of ..... $ 630,000.00 to the agent submitting the offer (or to ☑ ESCROW COMPANY), by personal check (or ☑ WIRE TRANSFER), made payable to ESCROW COMPANY which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or ☑ WIRED TO ESCROW UPON ACCEPTANCE), with Escrow Holder, (or ☐ into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of ... $ _____ within ____ Days After Acceptance, or ☐ _____.

C. FIRST LOAN IN THE AMOUNT OF ..... $ _____

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of _____% fixed rate, or _____% initial adjustable rate with a maximum interest rate of _____%, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____. (These terms apply whether the designated loan is conventional, FHA or VA.)

(2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay _____% discount points. Seller shall pay other fees not allowed to be paid by Buyer, ☐ not to exceed $_____. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, ☐ not to exceed $ _____. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing, (C.A.R. Form PAA, paragraph 4A); ☐ assumed financing (C.A.R. Form PAA, paragraph 4B) ... $ _____

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of ... $ 20,370,000.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): ..... $ 21,000,000.00

G. LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☑ 30) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no less than the specified purchase price. Buyer shall, as specified in paragraph 14, remove the appraisal contingency or cancel this Agreement when the loan contingency is removed (or, if checked, ☐ within 17 (or ☐ _____) Days After Acceptance).

K. ☐ NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

L. ☐ ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 12:00 AM/PM ☑ on the date of Close Of Escrow; ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

EQUAL HOUSING OPPORTUNITY

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 470

PSI-Coldwell_Banker-01-000179

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C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (If checked) Tenant to remain in possession: The attached addendum is incorporated into this Agreement (C.A.R. Form ...).

OR (iii) (If checked) If this Agreement is contingent on Buyer's ... Buyer and Seller may cancel this Agreement in writing.

D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. **ALLOCATION OF COSTS** (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, Inspection, test or service shall be by the method specified in paragraph 14.

A. **WOOD DESTROYING PEST INSPECTION:**

(1) ☐ Buyer ☑ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by SELLERS CHOICE, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☑ detached garages and carports, ☑ detached decks, ☑ the following other structures or areas GUEST HOUSE, GATE HOUSES. The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR (2) ☑ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. **OTHER INSPECTIONS AND REPORTS:**

(1) ☐ Buyer ☑ Seller shall pay to have septic or private sewage disposal systems inspected _____.

(2) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity _____.

(3) ☐ Buyer ☑ Seller shall pay for a natural hazard zone disclosure report prepared by SELLERS CHOICE.

(4) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.

(5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.

C. **GOVERNMENT REQUIREMENTS AND RETROFIT:**

(1) ☐ Buyer ☑ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.

(2) ☐ Buyer ☑ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____.

D. **ESCROW AND TITLE:**

(1) ☑ Buyer ☑ Seller shall pay escrow fee 50/50 SPLIT. Escrow Holder shall be SELLERS CHOICE.

(2) ☐ Buyer ☑ Seller shall pay for owner's title insurance policy specified in paragraph 12 _____. Owner's title policy to be issued by SELLERS CHOICE.
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. **OTHER COSTS:**

(1) ☐ Buyer ☑ Seller shall pay County transfer tax or transfer fee _____.

(2) ☐ Buyer ☑ Seller shall pay City transfer tax or transfer fee _____.

(3) ☐ Buyer ☑ Seller shall pay HOA transfer fee IF APPLICABLE.

(4) ☐ Buyer ☑ Seller shall pay HOA document preparation fees IF APPLICABLE.

(5) ☐ Buyer ☑ Seller shall pay the cost, not to exceed $ _____, of a one-year home warranty plan, issued by SELLERS CHOICE with the following optional coverage: ALL SYSTEMS, ROOFS, POOLS, SPAS.

(6) ☐ Buyer ☐ Seller shall pay for _____.

(7) ☐ Buyer ☐ Seller shall pay for _____.

5. **STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

A. (1) Seller shall, within the time specified in paragraph 14, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordnance location disclosure (C.A.R. Form SSD).

(2) Buyer shall, within the time specified in paragraph 14, return Signed Copies of the Statutory and Lead Disclosures to Seller.

(3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

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(4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures: Section 1018 of 42 USC 4852d requires a longer period for cancellation.)

(5) Note to Buyer and Seller: Warranty or Statutory and other disclosures is prohibited by Law.

B. **NATURAL AND ENVIRONMENTAL HAZARDS:** (Within the time specified in paragraph 14, Seller shall, if required by Law: (i) deliver to Buyer, if Buyer makes a written request, the "Environmental Hazards Booklet"; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **DATA BASE DISCLOSURE: NOTICE:** The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

6. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**

A. **SELLER HAS: 7 (or ☐ _____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision.

B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has **3 (or ☐ _____) Days** After Acceptance to request from the HOA (C.A.R. Form HOA): **(i)** Copies of any documents required by Law; **(ii)** disclosure of any pending or anticipated claim or litigation by or against the HOA; **(iii)** a statement containing the location and number of designated parking and storage spaces; **(iv)** Copies of the most recent 12 months of HOA minutes for regular and special meetings; and **(v)** the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14.

7. **CONDITIONS AFFECTING PROPERTY:**

A. Unless otherwise agreed: **(i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights;** (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

B. **SELLER SHALL, within the time specified in paragraph 14, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS AFFECTING THE PROPERTY, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW.**

C. **NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

D. **NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.**

8. **ITEMS INCLUDED AND EXCLUDED:**

A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. **ITEMS INCLUDED IN SALE:**

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms;

(3) The following items: ALL APPLIANCES ON PROPERTY. ALL ITEMS OF FURNITURE ON PROPERTY. SELLER & BUYER TO AGREE ON INVENTORY.

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. **ITEMS EXCLUDED FROM SALE:** _____

9. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14. Within the time specified in paragraph 14, Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: **(i)** inspect for lead-based paint and other lead-based paint hazards; **(ii)** inspect for wood destroying pests and organisms; **(iii)** review the registered sex offender database; **(iv)** confirm the insurability of Buyer and the Property; and **(v)** satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: **(i)** invasive or destructive Buyer Investigations; or **(ii)** inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

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10. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all repairs may not be possible. Seller shall: (i) obtain receipts for repairs performed by others; (ii) prepare a written statement indicating the repairs performed by Seller and the date of such repairs; and (iii) provide copies of receipts and statements to Buyer prior to final verification of condition.

11. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

12. TITLE AND VESTING:

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: **(i)** monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and **(ii)** those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 14, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

13. SALE OF BUYER'S PROPERTY:

A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.

OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form RRCR).

A. **SELLER HAS: 7 (or ☐ _____) Days** After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.

B. **(1) BUYER HAS: 17 (or ☐ _____) Days** After Acceptance, unless otherwise agreed in writing, to:

(i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and

(ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.

(2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.

(3) By the end of the time specified in 14B(1) (or 2I for loan contingency or 2J for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form RRCR) or cancel this Agreement. However, if the following inspections, reports or disclosures are not made within the time specified in 14A, then Buyer has **5 (or ☐ _____) Days** after receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing: **(i)** government-mandated inspections or reports required as a condition of closing; or **(ii)** Common Interest Disclosures pursuant to paragraph 6B.

C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**

(1) Seller right to Cancel; Buyer Contingencies: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.

(2) Continuation of Contingency: Even after the expiration of the time specified in 14B(1), Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).

(3) Seller right to Cancel; Buyer Contract Obligations: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: **(i)** if Buyer fails to deposit funds as required by 2A or 2B; **(ii)** if the funds deposited pursuant to 2A or 2B are not good when deposited; **(iii)** if Buyer fails to provide a letter as required by 2G; **(iv)** if Buyer fails to provide verification as required by 2H or 2L; **(v)** if Seller reasonably disapproves of the verification provided by 2H or 2L; **(vi)** if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or **(vii)** if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. **Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.**

(4) Notice To Buyer To Perform: The Notice to Buyer to Perform (C.A.R. Form NBP) shall: **(i)** be in writing; **(ii)** be signed by Seller; and **(iii)** give Buyer at least **24** (or ☐ _____) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than **2 Days** Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

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Reviewed by _____ Date _____

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D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer inspections, investigations, tests, surveys and other studies and matters for which Buyer is responsible; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and risk for all matters for which Buyer is responsible.

E. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives writing notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to $1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) **Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: **(i)** the Property is maintained pursuant to paragraph 7A; **(ii)** Repairs have been completed as agreed; and **(iii)** Seller has complied with Seller's other obligations under this Agreement.

16. **LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.**
BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)

X **Buyer's Initials** ____/____ **Seller's Initials** ____/____

17. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. **ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.**

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17 A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

X **Buyer's Initials** ____/____ **Seller's Initials** ____/____

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

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18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer and payments on Mello-Roos and other special assessment District bonds and assessments that are now a lien. The foregoing items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price. Prorated payments on Mello-Roos and other special assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due, Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer, and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).

20. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.

22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.

23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.

24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

25. **OTHER TERMS AND CONDITIONS,** including attached supplements:
    A. ☑ Buyer's Inspection Advisory (C.A.R. Form BIA)
    B. ☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers:)
    C. THIS AGREEMENT IS CONTINGENT ON THE BUYER ARRANGING SUITABLE FINANCING FROM HIS BANK WITHIN 30 DAYS AFTER ACCEPTANCE OF OFFER.

26. **DEFINITIONS:** As used in this Agreement:
    A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
    B. **"Agreement"** means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
    C. **"C.A.R. Form"** means the specific form referenced or another comparable form agreed to by the parties.
    D. **"Close Of Escrow"** means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
    E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.
    F. **"Days"** means calendar days, unless otherwise required by Law.
    G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
    H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
    I. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
    J. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
    K. **"Notice to Buyer to Perform"** means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours **(or as otherwise specified in paragraph 14C(4))** to remove a contingency or perform as applicable.
    L. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
    M. **"Signed"** means either a handwritten or electronic signature on an original document, Copy or any counterpart.
    N. **Singular and Plural** terms each include the other, when appropriate.

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

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EQUAL HOUSING OPPORTUNITY

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27. AGENCY:

A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."

B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
Listing Agent HILTON & HYLAND R.E.I. (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
Selling Agent BANNERS REALTY INC. (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and C, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.

B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: **(i)** if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or **(ii)** if Buyer and Seller instruct Escrow Holder to cancel escrow.

D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

29. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, **Buyer** agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

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31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by JOHN KERRIGAN, who is authorized to receive it by 5:00 PM on the third calendar day after this offer is signed by Buyer (or, if checked, by ________ (date), at ________ AM/PM).

Date ________ Date ________

BUYER ________ BUYER ________

TEODORO NGUEMA OBIANG

(Print name) (Print name)

ON FILE

(Address)

32. BROKER COMPENSATION FROM SELLER:
   A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
   B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.
☐ (If checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED ________

Date ________ Date ________

SELLER ________ SELLER ________

(Print name) (Print name)

(Address)

(____/____) (Initials) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) ________ at ________ AM/PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

REAL ESTATE BROKERS:
A. **Real Estate Brokers are not parties to the Agreement between Buyer and Seller.**
B. **Agency relationships are confirmed as stated in paragraph 27.**
C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker **(Selling Firm)** and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: **(i)** the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or **(ii)** ☐ (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) BANKERS REALTY INC.
By [signature] Date OCTOBER 18/2003
Address 468 N. CAMDEN DRIVE #300 City BEVERLY HILLS State CA. Zip 90210
Telephone 310-3832994 Fax 818-981 7220 E-mail JKER@EARTHLINK.NET

Real Estate Broker (Listing Firm) ________
By ________ Date ________
Address ________ City ________ State ________ Zip ________
Telephone ________ Fax ________ E-mail ________

ESCROW HOLDER ACKNOWLEDGMENT:
Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ ________), counter offer numbers ________ and ________, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is ________

Escrow Holder ________ Escrow # ________
By ________ Date ________
Address ________
Phone/Fax/E-mail ________
Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License # ________

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
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Reviewed by ______ Date ______

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CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S INSPECTION ADVISORY

(CAR Form BIA, Revised 10/02)

Property Address: 3620 SWEETWATER MESA ROAD MALIBU, CALIFORNIA ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

1. **GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. **SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
3. **WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.

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BIA REVISED 10/02 (PAGE 1 OF 2)

X Buyer's Initials (_____)(_____)
Seller's Initials (_____)(_____)

Reviewed by _____ Date _____

EQUAL HOUSING OPPORTUNITY

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4. **SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)
5. **ROOF:** Leaks, condition, age, leaks and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Leaks, leak history, condition, age, and remaining useful life. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, condition, age, adequacy and capacity of sewer, septic systems and components, connection to sewer, or other disposal systems.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon; methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more in formation on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners ,Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Shall not be responsible for identifying defects that are not known to Broker and **(a)** are not visually observable in reasonably accessible areas of the Property; **(b)** are in common areas; or **(c)** are off the site of the Property; **(v)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vi)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(vii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(viii)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(ix)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

X _____ X _____

Buyer Signature Date Buyer Signature Date

Seller Signature Date Seller Signature Date

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CALIFORNIA ASSOCIATION OF REALTORS®

WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST ADDENDUM

(C.A.R. Form WPA, Revised 10/02)

This is an addendum to the ☐ California Residential Purchase Agreement or ☐ Other _____ ("Agreement"), dated OCTOBER 18 / 2003, on property known as 3620 SWEETWATER MESA ROAD, MALIBU, CA. ("Property"), between TEODORO NGUEMA OBIANG ("Buyer"), and _____ ("Seller").

THE FOLLOWING SHALL REPLACE PARAGRAPH 4A IN THE AGREEMENT and shall supercede any conflicting terms in any previously-generated agreement:

WOOD DESTROYING PESTS

A. ☐ Buyer ☑ Seller shall pay for a Pest Control Report for wood destroying pests and organisms only ("Report"). The Report shall be prepared by SELLERS CHOICE, a registered structural pest control company, who shall separate the Report into sections for evident infestation or infection (Section 1) and for conditions likely to lead to infestation or infection (Section 2). The Report shall cover the main building and attached structures and, if checked: ☑ detached garages and carports, ☑ detached decks, ☑ the following other structures on the Property: GUEST HOUSE / GATE HOUSES. The Report shall not include roof coverings. If the Property is a unit in a condominium or other common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred, and shall not include common areas. Water tests of shower pans on upper level units may not be performed unless the owners of property below the shower consent. If Buyer requests inspection of inaccessible areas, Buyer shall pay for the cost of entry, inspection and closing for those areas, unless otherwise agreed. A written Pest Control Certification shall be issued prior to Close Of Escrow, unless otherwise agreed, only if no infestation or infection is found or if required corrective work is completed.

B. **(Section 1)** ☐ Buyer ☑ Seller shall pay for work recommended to correct "Section 1" conditions described in the Report and the cost of inspection, entry and closing of those inaccessible areas where active infestation or infection is discovered.
(Section 2) ☑ Buyer ☐ Seller shall pay for work recommended to correct "Section 2" conditions described in the Report if requested by Buyer.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Addendum.

Date X _____ Date _____

Buyer X _____ Seller _____

Buyer _____ Seller _____

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EQUAL HOUSING OPPORTUNITY

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CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

(As required by the Civil Code)
(C.A.R. Form AD-11, Revised 10/01)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

A Fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

BUYER/SELLER X _____ Date X _____ Time X _____ AM/PM

BUYER/SELLER _____ Date _____ Time _____ AM/PM

AGENT BANKERS REALTY INC. (Please Print) By John Kanjan (Associate Licensee or Broker Signature) Date OCT. 18/2003

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code §2079.14):
- When the listing brokerage company also represents the Buyer, the Listing Agent shall give one AD-11 form to the Seller and one to the Buyer.
- When Buyer and Seller are represented by different brokerage companies, then the Listing Agent shall give one AD-11 form to the Seller and the Buyer's Agent shall give one AD-11 form to the Buyer and one AD-11 form to the Seller.

SEE REVERSE SIDE FOR FURTHER INFORMATION

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by
Broker or Designee _____ Date _____

EQUAL HOUSING OPPORTUNITY

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U.S. Department of Justice

Kenneth L. Wainstein
United States Attorney

District of Columbia

Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530

April 18, 2005

Via Telecopier (202-736-8711)
Thomas C. Green, Esq.
Sidley Austin Brown & Wood LLP
1501 K Street, N.W.
Washington, D.C. 20005

Re: Sale of aircraft by Gulfstream Aerospace Corp. to Teodoro Nguema Obiang

Dear Mr. Green:

Our office has completed its inquiry into the proposed sale referenced above. The inquiry commenced based upon information which was provided to us concerning a contract for the purchase of the aircraft entered into by Gulfstream Aerospace Corp. with Mr. Teodoro Nguema Obiang, the son of the President of Equatorial Guinea.

In response to your inquiry, this letter is to advise you that, at the present time, we have no basis for either restraining or seizing proceeds used to finance this proposed sale as potentially forfeitable property. Similarly, at this time we have no basis for believing that the monies used to purchase the aircraft would violate the U.S. money laundering laws.

Please do not hesitate to contact me if you have any questions.

Sincerely,

KENNETH L. WAINSTEIN
UNITED STATES ATTORNEY

BY: _____
JOHN ROTH
ASSISTANT U.S. ATTORNEY
CHIEF, FRAUD & PUBLIC
CORRUPTION SECTION
(202) 514-7544

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 479

TOTAL P.02
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12/03/2009 16:15:57 TRUST TRANSACTION DETAIL REPORT -- TRUST ACCOUNT, CLIENT, MATTER SORT PAGE 1
CURRENCY: USD AVERAGE RATES AS OF TRANSACTION PERIOD.
ALL TRANSACTIONS DATE RANGE: 01/01/04 TO 01/01/07

DATE	REFERENCE	NARRATIVE/PAYEE	DEPOSITS	PAYMENTS	BALANCE	INTEREST
Account No:06		Client: [redacted] The Republic of Equatorial Guinea Matter: [redacted] Gulfstream Aerospace Corporation				
07/28/05	transfer	B (	21,086,523.97		21,086,523.97	
08/11/05	1511	Check #1511 payable to Minister Teodoro Nguema Obiang		21,086,523.97	0.00	
12/08/05	receipt	Check #1511 dated 08/11/05 payable to Minister Teodoro Nguema Obiang returned.	21,086,523.97		21,086,523.97	
12/08/05	wt	Sent to Aero Records and Title Co Escrow		250,000.00	20,836,523.97	
12/21/05	wt	Sent to Account of Teodoro Nguema Obiang		19,570,635.18	1,265,888.79	
12/21/05	wt	Sent to SABK for payment of legal fees and costs.		365,888.79	900,000.00	
12/22/05	wt	Sent to East Coast Escrow		900,000.00	0.00	
01/03/06	receipt	Wire sent 12/21/05 to Teodoro Nguema Obiang was returned 01/03/06	19,570,635.18		19,570,635.18	
01/10/06	DISBURS	Transfer from Bank 06 c/m [redacted] to c/m [redacted]		19,570,635.18	0.00	
		TOTAL FOR [redacted]	61,743,683.12	61,743,683.12	0.00	0.00
		TOTAL FOR THE REPUBLIC OF EQUA	61,743,683.12	61,743,683.12	0.00	0.00

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 480

~~PSI-Sidley Austin-01-000000~~

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12/03/2009 16:15:57 TRUST TRANSACTION DETAIL REPORT -- TRUST ACCOUNT, CLIENT, MATTER SORT PAGE 2
CURRENCY: USD, AVERAGE RATES AS OF TRANSACTION PERIOD.
ALL TRANSACTIONS DATE RANGE: 01/01/04 TO 01/01/07

DATE	REFERENCE	NARRATIVE/PAYEE	DEPOSITS	PAYMENTS	BALANCE	INTEREST
Account No:09		Client: [redacted] The Republic of Equatorial Guinea Matter: [redacted] Gulfstream Aerospace Corporation				
07/01/05	receipt	Received from General Dynamics Corporate	21,086,523.97		21,086,523.97	
07/28/05	transfer			21,086,523.97	0.00	
		TOTAL FOR [redacted]	21,086,523.97	21,086,523.97	0.00	0.00
		TOTAL FOR THE REPUBLIC OF EQUA	21,086,523.97	21,086,523.97	0.00	0.00

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PSI-Sidley-Austin-01-000007

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Offer to Purchase

Thursday, 23 February 2006

To : Blue Sapphire Services Limited

From :Duret Sieraczek-Abitan

Aircraft Manufacture/Model	: Gulfstream Aerospace, GV
Serial Number	: 569
Aircraft Registration Number	: N1UB (to be changed)
Engine Manufacturer	: BMW ROLLS-ROYCE
Model	: BR710A1-10
Serial Numbers:	: L.H 11447 R.H 11379

Duret Sieraczek-Abitan, as agent for EBONY SHINE INTERNATIONAL LTD and or assigns ("Purchaser") offers to purchase from WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee for Blue Sapphire Services Limited ("Seller") the above referenced Aircraft subject to the following terms and conditions.

1.1 Total purchase price of US$ 38,500,000 (United States Dollars Thirty Eight Million Five Hundred Thousand) for the Aircraft. The Purchase Price shall be payable to escrow by wire transfer as follows :

A. Initial Payment due upon the date hereof - US$ 4,700,000 (United States Dollars Four Million Seven Hundred Thousand)

B. Second Payment due upon execution of the Sales Agreement and completion of Pre-Purchase Inspection on or about 25 March 2006 – US$ 10,300,000 (United States Dollars Ten Million Three Hundred Thousand)

C. Final Payment due at the Delivery Time – US$ 23,500,000 (United States Dollars Twenty Three Million Five Hundred Thousand)

1.2 Following receipt of the Initial Payment by the Escrow Agent referred to in Clause 10 below, Seller will withdraw the Aircraft from the market.

1.3 Following the satisfactory inspection of the Aircraft by Purchaser as referred to in Clause 3 below Purchaser acknowledges that the Initial Payment and the Second Payment in A and B above are non-refundable by Seller unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement.

2. As of 14 February 2006, the Aircraft is understood to have approximately 1490 Hours and 530 Cycles Total Time since new. Aircraft shall have all systems and equipment in airworthy and operational condition, with a Certificate of Airworthiness, title free and clear of any liens or encumbrances whatsoever. All calendar and hourly inspections current, AD's and Mandatory SB's completed and current. The Aircraft is warranted to have no damage history whatsoever. Purchaser shall be

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EXHIBIT #134 - FN 488

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entitled to an operational test flight not to exceed two hour in duration at Seller s expense to verify systems operations.

3. This sale is subject to the completion of a Sales Agreement and our visual inspection, test flight and satisfactory pre-purchase inspection. Purchaser shall send a maintenance representative to inspect all logbooks and Aircraft. If this preliminary inspection proves to be satisfactory we shall proceed with the pre-purchase inspection to be conducted on or about 25 March 2006 at Jet Aviation (Asia Pacific) Pte Ltd in Seletar Airport, Singapore at the Purchaser's expense to verify the condition of the Aircraft and to determine that the Aircraft is current on manufacturers' Recommended Maintenance Program with all systems operating within the manufacturers' published specifications, all applicable mandatory U S. FAA Airworthiness Directives (AD's), mandatory Gulfstream Aerospace Corporation Aircraft Service Changes (ASC's) and all mandatory U.S. FAA Service Bulletins (SB's) and mandatory Gulfstream Aerospace Corporation Customer Bulletins (CB's) have been completed and that the Aircraft has no history of accident or damage and is free of corrosion. Purchaser may perform any and all inspections and or surveys at its own expense to verify the condition of the Aircraft.

4. Defects found as a result of the inspection that affect the airworthiness of the Aircraft will be corrected by Seller prior to final delivery. Seller shall maintain the option to make repairs using their own labor for items found during the pre-purchase inspection to manufacturer's specifications or by a qualified independent facility.

5. Scheduled Date for Aircraft to Begin Pre-Purchase Inspection: On or about 25 March 2006

6. Scheduled Delivery Date : On or about 15 April 2006

7. The Aircraft will be delivered with all log books, complete and continuous since new, Flight manuals, wiring diagrams, engine covers and other records, paperwork or minor equipment that is normally considered as part of the Aircraft.

8. Except as stated in paragraphs 2, 3 and 4 the Aircraft is purchased in "as is" condition with ASSIGNMENT OF REMAINDER OF NEW AIRCRAFT WARRANTY : Gulfstream has undertaken to grant and to assign to Purchaser the remainder, if any, of Gulfstream's New Aircraft Warranty for the Aircraft, (the "New Aircraft Warranty"), and Purchaser hereby agrees to all the Terms and Conditions contained in the New Aircraft Warranty. Purchaser agrees that the Delivery Time for purposes of this New Aircraft Warranty was September 2002. The remainder of the Warranty and Expiration Dates are as follows :

Primary and Secondary Structure	Until September 20, 2022
Components (Excluding outfitting)	Until September 20, 2007
Rolls-Royce Engine Warranty	Until September 20, 2007 or 2500 hours

9. This offer to purchase is subject to the execution of a detailed Sales Agreement. All matters relating to these business negotiations are of a private matter and as such remain only the business of Duret Sieraczek-Abitan Pellet and Blue Sapphire Services Limited.

10.1. Escrow Agent for this transaction will be,

Scott D. McCreary
Direct Phone 405-552-2367 |

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Direct Fax 405-228-7367
scott.mccreary@mcafeetaft.com
MCAFEE & TAFT
A PROFESSIONAL CORPORATION
10th Floor, Two Leadership Square,
211 North Robinson,
Oklahoma City, OK 73102-7103
Phone 405-235-9621
Fax 405-235-0439

10.2 The Escrow Agent will hold the Initial Payment and the Second Payment and the Final Payment on the following terms:

10.2.1 If a Sales Agreement has not been signed by 3 March 2006 the Initial Payment will be returned to Purchaser.

10.2.2 If a Sales Agreement has been signed and Seller is unwilling or unable to complete the sale of the Aircraft, due to a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement, the Initial Payment and the Second Payment will be paid to Seller.

10.2.3 If a Sales Agreement has been signed and a satisfactory inspection of the Aircraft has taken place pursuant to Clause 3 above, the Initial Payment and the Second Payment and the Final Payment will be held on behalf of Seller and will be released to Seller upon receipt by the Escrow Agent of all necessary documents showing unencumbered title to the Aircraft and Delivery of the Aircraft PROVIDED THAT if (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement, the Initial Payment and the Second Payment and the Final Payment will be returned to Purchaser

: _____
ic Duret
ırel Sieraczek-Abitan

Accepted

By : _____
Irmayani Pudjiastuti
Director
Blue Sapphire Services Limited.

BSSL000003

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568401.390

Insured Aircraft Title Service, Inc.
P.O. Box 19527 · Oklahoma City, Oklahoma 73144 · (405) 681-6663
(800) 654-4882
FAX #405-681-9299

DEPOSIT CONFIRMATION

RE: GULFSTREAM AEROSPACE G-V,
SERIAL NUMBER 669,
N1UB.

TO: MR. ERIC DURET

FROM: KIRK WOFORD

FEBRUARY 27, 2006
(1) PAGE

DEAR MR. DURET:

THIS WILL CONFIRM THAT I.A.T.S. HAS RECEIVED INTO ESCROW THE SUM OF EURO 3,912,504.94 FROM TEODORO NGUEMA OBIANG AS A DEPOSIT ON THE ABOVE REFERENCED AIRCRAFT. THIS DEPOSIT WILL BE HELD IN ESCROW AND WILL BE CONSIDERED REFUNDABLE PENDING OUR RECEIPT OF FURTHER INSTRUCTIONS FROM THE DEPOSITOR OR A FULLY EXECUTED PURCHASE AGREEMENT GOVERNING THE FUNDS HELD IN ESCROW.

PLEASE FEEL FREE TO CONTACT ME DIRECT AT 800-654-4882 WITH ANY QUESTIONS OR IF YOU DESIRE ADDITIONAL INFORMATION.

BEST REGARDS,

KIRK WOFORD
PRESIDENT

KLW/

Serving the Aviation Industry for over 40 years

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DATED 2006

BLUE SAPPHIRE SERVICES LIMITED
as Seller

and

~~[•]~~EBONY SAINE INTERNATIONAL LTD.
as Purchaser

AIRCRAFT SALE AND PURCHASE AGREEMENT
in respect of
One ~~[•]~~ Gulfstream G-V Aircraft
with manufacturer's serial number ~~[•]~~669

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The Documentation 15

EXECUTION PAGE 16

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THIS AIRCRAFT SALE AND PURCHASE AGREEMENT is made ~~on [•]~~as of March 2006

BETWEEN

(1) ~~**SINGAPORE AIRCRAFT LEASING ENTERPRISE**~~**BLUE SAPPHIRE SERVICES LIMITED,** a company organised and existing under the laws of the British Virgin Islands having its registered office at Omar Hodge Building, Wickhams Cay 1, PO Box 362, Road Town, Tortola, British Virgin Islands (the "**Seller**"); and

(2) **EBONY SAINE INTERNATIONAL LTD.**, a company organised and existing under the laws of the British Virgin Islands ~~[•]~~having its registered office at [ ] (the "**Purchaser**").

WHEREBY:

(A) WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee, for the benefit of Seller, has taken title to and delivery of the Aircraft (defined below), not in its individual capacity but solely as owner trustee for the benefit of Seller pursuant to a Trust Agreement (669) dated as of 30 June 2005

(B) Seller wishes to sell its interest in the Aircraft to Buyer and Buyer wishes to purchase Seller's interest in the Aircraft from Seller

IT IS AGREED as follows.

1. **DEFINITIONS AND INTERPRETATION**

1.1 Definitions

"Acceptance Certificate" means a certificate in the form set out in Schedule 3.

"Aircraft" means the ~~[•]~~ Gulfstream G-V aircraft bearing manufacturer's serial number ~~[•]~~, 669, as more particularly described in Schedule 1, including the Documentation.

"Bill of Sale" means a bill of sale substantially in the form set out in Schedule 2.

"Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in New York City, ~~[•]~~ London and Singapore.

~~"Cut-Off Date" means the last day of the Delivery Period or such other date as Seller and Purchaser may agree in writing.~~

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"Delivery" means the sale and purchase of, and transfer of title to, the Aircraft in accordance with this Agreement.

"Delivery Condition" means the condition specified in Schedule 1.

"Delivery Date" means on or about ~~the date during the Delivery Period~~15 April 2006, or such other date as Seller and Purchaser shall agree, on which Seller tenders the Aircraft for Delivery to Purchaser.

"Delivery Location" means Seletar Airport, Singapore

~~**"Delivery Period"** means the period from [•] to [•].~~

"Documentation" means the manuals and technical records relating to the Aircraft listed in Schedule 4.

"Dollars" and the sign **"US$"** mean the lawful currency of the United States of America and, in respect of all payments to be made under this Agreement in Dollars, mean funds which are for same day settlement in the New York Clearing House Interbank Payments System.

"Engines" means each of the two engines identified in Schedule 1.

"Lien" means any mortgage, charge, pledge, lien, encumbrance, assignment, hypothecation, right of detention, right of set-off, any lien of a repairer, mechanic, carrier or any other agreement or arrangement having the effect of conferring security which results from acts of or claims against Seller which exists on or prior to Delivery.

"Purchase Price" means US~~[•].~~$38,500,000 (thirty eight million five hundred thousand Dollars).

"Taxes" shall mean any and all present and future sales, use, personal property, customs, value-added, turnover, stamp, interest equalisation, income, profits or gains, gross receipts, or other taxes, levies, imposts, duties, fees or withholdings, together with any penalties, fines, surcharges or interest thereon imposed, levied, or assessed by, or otherwise payable to, any government entity and **"Taxation"** shall be construed accordingly.

"Total Loss" shall mean the actual or constructive total loss of the Aircraft so that the insurers agree that there has been a total loss for the purpose of the relevant insurance policy.

1.2 Headings

Clause and Schedule headings are for ease of reference only and shall not affect the interpretation of any of the provisions hereof.

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2. **AGREEMENT TO SELL AND PURCHASE**

2.1 Sale of Aircraft
Seller shall sell and transfer to Purchaser on the Delivery Date all of its right, title and interest to the Aircraft, free and clear of all Liens, in consideration of the payment by Purchaser of the Purchase Price.

2.2 Purchase of Aircraft
Purchaser shall, on the Delivery Date:

(a) purchase and accept delivery of the Aircraft from Seller; and

(b) pay the Purchase Price Balance to Seller in accordance with Clause 3.1(~~b~~c).

3. **PAYMENTS**

3.1 Payment of Purchase Price
Purchaser shall pay the Purchase Price to Seller as follows:

(a) a non-refundable First Payment of an amount of ~~[•]~~ US$4,700,000 (four million seven hundred thousand Dollars) (the "**First Payment**") ~~shall be~~has been paid to Seller.

(b) A non-refundable Second Payment of an amount of US$10,300,000 (ten million three hundred thousand Dollars) (the "**Second Payment**") shall be paid to Seller upon completion of the inspection referred to in Clause 4 below.

(b) the remaining balance of ~~[•]~~ US$23,500,000 (twenty three million five hundred thousand Dollars) (the "**Purchase Price Balance**") shall be paid to Seller on the Delivery Date.

3.2 Payments Non-Refundable
Following the satisfactory inspection of the Aircraft by Purchaser as referred to in Clause 4 below the Purchaser acknowledges that the First Payment and the Second Payment are non-refundable by Seller unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, this Agreement.

3.3 Payments to Seller
All payments payable by Purchaser to Seller under this Agreement will be made for value on the due date by crediting the same in Dollars and in immediately available funds to an escrow account with:

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Scott D. McCreary
MCAFEE & TAFT
A PROFESSIONAL CORPORATION
10th Floor, Two Leadership Square,
211 North Robinson,
Oklahoma City, OK 73102-7103
Phone 405-235-9621
Fax 405-235-0439 (the "Escrow Agent")

3.4 On or before the date hereof, Seller and Buyer will enter into an Escrow Agreement with the Escrow Agent.

4. **INSPECTION AND TEST FLIGHT**

4.1 Purchaser may send up to two (2) representatives to inspect the Aircraft on a mutually agreed date and time on or about 25 March 2006 at Jet Aviation (Asia Pacific) Pte Ltd. At Seletar Airport, Singapore.

4.2 The inspection will be at Purchaser's cost and expense. Purchaser shall send a maintenance representative to inspect all logbooks and the Aircraft. If this preliminary inspection proves to be satisfactory the pre-purchase inspection will be conducted to verify the condition of the Aircraft and to determine that the Aircraft is current on manufacturers' Recommended Maintenance Program with all systems operating within the manufacturers' published specifications, all applicable mandatory U.S. FAA Airworthiness Directives (AD's), mandatory Gulfstream Aerospace Corporation Aircraft Service Changes (ASC's) and all mandatory U.S. FAA Service Bulletins (SB's) and mandatory Gulfstream Aerospace Corporation Customer Bulletins (CB's) have been completed and that the Aircraft has no history of accident or damage and is free of corrosion.

4.3 Defects agreed at the inspection which affect the airworthiness of the Aircraft will be corrected by Seller prior to Delivery.

4.4 At the time of the pre-purchase inspection, Purchaser may provide up to two (2) representatives for an operational test flight not to exceed two (2) hours duration at Seller's expense to verify systems operations.

5. **DELIVERY AND TITLE**

5.1 Delivery and Title
Transfer of title to the Aircraft by Seller to Purchaser hereunder shall take place on the Delivery Date by Seller delivering a duly executed Bill of Sale to the Purchaser.

5.2 Acceptance Certificate
Upon Delivery of the Aircraft, Purchaser shall execute and deliver an Acceptance Certificate to Seller.

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5.3 Location of Aircraft

On the Delivery Date the Aircraft shall be located at the Delivery Location. All risk of damage to the Aircraft or any part thereof shall pass to Purchaser at the time of Delivery.

5.4 Delivery Condition

PURCHASER HAS INSPECTED THE AIRCRAFT BEFORE DELIVERY. THE AIRCRAFT IS SOLD AND SHALL BE DELIVERED BY SELLER "AS IS" AND PURCHASER AGREES AND ACKNOWLEDGES THAT SELLER WILL HAVE NO LIABILITY IN RELATION TO, AND SELLER HAS NOT, AND WILL NOT BE DEEMED TO HAVE, MADE OR GIVEN, ANY CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF (OTHER THAN AS TO TITLE), INCLUDING BUT NOT LIMITED TO:

(a) the description, title (save as expressly stated in Clause 2.1 and the Bill of Sale), satisfactory quality, airworthiness, merchantability, fitness for any use or purpose, value, condition, manufacture or design, of the Aircraft or any part thereof; or

(b) any obligation, liability, right, claim or remedy in tort whether or not arising from Seller's negligence, actual or imputed, or in strict liability, including any obligation or liability for loss of use, revenue or profit with respect to the Aircraft or for any liability of Purchaser to any third party or any other direct, incidental, special or consequential damage whatsoever; or

(c) any express or implied representation or warranty of freedom from any rightful claim by way of infringement or the like or arising from course of performance, course of dealing or usage of trade.

Execution by Purchaser of the Acceptance Certificate shall constitute conclusive evidence that the Aircraft is in the Delivery Condition and satisfactory to Purchaser in all respects and for all purposes. Seller shall have no liability for any failure to tender the Aircraft for Delivery in the Delivery Condition.

Purchaser hereby waives, as between itself and Seller, all its rights in respect of any condition, warranty or representation, express or implied, on the part of Seller and all claims against Seller howsoever and whenever arising at any time in respect of or out of, in each case, the operation or performance of the Aircraft.

Purchaser confirms that it is fully aware of the provisions of this Clause 5.4 and acknowledges that the Purchase Price has been agreed notwithstanding its provisions.

5.5 Manufacturer' Warranty

Seller will assign to Purchaser the remainder, if any, of Gulfstream's New Aircraft Warranty for the Aircraft, (the "New Aircraft Warranty"), and Purchaser hereby agrees to all the Terms

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and Conditions contained in the New Aircraft Warranty. Purchaser agrees that the Delivery Time for purposes of this New Aircraft Warranty was September 2002. The remainder of the Warranty and Expiration Dates are as follows :

Primary and Secondary Structure	Until September 20, 2022
Components (Excluding outfitting)	Until September 20, 2007
Rolls-Royce Engine Warranty	Until September 20, 2007 or 2500 hours

5.6 Total Loss prior to Delivery

If a Total Loss of the Aircraft occurs prior to Delivery, Seller shall promptly notify Purchaser and neither party will have any further liability to the other except that Seller will promptly return the Deposit to Purchaser.

5.6 Excusable Delay

Seller shall not be responsible for nor deemed to be in default by reason of delay of delivery of the Aircraft under this Agreement due to acts of God or the public enemy, civil war, insurrections or riots, fires, floods, explosions, earthquakes, serious accidents, epidemics, quarantine restrictions, strikes, labour disputes causing cessation, slow-down or interruption of work, supervening illegality or any other cause beyond the reasonable control of such party (each an "**Excusable Delay**"). In the event of an Excusable Delay, Seller shall promptly inform the other party. If delivery of the Aircraft is delayed by reason of any Excusable Delay for a period of more than 14 (fourteen) days after the Delivery Date, either party may terminate this Agreement upon written notice given to the other. Such termination shall discharge the parties of all obligations and liabilities hereunder and Seller shall promptly repay Deposit 1 and Deposit 2 to Purchaser.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Seller

Seller hereby represents and warrants to Purchaser that:

(a) Seller is a company incorporated and validly existing under applicable law of the British Virgin Islands and has the corporate power and authority to carry on its business as it is being conducted;

(b) Seller has the corporate power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of this Agreement, and this Agreement constitutes valid and legally binding and enforceable obligations of Seller except as may be limited by applicable bankruptcy, insolvency,

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reorganisation, moratorium or other similar laws affecting creditors' rights generally or by principles of equity; and

(c) there is no action, suit, proceeding or claim pending or, to the knowledge of Seller, threatened against Seller which, if adversely determined, would have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.

6.2 Representations and Warranties of Purchaser
Purchaser represents and warrants to Seller that:

(a) Purchaser is a company incorporated and validly existing under applicable law of the British Virgin Islands and has the corporate power and authority to carry on its business as it is being conducted;

(b) Purchaser has the corporate power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of this Agreement, and this Agreement constitutes valid and legally binding and enforceable obligations of Purchaser except as may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally or by principles of equity; and

(c) there is no action, suit, proceeding or claim pending or, to the knowledge of Purchaser, threatened against Purchaser which, if adversely determined, would have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement.

6.3 Repetition of Representations and Warranties
Each representation set out in Clauses 6.1 and 6.2 shall be deemed to be repeated on the Delivery Date by reference to the facts and circumstances existing on such date.

7. CONDITIONS PRECEDENT

7.1 Purchaser's Conditions Precedent
The obligations of Purchaser under this Agreement are subject to the following conditions precedent being fulfilled to the satisfaction of, or waived by, Purchaser:

(a) Purchaser shall have received on or before the Delivery Date, a certified true extract of the resolution of the board of directors of Seller approving the transaction contemplated by this Agreement and authorising a person or persons to sign and deliver this Agreement; and

(b) the representations and warranties on the part of Seller contained in Clause 6.1 shall be true and accurate on and as of the Delivery Date with reference to the facts and circumstances existing on the Delivery Date.

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7.2 Seller's Conditions Precedent

The obligations of Seller under this Agreement are subject to the following conditions precedent being fulfilled to the satisfaction of, or waived by, Seller:

(a) Seller shall have received on or before the Delivery Date, evidence satisfactory to Seller of the due authorisation of this Agreement and the transactions contemplated by this Agreement and of the authority of designated persons to sign and deliver this Agreement and the Acceptance Certificate;

(b) the representations and warranties on the part of Purchaser contained in Clause 6.2 shall be true and accurate on and as of the Delivery Date with reference to the facts and circumstances existing on the Delivery Date; and

(c) Seller shall have received the Purchase Price.

8. FEES AND EXPENSES

Each of Purchaser and Seller shall be responsible for its own costs and expenses, including legal fees, incurred by each of them in or connection with the negotiation, preparation and execution of this Agreement, regardless of whether Delivery occurs or not.

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9. TAXES AND INDEMNITIES

9.1 Taxes

Each party shall be responsible for any Taxes that may be payable by it in connection with the sale and purchase of the Aircraft.

9.2 Seller's Indemnity

Seller shall indemnify, defend and hold harmless Purchaser, its affiliates, successors, assigns, officers, agents, directors and employees against any and all (i) claims of third parties arising with respect to the possession, condition, maintenance, operation or use of the Aircraft before Delivery and (ii) any claims arising out of the death of or any injury to any agent or employee of Seller attributable to in connection with inspection of the Aircraft (including any test flight).

9.3 Purchaser's Indemnity

Purchaser shall indemnify, defend and hold harmless Seller, its affiliates, successors, assigns, officers, agents, directors and employees against any and all (i) claims of third parties arising with respect to the possession, condition, maintenance, operation or use of the Aircraft after Delivery and (ii) any claims arising out of the death of or any injury to any agent or employee of Purchaser attributable to in connection with inspection of the Aircraft (including any test flight).

9.4 Tax Gross-up

All payments to be made by either party to the other hereunder shall be made free and clear of and without deduction for or on account of Tax unless the payer is required to make such a payment subject to any deduction or withholding Tax, in which case the sum payable by the payer (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that the payee receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made.

10. ASSIGNMENT

Neither party shall assign or transfer its rights, obligations or interests hereunder without the prior written consent of the other. The terms "Purchaser" and "Seller" when used herein, shall be deemed to include their respective successors and permitted assigns.

11. NOTICES

11.1 Notices

Every notice, request, demand or other communication under this Agreement shall be in writing delivered personally or by first class prepaid letter (airmail if available) or facsimile transmission and be effective (in the case of personal delivery or prepaid letter) only upon

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actual receipt thereof by the recipient, and in the case of facsimile, once sent **provided that** an answer back or confirmation of transmission is received by the sender, and be sent:

(a) to the Seller to:

Address: 91 Tanglin Road
#03-09 Tanglin Place
Singapore 247918
Attention: Irmayani Pujiastuti, Director
Facsimile: +65-6838-0574

(b) to the Purchaser to:

Address:

Attention:
Fax:

or to such other address or facsimile number as is notified by one party to the other under this Agreement.

11.2 English Language
All documents given or to be given under this Agreement, unless made in the English language, shall be accompanied by an English translation and the English version of any such document shall, to the extent permitted by applicable law, prevail in the event of any conflict with the non-English version thereof.

12. **CONFIDENTIALITY**

Each of the parties hereto shall keep confidential and shall not, without the prior written consent, in the case of Seller, of Purchaser and, in the case of Purchaser, of Seller, disclose to any other person the subject matter of this Agreement and the transactions contemplated hereby **provided that** the parties hereto shall be entitled, without any such consent, to disclose the same:

(a) in connection with any legal proceedings arising out of or in connection with this Agreement; or

(b) if required to do so by an order of a court of competent jurisdiction whether in pursuance of any procedure for discovery of documents or otherwise; or

(c) pursuant to any law or regulation having the force of law that is binding on or applicable to Purchaser or Seller (as the case may be); or

(d) to any fiscal, monetary, tax, governmental or other competent authority; or

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(e) to the insurers (and/or insurance brokers), auditors, legal or other professional advisors of Seller or Purchaser; or

(f) if any of the same is or shall become publicly known otherwise than as a result of a breach by such party of this Clause 11.

13. MISCELLANEOUS

13.1 Entire Agreement

This Agreement contains the entire agreement between Seller and Purchaser relating to the purchase of the Aircraft, and the terms and conditions of this Agreement shall not be varied otherwise than by an instrument in writing of even date herewith or subsequent hereto executed by or on behalf of Seller and Purchaser.

13.2 Delay in Exercising Rights

No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided in this Agreement are cumulative and are in addition to any remedies provided by law.

13.3 Further Assurance

Each party shall from time to time do and perform such other and further acts and execute and deliver any and all such further instruments as may be required by law or reasonably requested in writing by the other to establish, maintain and protect the rights and remedies of the other and to carry out and effect the intent and purposes of this Agreement.

13.4 Rights at Law

Nothing contained in this Agreement (except Clause 4.4) shall be construed to limit in any way any right, power, remedy or privilege of each party thereunder or now or hereafter existing at law or in equity. Each and every right, power, remedy and privilege of each party under this Agreement: (i) shall be in addition to and not in limitation of, or in substitution for, any other right, power, remedy or privilege under this Agreement or at law or in equity; (ii) may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by it; and (iii) shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other.

13.5 Counterparts

This Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.

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13.6 Severability

If any provision of this Agreement shall become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

14. GOVERNING LAW AND JURISDICTION

14.1 Governing Law

This Agreement and all matters arising from or connected with it are governed by English law.

14.2 English Courts

Each party to this Agreement irrevocably agrees that any legal action or proceedings in connection with this Agreement which is expressed to be governed by English law, against either party or any of its assets may be brought in the English Courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Agreement and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the English Courts.

14.3 Non-exclusive Submission

The submission to jurisdiction referred to in Clause 13.2 (*English Courts*) shall not (and shall not be construed so as to) limit the rights of Seller to take proceedings against Purchaser in the courts of any other competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

14.4 Inconvenient Forum

Each party to this Agreement irrevocably waives any objection it may now or hereafter have to the laying of venue of any action or proceeding in any court and any claim it may now or hereafter have that any action or proceeding has been brought in an inconvenient forum.

15. THIRD PARTY RIGHTS

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any party who is not a party to this Agreement.

IN WITNESS WHEREOF the duly authorised representatives of the parties have executed this Agreement on the day and year first written above.

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SCHEDULE 1

AIRCRAFT AND DELIVERY CONDITION

GULFSTREAM G-V, S/N 669

STATUS AS OF FEBRUARY 14, 2006

Total Time on Aircraft	1490 Hours
Total Cycles	530 Landings
Year of Manufacture	February 22, 2002
Entry into Service	September 20, 2002

BMW ROLLS-ROYCE ENGINES BR710A1-10

ENGINES	LEFT	RIGHT	
Serial Number	11447	11379	
Time Since New	1490 Hours	1490 Hours	**3500 Hour Mid-life**
Time to Mid-life	2010 Hours	2010 Hours	**7000 Hour TBO**
Ten Year Calendar Due	February 2012	February 2012	

APU S/N 283

Time Since New – 726 Hours as of January 22, 2005

INTERIOR

Cabin Layout: 14 Passengers

Fwd Cabin: Four (4) Place Club

Mid Cabin: Two (2) Place Club with Opposing Four (4) Place Divan on Right-hand side **Aft Cabin:** Four (4) Place Conference Group with Opposing Credenza

Crew Rest Area: Yes

Galley and Lavatory: Fwd Vacuum Lavatory and Refreshment Center, Aft Galley, Aft Vacuum Lavatory, Aft Galley includes High Temp Oven, Microwave, Dual Coffee Makers

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Colors :

Seats: Tan Leather

Wood: Walnut

Headliners: Ivory Ultrasuede

Metal:

Polished Gold Carpet: Swirls - Scott Group

Exterior: Painted by Gulfstream, Long Beach, 2002

ENTERTAINMENT

- Two (2) DVD Players • Compact Disc Changer (10 Stack)
- Stereo with Tuner • Three (3) External Cameras
- 17" LCD Monitor in Fwd Cabin Bulkhead • 14" LCD Monitor Above Credenza
- Seven (7) 5.6" LCD Monitors

AVIONICS

	Honeywell	SPZ-8500	Flight Director
Dual	Collins	VHF-422C	VHF COMM
Dual	Collins	VIR-432	VHF NAV
Dual	Collins	ADF-462	ADF
Dual	Collins	DME-442	DME
Dual	Collins	TDR-94D	Transponder
Dual	Collins	HF-9034A	HF COMM
Dual	Honeywell	RT-300	Radio Altimeter
Triple	Honeywell	LASEREF IV	IRS
Single	B&D	FDR	Flight Data Recorder
Single	B&D	CVR	Cockpit Voice Recorder
Dual	Honeywell	NZ-2000	FMS
Single	Universal	UNS-1C	FMS
Dual	Honeywell	GP-550	GPS Unit
Single	Honeywell	WU-880	Color Weather Radar
Dual	Collins	RTU-4280	Radio Tuning Units (RTU's)
One	Honeywell	MK-V EGPWS	Enhanced Ground Proximity

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One	Honeywell	TCAS-2000	Traffic & Collision Avoidance Sys.
One	Honeywell	HUD-2020	Heads Up Display

MISCELLANEOUS

Magnastar C-2000 Radio Telephone / MCS-6000 SATCOM / AFIS with SATCOM Link / Fax Machine / RVSM / 8.33 FM Immunity / Fwd & Aft Vacuum Lavs

- ***Specification Subject to Verification Upon Inspection***

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SCHEDULE 2

FORM OF BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee pursuant to a Trust Agreement (669) dated as of 30 June 2005, for the benefit of ~~SINGAPORE AIRCRAFT LEASING ENTERPRISE~~BLUE SAPPHIRE SERVICES LIMITED a company duly organised and validly existing under the applicable laws of the British Virgin Islands (the ***Seller***), is the owner of the Gulfstream G-V aircraft with manufacturer's serial number 669 and the two installed BMW Rolls Royce engines with serial numbers 11447 and 11379 respectively (the ***Aircraft***).

THAT for and in consideration of the payment of US$1, receipt of which is hereby acknowledged, the Seller does hereby, this [•] day of [•] 2006, transfer all of its right, title and interest to and in the Aircraft to ESI Limited, a company duly organised and validly existing under the applicable laws of the British Virgin Islands (the ***Purchaser***). The Aircraft is sold in "as is, where is" condition and without recourse to or warranty by the Seller other than the warranty given by the Seller below.

THAT the Seller hereby warrants to the Purchaser and its successors and assigns that there is hereby transferred to the Purchaser all right, title and interest of the Seller in and to the Aircraft free and clear of all liens, charges, encumbrances, mortgages and other security interests and all claims and rights of others created by or arising from any act or omission of the Seller.

THAT this Bill of Sale is and shall be governed by and construed in accordance with the laws of England.

IN WITNESS whereof the Seller, by and through its duly authorised representative, has executed this Bill of Sale this [•] day of [•] 2006 and delivered the same to the duly authorised representative of the Purchaser.

For and on behalf of
WELLS FARGO BANK NOTHWEST NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY, BUT SOLELY AS OWNER TRUSTEE UNDER A TRUST AGREEMENT DATED JUNE 30, 2005 WITH ~~SINGAPORE AIRCRAFT LEASING ENTERPRISE~~BLUE SAPPHIRE SERVICES LIMITED

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SCHEDULE 3

FORM OF ACCEPTANCE CERTIFICATE

THIS ACCEPTANCE CERTIFICATE is delivered on the date set out below by **EBONY SAINE INTERNATIONAL LTD.**, (the "Purchaser") to ~~SINGAPORE AIRCRAFT LEASING ENTERPRISE~~ WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee pursuant to a Trust Agreement (669) dated as of 30 June 2005, for the benefit of ~~SINGAPORE AIRCRAFT LEASING ENTERPRISE~~BLUE SAPPHIRE SERVICES LIMITED (the "Seller"), pursuant to the Aircraft Sale and Purchase Agreement dated [•] March 2006 between Buyer and Seller in respect of the aircraft described below (the "Agreement"). Capitalised terms used in this Certificate shall have the meanings given to such terms in the Agreement.

The Purchaser hereby confirms to Seller that:

(a) Purchaser has on [•] 2006 accepted the Gulfstream G-V aircraft with manufacturer's serial number 669 and the two installed BMW Rolls Royce engines with serial numbers 11447 and 11379 respectively in accordance with the provisions of the Agreement;

(b) Purchaser has received the Documentation and loose equipment listed in the attached annex; and

(c) the Aircraft is in the Delivery Condition and the Aircraft and the Documentation are in all respects and for all purposes satisfactory to the Purchaser.

Date:

Signed by
For and on behalf of
EBONY SAINE INTERNATIONAL LTD.

[*Annex list of Documentation and loose equipment*]

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SCHEDULE 4

THE DOCUMENTATION

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EXECUTION PAGE

The Seller

~~SINGAPORE AIRCRAFT LEASING ENTERPRISE~~BLUE SAPPHIRE SERVICES LIMITED

By: _____

Title: _____

The Purchaser

EBONY SAINE INTERNATIONAL LTD.

By: _____

Title: _____

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Offer to Purchase

Thursday, 23 February 2006

To . Blue Sapphire Services Limited

From :Duret Sieraczek-Abitan

Aircraft Manufacture/Model	: Gulfstream Aerospace, GV
Serial Number	. 569
Aircraft Registration Number	: N1UB (to be changed)
Engine Manufacturer	: BMW ROLLS-ROYCE
Model	: BR710A1-10
Serial Numbers:	. L.H 11447 R.H 11379

Duret Sieraczek-Abitan, as agent for EBONY SHINE INTERNATIONAL LTD and or assigns ("Purchaser") offers to purchase from WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee for Blue Sapphire Services Limited ("Seller") the above referenced Aircraft subject to the following terms and conditions.

1.1 Total purchase price of US$ 38,500,000 (United States Dollars Thirty Eight Million Five Hundred Thousand) for the Aircraft. The Purchase Price shall be payable to escrow by wire transfer as follows :

A. **Initial Payment** due upon the date hereof - US$ 4,700,000 (United States Dollars Four Million Seven Hundred Thousand)

B. **Second Payment** due upon execution of the Sales Agreement and completion of Pre-Purchase Inspection on or about 25 March 2006 – US$ 10,300,000 (United States Dollars Ten Million Three Hundred Thousand)

C. **Final Payment** due at the Delivery Time – US$ 23,500,000 (United States Dollars Twenty Three Million Five Hundred Thousand)

1.2 Following receipt of the Initial Payment by the Escrow Agent referred to in Clause 10 below, Seller will withdraw the Aircraft from the market.

1.3 Following the satisfactory inspection of the Aircraft by Purchaser as referred to in Clause 3 below Purchaser acknowledges that the Initial Payment and the Second Payment in A and B above are non-refundable by Seller unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement.

2. As of 14 February 2006, the Aircraft is understood to have approximately 1490 Hours and 530 Cycles Total Time since new. Aircraft shall have all systems and equipment in airworthy and operational condition, with a Certificate of Airworthiness, title free and clear of any liens or encumbrances whatsoever. All calendar and hourly inspections current, AD's and Mandatory SB's completed and current. The Aircraft is warranted to have no damage history whatsoever. Purchaser shall be

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entitled to an operational test flight not to exceed two hour in duration at Seller's expense to verify systems operations.

3. This sale is subject to the completion of a Sales Agreement and our visual inspection, test flight and satisfactory pre-purchase inspection. Purchaser shall send a maintenance representative to inspect all logbooks and Aircraft. If this preliminary inspection proves to be satisfactory we shall proceed with the pre-purchase inspection to be conducted on or about 25 March 2006 at Jet Aviation (Asia Pacific) Pte Ltd in Seletar Airport, Singapore at the Purchaser's expense to verify the condition of the Aircraft and to determine that the Aircraft is current on manufacturers' Recommended Maintenance Program with all systems operating within the manufacturers' published specifications, all applicable mandatory U.S. FAA Airworthiness Directives (AD's), mandatory Gulfstream Aerospace Corporation Aircraft Service Changes (ASC's) and all mandatory U.S. FAA Service Bulletins (SB's) and mandatory Gulfstream Aerospace Corporation Customer Bulletins (CB's) have been completed and that the Aircraft has no history of accident or damage and is free of corrosion. Purchaser may perform any and all inspections and or surveys at its own expense to verify the condition of the Aircraft.

4. Defects found as a result of the inspection that affect the airworthiness of the Aircraft will be corrected by Seller prior to final delivery. Seller shall maintain the option to make repairs using their own labor for items found during the pre-purchase inspection to manufacturer's specifications or by a qualified independent facility.

5. Scheduled Date for Aircraft to Begin Pre-Purchase Inspection: On or about 25 March 2006

6 Scheduled Delivery Date : On or about 15 April 2006

7 The Aircraft will be delivered with all log books, complete and continuous since new, Flight manuals, wiring diagrams, engine covers and other records, paperwork or minor equipment that is normally considered as part of the Aircraft.

8. Except as stated in paragraphs 2, 3 and 4 the Aircraft is purchased in "as is" condition with ASSIGNMENT OF REMAINDER OF NEW AIRCRAFT WARRANTY : Gulfstream has undertaken to grant and to assign to Purchaser the remainder, if any, of Gulfstream's New Aircraft Warranty for the Aircraft, (the "New Aircraft Warranty"), and Purchaser hereby agrees to all the Terms and Conditions contained in the New Aircraft Warranty. Purchaser agrees that the Delivery Time for purposes of this New Aircraft Warranty was September 2002. The remainder of the Warranty and Expiration Dates are as follows :

Primary and Secondary Structure	Until September 20, 2022
Components (Excluding outfitting)	Until September 20, 2007
Rolls-Royce Engine Warranty	Until September 20, 2007 or 2500 hours

9. This offer to purchase is subject to the execution of a detailed Sales Agreement. All matters relating to these business negotiations are of a private matter and as such remain only the business of Duret Sieraczek-Abitan Pellet and Blue Sapphire Services Limited.

10.1. Escrow Agent for this transaction will be,

Scott D. McCreary
Direct Phone 405-552-2367 |

BSSL00(

Direct Fax 405-228-7367
scott.mccreary@mcafeetaft.com
MCAFEE & TAFT
A PROFESSIONAL CORPORATION
10th Floor, Two Leadership Square,
211 North Robinson,
Oklahoma City, OK 73102-7103
Phone 405-235-9621
Fax 405-235-0439

10.2 The Escrow Agent will hold the Initial Payment and the Second Payment and the Final Payment on the following terms:

10.2.1 If a Sales Agreement has not been signed by 3 March 2006 the Initial Payment will be returned to Purchaser.

10.2.2 If a Sales Agreement has been signed and Seller is unwilling or unable to complete the sale of the Aircraft, due to a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement, the Initial Payment and the Second Payment will be paid to Seller.

10.2.3 If a Sales Agreement has been signed and a satisfactory inspection of the Aircraft has taken place pursuant to Clause 3 above, the Initial Payment and the Second Payment and the Final Payment will be held on behalf of Seller and will be released to Seller upon receipt by the Escrow Agent of all necessary documents showing unencumbered title to the Aircraft and Delivery of the Aircraft PROVIDED THAT if (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sales Agreement, the Initial Payment and the Second Payment and the Final Payment will be returned to Purchaser

By : _____
Eric Duret
Duret Sieraczek-Abilan

Accepted

By : _____
Irmayani Pudjiastuti
Director
Blue Sapphire Services Limited.

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WELLS FARGO

Wells Fargo Bank Northwest, N.A.
Corporate Trust Lease Group

MAC U1228-120
299 South Main Street, 12th Floor
Salt Lake City, UT 84111
801 246-5630
801 246-5053 Fax
www.wellsfargocorptrust.com

August 16, 2006

HAND DELIVERED

Federal Aviation Administration
Aircraft Registry
Post Office Box 25504
Oklahoma City, Oklahoma 73125

Re: One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration No. N1UB (the "Aircraft")

Ladies and Gentlemen:

Wells Fargo Bank Northwest, National Association, as owner trustee, as registered owner of the Aircraft, hereby requests that you immediately cancel the United States Registration of the Aircraft and forward notification of such deregistration to your counterpart in Cayman Islands

Also please deliver a copy of your Form 14 Notice of Deregistration to Kirk Wofford at IATS in the Public Documents Room. Please reserve N1UB in name only for Wells Fargo Bank NW NA - owner Trustee $10.00 fee attached.

If there are any questions or problems, please contact Kirk Wofford

Thank you.

Yours very truly,

Wells Fargo Bank Northwest, National Association, as Owner Trustee

BY: _____

TITLE: Assistant Vice President

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 490

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xB FORM APPROVED
OMB NO. 2120-0042

UNITED STATES OF AMERICA
U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF $ 10.00 + o.v.c. THE UNDERSIGNED OWNER(S) OF THE FULL LEGAL AND BENEFICIAL TITLE OF THE AIRCRAFT DESCRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER **N 1UB**

AIRCRAFT MANUFACTURER & MODEL
Gulfstream Aerospace G-V

AIRCRAFT SERIAL No.
669

DOES THIS 29 DAY OF June, 2006
HEREBY SELL, GRANT, TRANSFER AND DELIVER ALL RIGHTS, TITLE, AND INTERESTS IN AND TO SUCH AIRCRAFT UNTO:

Do Not Write In This Block
FOR FAA USE ONLY

PURCHASER

NAME AND ADDRESS
(IF INDIVIDUAL (S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)

Ebony Shine International Limited

DEALER CERTIFICATE NUMBER

AND TO _____ EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF we HAVE SET our HAND AND SEAL THIS 29 DAY OF June, 2006.

SELLER

NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
Wells Fargo Bank Northwest,		Assistant
National Association, not in		Vice President
its individual capacity, but		
solely as Owner Trustee		

ACKNOWLEDGEMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING: HOWEVER, MAY BE REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTURMENT.)

ORIGINAL TO FAA

AC Form 8050-2 (9/92) (NSN 0052-00-629-0003) Supersedes Previous Edition

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THIS AIRCRAFT SALE AND PURCHASE AGREEMENT is made ~~on [•]~~as of March 2006

BETWEEN

(1) ~~**SINGAPORE AIRCRAFT LEASING ENTERPRISE**~~**BLUE SAPPHIRE SERVICES LIMITED,** a company organised and existing under the laws of the British Virgin Islands having its registered office at Omar Hodge Building, Wickhams Cay 1, PO Box 362, Road Town, Tortola, British Virgin Islands (the "**Seller**"); and

(2) **EBONY SAINE INTERNATIONAL LTD.**, a company organised and existing under the laws of the British Virgin Islands ~~[•]~~having its registered office at [ ] (the "**Purchaser**").

WHEREBY:

(A) WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee, for the benefit of Seller, has taken title to and delivery of the Aircraft (defined below), not in its individual capacity but solely as owner trustee for the benefit of Seller pursuant to a Trust Agreement (669) dated as of 30 June 2005

(B) Seller wishes to sell its interest in the Aircraft to Buyer and Buyer wishes to purchase Seller's interest in the Aircraft from Seller

IT IS AGREED as follows.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

"Acceptance Certificate" means a certificate in the form set out in Schedule 3.

"Aircraft" means the ~~[•]~~ Gulfstream G-V aircraft bearing manufacturer's serial number ~~[•]~~, 669, as more particularly described in Schedule 1, including the Documentation.

"Bill of Sale" means a bill of sale substantially in the form set out in Schedule 2.

"Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in New York City, ~~[•]~~ London and Singapore.

~~**"Cut-Off Date"** means the last day of the Delivery Period or such other date as Seller and Purchaser may agree in writing.~~

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 492

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"Delivery" means the sale and purchase of, and transfer of title to, the Aircraft in accordance with this Agreement.

"Delivery Condition" means the condition specified in Schedule 1.

"Delivery Date" means on or about ~~the date during the Delivery Period~~15 April 2006, or such other date as Seller and Purchaser shall agree, on which Seller tenders the Aircraft for Delivery to Purchaser.

"Delivery Location" means Seletar Airport, Singapore

~~**"Delivery Period"** means the period from [•] to [•].~~

"Documentation" means the manuals and technical records relating to the Aircraft listed in Schedule 4.

"Dollars" and the sign **"US$"** mean the lawful currency of the United States of America and, in respect of all payments to be made under this Agreement in Dollars, mean funds which are for same day settlement in the New York Clearing House Interbank Payments System.

"Engines" means each of the two engines identified in Schedule 1.

"Lien" means any mortgage, charge, pledge, lien, encumbrance, assignment, hypothecation, right of detention, right of set-off, any lien of a repairer, mechanic, carrier or any other agreement or arrangement having the effect of conferring security which results from acts of or claims against Seller which exists on or prior to Delivery.

"Purchase Price" means US~~[•].~~$38,500,000 (thirty eight million five hundred thousand Dollars).

"Taxes" shall mean any and all present and future sales, use, personal property, customs, value-added, turnover, stamp, interest equalisation, income, profits or gains, gross receipts, or other taxes, levies, imposts, duties, fees or withholdings, together with any penalties, fines, surcharges or interest thereon imposed, levied, or assessed by, or otherwise payable to, any government entity and **"Taxation"** shall be construed accordingly.

"Total Loss" shall mean the actual or constructive total loss of the Aircraft so that the insurers agree that there has been a total loss for the purpose of the relevant insurance policy.

1.2 Headings

Clause and Schedule headings are for ease of reference only and shall not affect the interpretation of any of the provisions hereof.

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2. AGREEMENT TO SELL AND PURCHASE

2.1 Sale of Aircraft

Seller shall sell and transfer to Purchaser on the Delivery Date all of its right, title and interest to the Aircraft, free and clear of all Liens, in consideration of the payment by Purchaser of the Purchase Price.

2.2 Purchase of Aircraft

Purchaser shall, on the Delivery Date:

(a) purchase and accept delivery of the Aircraft from Seller; and

(b) pay the Purchase Price Balance to Seller in accordance with Clause 3.1(~~b~~c).

3. PAYMENTS

3.1 Payment of Purchase Price

Purchaser shall pay the Purchase Price to Seller as follows:

(a) a non-refundable First Payment of an amount of ~~[•]~~ US$4,700,000 (four million seven hundred thousand Dollars) (the "**First Payment**") ~~shall be~~has been paid to Seller.

(b) A non-refundable Second Payment of an amount of US$10,300,000 (ten million three hundred thousand Dollars) (the "**Second Payment**") shall be paid to Seller upon completion of the inspection referred to in Clause 4 below.

(b) the remaining balance of ~~[•]~~ US$23,500,000 (twenty three million five hundred thousand Dollars) (the "**Purchase Price Balance**") shall be paid to Seller on the Delivery Date.

3.2 Payments Non-Refundable

Following the satisfactory inspection of the Aircraft by Purchaser as referred to in Clause 4 below the Purchaser acknowledges that the First Payment and the Second Payment are non-refundable by Seller unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, this Agreement.

3.3 Payments to Seller

All payments payable by Purchaser to Seller under this Agreement will be made for value on the due date by crediting the same in Dollars and in immediately available funds to an escrow account with:

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Scott D. McCreary
MCAFEE & TAFT
A PROFESSIONAL CORPORATION
10th Floor, Two Leadership Square,
211 North Robinson,
Oklahoma City, OK 73102-7103
Phone 405-235-9621
Fax 405-235-0439 (the "Escrow Agent")

3.4 On or before the date hereof, Seller and Buyer will enter into an Escrow Agreement with the Escrow Agent.

4. **INSPECTION AND TEST FLIGHT**

4.1 Purchaser may send up to two (2) representatives to inspect the Aircraft on a mutually agreed date and time on or about 25 March 2006 at Jet Aviation (Asia Pacific) Pte Ltd. At Seletar Airport, Singapore.

4.2 The inspection will be at Purchaser's cost and expense. Purchaser shall send a maintenance representative to inspect all logbooks and the Aircraft. If this preliminary inspection proves to be satisfactory the pre-purchase inspection will be conducted to verify the condition of the Aircraft and to determine that the Aircraft is current on manufacturers' Recommended Maintenance Program with all systems operating within the manufacturers' published specifications, all applicable mandatory U.S. FAA Airworthiness Directives (AD's), mandatory Gulfstream Aerospace Corporation Aircraft Service Changes (ASC's) and all mandatory U.S. FAA Service Bulletins (SB's) and mandatory Gulfstream Aerospace Corporation Customer Bulletins (CB's) have been completed and that the Aircraft has no history of accident or damage and is free of corrosion.

4.3 Defects agreed at the inspection which affect the airworthiness of the Aircraft will be corrected by Seller prior to Delivery.

4.4 At the time of the pre-purchase inspection, Purchaser may provide up to two (2) representatives for an operational test flight not to exceed two (2) hours duration at Seller's expense to verify systems operations.

5. **DELIVERY AND TITLE**

5.1 Delivery and Title
Transfer of title to the Aircraft by Seller to Purchaser hereunder shall take place on the Delivery Date by Seller delivering a duly executed Bill of Sale to the Purchaser.

5.2 Acceptance Certificate
Upon Delivery of the Aircraft, Purchaser shall execute and deliver an Acceptance Certificate to Seller.

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5.3 Location of Aircraft

On the Delivery Date the Aircraft shall be located at the Delivery Location. All risk of damage to the Aircraft or any part thereof shall pass to Purchaser at the time of Delivery.

5.4 Delivery Condition

PURCHASER HAS INSPECTED THE AIRCRAFT BEFORE DELIVERY. THE AIRCRAFT IS SOLD AND SHALL BE DELIVERED BY SELLER "AS IS" AND PURCHASER AGREES AND ACKNOWLEDGES THAT SELLER WILL HAVE NO LIABILITY IN RELATION TO, AND SELLER HAS NOT, AND WILL NOT BE DEEMED TO HAVE, MADE OR GIVEN, ANY CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF (OTHER THAN AS TO TITLE), INCLUDING BUT NOT LIMITED TO:

(a) the description, title (save as expressly stated in Clause 2.1 and the Bill of Sale), satisfactory quality, airworthiness, merchantability, fitness for any use or purpose, value, condition, manufacture or design, of the Aircraft or any part thereof; or

(b) any obligation, liability, right, claim or remedy in tort whether or not arising from Seller's negligence, actual or imputed, or in strict liability, including any obligation or liability for loss of use, revenue or profit with respect to the Aircraft or for any liability of Purchaser to any third party or any other direct, incidental, special or consequential damage whatsoever; or

(c) any express or implied representation or warranty of freedom from any rightful claim by way of infringement or the like or arising from course of performance, course of dealing or usage of trade.

Execution by Purchaser of the Acceptance Certificate shall constitute conclusive evidence that the Aircraft is in the Delivery Condition and satisfactory to Purchaser in all respects and for all purposes. Seller shall have no liability for any failure to tender the Aircraft for Delivery in the Delivery Condition.

Purchaser hereby waives, as between itself and Seller, all its rights in respect of any condition, warranty or representation, express or implied, on the part of Seller and all claims against Seller howsoever and whenever arising at any time in respect of or out of, in each case, the operation or performance of the Aircraft.

Purchaser confirms that it is fully aware of the provisions of this Clause 5.4 and acknowledges that the Purchase Price has been agreed notwithstanding its provisions.

5.5 Manufacturer' Warranty

Seller will assign to Purchaser the remainder, if any, of Gulfstream's New Aircraft Warranty for the Aircraft, (the "New Aircraft Warranty"), and Purchaser hereby agrees to all the Terms

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and Conditions contained in the New Aircraft Warranty. Purchaser agrees that the Delivery Time for purposes of this New Aircraft Warranty was September 2002. The remainder of the Warranty and Expiration Dates are as follows :

Primary and Secondary Structure	Until September 20, 2022
Components (Excluding outfitting)	Until September 20, 2007
Rolls-Royce Engine Warranty	Until September 20, 2007 or 2500 hours

5.6 Total Loss prior to Delivery

If a Total Loss of the Aircraft occurs prior to Delivery, Seller shall promptly notify Purchaser and neither party will have any further liability to the other except that Seller will promptly return the Deposit to Purchaser.

5.6 Excusable Delay

Seller shall not be responsible for nor deemed to be in default by reason of delay of delivery of the Aircraft under this Agreement due to acts of God or the public enemy, civil war, insurrections or riots, fires, floods, explosions, earthquakes, serious accidents, epidemics, quarantine restrictions, strikes, labour disputes causing cessation, slow-down or interruption of work, supervening illegality or any other cause beyond the reasonable control of such party (each an "**Excusable Delay**"). In the event of an Excusable Delay, Seller shall promptly inform the other party. If delivery of the Aircraft is delayed by reason of any Excusable Delay for a period of more than 14 (fourteen) days after the Delivery Date, either party may terminate this Agreement upon written notice given to the other. Such termination shall discharge the parties of all obligations and liabilities hereunder and Seller shall promptly repay Deposit 1 and Deposit 2 to Purchaser.

6. **REPRESENTATIONS AND WARRANTIES**

6.1 Representations and Warranties of Seller

Seller hereby represents and warrants to Purchaser that:

(a) Seller is a company incorporated and validly existing under applicable law of the British Virgin Islands and has the corporate power and authority to carry on its business as it is being conducted;

(b) Seller has the corporate power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of this Agreement, and this Agreement constitutes valid and legally binding and enforceable obligations of Seller except as may be limited by applicable bankruptcy, insolvency,

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reorganisation, moratorium or other similar laws affecting creditors' rights generally or by principles of equity; and

(c) there is no action, suit, proceeding or claim pending or, to the knowledge of Seller, threatened against Seller which, if adversely determined, would have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.

6.2 Representations and Warranties of Purchaser
Purchaser represents and warrants to Seller that:

(a) Purchaser is a company incorporated and validly existing under applicable law of the British Virgin Islands and has the corporate power and authority to carry on its business as it is being conducted;

(b) Purchaser has the corporate power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of this Agreement, and this Agreement constitutes valid and legally binding and enforceable obligations of Purchaser except as may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally or by principles of equity; and

(c) there is no action, suit, proceeding or claim pending or, to the knowledge of Purchaser, threatened against Purchaser which, if adversely determined, would have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement.

6.3 Repetition of Representations and Warranties
Each representation set out in Clauses 6.1 and 6.2 shall be deemed to be repeated on the Delivery Date by reference to the facts and circumstances existing on such date.

7. CONDITIONS PRECEDENT

7.1 Purchaser's Conditions Precedent
The obligations of Purchaser under this Agreement are subject to the following conditions precedent being fulfilled to the satisfaction of, or waived by, Purchaser:

(a) Purchaser shall have received on or before the Delivery Date, a certified true extract of the resolution of the board of directors of Seller approving the transaction contemplated by this Agreement and authorising a person or persons to sign and deliver this Agreement; and

(b) the representations and warranties on the part of Seller contained in Clause 6.1 shall be true and accurate on and as of the Delivery Date with reference to the facts and circumstances existing on the Delivery Date.

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7.2 Seller's Conditions Precedent

The obligations of Seller under this Agreement are subject to the following conditions precedent being fulfilled to the satisfaction of, or waived by, Seller:

(a) Seller shall have received on or before the Delivery Date, evidence satisfactory to Seller of the due authorisation of this Agreement and the transactions contemplated by this Agreement and of the authority of designated persons to sign and deliver this Agreement and the Acceptance Certificate;

(b) the representations and warranties on the part of Purchaser contained in Clause 6.2 shall be true and accurate on and as of the Delivery Date with reference to the facts and circumstances existing on the Delivery Date; and

(c) Seller shall have received the Purchase Price.

8. FEES AND EXPENSES

Each of Purchaser and Seller shall be responsible for its own costs and expenses, including legal fees, incurred by each of them in or connection with the negotiation, preparation and execution of this Agreement, regardless of whether Delivery occurs or not.

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9. TAXES AND INDEMNITIES

9.1 Taxes

Each party shall be responsible for any Taxes that may be payable by it in connection with the sale and purchase of the Aircraft.

9.2 Seller's Indemnity

Seller shall indemnify, defend and hold harmless Purchaser, its affiliates, successors, assigns, officers, agents, directors and employees against any and all (i) claims of third parties arising with respect to the possession, condition, maintenance, operation or use of the Aircraft before Delivery and (ii) any claims arising out of the death of or any injury to any agent or employee of Seller attributable to in connection with inspection of the Aircraft (including any test flight).

9.3 Purchaser's Indemnity

Purchaser shall indemnify, defend and hold harmless Seller, its affiliates, successors, assigns, officers, agents, directors and employees against any and all (i) claims of third parties arising with respect to the possession, condition, maintenance, operation or use of the Aircraft after Delivery and (ii) any claims arising out of the death of or any injury to any agent or employee of Purchaser attributable to in connection with inspection of the Aircraft (including any test flight).

9.4 Tax Gross-up

All payments to be made by either party to the other hereunder shall be made free and clear of and without deduction for or on account of Tax unless the payer is required to make such a payment subject to any deduction or withholding Tax, in which case the sum payable by the payer (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that the payee receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made.

10. ASSIGNMENT

Neither party shall assign or transfer its rights, obligations or interests hereunder without the prior written consent of the other. The terms "Purchaser" and "Seller" when used herein, shall be deemed to include their respective successors and permitted assigns.

11. NOTICES

11.1 Notices

Every notice, request, demand or other communication under this Agreement shall be in writing delivered personally or by first class prepaid letter (airmail if available) or facsimile transmission and be effective (in the case of personal delivery or prepaid letter) only upon

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actual receipt thereof by the recipient, and in the case of facsimile, once sent **provided that** an answer back or confirmation of transmission is received by the sender, and be sent:

(a) to the Seller to:

Address: 91 Tanglin Road
#03-09 Tanglin Place
Singapore 247918
Attention: Irmayani Pujiastuti, Director
Facsimile: +65-6838-0574

(b) to the Purchaser to:

Address:

Attention:
Fax:

or to such other address or facsimile number as is notified by one party to the other under this Agreement.

11.2 English Language
All documents given or to be given under this Agreement, unless made in the English language, shall be accompanied by an English translation and the English version of any such document shall, to the extent permitted by applicable law, prevail in the event of any conflict with the non-English version thereof.

12. **CONFIDENTIALITY**

Each of the parties hereto shall keep confidential and shall not, without the prior written consent, in the case of Seller, of Purchaser and, in the case of Purchaser, of Seller, disclose to any other person the subject matter of this Agreement and the transactions contemplated hereby **provided that** the parties hereto shall be entitled, without any such consent, to disclose the same:

(a) in connection with any legal proceedings arising out of or in connection with this Agreement; or

(b) if required to do so by an order of a court of competent jurisdiction whether in pursuance of any procedure for discovery of documents or otherwise; or

(c) pursuant to any law or regulation having the force of law that is binding on or applicable to Purchaser or Seller (as the case may be); or

(d) to any fiscal, monetary, tax, governmental or other competent authority; or

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(e) to the insurers (and/or insurance brokers), auditors, legal or other professional advisors of Seller or Purchaser; or

(f) if any of the same is or shall become publicly known otherwise than as a result of a breach by such party of this Clause 11.

13. MISCELLANEOUS

13.1 Entire Agreement

This Agreement contains the entire agreement between Seller and Purchaser relating to the purchase of the Aircraft, and the terms and conditions of this Agreement shall not be varied otherwise than by an instrument in writing of even date herewith or subsequent hereto executed by or on behalf of Seller and Purchaser.

13.2 Delay in Exercising Rights

No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided in this Agreement are cumulative and are in addition to any remedies provided by law.

13.3 Further Assurance

Each party shall from time to time do and perform such other and further acts and execute and deliver any and all such further instruments as may be required by law or reasonably requested in writing by the other to establish, maintain and protect the rights and remedies of the other and to carry out and effect the intent and purposes of this Agreement.

13.4 Rights at Law

Nothing contained in this Agreement (except Clause 4.4) shall be construed to limit in any way any right, power, remedy or privilege of each party thereunder or now or hereafter existing at law or in equity. Each and every right, power, remedy and privilege of each party under this Agreement: (i) shall be in addition to and not in limitation of, or in substitution for, any other right, power, remedy or privilege under this Agreement or at law or in equity; (ii) may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by it; and (iii) shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other.

13.5 Counterparts

This Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.

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13.6 Severability

If any provision of this Agreement shall become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

14. GOVERNING LAW AND JURISDICTION

14.1 Governing Law

This Agreement and all matters arising from or connected with it are governed by English law.

14.2 English Courts

Each party to this Agreement irrevocably agrees that any legal action or proceedings in connection with this Agreement which is expressed to be governed by English law, against either party or any of its assets may be brought in the English Courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Agreement and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the English Courts.

14.3 Non-exclusive Submission

The submission to jurisdiction referred to in Clause 13.2 (*English Courts*) shall not (and shall not be construed so as to) limit the rights of Seller to take proceedings against Purchaser in the courts of any other competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

14.4 Inconvenient Forum

Each party to this Agreement irrevocably waives any objection it may now or hereafter have to the laying of venue of any action or proceeding in any court and any claim it may now or hereafter have that any action or proceeding has been brought in an inconvenient forum.

15. THIRD PARTY RIGHTS

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any party who is not a party to this Agreement.

IN WITNESS WHEREOF the duly authorised representatives of the parties have executed this Agreement on the day and year first written above.

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ESCROW AGREEMENT

DRAFT 1

This Escrow Agreement (the "**Agreement**"), is entered into as of this ___ day of _____, 2006, among Blue Sapphire Services Limited, as seller ("**Seller**"), Wells Fargo Bank Northwest, National Association, as Owner Trustee (the "**Owner Trustee**"), PMA Capital Management Limited, as Security Agent and as Agent ("**PMA**"), Ebony Saine International Ltd. (the "**Purchaser**") and McAfee & Taft A Professional Corporation (the "**Escrow Agent**") (Seller, Owner Trustee, PMA and Purchaser are collectively the "**Parties**")

WITNESSETH:

WHEREAS, the Parties desire to employ the Escrow Agent to receive documents and funds from the respective parties hereto and deliver or file the same, according to the terms hereof, in connection with the transaction involving the One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration Number N1UB, previously N544KK (the "**Aircraft**") and two (2) Rolls-Royce Deutschland Ltd & Co Kg model BR 700-710A1-10 aircraft engines bearing manufacturer's serial numbers 11447 ("**Engine 11447**") and 11379 ("**Engine 11379**") (collectively, the "**Engines**") (the Aircraft and Engines are collectively the "**Equipment**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Deposit of Funds. On or about _____ __, 2006 the Purchaser deposited the sum of $4,700,000.00 US (the "**First Payment**") to the escrow account of Escrow Agent with the Bank of America, N.A., (the "**Bank**") to the account described below (the "**Escrow Account**"). On or before _____March 31, 2006, at 5:00 p.m., CST, Purchaser shall deposit the sum of $10,300,000.00 US (the "**Second Payment**") by wire transfer in readily available funds to the Escrow Account. On or before _____ ___, 2006, at 5:00 p.m., CST, Purchaser shall deposit the sum of $23,500,000.00 US (the "**Balance**") by wire transfer in readily available funds to the Escrow Account of Escrow Agent. The First Payment, Second Payment and the Balance shall be referred to hereafter as (the "**Escrow Funds**"). The description of the Escrow Account is as follows:

NON-INTEREST BEARING
Bank of America, N.A.
Leadership Square
Oklahoma City, OK
ABA#[redacted]
Account #[redacted]
McAfee & Taft Escrow Account
Attn: Judy Webb - (405) 235-9621
Re: [redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

2. Escrow Account. The Escrow Account is a trust account under Rule 1.15(d) of the Oklahoma Rules of Professional Conduct, 5 O.S.A. Ch1, App. 3-A. As such, interest, if any, gained on said Escrow Funds will be remitted to the Oklahoma Bar Association pursuant to Rule 1.15(d) and the parties will

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not receive interest on the Escrow Funds. The Bank's wiring deadline for transferring funds out of the Escrow Account is 3:00 p.m., Central Standard Time.

3. The Bank. The Parties hereto agree that Escrow Agent shall not be liable or responsible in any respect for any losses or damages as may result or allegedly result from any act or omission of the Bank, including any failure of the Bank to correctly follow any instructions of the Parties or the Escrow Agent, or the failure, insolvency or bankruptcy of the Bank or the appointment of any receiver or similar official for the Bank.

4. U.S.A. Patriot Act Compliance. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. Patriot) Act of 2001," Pub. L. No. 107-56 (the "**Patriot Act**") requires certain due diligence in connection with transactions involving "financial institutions" as defined therein. The Escrow Agent takes the position it is either not a "financial institution" as defined in the Patriot Act, or this transaction is otherwise specifically exempt from the requirements of the Patriot Act.

a. In support of this position, (i) any funds wired to the Escrow Agent must come directly from Purchaser **and from an account held in the name of Purchaser (not a parent, subsidiary, related company, officer or director)** (ii) all funds are funds which are an integral part of the transaction and (iii) Escrow Agent may only wire funds at closing to parties that are an integral part of the transaction.

b. As a precautionary matter, the Escrow Agent also maintains a Customer Identification Program ("CIP") in accordance with the Patriot Act. In accordance with the CIP, each Party hereby acknowledges that the name of the party as noted above is accurate and the address noted above is its principal place of business. Further to the CIP, the Parties hereby confirm that they, nor their affiliates do not appear on the following list of known or suspected terrorist organizations compiled by the following: Financial Action Task Force on Money Laundering (http://www.fatf-gafi.org); United States Department of State International Narcotics Control Strategy Report (http://www.state.gov/p/inl/rls/nrcrpt); United States Department of the Treasury, Office of Foreign Assets Control (http://www.treas.gov/offices/enforcement/ofac/index.html); United States Department of Commerce, Bureau of Industry and Security (http://www.bis.doc.gov/dpl/thedeniallist.asp); United States Department of Commerce, Bureau of Industry and Security (http://www.bis.doc.gov/Entities/Default.htm);

5. [Intentionally left blank].

6. [Intentionally left blank].

7. [Intentionally left blank].

8. Deposit of Escrow Documents. Each of the documents noted below (the "**Escrow Documents**"), duly executed by the parties thereto and in a form acceptable to the Escrow Agent shall be delivered to the Escrow Agent on or before ~~_____~~April 30, 2006 (the "**Closing**") to be held by the Escrow Agent pursuant to the terms and conditions of this Agreement:

~~b.~~a. ____Release and Disclaimer by PMA Capital Management Limited, as Security Agent and as Agent;

~~c.~~b. ____Lease Termination between the Owner Trustee and Seller, as lessee,

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~~d.~~c. Sub-Lease Termination between BSSL, as lessee, and PT. Energi Mega Persada TbK, as sub-lessee;

d. [Cost Sharing Agreements Disclaimer][Is anything required Teena? If not, please delete];

e. FAA Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying title to Purchaser;

f. Warranty Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying the Equipment to the Purchaser;

g. Application for Registration by the Purchaser;

h. Notice of Satisfactory Pre-Inspection from the Purchaser

~~h.[Security Agreement]; and~~

~~i.[Leases].~~

9. Closing Conditions. The following conditions are the "Closing Conditions":

a. Confirmation that Prospective International Interests have been registered with the International Registry, created pursuant to the Cape Town Convention, in a form acceptable to Escrow Agent, that reflects the ~~Contract of Sale, [Security Agreement and Leases~~Sale and Purchase Agreement];

b. receipt of the Escrow Funds and Escrow Agent's confirmation that the Escrow Funds remain sufficient in amount to satisfy the disbursements outlined herein;

c. receipt of the Escrow Documents by the Escrow Agent;

d. receipt by the Escrow Agent of a duly executed fax copy of the Instructions to Fund/File (the "**Instructions to Fund/File**") attached hereto as Exhibit A; and

e. Escrow Agent's confirmation that it will be in a position to issue its standard FAA opinion to _____Purchaser upon the filing of the Escrow Documents with the FAA assuming there are no intervening filings with the FAA between the time the Escrow Agent last checked the FAA computer index for the Equipment and the time the Escrow Agent files the documents noted in 10.a below.

10. Closing Actions. Upon Escrow Agent's confirmation that the Closing Conditions have been met, the Escrow Agent shall promptly take the following actions (the "**Closing Actions**"):

a. file the Escrow Documents with the FAA; Escrow Agent shall date the documents the day of filing unless instructed otherwise by the parties; and

b. direct the Bank to initiate a wire transfer of the Escrow Funds at the following accounts:

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$_____ ("Escrow Agent Fee", to Escrow Agent at Midfirst Bank Account No.: [redacted] 119 N. Robinson ABA No.: [redacted] Oklahoma City, OK 73102 Reference [redacted]	$_____ to the following account HSBC Bank USA, New York (CHIPS UID: [redacted]; Swift Code: [redacted] Routing No.: [redacted]; ABA No.: [redacted] Account No.: [redacted] of HSBC Hong Kong, 1 Queen's Road, Central, Hong Kong (Swift Code: HSBCHKHHHKH; Bank Code: [redacted] for payment to the account of PMA Capital Management Limited No.: [redacted] ~~Bank:~~ ~~ABA#~~ ~~Account #:~~ ~~Account Name:~~

The balance to the following account

Bank:
ABA#
Account #:
Account Name:

Escrow Agent will complete the Closing Actions noted in this paragraph as simultaneously as practical. The parties hereto understand and agree that once Escrow Agent commences any one of the Closing Actions noted above, Escrow Agent will complete all of the Closing Actions regardless of any conflicting instructions or request from the parties.

11. Term. The terms and conditions of this Agreement shall commence on the date hereof and shall continue until the earliest of:

a. such time as both (A) the Escrow Funds have been distributed by Escrow Agent pursuant to paragraph 10 of this Agreement, and (B) the Escrow Documents have been filed or delivered by the Escrow Agent pursuant to this Agreement,

b. ~~_____~~ April, 30, 2006, if the transaction contemplated in this Agreement has not closed,

c. the Escrow Agent has received a written notice executed in counterpart by all of the Parties which (i) instructs the Escrow Agent that this Agreement is terminated, (ii) confirms which of Parties shall receive the Escrow Funds and provides wiring instructions for the transfer and (iii) confirms where to return the Escrow Documents

d. this Agreement has otherwise been lawfully terminated.

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e. If this Agreement shall terminate pursuant to section 11(b) or (d) above the Escrow Agent shall return those Escrow Documents which are in its possession to the respective Parties which delivered such instruments to Escrow Agent; and, in the event that the Escrow Agent shall have received Notice of Satisfactory Pre-Inspection from the Purchaser, the Escrow Agent shall ~~return~~remit ~~(i)~~ the Escrow Funds (or such part thereof as has been received by the Escrow Agent) as instructed by _____. Seller, unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date (as defined in the Sale and Purchase Agreement) or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft (unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, the Sale and Purchase Agreement) in which case the Escrow Agent shall remit the Escrow Funds as instructed by Purchaser. Upon such ~~return~~ remittal by the Escrow Agent this Agreement shall terminate and all of the parties hereto shall be released from any further duties, obligations or liabilities hereunder, except the obligation ~~of~~ _____ to pay any fees and expenses incurred by the Escrow Agent (which shall be withheld from the Escrow Funds).

12. Limitation of Escrow Agent's Liability. The Escrow Agent shall not be liable for any action taken or omitted to be taken by it while acting in good faith and in the exercise of its judgment, under this Agreement or any instrument executed pursuant hereto, or in connection herewith or therewith, except for its own willful, criminal misconduct or gross negligence, nor be responsible for the effectiveness, enforceability, validity or due execution of this Agreement or any instrument executed pursuant hereto including, without limitation the Instructions to Fund/File, Escrow Documents or Funds Disbursement Instructions. The Escrow Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement, signature or writing which it believes to be genuine and to have been presented by a proper person. Any document or instrument delivered to the Escrow Agent which purports to have been signed or executed by any of the Parties and/or other persons shall be conclusive evidence (absent the Escrow Agent's willful misconduct or gross negligence) that the person or entity signing on behalf of the Parties and/or other person, as applicable, had full and complete authority to sign and deliver the document or instrument on behalf of such party and/or person, and the Escrow Agent shall be entitled to rely, without investigation, upon the authenticity thereof. In the event of any disagreement between any of the Parties, or between them or any of them and any other person, resulting in divergent or adverse claims or demands being made in connection with the subject matter of this Agreement, or in the event the Escrow Agent, in good faith, is in doubt as to what action should be taken hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder so long as such disagreement continues or such doubt exists, and in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its good faith failure or refusal to act; and the Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of the parties shall have been fully and finally adjudicated by a court of competent jurisdiction or (ii) all differences shall have been adjusted and all doubt resolved to the satisfaction of the Escrow Agent by agreement among all of the interested persons and the Escrow Agent shall be notified thereof in writing signed by all such persons and entities. Further, in the event of any such dispute or controversy, the Escrow Agent may, in its sole discretion, institute an interpleader action, a declaratory judgment or other appropriate legal action in any court of competent jurisdiction to determine the rights of the parties involved. Should action be instituted, or should the Escrow Agent become involved in legal proceedings in any manner whatsoever on account of this Agreement, the Escrow Documents or the Escrow Funds, the Parties, hereby bind and obligate themselves, their heirs, personal representatives, successors and assigns to pay Escrow Agent the reasonable attorneys' fees incurred by Escrow Agent to retain legal counsel, as well as any other disbursements, expenses, losses, costs or damages in connection with or resulting from such litigation, except such as may have been caused by the gross negligence or willful, criminal misconduct of the Escrow Agent. The Parties further agree that

Escrow Agent shall not be liable for any losses or damages as may result from any act or failure to act by the Bank, or the financial failure of the Bank.

As between ~~themselves~~ the Parties and the Escrow Agent, ~~the Parties~~BSSL agrees to indemnify and hold the Escrow Agent harmless from all losses, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent arising from acts or omissions of the Escrow Agent in the good faith performance of or pursuant to or in connection with this Agreement, except such acts or omissions as may be the result of the Escrow Agent's gross negligence or willful, criminal misconduct.

The Parties hereby agree and acknowledge that any and all of the rights, protections, indemnifications and limitations of liability extended to the Escrow Agent under this Section 12 extend to the officers, shareholders, employees and agents of the Escrow Agent. The rights of the Escrow Agent, its officers, shareholders, employees and agents under this Section 12 are cumulative of all other rights which it may have by law or otherwise.

13. Notices. Any notice or communication hereunder shall be given in writing by serving the same upon the party to whom the notice is addressed by telecopy, via overnight courier service, or by certified mail, return receipt requested, at the following addresses:

Seller: Blue Sapphire Services Limited 91 Tanglin Road #03-09, Tanglin Place, Singapore 247918 ~~c/o Kalila Group~~ ~~Wisma Mulia, 32nd Floor~~ ~~Jl. Jend. Gatot Subroto No.42~~ ~~Jakarta 12710~~ ~~Indonesia~~ Fax: +65 6838 0574~~(62 21) 5290 6266/9~~ Attention: ~~Yuli Soedarge~~Irma Pujiastuti	Owner Trustee: Wells Fargo Bank Northwest, National Association Attention: Val Orton, Esquire Corporate Trust Services MAC: U1228-120 299 South Main Street, 12th Floor Salt Lake City UT 84111 Bus: (801) 246-6000 Bus 2: (801) 246-5208 Bus Fax: (801) 246-5053 E-mail: val.orton@wellsfargo.com
Escrow Agent: McAfee & Taft A Professional Corporation Tenth Floor, Two Leadership Square 211 North Robinson Oklahoma City, OK 73102-7103 Phone: (405) 235-9621 Fax: (405) 235-0439 Direct Dial: (405) 552-2367 Direct Fax: (405) 228-7367 Email: scott.mccreary@mcafeetaft.com Attention: Scott D. McCreary	Purchaser: Ebony Saine International Ltd.

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PMA PMA Capital Management Limited Harbour Place 103 South Church Street PO Box 1034GT Grand Cayman Cayman Islands Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer With a copy to: PMA Investment Advisors Ltd. 6/F, ICBC Tower 3 Garden Road Central Hong Kong Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer	

14. Escrow Agent's Fees. Escrow Agent shall be paid $_____ out of the Escrow Funds for acting in such capacity which shall be wired to the Escrow Agent at closing.

15. Governing Law. This Agreement and any performance hereunder shall be governed by, and construed in accordance with the laws of the State of Oklahoma.

16. Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the terms of the escrow and, as of the effective date of this Agreement, the terms and provisions contained herein shall supersede all other agreements between the parties hereto with respect to the terms of the escrow, and this Agreement shall not be amended, altered or otherwise modified except by written agreement signed by all of the parties hereto.

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17. Fax Signatures and Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The parties agree that this Agreement is valid and binding upon the execution and delivery of same via facsimile transmission or email. The Escrow Agent may rely and act upon a fax or email communication of any notice or instruction described herein. The Escrow Agent shall have no responsibility or duty to ascertain the truthfulness or accuracy of any instruments contemplated herein, including notice or instructions and the Escrow Agent may assume that the persons executing any such instruments, including notices or instructions, had the authority to do so.

18. Escrow Agents Representation of Parties. The Parties acknowledge and agree that the Escrow Agent may perform legal services for BSSL and Lender, including, but not limited to, legal services in connection with the transaction of which this Agreement is a part, and may continue to do so even in the event of litigation between any of the parties to this Agreement. The Parties hereby agree to that representation and hereby waive any and all conflicts of interest that may arise from that representation and the Escrow Agent's performance of the undertakings provided in this Agreement. The Parties further agree that Escrow Agent's rights, obligation and duties pursuant to this Agreement are in no way affected by such representation.

19. Sections Surviving Termination of Agreement. Notwithstanding the termination of this Agreement Sections 11 through 19 of this Agreement shall survive.

Dunn, Teena

From: McCreary, Scott D.
Sent: Monday, March 06, 2006 12:30 PM
To: Dunn, Teena; Hasty, Jason
Subject: FW:

From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Monday, March 06, 2006 12:24 PM
To: Christine Nasrallah; McCreary, Scott D.
Cc: Eric DURET
Subject: Re:

Dear Eric

As I advised from the outset of this transaction, the funds have to be in Escrow with McAfee & Taft. We have no way of managing funds in overseas accounts. If your client has an account with UBS in London, he can transfer the funds from Africa to his UBS account in London, and from there it is a simple transaction to move the funds to McAfee & Taft.

If you can't have these funds moved into an Escrow acceptable to McAfee & Taft, then I don't see how we are going to get this deal done.

Kind Regards
Dick

---- Original Message ----
From: Christine Nasrallah
To: scott.mccreary@mcafeetaft.com
Cc: Eric DURET ; Dick@Twaircraft. Com
Sent: Monday, March 06, 2006 11:44 PM
Subject: RE:

Dear Scott,

This is to let you know that you we have purchased on behalf of our client an aircraft from Sapphire and will be proceeding to the opening of an escrow account with you.

Further to Dick's correspondence he has noted deposit to be made in a bank in Oklahoma city.

The future owner of the plane is from an African origin and therefore it is complicated for him to make a wire transfer to the USA instead to Europe or to Asia.

He presently hold an account with UBS London. Would it be possible for you to manage this escrow account in London in order to proceed further with this transaction and guarantee our client interest.

Thank you for your prompt answer.

Best regards.

Permanent Subcommittee on Investigations
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Eric Duret

5/30/2002

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Dunn, Teena

From: Christine Nasrallah [cnasrallah@ldsassocies.com]
Sent: Friday, March 17, 2006 9:24 AM
To: 'Dick Brown'
Cc: tlucilks@habacus.com.sg; McCreary, Scott D.; Eric DURET
Subject: RE :

Importance: High

Dick,

funds will arrive on Wednesday. As I told you in my email of march 6th, my client is an african origin and therefore it is complicated for him to make a wire transfer to the USA. That's the reason why the funds is not in your account.

Please be patient.

Best regards.
Eric Duret

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com] Envoyé : vendredi 17 mars 2006 13:57 À : Christine Nasrallah Cc : eduret@ldsassocies.com; tlucilks@habacus.com.sg Objet : RE:

Eric, we have not received any advice from Scott or Teena that they have received funds into Escrow despite your advice earlier in the week that the funds have been sent. This is very disturbing and it is a long way from

your cpmmittment.

Please advise by immediate return.

Regards
Dick

Sent with SnapperMail

..... Original Message .....
On Wed, 15 Mar 2006 17:33:02 +0100 "Christine Nasrallah" <cnasrallah@ldsassocies.com> wrote:
>Dear Jason,
>
>I'll be in Oklahoma City on Monday March 20th 11:34 arriving from Dallas
and
>leaving the same date. Can we meet at your place around 2p.m.. Please
>confirm by return mail with your full address.
>
>Best regards.
>Eric Duret
>
>
>-----Message d'origine-----
>De : McCreary, Scott D. [mailto:Scott.McCreary@mcafeetaft.com]
>Envoye : lundi 6 mars 2006 17:48
>A : Christine Nasrallah
>Cc : Eric DURET; Dick@Twaircraft. Com; Dunn, Teena; Hasty, Jason Objet
>: RE:
>
>Eric,
>

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 498

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>We can not manage an account with UBS London. With that said, the parties
>may choose to use another escrow agent for funds (possibly a London
>firm/company), and we would simply hold the documents in escrow.
>
>Teena Dunn and Jason Hasty of my office are assisting with this transaction,
>please copy them on future email
>
>Scott D. McCreary
>Direct Phone 405-552-2367 | Direct Fax 405-228-7367
>scott.mccreary@mcafeetaft.com <mailto:scott.mccreary@mcafeetaft.com>
>MCAFEE & TAFT
>A PROFESSIONAL CORPORATION
>10th Floor, Two Leadership Square, 211 North Robinson, Oklahoma City, OK
>73102-7103
>Phone 405-235-9621 | Fax 405-235-0439 | www.mcafeetaft.com
><http://www.mcafeetaft.com/> Circular 230 disclosure: To ensure
>compliance with requirements imposed by
>the IRS, we inform you that any U.S. federal tax advice contained in this
>communication (including any attachments) is not intended or written to be
>used, and cannot be used, for the purpose of (i) avoiding penalties under
>the Internal Revenue Code or (ii) promoting, marketing or recommending to
>another party any transaction or matter addressed herein.
>This message is sent by a law firm and may contain information that is
>privileged or confidential. If you received this transmission in error,
>please notify the sender by reply e-mail and delete the message and any
>attachments.
>
> ———
>
>From: Christine Nasrallah [mailto:cnasrallah@ldsassocies.com]
>Sent: Monday, March 06, 2006 10:44 AM
>To: McCreary, Scott D.
>Cc: Eric DURET; Dick@Twaircraft. Com
>Subject: RE:
>Dear Scott,
>
>This is to let you know that you we have purchased on behalf of our client
>an aircraft from Sapphire and will be proceeding to the opening of an escrow
>account with you.
>
>Further to Dick's correspondence he has noted deposit to be made in a bank
>in Oklahoma city.
>
>The future owner of the plane is from an African origin and therefore it is
>complicated for him to make a wire transfer to the USA instead to Europe or
>to Asia.
>
>He presently hold an account with UBS London. Would it be possible for you
>to manage this escrow account in London in order to proceed further with
>this transaction and guarantee our client interest.
>
>Thank you for your prompt answer.

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>
>Best regards,
>
>Eric Duret
>
>
>
>

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Dunn, Teena

From: Dunn, Teena
Sent: Wednesday, March 15, 2006 2:00 PM
To: McCreary, Scott D.
Subject: Re: Blue Sapphire

Attachments: imanageOKC_1707151_1.DOC

Scott, this is what I was going to send to Dick Brown. Is this ok?

Dick,

Attached is draft three of the escrow agreement. Please note the following:

At paragraph 1, we have added our escrow fee amount to the funds to be received to escrow.
At paragraph 8 (d) we have added the Cost Sharing Agreements Disclaimer that will be necessary to clear the FAA record.
At paragraph 8 (f) we have replaced the Application for Registration with a deregistration Letter for execution by the Trustee
At paragraph 9 (a) we have added written authorization from PT and the parties to the disclaimer for release to file docs.
At paragraph 10 we have added Blue Sapphire's wire instructions.

I need the amounts to be distributed to PMA (I assume the surplus funds minus our fee will be the amount remitted to Blue Sapphire.

I will prepare the Cost Sharing Agreements Disclaimer and the Letter requesting deregistration and will provide both to you pdf by the end of the day.

We have not received any funds to our escrow account as of yet.

We also need the purchaser to direct IATS to transfer the $3,912,504.94 to our escrow account. I am assuming this is the First Payment which is equivalent to $4,700,000.00 US. Could you please confirm?

Let me know on the above.

Regards- Teena

imanageOKC
'151_1.DOC (:

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

- Caution: Message contents may be subject to attorney-client privilege and/or the litigation work product doctrine. This message is intended solely for the addressee(s) identified above.
- **Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not**

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intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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ESCROW AGREEMENT

DRAFT 46

This Escrow Agreement (the "**Agreement**"), is entered into as of this day of March , 2006, among Blue Sapphire Services Limited, as seller ("**Seller**"), Wells Fargo Bank Northwest, National Association, as Owner Trustee (the "**Owner Trustee**"), PMA Capital Management Limited, as Security Agent and as Agent ("**PMA**"), Ebony Shine International Ltd. (the "**Purchaser**") and McAfee & Taft A Professional Corporation (the "**Escrow Agent**") (Seller, Owner Trustee, PMA and Purchaser are collectively the "**Parties**")

WITNESSETH:

WHEREAS, the Parties desire to employ the Escrow Agent to receive documents and funds from the respective parties hereto and deliver or file the same, according to the terms hereof, in connection with the transaction involving the One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration Number N1UB, previously N544KK (the "**Aircraft**") and two (2) Rolls-Royce Deutschland Ltd & Co Kg model BR 700-710A1-10 aircraft engines bearing manufacturer's serial numbers 11447 ("**Engine 11447**") and 11379 ("**Engine 11379**") (collectively, the "**Engines**") (the Aircraft and Engines are collectively the "**Equipment**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Deposit of Funds. On or about March 17, 2006 the Purchaser deposited the sum of $4,700,000.00 US (the "**First Payment**") to the escrow account of Escrow Agent with the Bank of America, N.A., (the "**Bank**") to the account described below (the "**Escrow Account**"). On or before March 31, 2006, at 5:00 p.m., CST, Purchaser shall deposit the sum of $10,300,000.00 US (the "**Second Payment**") by wire transfer in readily available funds to the Escrow Account. On or before April 10, 2006, at 5:00 p.m., CST, Purchaser shall deposit the sum of $23,500,000.00 US (the "**Balance**") and the sum of $5,000.00 US ("Escrow Agent Fee") by wire transfer in readily available funds to the Escrow Account of Escrow Agent. The First Payment, Second Payment, Balance and the Escrow Agent Fee shall be referred to hereafter as (the "**Escrow Funds**"). The description of the Escrow Account is as follows:

NON-INTEREST BEARING
Bank of America, N.A.
Leadership Square
Oklahoma City, OK
ABA# [redacted]
Account # [redacted]
McAfee & Taft Escrow Account
Attn: Judy Webb - (405) 235-9621
Re[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

imumbreOKC 1712572 1.DOC~~Escrow Agreement Rev 41.DOC~~(Escrow Agreement(CMB050701)
Rev 4 by RAB 16th Mar 06

Permanent Subcommittee on Investigations
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2. Escrow Account. The Escrow Account is a trust account under Rule 1.15(d) of the Oklahoma Rules of Professional Conduct, 5 O.S.A. Ch1, App. 3-A. As such, interest, if any, gained on said Escrow Funds will be remitted to the Oklahoma Bar Association pursuant to Rule 1.15(d) and the parties will not receive interest on the Escrow Funds. The Bank's wiring deadline for transferring funds out of the Escrow Account is 3:00 p.m., Central Standard Time.

3. The Bank. The Parties hereto agree that Escrow Agent shall not be liable or responsible in any respect for any losses or damages as may result or allegedly result from any act or omission of the Bank, including any failure of the Bank to correctly follow any instructions of the Parties or the Escrow Agent, or the failure, insolvency or bankruptcy of the Bank or the appointment of any receiver or similar official for the Bank.

4. U.S.A. Patriot Act Compliance. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. Patriot) Act of 2001," Pub. L. No. 107-56 (the "**Patriot Act**") requires certain due diligence in connection with transactions involving "financial institutions" as defined therein. The Escrow Agent takes the position it is either not a "financial institution" as defined in the Patriot Act, or this transaction is otherwise specifically exempt from the requirements of the Patriot Act.

a. In support of this position, (i) any funds wired to the Escrow Agent must come directly from Purchaser **and from an account held in the name of Purchaser (not a parent, subsidiary, related company, officer or director)** (ii) all funds are funds which are an integral part of the transaction and (iii) Escrow Agent may only wire funds at closing to parties that are an integral part of the transaction.

b. As a precautionary matter, the Escrow Agent also maintains a Customer Identification Program ("**CIP**") in accordance with the Patriot Act. In accordance with the CIP, each Party hereby acknowledges that the name of the party as noted above is accurate and the address noted above is its principal place of business. Further to the CIP, the Parties hereby confirm that they, nor their affiliates do not appear on the following list of known or suspected terrorist organizations compiled by the following: Financial Action Task Force on Money Laundering (http://www.fatf-gafi.org); United States Department of State International Narcotics Control Strategy Report (http://www.state.gov/p/inl/rls/nrcrpt); United States Department of the Treasury, Office of Foreign Assets Control (http://www.treas.gov/offices/enforcement/ofac/index.html); United States Department of Commerce, Bureau of Industry and Security (http://www.bis.doc.gov/dpl/thedeniallist.asp); United States Department of Commerce, Bureau of Industry and Security (http://www.bis.doc.gov/Entities/Default.htm);

5. [Intentionally left blank].

6. [Intentionally left blank].

7. [Intentionally left blank].

8. Deposit of Escrow Documents. Each of the documents noted below (the "**Escrow Documents**"), duly executed by the parties thereto and in a form acceptable to the Escrow Agent shall be delivered to the Escrow Agent on or before April 14, 2006 (the "**Closing**") to be held by the Escrow Agent pursuant to the terms and conditions of this Agreement:

a. Release and Disclaimer by PMA Capital Management Limited, as Security Agent and as Agent;

b. Lease Termination between the Owner Trustee and Seller, as lessee,

c. Sub-Lease Termination between BSSL, as lessee, and PT. Energi Mega Persada TbK, as sub-lessee;

d. Cost Sharing Agreements Disclaimer by PT. Energi Mega Persada Tbk, Kondur Petroleum S.A., Lapindo Brantas Inc. and EMP Kangean Ltd.

e. FAA Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying title to Purchaser;

f. Warranty Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying the Equipment to the Purchaser; and

~~g.g. Letter by the Owner Trustee requesting deregistration of the Aircraft from the U.S. Registry; and~~

~~h.~~ Notice of Satisfactory Pre-Inspection from the Purchaser.

9. Closing Conditions. The following conditions are the "Closing Conditions":

a. Irrevocable written release from PT. Energi Mega Persada Tbk, Kondur Petroleum S.A., Lapindo Brantas Inc. and EMP Kangean Ltd. of their signatures to the Escrow Documents for filing with the FAA.

b. Confirmation that Prospective International Interests have been registered with the International Registry, created pursuant to the Cape Town Convention, in a form acceptable to Escrow Agent, that reflects the Sale and Purchase Agreement;

c. receipt of the Escrow Funds and Escrow Agents confirmation that the Escrow Funds remain sufficient in amount to satisfy the disbursements outlined herein;

d. receipt of the Escrow Documents by the Escrow Agent;

e. receipt by the Escrow Agent of a duly executed fax copy of the Instructions to Fund/File (the "**Instructions to Fund/File**") attached hereto as Exhibit A; and

f. Escrow Agent's confirmation that it will be in a position to issue its standard FAA opinion to Purchaser upon the filing of the Escrow Documents with the FAA assuming there are no intervening filings with the FAA between the time the Escrow Agent last checked the FAA computer index for the Equipment and the time the Escrow Agent files the documents noted in 10.a below.

10. Closing Actions. Upon Escrow Agent's confirmation that the Closing Conditions have been met, the Escrow Agent shall promptly take the following actions (the "**Closing Actions**"):

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a. file the Escrow Documents with the FAA; Escrow Agent shall date the documents the day of filing unless instructed otherwise by the parties; and

b. direct the Bank to initiate a wire transfer of the Escrow Funds at the following accounts:

$5,000.00 ("Escrow Agent Fee", to Escrow Agent at Midfirst Bank Account No.: [redacted] 119 N. Robinson ABA No.: [redacted] Oklahoma City, OK 73102 Reference [redacted]	$_____ to the following account HSBC Bank USA, New York (CHIPS UID: [redacted] Swift Code: [redacted] Routing No.: [redacted] ABA No.: [redacted] Account No.: [redacted] of HSBC Hong Kong 1 Queen's Road, Central, Hong Kong Swift Code: [redacted] Bank Code: [redacted] For payment to the account of PMA Capital Management Limited No.: [redacted]

$_____ to the following account:

Blue Sapphire Services Limited, Account # [redacted]
Credit Suisse, Singapore Branch (Swift [redacted])
Via Bank of New York, New York
Chips Uid [redacted]
Credit Suisse Singapore Branch (A/C # [redacted])

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Escrow Agent will complete the Closing Actions noted in this paragraph as simultaneously as practical. The parties hereto understand and agree that once Escrow Agent commences any one of the Closing Actions noted above, Escrow Agent will complete all of the Closing Actions regardless of any conflicting instructions or request from the parties.

11. Term. The terms and conditions of this Agreement shall commence on the date hereof and shall continue until the earliest of:

a. such time as both (A) the Escrow Funds have been distributed by Escrow Agent pursuant to paragraph 10 of this Agreement, and (B) the Escrow Documents have been filed or delivered by the Escrow Agent pursuant to this Agreement,

b. April 30, 2006, if the transaction contemplated in this Agreement has not closed,

c. the Escrow Agent has received a written notice executed in counterpart by all of the Parties which (i) instructs the Escrow Agent that this Agreement is terminated, (ii) confirms which of Parties shall receive the Escrow Funds and provides wiring instructions for the transfer and (iii) confirms where to return the Escrow Documents,

d. this Agreement has otherwise been lawfully terminated.

e. If this Agreement shall terminate pursuant to section 11(b) or (d) above the Escrow Agent shall return those Escrow Documents which are in its possession to the respective Parties which delivered such instruments to Escrow Agent; and in the event that the Escrow Agent shall have received Notice of Satisfactory Pre- Inspection from the Purchaser, the Escrow Agent shall remit the Escrow Funds (or such part thereof as has been received by the Escrow Agent) as instructed by Seller, unless (i) Seller Fails to validly tender the Aircraft for Delivery on the Delivery Date (as defined in the Sale and Purchase Agreement) or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft (unless such unwillingness or inability arises from a breach by Purchaser of , or a failure by Purchaser to satisfy any condition specified in, the Sale and Purchase Agreement) in which case the Escrow Agent shall remit the Escrow Funds as instructed by Purchaser. Upon such remittal by the Escrow Agent this Agreement shall terminate and all of the parties hereto shall be released from any further duties, obligations or liabilities hereunder, except the obligation to pay any fees and expenses incurred by the Escrow Agent (which shall be withheld from the Escrow Funds).

12. Limitation of Escrow Agent's Liability. The Escrow Agent shall not be liable for any action taken or omitted to be taken by it while acting in good faith and in the exercise of its judgment, under this Agreement or any instrument executed pursuant hereto, or in connection herewith or therewith, except for its own willful, criminal misconduct or gross negligence, nor be responsible for the effectiveness, enforceability, validity or due execution of this Agreement or any instrument executed pursuant hereto including, without limitation the Instructions to Fund/File, Escrow Documents or Funds Disbursement Instructions. The Escrow Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement, signature or writing which it believes to be genuine and to have been presented by a proper person. Any document or instrument delivered to the Escrow Agent which purports to have been signed or executed by any of the Parties and/or other persons shall be conclusive evidence (absent the Escrow Agent's willful misconduct or gross negligence) that the person or entity signing on behalf of the Parties and/or other person, as applicable, had full and complete authority to sign and deliver the document or instrument on behalf of such party and/or person, and the Escrow Agent shall be entitled to rely, without investigation, upon the authenticity thereof. In the event of any disagreement between any of the Parties, or between them or any of them and any other person, resulting in divergent or adverse claims or demands being made in connection with the subject matter of this Agreement, or in the event the Escrow Agent, in good faith, is in doubt as to what action should be taken hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder so long as such disagreement continues or such doubt exists, and in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its good faith failure or refusal to act; and the Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of the parties shall have been fully and finally adjudicated by a court of competent jurisdiction or (ii) all differences shall have been adjusted and all doubt resolved to the satisfaction of the Escrow Agent by agreement among all of the interested persons and the Escrow Agent shall be notified thereof in writing signed by all such persons and entities. Further, in the event of any such dispute or controversy, the Escrow Agent may, in its sole discretion, institute an interpleader action, a declaratory judgment or other appropriate legal action in any court of

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competent jurisdiction to determine the rights of the parties involved. Should action be instituted, or should the Escrow Agent become involved in legal proceedings in any manner whatsoever on account of this Agreement, the Escrow Documents or the Escrow Funds, the Parties, hereby bind and obligate themselves, their heirs, personal representatives, successors and assigns to pay Escrow Agent the reasonable attorneys' fees incurred by Escrow Agent to retain legal counsel, as well as any other disbursements, expenses, losses, costs or damages in connection with or resulting from such litigation, except such as may have been caused by the gross negligence or willful, criminal misconduct of the Escrow Agent. The Parties further agree that Escrow Agent shall not be liable for any losses or damages as may result from any act or failure to act by the Bank, or the financial failure of the Bank.

As between the parties~~mselves~~ and the Escrow Agent, the Seller and Purchaser~~Parties~~ agrees to indemnify and hold the Escrow Agent harmless from all losses, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent arising from acts or omissions of the Escrow Agent in the good faith performance of or pursuant to or in connection with this Agreement, except such acts or omissions as may be the result of the Escrow Agent's gross negligence or willful, criminal misconduct.

The Parties hereby agree and acknowledge that any and all of the rights, protections, indemnifications and limitations of liability extended to the Escrow Agent under this Section 12 extend to the officers, shareholders, employees and agents of the Escrow Agent. The rights of the Escrow Agent, its officers, shareholders, employees and agents under this Section 12 are cumulative of all other rights which it may have by law or otherwise.

13. Notices. Any notice or communication hereunder shall be given in writing by serving the same upon the party to whom the notice is addressed by telecopy, via overnight courier service, or by certified mail, return receipt requested, at the following addresses:

Seller:	Owner Trustee:
Blue Sapphire Services Limited 91 Tanglin Road #03-09, Tanglin Place Singapore 247918 Fax: +65 6838 0574 Attention: Irma Pujiastuti	Wells Fargo Bank Northwest, National Association Attention: Val Orton, Esquire Corporate Trust Services MAC: U1228-120 299 South Main Street, 12th Floor Salt Lake City UT 84111 Bus: (801) 246-6000 Bus 2: (801) 246-5208 Bus Fax: (801) 246-5053 E-mail: val.orton@wellsfargo.com

Escrow Agent: McAfee & Taft A Professional Corporation Tenth Floor, Two Leadership Square 211 North Robinson Oklahoma City, OK 73102-7103 Phone: (405) 235-9621 Fax: (405) 235-0439 Direct Dial: (405) 552-2367 Direct Fax: (405) 228-7367 Email: scott.mccreary@mcafeetaft.com Attention: Scott D. McCreary	Purchaser: Ebony Shine International Ltd. Road Town Tortola – B.V.I. c/o Eric Duret 61 Rue De Miromesnil 75008 Paris Phone: 33 153 96 2000 Direct Dial: 33 153 96 2020 Direct Fax: 33 153 96 2022 Email: eduret@ldsassocies.com; eduret@eduret.com
PMA Capital Management Limited Harbour Place 103 South Church Street P.O. Box 1034GT Grand Cayman Cayman Islands Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer With a copy to: PMA Investment Advisors Ltd. 6/F, ICBC Tower 3 Garden Road Central Hong Kong Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer	

14. Escrow Agent's Fees. Escrow Agent shall be paid $5,000.00 out of the Escrow Funds for acting in such capacity which shall be wired to the Escrow Agent at closing. Escrow Agent's Fee hereunder does not include Escrow Agent's legal fees for representing any of the Parties to this transaction.

15. Governing Law. This Agreement and any performance hereunder shall be governed by, and construed in accordance with the laws of the State of Oklahoma.

16. Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the terms of the escrow and, as of the effective date of this Agreement, the terms and provisions contained herein shall supersede all other agreements between the parties hereto with respect to the terms of the escrow, and this Agreement shall not be amended, altered or otherwise modified except by written agreement signed by all of the parties hereto.

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01532 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.452

17. Fax Signatures and Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The parties agree that this Agreement is valid and binding upon the execution and delivery of same via facsimile transmission or email. The Escrow Agent may rely and act upon a fax or email communication of any notice or instruction described herein. The Escrow Agent shall have no responsibility or duty to ascertain the truthfulness or accuracy of any instruments contemplated herein, including notice or instructions and the Escrow Agent may assume that the persons executing any such instruments, including notices or instructions, had the authority to do so.

18. Escrow Agents Representation of Parties. The Parties acknowledge and agree that the Escrow Agent may perform legal services for BSSL and Lender, including, but not limited to, legal services in connection with the transaction of which this Agreement is a part, and may continue to do so even in the event of litigation between any of the parties to this Agreement. The Parties hereby agree to that representation and hereby waive any and all conflicts of interest that may arise from that representation and the Escrow Agent's performance of the undertakings provided in this Agreement. The Parties further agree that Escrow Agent's rights, obligation and duties pursuant to this Agreement are in no way affected by such representation.

19. Sections Surviving Termination of Agreement. Notwithstanding the termination of this Agreement Sections 11 through 19 of this Agreement shall survive.

Dunn, Teena

From: Dunn, Teena
Sent: Sunday, March 19, 2006 1:36 PM
To: 'Dick Brown'; Christine Nasrallah; Eric DURET
Cc: McCreary, Scott D.; Marianna Elias; Nina Safarina; Irma Soewardi
Subject: RE: Escrow Funds

Christine and Eric,

We need some information to assure compliance with the US Patriot Act. Funds must arrive from an account held in the name of Ebony Shine International Ltd. ("Ebony"). We also need copies of Ebony's formation documents, list of officers and principals and identify of the source of funds.

Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 16, 2006 2:19 AM
To: Christine Nasrallah; Eric DURET
Cc: Dunn, Teena; McCreary, Scott D.; Marianna Elias; Nina Safarina; Irma Soewardi
Subject: Escrow Funds

Dear Eric and Christine

We have been advised by Teena Dunn that no funds have been received by them. This is rather disturbing form our point of view, and we would ask that you start a trace on this funds immediately.

Regards

5/30/2007

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 507

BSSL000159

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01534 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.454

Dick

5/30/2007

BSSL000160

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01535 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.455

Dunn, Teena

From: Webb, Judy
Sent: Thursday, March 23, 2006 1:03 PM
To: +Aircraft
Subject: Wire into m&t escrow

4,723,262.22 from Insured Aircraft Title Service re to be held pending your receipt of further instructions from teodoro n guema obiang ref 3209 N544KK

Judy Webb
McAfee & Taft
10th Floor, Two Leadership Square
211 N. Robinson
Oklahoma City, OK 73102
405-235-9621
405-235-0439 fax

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 509

BSSL000222

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01536 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.456

Dunn, Teena

From: Dunn, Teena
Sent: Thursday, March 23, 2006 1:20 PM
To: 'Dick Brown'; McCreary, Scott D.
Cc: Marianna Elias; Christine Nasrallah; Nina Safarina; 'eduret@ldsassocies.com'
Subject: RE: Gulfstream V S/N 669

Dick,

I confirm that we have received $4,723,262.22 is US to our escrow account.

Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 23, 2006 9:47 AM
To: McCreary, Scott D.; Dunn, Teena
Cc: Marianna Elias; Christine Nasrallah; Nina Safarina
Subject: Re: Gulfstream V S/N 669

Dear Teena

Can you give me an update on the receipt of funds into your Escrow Account at the end of your banking day today.

Regards
Dick

5/30/2007

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 509

BSSL000223

—— Original Message ——
From: Dunn, Teena
To: Dick Brown ; McCreary, Scott D.
Cc: Nina Safarina ; Christine Nasrallah
Sent: Friday, March 17, 2006 11:19 PM
Subject: RE: Gulfstream V S/N 669

Thank you for the update. I will monitor our escrow account and let you know if funds arrive.

Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Friday, March 17, 2006 10:10 AM
To: Dunn, Teena; McCreary, Scott D.
Cc: Nina Safarina; Christine Nasrallah
Subject: Re: Gulfstream V S/N 669

Teena

The problem is we need to fix a closing date to get the amount due to PMA. In the absence of the promised Escrow Funds we are reluctant to attempt to set a Closing Date. We are going to have to place everything on hold if you do not receive funds by your close of business today.

Regards
Dick

—— Original Message ——
From: Dunn, Teena
To: Dick Brown ; McCreary, Scott D.
Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah
Sent: Friday, March 17, 2006 11:03 PM
Subject: RE: Gulfstream V S/N 669

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01538 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.458

Dick,

No funds have arrived this morning.

Have you obtained the financial information to insert in the escrow agreement regarding transfers? We need to finalize the escrow agreement as soon as possible.

Let me know

Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Friday, March 17, 2006 9:46 AM
To: Dunn, Teena; McCreary, Scott D.
Cc: Marianna Elias; Nina Safarina; Christine Nasrallah
Subject: Gulfstream V S/N 669

Dear Scott and Teena

Can you advise if any funds have arrived in the Escrow Account as yet for this transaction.

Regards
Dick

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01539 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.459

Dunn, Teena

From: Dick Brown [dick@twaircraft.com]
Sent: Friday, March 24, 2006 10:18 AM
To: Eric DURET; Christine Nasrallah
Cc: Irma Soewardi; Marianna Elias; Christine Nasrallah; Nina Safarina; McCreary, Scott D.; Dunn, Teena; Lucil Tan
Subject: Re: Gulfstream V S/N 669

Dear Eric

Please refer to the email below from Teena Dunn. Based on the contents of the email is is evident that the funds remain under the purchasers sole control and the terms and conditions of the purchase agreement are not effective in respect of this amount. In addition you are not yet in compliance with the Patriot Act in respect of these funds.

As a result of this, we do not have a deposit as called for under the purchase agreement, and the aircraft cannot go into pre-purchase until you have rectified this matter.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Marianna Elias" <marianna@twaircraft.com>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>; "Nina Safarina" <nina@twaircraft.com>; <eduret@ldsassocies.com>
Sent: Friday, March 24, 2006 9:59 PM
Subject: RE: Gulfstream V S/N 669

The funds, until such time as a final escrow agreement is executed by all parties, is being held by us and subject to the direction of purchaser. We of course will not execute the escrow agreement until we
are satisfied that the Patriot Act documentation is sufficient. We
have not received any further documentation from Eric, since our last meeting.

Have you obtained funds transfer amounts to insert in the escrow agreement?

Kind Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 509

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01540 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.460

-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 23, 2006 7:11 PM
To: Dunn, Teena; McCreary, Scott D.
Cc: Marianna Elias; Christine Nasrallah; Nina Safarina; eduret@ldsassocies.com
Subject: RE: Gulfstream V S/N 669

Teena

Thanks for the advice. Can you confirm if these are now clear funds that you could administer in accordance with the Purchase Agreement and Escrow Agreement, or are they on hold subject to the Purchaser satisifying the requirements of the Patriot Act.

Regards
Dick

Sent with SnapperMail

..... Original Message .....
On Thu, 23 Mar 2006 12:20:11 -0600 "Dunn, Teena"
<Teena.Dunn@mcafeetaft.com> wrote:
>Dick,
>
>I confirm that we have received $4,723,262.22 is US to our escrow
account.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
>
>
>Caution: Message contents may be subject to attorney-client privilege
and/or the litigation work product doctrine. This message is intended solely for the
addressee(s) identified above.
>
>Circular 230 disclosure: To ensure compliance with requirements imposed

>by
the IRS, we inform you that any U.S. federal tax advice contained in this communication
(including any attachments) is not intended or written to be used, and cannot be used, for
the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Thursday, March 23, 2006 9:47 AM
>To: McCreary, Scott D.; Dunn, Teena
>Cc: Marianna Elias; Christine Nasrallah; Nina Safarina
>Subject: Re: Gulfstream V S/N 669
>
>Dear Teena
>
>Can you give me an update on the receipt of funds into your Escrow

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01541 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.461

>Account at the end of your
banking day today.
>
>Regards
>Dick
>
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.
>Cc: Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:19 PM
>Subject: RE: Gulfstream V S/N 669
>
>Thank you for the update. I will monitor our escrow account and let
>you
know if funds arrive.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
>
>Caution: Message contents may be subject to attorney-client privilege
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(including any attachments) is not intended or written to be used, and cannot be used, for
the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 10:10 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Nina Safarina; Christine Nasrallah
>Subject: Re: Gulfstream V S/N 669
>
>Teena
>
>The problem is we need to fix a closing date to get the amount due to
PMA.
In the absence of the promised Escrow Funds we are reluctant to attempt to set a Closing
Date. We are going to have to place everything on hold if you do not receive funds by
your close of business today.
>
>Regards
>Dick
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.
>Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:03 PM
>Subject: RE: Gulfstream V S/N 669
>
>Dick,

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01542 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.462

>
>No funds have arrived this morning.
>
>Have you obtained the financial information to insert in the escrow
agreement regarding transfers? We need to finalize the escrow agreement as soon as
possible.
>
>Let me know
>
>Regards- Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 9:46 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Marianna Elias; Nina Safarina; Christine Nasrallah
>Subject: Gulfstream V S/N 669
>
>Dear Scott and Teena
>
>Can you advise if any funds have arrived in the Escrow Account as yet
>for
this transaction.
>
>Regards
>Dick
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01543 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.463

Dunn, Teena

From: Dick Brown [dick@twaircraft.com]
Sent: Monday, March 27, 2006 6:55 PM
To: McCreary, Scott D.; Dunn, Teena
Cc: Marianna Elias; Nina Safarina; Christine Nasrallah; eduret@ldsassocies.com
Subject: Re: Gulfstream V S/N 669

Teena

Yes I understand what is required and I need to think more about starting this process.

I am concerned about the very slow progress from the buyers side, not the least being the compliance with the Patriot Act. I will talk to Eric Duret when Paris opens today to try and determine what they are going to do to get the information to you.

I will revert to you when things have been clarified by the buyer.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Nina Safarina" <nina@twaircraft.com>; <eduret@ldsassocies.com>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>
Sent: Tuesday, March 28, 2006 7:39 AM
Subject: RE: Gulfstream V S/N 669

Dick,

We can certainly start the process now of changing the registration number with the FAA. This will be a process and will take several weeks possibly a month to complete. The process is as follows:

1) We can submit a request to the FAA that must be executed by Wells Fargo, as Owner Trustee (as trustee for Blue Sapphire) requesting that the FAA issue a Form 8050-64 approving change of registration number for the aircraft from N10B to N625TN. This will take several weeks. The new number cannot be affixed to the Aircraft at this point.

2) Once the FAA approves the request, it will issue the Form 8050-64 to the Owner Trustee This form must then be signed by the Owner Trustee and dated the date on which the new number is affixed to the Aircraft.
There will be a copy of the form that must be placed on board the aircraft and the original of the form must be returned to us for filing with the FAA.

3) The FAA will then process the originally signed form 64 and issue a new permanent certificate to the Owner Trustee that will show the aircraft as N625TN.

This is quite a process. If we should file the bill of sale by the owner trustee conveying title to the aircraft to Ebony Shine, before the FAA processes the original Form 64, it will hold up the FAA's recordation of the bill of sale to Ebony Shine.

If all of this is not an issue, we can certainly start the process. Let me know if you do in fact want to proceed. I will prepare a request for signature by Wells Fargo.

Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 511

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01544 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.464

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Monday, March 27, 2006 5:08 PM
To: Dunn, Teena; McCreary, Scott D.
Cc: Nina Safarina; eduret@ldsassocies.com; Christine Nasrallah
Subject: Re: Gulfstream V S/N 669

Dear Teena

The point is that we do not want to deliver the aircraft to Ebony Shine while it is still N1UB. That is why I have asked the question of where we are in the process.

I will chase Eric Duret again on the material needed for compliance with the Patriot Act.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Marianna Elias" <marianna@twaircraft.com>; "Nina Safarina" <nina@twaircraft.com>; <eduret@ldsassocies.com>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>
Sent: Tuesday, March 28, 2006 6:57 AM
Subject: RE: Gulfstream V S/N 669

Dick,

The change of registration number is a process that we should not begin until after Ebony shine is the new registered owner of the aircraft. It takes the FAA a while to process the form that will give Ebony Shine permission to paint the new number on the aircraft. Blue Sapphire need not be involved in this process.

No progress yet on the documentation needed for US Patriot Act compliance.

Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01545 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.465

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-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Monday, March 27, 2006 4:50 PM
To: McCreary, Scott D.; Dunn, Teena
Cc: Marianna Elias; Nina Safarina; eduret@ldsassocies.com; Christine Nasrallah
Subject: Re: Gulfstream V S/N 669

Dear Scott and Teena

We understand that Eric Duret has arranged for you to process the new Trust to retain the aircraft on US registeration and to arrange for the registration to be changed from N1UB to N625TN. Can you please advise the status of the application to change the registration, as I will have to co-ordinate the actual change.

We will have a figure from PMA to insert into the Escrow Agreement next Monday, and we propose to insert this figure into the Escrow Agreement and both Blue Sapphire and Ebony Shine will sign the agreeement on Monday as we expect Mr Duret and his client to be in Singapore at that time.

Is there any progress with the required compliance with the Patriot Act.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Marianna Elias" <marianna@twaircraft.com>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>; "Nina Safarina" <nina@twaircraft.com>; <eduret@ldsassocies.com>
Sent: Friday, March 24, 2006 10:59 PM
Subject: RE: Gulfstream V S/N 669

The funds, until such time as a final escrow agreement is executed by all parties, is being held by us and subject to the direction of purchaser. We of course will not execute the escrow agreement until we
are satisfied that the Patriot Act documentation is sufficient. We
have not received any further documentation from Eric, since our last meeting.

Have you obtained funds transfer amounts to insert in the escrow agreement?

Kind Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

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A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01546 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.466

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-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 23, 2006 7:11 PM
To: Dunn, Teena; McCreary, Scott D.
Cc: Marianna Elias; Christine Nasrallah; Nina Safarina; eduret@ldsassocies.com
Subject: RE: Gulfstream V S/N 669

Teena

Thanks for the advice. Can you confirm if these are now clear funds that you could administer in accordance with the Purchase Agreement and Escrow Agreement, or are they on hold subject to the Purchaser satisifying the requirements of the Patriot Act.

Regards
Dick

Sent with SnapperMail

..... Original Message .....
On Thu, 23 Mar 2006 12:20:11 -0600 "Dunn, Teena"
<Teena.Dunn@mcafeetaft.com> wrote:
>Dick,
>
>I confirm that we have received $4,723,262.22 is US to our escrow
account.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
>
>
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>
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01547 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.467

>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Thursday, March 23, 2006 9:47 AM
>To: McCreary, Scott D.; Dunn, Teena
>Cc: Marianna Elias; Christine Nasrallah; Nina Safarina
>Subject: Re: Gulfstream V S/N 669
>
>Dear Teena
>
>Can you give me an update on the receipt of funds into your Escrow
>Account at the end of your
banking day today.
>
>Regards
>Dick
>
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.
>Cc: Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:19 PM
>Subject: RE: Gulfstream V S/N 669
>
>Thank you for the update. I will monitor our escrow account and let
>you
know if funds arrive.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 10:10 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Nina Safarina; Christine Nasrallah
>Subject: Re: Gulfstream V S/N 669
>
>Teena
>
>The problem is we need to fix a closing date to get the amount due to
PMA.
In the absence of the promised Escrow Funds we are reluctant to attempt to set a Closing
Date. We are going to have to place everything on hold if you do not receive funds by
your close of business today.
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01548 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.468

>Regards
>Dick
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.
>Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:03 PM
>Subject: RE: Gulfstream V S/N 669
>
>Dick,
>
>No funds have arrived this morning.
>
>Have you obtained the financial information to insert in the escrow
agreement regarding transfers? We need to finalize the escrow agreement as soon as
possible.
>
>Let me know
>
>Regards- Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 9:46 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Marianna Elias; Nina Safarina; Christine Nasrallah
>Subject: Gulfstream V S/N 669
>
>Dear Scott and Teena
>
>Can you advise if any funds have arrived in the Escrow Account as yet
>for
this transaction.
>
>Regards
>Dick
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01549 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.469

Dunn, Teena

From:	Dunn, Teena
Sent:	Thursday, March 30, 2006 11:23 AM
To:	'Christine Nasrallah'; 'Dick Brown'; McCreary, Scott D.
Cc:	'Marianna Elias'; 'Nina Safarina'; eduret@ldsassocies.com; 'Lucil Tan'; 'Arnaud Poisson'; 'arnaud poisson'
Subject:	RE: RE : Gulfstream V S/N 669

Christine,

The patriot act information (articles of organization and good standing and an affidavit regarding Ebony's structure, all discussed with Eric) needs to be provided to us.

We have not yet received the second payment funds, but will check our escrow account through out the day.

Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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-----Original Message-----
From: Christine Nasrallah [mailto:cnasrallah@ldsassocies.com]
Sent: Thursday, March 30, 2006 10:11 AM
To: 'Dick Brown'; McCreary, Scott D.; Dunn, Teena
Cc: 'Marianna Elias'; 'Nina Safarina'; eduret@ldsassocies.com; 'Lucil Tan'; 'Arnaud Poisson'; 'arnaud poisson'
Subject: RE : Gulfstream V S/N 669
Importance: High

Dick,

Eric is out of town all week. He will be back tomorrow morning. I talked with Brett King this afternoon from Wells Fargo bank who sent me the documents relative to The Patriot Act and The Trust agreement.

We are sorry for delay in replying as we did not have the required information.
Eric will be dealing with this during the week-end and will be emailing you all documents on Monday.

The client confirmed that the second payment was done and he will send me a copy of the wire transfer.

Best regards,
Christine

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 512

BSSL000237

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01550 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.470

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com] Envoyé : jeudi 30 mars 2006 17:15 À : McCreary, Scott D.; Dunn, Teena Cc : Marianna Elias; Nina Safarina; eduret@ldsassocies.com; Christine Nasrallah; Lucil Tan; Arnaud Poisson; arnaud poisson
Objet : Re: Gulfstream V S/N 669

Eric

We are approaching the end of another week, and nothing has been done by you to enable compliance with the Patriot Act. I have sent you several emails on this matter and have not even had the courtesy of a reply.

As explained to you previously, because you have not complied with the requirements of the Patriot Act, we do not have a deposit as required under the Sale and Purchase Agreement. The fact that you have actually transferred the funds to the Escrow Account has no meaning if you are unable to comply with the Patriot Act.

In the absence of a constructive reply from you by return, we will have to assume that you no longer wish to continue with this transaction.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Lucil Tan" <tlucilks@habacus.com.sg>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>; <eduret@ldsassocies.com>; "Marianna Elias"

<marianna@twaircraft.com>; "Nina Safarina" <nina@twaircraft.com>
Sent: Thursday, March 30, 2006 9:50 PM
Subject: RE: Gulfstream V S/N 669

Dick,

We have received no additional funds or any patriot act compliance items. Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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-----Original Message-----

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01551 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.471

From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 30, 2006 5:59 AM
To: Dunn, Teena; McCreary, Scott D.
Cc: Lucil Tan; Christine Nasrallah; eduret@ldsassocies.com; Marianna Elias; Nina Safarina
Subject: Re: Gulfstream V S/N 669

Teena

Can you update me on this matter? Have you received anything from Eric to satisify the requirements under the Patriot Act. We will have a figure from PMA by tomorrow so we could sign the Escrow Agreement but there seems no point if we don't have compliance with the Patriot Act.

Have you received any additional funds into the Escrow Account?.

Regards
Dick

----- Original Message -----
From: "Dunn, Teena" <Teena.Dunn@mcafeetaft.com>
To: "Dick Brown" <dick@twaircraft.com>; "McCreary, Scott D." <Scott.McCreary@mcafeetaft.com>
Cc: "Marianna Elias" <marianna@twaircraft.com>; "Christine Nasrallah" <cnasrallah@ldsassocies.com>; "Nina Safarina" <nina@twaircraft.com>; <eduret@ldsassocies.com>
Sent: Friday, March 24, 2006 9:59 PM
Subject: RE: Gulfstream V S/N 669

The funds, until such time as a final escrow agreement is executed by all parties, is being held by us and subject to the direction of purchaser. We of course will not execute the escrow agreement until we
are satisfied that the Patriot Act documentation is sufficient. We
have not received any further documentation from Eric, since our last meeting.

Have you obtained funds transfer amounts to insert in the escrow agreement?

Kind Regards- Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487 teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: Thursday, March 23, 2006 7:11 PM
To: Dunn, Teena; McCreary, Scott D.
Cc: Marianna Elias; Christine Nasrallah; Nina Safarina; eduret@ldsassocies.com
Subject: RE: Gulfstream V S/N 669

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01552 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.472

Teena

Thanks for the advice. Can you confirm if these are now clear funds that you could administer in accordance with the Purchase Agreement and Escrow Agreement, or are they on hold subject to the Purchaser satisifying the requirements of the Patriot Act.

Regards
Dick

Sent with SnapperMail

..... Original Message .....
On Thu, 23 Mar 2006 12:20:11 -0600 "Dunn, Teena"
<Teena.Dunn@mcafeetaft.com> wrote:
>Dick,
>
>I confirm that we have received $4,723,262.22 is US to our escrow
account.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Thursday, March 23, 2006 9:47 AM
>To: McCreary, Scott D.; Dunn, Teena
>Cc: Marianna Elias; Christine Nasrallah; Nina Safarina
>Subject: Re: Gulfstream V S/N 669
>
>Dear Teena
>
>Can you give me an update on the receipt of funds into your Escrow
>Account at the end of your
banking day today.
>
>Regards
>Dick
>
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01553 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.473

>Cc: Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:19 PM
>Subject: RE: Gulfstream V S/N 669
>
>Thank you for the update. I will monitor our escrow account and let
>you
know if funds arrive.
>
>Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
>211 North Robinson
>Oklahoma City, Oklahoma 73102-7103
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the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting,
marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 10:10 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Nina Safarina; Christine Nasrallah
>Subject: Re: Gulfstream V S/N 669
>
>Teena
>
>The problem is we need to fix a closing date to get the amount due to
PMA.
In the absence of the promised Escrow Funds we are reluctant to attempt to set a Closing
Date. We are going to have to place everything on hold if you do not receive funds by
your close of business today.
>
>Regards
>Dick
>----- Original Message -----
>From: Dunn, Teena
>To: Dick Brown ; McCreary, Scott D.
>Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah
>Sent: Friday, March 17, 2006 11:03 PM
>Subject: RE: Gulfstream V S/N 669
>
>Dick,
>
>No funds have arrived this morning.
>
>Have you obtained the financial information to insert in the escrow
agreement regarding transfers? We need to finalize the escrow agreement as soon as
possible.
>
>Let me know
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01554 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.474

>Regards- Teena
>
>
>Teena P. Dunn
>Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>teena.dunn@mcafeetaft.com
>
>McAfee & Taft
>A Professional Corporation
>10th Floor, Two Leadership Square
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>Oklahoma City, Oklahoma 73102-7103
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marketing or recommending to another party any transaction or matter addressed herein.
>
>
>----------
>From: Dick Brown [mailto:dick@twaircraft.com]
>Sent: Friday, March 17, 2006 9:46 AM
>To: Dunn, Teena; McCreary, Scott D.
>Cc: Marianna Elias; Nina Safarina; Christine Nasrallah
>Subject: Gulfstream V S/N 669
>
>Dear Scott and Teena
>
>Can you advise if any funds have arrived in the Escrow Account as yet
>for
this transaction.
>
>Regards
>Dick
>

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01555 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.475

DURET, SIERACZEK-ABITAN, PELLET
Société d'Avocats

ERIC DURET
MANON SIERACZEK-ABITAN
STEPHANE PELLET

AVOCATS ASSOCIES

HENRI TISSIER DU CROS
GWENAELLE GRIFFON
EVE CASTEX

AVOCATS

VIRGINIE DE GALARD

AVOCAT AU BARREAU
DE BUENOS AIRES

BORDEREAU DE TRANSMISSION

DATE : APRIL 5th, 2006

DE LA PART DE : ERIC DURET
Tél. : 01.53.96.20.21 – Fax : 01.53.96.20.22

A L'ATTENTION DE : TEENA DUNN
Fax : 405-228-7487

SUJET : FUNDS

NOMBRE DE PAGES : 4

Dear Teena,

Please find enclosed the wire transfer received from our client.
Could you please forward this fax to Dick.

Thank you in advance.

Best regards.

Christine Nasrallah

61, RUE DE MIROMESNIL
75008 PARIS
TEL. 01.53.96.20.00
FAX. 01.53.96.20.22
TOQUE : A0042

BSSL000253

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 513

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01556 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.476

= Redacted by the Permanent Subcommittee on Investigations

From: unknown Page: 3/4 Date: 4/5/2006 11:13:38 AM

5-AUR-2006 MER 15:59 TEL: NOM :

****** NETWORK ACKNOWLEDGMENT ***** 2006-04-03 09:26 page no : 3684
Status : MESSAGE DELIVERED
Station : 1 BEGINNING OF MESSAGE

```
ACK  *FIN/Session/ISN          [redacted]
ACK  *Own Address              :BEACGQGQAXXX  BANQUE DES ETATS DE L'AFRIQUE
ACK  *                                        CENTRALE D.N. GUINEE EQUATORIALE
ACK  *                                        MALABO
ACK  *Input Message Type       :103           TRANSFER DE CRED CLIENT UNIQUE
ACK  *Sent to                  :BDPEFRPPXSRD  BANQUE DE FRANCE
ACK  *                                        PARIS
ACK  *                                        (FOREIGN CUSTOMER TRANSACTIONS)
ACK  *Input Time               :1205
ACK  *MIR                      :[redacted]
ACK  *Priority/Obsol.Period    :Normal/100 Minutes
ACK  *MUR                      :100/01T/04
ACK  *
ACK  *{3:{108:100/01T/04}}
ACK  *
ACK  *20 /REFERENCE DE L'EMETTEUR
ACK  *    185/MLB
ACK  *23B/CODE DE L'OPERATION BANCAIRE
ACK  *    CRED
ACK  *32A/DATE VAL/DVS/MNT REGL INTERBQ
ACK  *    060404USD2575000,00
ACK  *                          2006-04-04
ACK  *                          US Dollar
ACK  *                                                    2.575.000,00
ACK  *50K/CLIENT DONNEUR D'ORDRE - NOM/ADR
ACK  *    TEODORO NGUEMA OBIANG
ACK  *52A/INSTITUTION DONNEUR D'ORDRE-BIC
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ACK  *                          GUINEE EQUATORIALE
ACK  *                          MALABO
ACK  *
ACK  *57D/INST GESTIONNAIRE COMPTE-NOM/ADR
ACK  *    BANK OF AMERICA NA LEADERSHIP SQUAR
ACK  *    E OKLAHOMA
ACK  *    USA
ACK  *59 /CLIENT BENEFICIAIRE -NOM/ADRESSE
ACK  *    /[redacted]
ACK  *    MCAFEE ET TAFT ESCROW ACCOUNT
ACK  *70 /INFORMATIONS SUR LE VERSEMENT
ACK  *    /INV/[redacted]
ACK  *71A/DETAILS DES FRAIS
ACK  *    SHA
ACK  *-
ACK  *
ACK  *MAC: Authentication Code
ACK  *    [redacted]
ACK  *CHK: CheckSum
ACK  *    [redacted]
ACK  *
ACK  *CON: CBT Condensed Output
ACK  *TRN: Transaction Reference Number
ACK  *    185/MLB
ACK  *COR: Corresponding Input Message Sequence Number
ACK  *    [redacted]
```

BSSL000254

ph44585 on D330-44585-7600 with DISTILLER

568401.477

From: unknown Page: 2/4 Date: 4/5/2006 11:13:36 AM

5-AUR-2006 MER 15:58 TEL: : NOM

****** LOCAL REPORT *****
Status : WAIT FOR NETWORK ACK. 2006-04-05 13:19 page no : 36
Station : 1 BEGINNING OF MESSAGE

```
*FIN/Session/ISN          :F01    .SS.    .SEQ..
*Own Address              :BEACGQGQAXXX  BANQUE DES ETATS DE L'AFRIQUE
*                                        CENTRALE D.N. GUINEE EQUATORIALE
*                                        MALABO
*Input Message Type       :103           TRANSFER DE CRED CLIENT UNIQUE
*Sent to                  :BDFEFRPPXSRD  BANQUE DE FRANCE
*                                        PARIS
*                                        (FOREIGN CUSTOMER TRANSACTIONS)
*Input Time               :
*MIR                      :
*Priority/Obsol.Period    :Normal/100 Minutes
*MUR                      :100/02T/04
*
*{3:{108:100/02T/04}}
*
*20 /REFERENCE DE L'EMETTEUR
*    192/MLB
*23B/CODE DE L'OPERATION BANCAIRE
*    CRED
*32A/DATE VAL/DVS/MNT REGL INTERBQ
*    060406USD2575000,00
*                          2006-04-06
*                          US Dollar
*                                                          2.575.000,00
*50K/CLIENT DONNEUR D'ORDRE - NOM/ADR
*    TEODORO NGUEMA OBIANG
*52A/INSTITUTION DONNEUR D'ORDRE-BIC
*    SGGEGQGQ
*                          SOCIETE GENERALE DE BANQUE EN
*                          GUINEE EQUATORIALE
*                          MALABO
*
*57D/INST GESTIONNAIRE COMPTE-NOM/ADR
*    BANK OF AMERICA NA
*    OKLAHOMA
*59 /CLIENT BENEFICIAIRE -NOM/ADRESSE
*    /[redacted]
*    MCAFEE ET TAFT ESCROW ACCOUNT
*70 /INFORMATIONS SUR LE VERSEMENT
*    /INV/[redacted]
*71A/DETAILS DES FRAIS
*    SHA
*-
*
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User requested copy from IMHQ

= Redacted by the Permanent Subcommittee on Investigations

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ph44585 on D330-44585-7600 with DISTILLER

568401.478

DURET, SIERACZEK-ABITAN, PELLET
Société d'Avocats

ERIC DURET
MANON SIERACZEK-ABITAN
STEPHANE PELLET

AVOCATS ASSOCIES

HENRI TESSIER DU CROS
GWENAËLLE GRIFFON
EVE CASTEX

AVOCATS

VIRGINIE DE GALARD

AVOCAT AU BARREAU
DE BUENOS AIRES

BORDEREAU DE TRANSMISSION

DATE : APRIL 6th, 2006

DE LA PART DE : ME ERIC DURET
Tél. : 01.53.96.20.21 – Fax : 01.53.96.20.22

A L'ATTENTION DE : TEENA DUNN
Fax : 001. 405-228-7487

SUJET : WIRE TRANSFER

NOMBRE DE PAGES : 2

URGENT

Dear Teena,

Please find enclosed copy of the second wire transfer for 5.150.000$.

Thank you in advance.

Best regards,

Eric DURET

61, RUE DE MIROMESNIL
75008 PARIS
TEL. 01.53.96.20.00
FAX. 01.53.96.20.22
TOQUE : A0042

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 515

BSSL000257

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01559 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
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From: unknown Page: 2/2 Date: 4/6/2006 2:10:11 PM

06 04 06 16:37 Danny Venturini 00240081759 P.1
6-AVR-2006 19:57 DE:

****** NETWORK ACKNOWLEDGMENT ***** 2006-04-06 12:20 page no : 3803
Status : MESSAGE DELIVERED
Station : 1 BEGINNING OF MESSAGE

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ACK  *FIN/Session/ISN        :F01   3312      [redacted]
ACK  *Own Address            :BEACGQGQAXXX   BANQUE DES ETATS DE L'AFRIQUE
ACK  *                                       CENTRALE D.N. GUINEE EQUATORIALE
ACK  *                                       MALABO
ACK  *Input Message Type     :103            TRANSFER DE CRED CLIENT UNIQUE
ACK  *Sent to                :BDPEFRPPXSRD   BANQUE DE FRANCE
ACK  *                                       PARIS
ACK  *                                       (FOREIGN CUSTOMER TRANSACTIONS)
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ACK  *MUR                    :100/03T 04T/04
ACK  *
ACK  *{3:{108:100/03T 04T/04}}
ACK  *
ACK  *20 /REFERENCE DE L'EMETTEUR
ACK  *    225/MLB
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ACK  *32A/DATE VAL/DVS/MNT REGL INTERBQ
ACK  *    060407USD5150000,00
ACK  *                        2006-04-07
ACK  *                        US Dollar
ACK  *                                                    5.150.000,00
ACK  *50K/CLIENT DONNEUR D'ORDRE - NOM/ADR
ACK  *    TEODORO NGUEMA OBIANG
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ACK  *    SGGEGQGQ
ACK  *                        SOCIETE GENERALE DE BANQUE EN
ACK  *                        GUINEE EQUATORIALE
ACK  *                        MALABO
ACK  *
ACK  *57D/INST GESTIONNAIRE COMPTE-NOM/ADR
ACK  *    BANK OF AMERICA NA
ACK  *    OKLAHOMA CITY
ACK  *59 /CLIENT BENEFICIAIRE -NOM/ADRESSE
ACK  *    [redacted]
ACK  *    MCAFEE ET TAFT ESCROW ACCOUNT
ACK  *70 /INFORMATIONS SUR LE VERSEMENT
ACK  *    /INV/[redacted]
ACK  *71A/DETAILS DES FRAIS
ACK  *    SHA
ACK  *-
ACK  *
ACK  *MAC: Authentication Code
ACK  *    [redacted]
ACK  *CHK: CheckSum
ACK  *    [redacted]
ACK  *
ACK  *CON: CBT Condensed Output
ACK  *TRN: Transaction Reference Number
ACK  *    [redacted]
ACK  *COR: Corresponding Input Message Sequence Number
ACK  *    [redacted]
ACK  *
```

[redacted] = Redacted by the Permanent Subcommittee on Investigations

6-AVR-2006 JEU 16:31 TEL: NOM : P. 1

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ph44585 on D330-44585-7600 with DISTILLER

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ESCROW AGREEMENT

This Escrow Agreement (the "**Agreement**"), is entered into as of this day of June, 2006, among Blue Sapphire Services Limited, as seller ("**Seller**"), Wells Fargo Bank Northwest, National Association, as Owner Trustee (the "**Owner Trustee**"), PMA Capital Management Limited, as Security Agent and as Agent ("**PMA**"), Ebony Shine International Ltd. (the "**Purchaser**") and Insured Aircraft Title Service, Inc(the "**Escrow Agent**") (Seller, Owner Trustee, PMA and Purchaser are collectively the "**Parties**")

WITNESSETH:

WHEREAS, the Parties desire to employ the Escrow Agent to receive documents and funds from the respective parties hereto and deliver or file the same, according to the terms hereof, in connection with the transaction involving the One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration Number N1UB, previously N544KK (the "**Aircraft**") and two (2) Rolls-Royce Deutschland Ltd & Co Kg model BR 700-710A1-10 aircraft engines bearing manufacturer's serial numbers 11447 ("**Engine 11447**") and 11379 ("**Engine 11379**") (collectively, the "**Engines**") (the Aircraft and Engines are collectively the "**Equipment**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Deposit of Funds. On or about March 17, 2006 the Purchaser deposited the sum of $4,700,000.00 US (the "**First Payment**") to the escrow account of Escrow Agent with the Bank of America, N.A., (the "**Bank**") to the account described below (the "**Escrow Account**"). On or before March 31, 2006, at 5:00 p.m., CST, Purchaser deposited the sum of $10,300,000.00 US (the "**Second Payment**") by wire transfer in readily available funds to the Escrow Account. On or before June 27, 2006, at 5:00 p.m., CST, Purchaser deposited the sum of $23,500,000.00 US (the "**Balance**") by wire transfer in readily available funds to the Escrow Account of Escrow Agent. The First Payment, Second Payment, Balance and the Escrow Agent Fee shall be referred to hereafter as (the "**Escrow Funds**"). The description of the Escrow Account is as follows:

Insured Aircraft Title Service Inc
UBS AG
London Branch
London
Attention Sarah Peters
Private Banking

2. Escrow Account. The Escrow Account is a trust account under Rule 1.15(d) of the Oklahoma Rules of Professional Conduct. 5 O.S.A. Ch1. App. 3-A. As such, interest, if any, gained on said Escrow Funds will be remitted to the Oklahoma Bar Association pursuant to Rule 1.15(d) and the parties will

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not receive interest on the Escrow Funds. The Bank's wiring deadline for transferring funds out of the Escrow Account is 3:00 p.m., Central Standard Time.

3. The Bank. The Parties hereto agree that Escrow Agent shall not be liable or responsible in any respect for any losses or damages as may result or allegedly result from any act or omission of the Bank, including any failure of the Bank to correctly follow any instructions of the Parties or the Escrow Agent, or the failure, insolvency or bankruptcy of the Bank or the appointment of any receiver or similar official for the Bank.

4. U.S.A. Patriot Act Compliance. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. Patriot) Act of 2001," Pub. L. No. 107-56 (the "**Patriot Act**") requires certain due diligence in connection with transactions involving "financial institutions" as defined therein. The Escrow Agent takes the position it is either not a "financial institution" as defined in the Patriot Act, or this transaction is otherwise specifically exempt from the requirements of the Patriot Act.

5. Deposit of Escrow Documents. Each of the documents noted below (the "**Escrow Documents**"), duly executed by the parties thereto and in a form acceptable to the Escrow Agent shall be delivered to the Escrow Agent on or before June 29, 2006 (the "**Closing**") to be held by the Escrow Agent pursuant to the terms and conditions of this Agreement:

a. Release and Disclaimer by PMA Capital Management Limited, as Security Agent and as Agent;

b. Lease Termination between the Owner Trustee and Seller, as lessee,

c. Sub-Lease Termination between BSSL, as lessee, and PT. Energi Mega Persada TbK, as sub-lessee;

d. Cost Sharing Agreements Disclaimer by PT. Energi Mega Persada Tbk, Kondur Petroleum S.A., Lapindo Brantas Inc. and EMP Kangean Ltd.

e. FAA Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying title to Purchaser;

f. Warranty Bill of Sale executed by the Owner Trustee, as owner trustee for the benefit of Seller, conveying the Equipment to the Purchaser; and

g. Letter by the Owner Trustee requesting deregistration of the Aircraft from the U.S. Registry; and

g. Notice of Satisfactory Pre-Inspection from the Purchaser.

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6. Closing Conditions. The following conditions are the "Closing Conditions":

   a. Irrevocable written release from PT. Energi Mega Persada Tbk, Kondur Petroleum S.A., Lapindo Brantas Inc. and EMP Kangean Ltd. of their signatures to the Escrow Documents for filing with the FAA.

   b. Confirmation that Prospective International Interests have been registered with the International Registry, created pursuant to the Cape Town Convention, in a form acceptable to Escrow Agent, that reflects the Sale and Purchase Agreement;

   c. receipt of the Escrow Funds and Escrow Agent's confirmation that the Escrow Funds remain sufficient in amount to satisfy the disbursements outlined herein;

   d. receipt of the Escrow Documents by the Escrow Agent;

   e. receipt by the Escrow Agent of a duly executed fax copy of the Instructions to Fund/File (the "**Instructions to Fund/File_**") attached hereto as Exhibit A; and

   f. Escrow Agent's confirmation that it will be in a position to issue its standard FAA opinion to Purchaser upon the filing of the Escrow Documents with the FAA assuming there are no intervening filings with the FAA between the time the Escrow Agent last checked the FAA computer index for the Equipment and the time the Escrow Agent files the documents noted in 10.a below.

7. Closing Actions. Upon Escrow Agent's confirmation that the Closing Conditions have been met, the Escrow Agent shall promptly take the following actions (the "**Closing Actions**"):

   a. file the Escrow Documents with the FAA; Escrow Agent shall date the documents the day of filing unless instructed otherwise by the parties; and

   b. direct the Bank to initiate a wire transfer of the Escrow Funds at the following accounts:

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

US$6,500 to the following account The account of HSBC Bank USA, New York, Account number [redacted] UID [redacted], SWIFT: MRMD[redacted], for further credit to the account of the Clifford Chance US$ Account number [redacted] [redacted] with The Hongkong and Shanghai Banking Corporation Limited, 1 Queen's Road Central, Hong Kong reference "File no [redacted]	US$27,238,963.17 to the following account HSBC Bank USA, New York (CHIPS UID: [redacted] Swift Code: MRMD [redacted] Routing No.: [redacted] ABA No.: 108) Account No.: [redacted] of HSBC Hong Kong 1 Queen's Road, Central, Hong Kong Swift Code: [redacted] Bank Code: [redacted] For payment to the account of PMA Capital Management Limited No.: [redacted]

The remaining balance of USD 11,254,536.83, less the Escrow Agent Fee to the following account:

Blue Sapphire Services Limited, Account # [redacted]
Credit Suisse, Singapore Branch (Swift [redacted])
Via Bank of New York, New York
Chips Uid [redacted]6, FW[redacted], Swift[redacted]
Credit Suisse Singapore Branch ([redacted])

22,525
11,232,011.83

Escrow Agent will complete the Closing Actions noted in this paragraph as simultaneously as practical. The parties hereto understand and agree that once Escrow Agent commences any one of the Closing Actions noted above, Escrow Agent will complete all of the Closing Actions regardless of any conflicting instructions or request from the parties.

8. Term. The terms and conditions of this Agreement shall commence on the date hereof and shall continue until the earliest of:

   a. such time as both (A) the Escrow Funds have been distributed by Escrow Agent pursuant to paragraph 10 of this Agreement, and (B) the Escrow Documents have been filed or delivered by the Escrow Agent pursuant to this Agreement,

   b. July 30, 2006, if the transaction contemplated in this Agreement has not closed,

   c. the Escrow Agent has received a written notice executed in counterpart by all of the Parties which (i) instructs the Escrow Agent that this Agreement is terminated, (ii) confirms which of Parties shall receive the Escrow Funds

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and provides wiring instructions for the transfer and (iii) confirms where to return the Escrow Documents,

d. this Agreement has otherwise been lawfully terminated.

e. If this Agreement shall terminate pursuant to section 11(b) or (d) above the Escrow Agent shall return those Escrow Documents which are in its possession to the respective Parties which delivered such instruments to Escrow Agent; and in the event that the Escrow Agent shall have received Notice of Satisfactory Pre- Inspection from the Purchaser, the Escrow Agent shall remit the Escrow Funds (or such part thereof as has been received by the Escrow Agent) as instructed by Seller, unless (i) Seller Fails to validly tender the Aircraft for Delivery on the Delivery Date (as defined in the Sale and Purchase Agreement) or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft (unless such unwillingness or inability arises from a breach by Purchaser of , or a failure by Purchaser to satisfy any condition specified in, the Sale and Purchase Agreement) in which case the Escrow Agent shall remit the Escrow Funds as instructed by Purchaser. Upon such remittal by the Escrow Agent this Agreement shall terminate and all of the parties hereto shall be released from any further duties, obligations or liabilities hereunder, except the obligation to pay any fees and expenses incurred by the Escrow Agent (which shall be withheld from the Escrow Funds).

9. Limitation of Escrow Agent's Liability. The Escrow Agent shall not be liable for any action taken or omitted to be taken by it while acting in good faith and in the exercise of its judgment, under this Agreement or any instrument executed pursuant hereto, or in connection herewith or therewith, except for its own willful, criminal misconduct or gross negligence, nor be responsible for the effectiveness, enforceability, validity or due execution of this Agreement or any instrument executed pursuant hereto including, without limitation the Instructions to Fund/File, Escrow Documents or Funds Disbursement Instructions. The Escrow Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement, signature or writing which it believes to be genuine and to have been presented by a proper person. Any document or instrument delivered to the Escrow Agent which purports to have been signed or executed by any of the Parties and/or other persons shall be conclusive evidence (absent the Escrow Agent's willful misconduct or gross negligence) that the person or entity signing on behalf of the Parties and/or other person, as applicable, had full and complete authority to sign and deliver the document or instrument on behalf of such party and/or person, and the Escrow Agent shall be entitled to rely, without investigation, upon the authenticity thereof. In the event of any disagreement between any of the Parties, or between them or any of them and any other person, resulting in divergent or adverse claims or demands being made in connection with the subject matter of this Agreement, or in the event the Escrow Agent, in good faith, is in doubt as to what action should be taken hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder so long as such disagreement continues or such doubt exists, and in

any such event, the Escrow Agent shall not be or become liable in any way or to any person for its good faith failure or refusal to act; and the Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of the parties shall have been fully and finally adjudicated by a court of competent jurisdiction or (ii) all differences shall have been adjusted and all doubt resolved to the satisfaction of the Escrow Agent by agreement among all of the interested persons and the Escrow Agent shall be notified thereof in writing signed by all such persons and entities. Further, in the event of any such dispute or controversy, the Escrow Agent may, in its sole discretion, institute an interpleader action, a declaratory judgment or other appropriate legal action in any court of competent jurisdiction to determine the rights of the parties involved. Should action be instituted, or should the Escrow Agent become involved in legal proceedings in any manner whatsoever on account of this Agreement, the Escrow Documents or the Escrow Funds, the Parties, hereby bind and obligate themselves, their heirs, personal representatives, successors and assigns to pay Escrow Agent the reasonable attorneys' fees incurred by Escrow Agent to retain legal counsel, as well as any other disbursements, expenses, losses, costs or damages in connection with or resulting from such litigation, except such as may have been caused by the gross negligence or willful, criminal misconduct of the Escrow Agent. The Parties further agree that Escrow Agent shall not be liable for any losses or damages as may result from any act or failure to act by the Bank, or the financial failure of the Bank.

As between the parties and the Escrow Agent, the Seller and Purchaser agrees to indemnify and hold the Escrow Agent harmless from all losses, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent arising from acts or omissions of the Escrow Agent in the good faith performance of or pursuant to or in connection with this Agreement, except such acts or omissions as may be the result of the Escrow Agent's gross negligence or willful, criminal misconduct.

The Parties hereby agree and acknowledge that any and all of the rights, protections, indemnifications and limitations of liability extended to the Escrow Agent under this Section 12 extend to the officers, shareholders, employees and agents of the Escrow Agent. The rights of the Escrow Agent, its officers, shareholders, employees and agents under this Section 12 are cumulative of all other rights which it may have by law or otherwise.

10. Notices. Any notice or communication hereunder shall be given in writing by serving the same upon the party to whom the notice is addressed by telecopy, via overnight courier service, or by certified mail, return receipt requested, at the following addresses:

Seller: Blue Sapphire Services Limited 91 Tanglin Road #03-09. Tanglin Place Singapore 247918 Fax: +65 6838 0574 Attention: Irma Pujiastuti	Owner Trustee: Wells Fargo Bank Northwest. National Association Attention: Val Orton. Esquire Corporate Trust Services MAC: U1228-120 299 South Main Street. 12th Floor Salt Lake City UT 84111 Bus: (801) 246-6000 Bus 2: (801) 246-5208 Bus Fax: (801) 246-5053 E-mail: val.orton@wellsfargo.com
Escrow Agent: Insured Aircraft Title Service, Inc. PO Box 19527 Oklahoma City Oklahoma 73144 Phone : (405) 681-6663 Fax : (405) 681 –9299 Email : kwoford@insuredaircraft.com	Purchaser: Ebony Shine International Ltd. Road Town Tortola – B.V.I. c/o Eric Duret 61 Rue De Miromesnil 75008 Paris Phone: 33 153 96 2000 Direct Dial: 33 153 96 2020 Direct Fax: 33 153 96 2022 Email: eduret@ldsassocies.com; eduret@eduret.com
PMA Capital Management Limited Harbour Place 103 South Church Street P.O. Box 1034GT Grand Cayman Cayman Islands Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer With a copy to: PMA Investment Advisors Ltd. 6/F. ICBC Tower 3 Garden Road Central Hong Kong Fax: +852 3105 9700 Attention: Darryl Flint. Chief Investment Officer	

ph44585 on D330-44585-7600 with DISTILLER

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11. Escrow Agent's Fees. Escrow Agent shall be paid $ _____out of the Escrow Funds for acting in such capacity which shall be wired to the Escrow Agent at closing. Escrow Agent's Fee hereunder does not include Escrow Agent's legal fees for representing any of the Parties to this transaction.

12. Governing Law. This Agreement and any performance hereunder shall be governed by, and construed in accordance with the laws of the State of Oklahoma.

13. Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the terms of the escrow and, as of the effective date of this Agreement, the terms and provisions contained herein shall supersede all other agreements between the parties hereto with respect to the terms of the escrow, and this Agreement shall not be amended, altered or otherwise modified except by written agreement signed by all of the parties hereto.

14. Fax Signatures and Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The parties agree that this Agreement is valid and binding upon the execution and delivery of same via facsimile transmission or email. The Escrow Agent may rely and act upon a fax or email communication of any notice or instruction described herein. The Escrow Agent shall have no responsibility or duty to ascertain the truthfulness or accuracy of any instruments contemplated herein, including notice or instructions and the Escrow Agent may assume that the persons executing any such instruments, including notices or instructions, had the authority to do so.

15. Escrow Agents Representation of Parties. The Parties acknowledge and agree that the Escrow Agent may perform legal services for BSSL and Lender, including, but not limited to, legal services in connection with the transaction of which this Agreement is a part, and may continue to do so even in the event of litigation between any of the parties to this Agreement. The Parties hereby agree to that representation and hereby waive any and all conflicts of interest that may arise from that representation and the Escrow Agent's performance of the undertakings provided in this Agreement. The Parties further agree that Escrow Agent's rights, obligation and duties pursuant to this Agreement are in no way affected by such representation.

16. Sections Surviving Termination of Agreement. Notwithstanding the termination of this Agreement Sections 11 through 19 of this Agreement shall survive.

ph44585 on D330-44585-7600 with DISTILLER

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Blue Sapphire Services Limited By:_____ Title:_____	Wells Fargo Bank Northwest. National Association. as Owner Trustee By:_____ Title:_____
Ebony Shine International Ltd. By:_____ Title:_____	Insured Aircraft Title Service, Inc. By:_____ Title:_____
PMA Capital Management Limited. as Security Agent and as Agent By: _____ Title: _____	

Escrow Agreement Clean 26.7.06 8.20pm

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EXHIBIT A

Instructions to Fund/File

_____ __, 2006
Insured Aircraft Title Service, Inc.
PO Box 19527
Oklahoma City
Oklahoma 73144
Phone : (405) 681-6663
Fax : (405) 681 –9299
Email : kwoford@insuredaircraft.com

Dear Sirs:

Pursuant to Section 10 of the Escrow Agreement, dated _____ __, 2006 among the undersigned parties and Insured Aircraft Title Service, Inc. (the "**Escrow Agent**"), the Escrow Agent is hereby instructed to wire funds and date, file with the FAA and deliver documents on the date hereof as contemplated in the Escrow Agreement.

This Exhibit A may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The parties agree that this Exhibit A is valid and binding upon the execution and delivery of same via facsimile transmission or email.

Blue Sapphire Services Limited By:_____ Title:_____	Wells Fargo Bank Northwest, National Association, as BSSL Owner Trustee By:_____ Title:_____
Ebony Shine International Ltd. By:_____ Title:_____	PMA Capital Management Limited, as Security Agent and as Agent By: _____ Title: _____

Escrow Agreement Clean 26.7.06 8.20pm

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01570 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.490

Dunn, Teena

From: Christine Nasrallah [cnasral@eduret.com]
Sent: Friday, April 07, 2006 5:00 AM
To: 'Dick Brown'; Dunn, Teena; McCreary, Scott D.
Cc: 'Nina Safarina'; eduret@ldsassocies.com; 'Lucil Tan'; 'Arnaud Poisson'; 'Marianna Elias'
Subject: RE : RE : Gulfstream V S/N 669 funds
Importance: High

Dear Dick,

Thank you so much for your patience. The 1st and 2nd settlements of 2.175,000$ each were transferred to the credit of Scott Mac's account value April 6th, 2006 and the 3rd 5150.000$ value April 7th.

Teena has got all the transfers' copies.

We have contacted the Wells Fargo Bank re the compliances of Patriot Act. Taking into account the difficulties linked with their client's political activities, we have decided not to proceed with a US registration but to go for a registration in the Caymand Islands or Bermuda.

We have noted that the PPI will start on Tuesday April 18th in Geneva with Jet Aviation.

The last settlement of the aircraft's price will be made next week to Scott.

Best regards,

Christine Nasrallah
Office Manager
61, rue de Miromesnil
75008 Paris - France
Tel: 331-53.96.20.00
Fax: 331-53.96.20.22
email: cnasral@eduret.com

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : mardi 4 avril 2006 18:04
À : Dunn, Teena; Christine Nasrallah; McCreary, Scott D.
Cc : Nina Safarina; eduret@ldsassocies.com; Lucil Tan; Arnaud Poisson; arnaud poisson; Marianna Elias
Objet : RE: RE : Gulfstream V S/N 669

Thanks Teena

On Tue, 4 Apr 2006 08:58:57 -0500, Dunn, Teena wrote:
> I have received no additional funds or documentation-Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 517

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>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> *Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
> *Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@twaircraft.com]
> Sent: Monday, April 03, 2006 6:51 PM
> To: Dunn, Teena; Christine Nasrallah; McCreary, Scott D. Cc: Nina
> Safarina; eduret@ldsassocies.com; Lucil Tan; Arnaud Poisson; arnaud
> poisson Subject: Re: RE : Gulfstream V S/N 669
>
> Teena
>
> Did you receive the information from Eric/Christine today?
>
> Any sign of the additional funds in your Escrow Account?
>
> Regards
> Dick
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Christine Nasrallah" ; "Dick
> Brown" ; "McCreary, Scott D."
> Cc: "Marianna Elias"
> ; "Nina Safarina" ;
> ; "Lucil Tan" ;
> "Arnaud Poisson" ; "arnaud poisson"
> Sent: Thursday, March 30, 2006
> 11:22 PM Subject: RE: RE : Gulfstream V S/N 669
>
>
> Christine,
>
> The patriot act information (articles of organization and good
> standing and an affidavit regarding Ebony's structure, all
> discussed with Eric) needs to be provided to us.
>
> We have not yet received the second payment funds, but will check
> our escrow account through out the day.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01572 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.492

>
> Regards- Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
> * Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Christine Nasrallah [mailto:cnasrallah@ldsassocies.com] Sent:
> Thursday, March 30, 2006 10:11 AM To: 'Dick Brown'; McCreary, Scott
> D.; Dunn, Teena Cc: 'Marianna Elias'; 'Nina Safarina';
> eduret@ldsassocies.com; 'Lucil Tan'; 'Arnaud Poisson'; 'arnaud
> poisson' Subject: RE : Gulfstream V S/N 669 Importance: High
>
> Dick,
>
> Eric is out of town all week. He will be back tomorrow morning. I
> talked with Brett King this afternoon from Wells Fargo bank who
> sent me the documents relative to The Patriot Act and The Trust
> agreement.
>
> We are sorry for delay in replying as we did not have the required
> information. Eric will be dealing with this during the week-end and
> will be emailing you all documents on Monday.
>
> The client confirmed that the second payment was done and he will
> send me a copy of the wire transfer.
>
> Best regards,
> Christine
>
>
> -----Message d'origine-----
> De : Dick Brown [mailto:dick@twaircraft.com] Envoyé : jeudi 30 mars
> 2006 17:15 À : McCreary, Scott D.; Dunn, Teena Cc : Marianna Elias;
> Nina Safarina; eduret@ldsassocies.com; Christine Nasrallah; Lucil

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01573 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.493

> Tan; Arnaud Poisson; arnaud poisson Objet : Re: Gulfstream V S/N 669
>
>
> Eric
>
> We are approaching the end of another week, and nothing has been
> done by you to enable compliance with the Patriot Act. I have sent
> you several emails on this matter and have not even had the
> courtesy of a reply.
>
> As explained to you previously, because you have not complied with
> the requirements of the Patriot Act, we do not have a deposit as
> required under the Sale and Purchase Agreement. The fact that you
> have actually transferred the funds to the Escrow Account has no
> meaning if you are unable to comply with the Patriot Act.
>
> In the absence of a constructive reply from you by return, we will
> have to assume that you no longer wish to continue with this
> transaction.
>
> Regards
> Dick
>
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Dick Brown" ; "McCreary, Scott D."
>
> Cc: "Lucil Tan" ; "Christine Nasrallah"
> ; ; "Marianna
> Elias"
>
> ; "Nina Safarina"
> Sent: Thursday, March 30, 2006 9:50 PM Subject: RE: Gulfstream V
> S/N 669
>
>
> Dick,
>
> We have received no additional funds or any patriot act compliance
> items. Teena
>
>
> Teena P. Dunn
> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01574 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.494

>
> * Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of
> (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@twaircraft.com]
> Sent: Thursday, March 30, 2006 5:59 AM
> To: Dunn, Teena; McCreary, Scott D.
> Cc: Lucil Tan; Christine Nasrallah; eduret@ldsassocies.com;
> Marianna Elias; Nina Safarina Subject: Re: Gulfstream V S/N 669
>
> Teena
>
> Can you update me on this matter? Have you received anything from
> Eric to satisify the requirements under the Patriot Act. We will
> have a figure from PMA by tomorrow so we could sign the Escrow
> Agreement but there seems no point if we don't have compliance with
> the Patriot Act.
>
> Have you received any additional funds into the Escrow Account?.
>
> Regards
> Dick
>
> ----- Original Message -----
> From: "Dunn, Teena"
> To: "Dick Brown" ; "McCreary, Scott D."
>
> Cc: "Marianna Elias" ; "Christine
> Nasrallah" ; "Nina Safarina"
> ; Sent: Friday, March
> 24, 2006 9:59 PM Subject: RE: Gulfstream V S/N 669
>
>
> The funds, until such time as a final escrow agreement is executed
> by all parties, is being held by us and subject to the direction of
> purchaser. We of course will not execute the escrow agreement
> until we
> are satisfied that the Patriot Act documentation is sufficient.
> We have not received any further documentation from Eric, since our
> last meeting.
>
> Have you obtained funds transfer amounts to insert in the escrow
> agreement?
>
> Kind Regards- Teena
>
>
> Teena P. Dunn

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01575 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.495

> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
> teena.dunn@mcafeetaft.com
>
> McAfee & Taft
> A Professional Corporation
> 10th Floor, Two Leadership Square
> 211 North Robinson
> Oklahoma City, Oklahoma 73102-7103
>
> * Caution: Message contents may be subject to attorney-client
> privilege and/or the litigation work product doctrine. This message
> is intended solely for the addressee(s) identified above.
>
> * Circular 230 disclosure: To ensure compliance with requirements
> imposed by the IRS, we inform you that any U.S. federal tax advice
> contained in this communication (including any attachments) is not
> intended or written to be used, and cannot be used, for the purpose
> of
> (i) avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>
> -----Original Message-----
> From: Dick Brown [mailto:dick@twaircraft.com]
> Sent: Thursday, March 23, 2006 7:11 PM
> To: Dunn, Teena; McCreary, Scott D.
> Cc: Marianna Elias; Christine Nasrallah; Nina Safarina;
> eduret@ldsassocies.com Subject: RE: Gulfstream V S/N 669
>
> Teena
>
> Thanks for the advice. Can you confirm if these are now clear
> funds that you could administer in accordance with the Purchase
> Agreement and Escrow Agreement, or are they on hold subject to the
> Purchaser satisifying the requirements of the Patriot Act.
>
> Regards
> Dick
> ___
> Sent with SnapperMail
>
> ..... Original Message .....
> On Thu, 23 Mar 2006 12:20:11 -0600 "Dunn, Teena"
> wrote:
>> Dick,
>>
>> I confirm that we have received $4,723,262.22 is US to our escrow
>>
> account.
>
>> Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01576 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.496

>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>>
>> Caution: Message contents may be subject to attorney-client
>> privilege
>>
> and/or the litigation work product doctrine. This message is
> intended solely for the addressee(s) identified above.
>
>> Circular 230 disclosure: To ensure compliance with requirements
>> imposed
>>
>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>>
>>
>> ----------
>> From: Dick Brown [mailto:dick@twaircraft.com]
>> Sent: Thursday, March 23, 2006 9:47 AM
>> To: McCreary, Scott D.; Dunn, Teena
>> Cc: Marianna Elias; Christine Nasrallah; Nina Safarina Subject:
>> Re: Gulfstream V S/N 669
>>
>> Dear Teena
>>
>> Can you give me an update on the receipt of funds into your
>> Escrow Account at the end of your
>>
> banking day today.
>
>> Regards
>> Dick
>>
>> ----- Original Message -----
>> From: Dunn, Teena
>> To: Dick Brown ; McCreary, Scott D.
>> Cc: Nina Safarina ; Christine Nasrallah
>> Sent: Friday, March 17, 2006 11:19 PM
>> Subject: RE: Gulfstream V S/N 669
>>
>> Thank you for the update. I will monitor our escrow account and
>> let you
>>
> know if funds arrive.
>

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01577 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.497

>> Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>> Caution: Message contents may be subject to attorney-client
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>>
> and/or the litigation work product doctrine. This message is
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>> Circular 230 disclosure: To ensure compliance with requirements
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>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>>
>> ----------
>> From: Dick Brown [mailto:dick@twaircraft.com]
>> Sent: Friday, March 17, 2006 10:10 AM
>> To: Dunn, Teena; McCreary, Scott D.
>> Cc: Nina Safarina; Christine Nasrallah
>> Subject: Re: Gulfstream V S/N 669
>>
>> Teena
>>
>> The problem is we need to fix a closing date to get the amount
>> due to
>>
> PMA.
> In the absence of the promised Escrow Funds we are reluctant to
> attempt to set a Closing Date. We are going to have to place
> everything on hold if you do not receive funds by your close of
> business today.
>
>> Regards
>> Dick
>> ----- Original Message -----
>> From: Dunn, Teena
>> To: Dick Brown ; McCreary, Scott D.
>> Cc: Marianna Elias ; Nina Safarina ; Christine Nasrallah Sent:
>> Friday, March 17, 2006 11:03 PM Subject: RE: Gulfstream V S/N 669
>>

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01578 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.498

>> Dick,
>>
>> No funds have arrived this morning.
>>
>> Have you obtained the financial information to insert in the
>> escrow
>>
> agreement regarding transfers? We need to finalize the escrow
> agreement as soon as possible.
>
>> Let me know
>>
>> Regards- Teena
>>
>>
>> Teena P. Dunn
>> Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
>> teena.dunn@mcafeetaft.com
>>
>> McAfee & Taft
>> A Professional Corporation
>> 10th Floor, Two Leadership Square
>> 211 North Robinson
>> Oklahoma City, Oklahoma 73102-7103
>>
>> Caution: Message contents may be subject to attorney-client
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>>
> and/or the litigation work product doctrine. This message is
> intended solely for the addressee(s) identified above.
>> Circular 230 disclosure: To ensure compliance with requirements
>> imposed
>>
>> by
> the IRS, we inform you that any U.S. federal tax advice contained
> in this communication (including any attachments) is not intended
> or written to be used, and cannot be used, for the purpose of (i)
> avoiding penalties under the Internal Revenue Code or (ii)
> promoting, marketing or recommending to another party any
> transaction or matter addressed herein.
>
>>
>> ----------
>> From: Dick Brown [mailto:dick@twaircraft.com]
>> Sent: Friday, March 17, 2006 9:46 AM
>> To: Dunn, Teena; McCreary, Scott D.
>> Cc: Marianna Elias; Nina Safarina; Christine Nasrallah Subject:
>> Gulfstream V S/N 669
>>
>> Dear Scott and Teena
>>
>> Can you advise if any funds have arrived in the Escrow Account as
>> yet for
>>
> this transaction.
>

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01579 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.499

>> Regards
>> Dick

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01580 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.500

Dunn, Teena

From: Dick Brown [dick@twaircraft.com]
Sent: Friday, April 07, 2006 10:47 AM
To: McCreary, Scott D.; Dunn, Teena
Cc: Irma Soewardi; Marianna Elias; Nina Safarina; Christine Nasrallah; Christine Nasrallah; Eric DURET
Subject: Sale of GV S/N 669

Dear Scott and Teena

We seem to have reached an impass on the Patriot Act compliance. Can you confirm exactly what you have to receive from Ebony Shine to allow this deal to proceed. Please detail it, item by item.

The buyer has decided to take the aircraft off the US Register because they feel that complying with the requirements of the Patriot Act for Well Fargo will take too long.

We are just about at the stage where we will have to either restructure this sale to take it entirely outside the Patriot Act (i.e. we sell it to one of their associates in Singapore, and accept payment there) or we just walk away from the deal and sell the aircraft to somebody else.

Your urgent response would be appreciated.

Regards
Dick

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 518

BSSL000279

ph44585 on D330-44585-7600 with DISTILLER

568401.501

Dunn, Teena

To: Webb, Judy
Cc: McCreary, Scott D.
Subject: RE: RETURN WIRES- 3209.2

Thank you Judy. Please proceed to return all wires. (the $4,723,262.22 to IATS)(the other 3 wires to Obiang)-Teena

Teena P. Dunn
Direct Phone: 405-552-2287 Direct Fax: 405-228-7487
teena.dunn@mcafeetaft.com

McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102-7103

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From: Webb, Judy
Sent: Tuesday, April 11, 2006 9:21 AM
To: Dunn, Teena
Subject: RETURN WIRES- 3209.2

WIRES TO BE RETURNED 4-11-06

TO OBIANG-

RECEIVED 4-05-06	2,574,975.00
RECEIVED 4-10-06	2,574,975.00
RECEIVED 4-10-06	5,150,000.00

TO IATS -

RECEIVED 3-23-06	4,723,262.22

Judy Webb
McAfee & Taft
10th Floor, Two Leadership Square
211 N. Robinson
Oklahoma City, OK 73102
405-235-9621
405-235-0439 fax

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 521

BSSL000331

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01582 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.502

From: unknown Page: 1/1 Date: 4/12/2006 6:37:33 AM

Bank of America

::

Bank of America, N.A.
Wire Transfer Services

Date: 12-APR-2006
Time Wire Completed: 18:58 ET
Account: XXXXXXX[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

MCAFFEE & TAFT
ESCROW ACCOUNT
211 N ROBINSON AVE STE S1000
OKLAHOMA CITY, OK 73102-7139
Attn: ERIN VAN LAANEN

Please contact us at 800.333.9473 Option 3 if you have any questions about this wire transfer. Thank you for using Bank of America Wire Transfer Services.

The following wire was debited today in the amount of USD: 2574975.00

Transaction Ref: [redacted]
Related Ref: [redacted]
Bene's Ref: [redacted]
Service Ref: [redacted]
IMAD: [redacted]

Originator: ID:BOA4271-11APR06
Instructing Bank: BANK OF AMERICA CUSTOMER SERVICES ID:PCRM
CRM PREVIOUS DAY RETURN ACCOUNT
Beneficiary's Bank: WACHOVIA NY INTL ID:A/[redacted]
NEW YORK, NEW YORK
Beneficiary: YOURSELVES

Payment Details: /ACC/RETG YR FW DD 05APR06 USD2574
//975.00 IMAD1246 PER BNF REQUEST.

NNNN

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 521

BSSL000335

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01583 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.503

From: unknown Page: 1/1 Date: 4/12/2006 6:38:16 AM

Bank of America

Bank of America, N.A.
Wire Transfer Services

Date: 12-APR-2006
Time Wire Completed: 18:58 ET
Account: XXXXXXX[redacted]

= Redacted by the Permanent Subcommittee on Investigations

MCAFFEE & TAFT
ESCROW ACCOUNT
211 N ROBINSON AVE STE S1000
OKLAHOMA CITY, OK 73102-7139
Attn: ERIN VAN LAANEN

Please contact us at 800.333.9473 Option 3 if you have any questions about this wire transfer. Thank you for using Bank of America Wire Transfer Services.

The following wire was debited today in the amount of USD: 2574975.00

Transaction Ref: [redacted]
Related Ref: [redacted]
Bene's Ref: [redacted]
Service Ref: [redacted]
IMAD: [redacted]

Originator: ID:BOA4266-11APR06
Instructing Bank: BANK OF AMERICA CUSTOMER SERVICES ID:PCRM
CRM PREVIOUS DAY RETURN ACCOUNT
Beneficiary's Bank: WACHOVIA NY INTL ID:A/[redacted]
NEW YORK, NEW YORK
Beneficiary: YOURSELVES

Payment Details: /ACC/RTN YR FED IMAD 1166 DTD
//10APR06 USD2,574,975.00 PER BNF
//REQ

NNNN

BSSL000336

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01584 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.504

From: unknown Page: 1/1 Date: 4/12/2006 8:05:35 AM

Bank of America

::

Bank of America, N.A.
Wire Transfer Services

Date: 12-APR-2006
Time Wire Completed: 18:22 ET
Account: XXXXXXX[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

MCAFFEE & TAFT
ESCROW ACCOUNT
211 N ROBINSON AVE STE S1000
OKLAHOMA CITY, OK 73102-7139
Attn: ERIN VAN LAANEN

Please contact us at 800.333.9473 Option 3 if you have any questions about this wire transfer. Thank you for using Bank of America Wire Transfer Services.

The following wire was debited today in the amount of USD: 5150000.00

Transaction Ref: [redacted]
Related Ref: [redacted]
Bene's Ref: [redacted]
Service Ref: [redacted]
IMAD: [redacted]

Originator: MCAFFEE & TAFT ID:XXXXXX[redacted]
ESCROW ACCOUNT
211 N ROBINSON AVE STE S1000
OKLAHOMA CITY, OK 73102-7139
Instructing Bank: BANK OF AMERICA CUSTOMER SERVICES ID:PCRM
CRM PREVIOUS DAY RETURN ACCOUNT
Beneficiary's Bank: WACHOVIA NY INTL ID:A[redacted]
NEW YORK, NEW YORK
Beneficiary: YOURSELVES

Payment Details: /ACC/RTG YR 0410B6B7001C001167 DD 4
//10-06 FOR 5,150,000./USD PER BNF
//REQUEST.

NNNN

BSSL000337

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01585 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.505

From: unknown Page: 1/1 Date: 4/12/2006 6:06:37 AM

Bank of America

= Redacted by the Permanent Subcommittee on Investigations

Bank of America, N.A.
Wire Transfer Services

Date: 12-APR-2006
Time Wire Completed: 20:21 ET
Account: XXXXXXX[redacted]

MCAFFEE & TAFT
ESCROW ACCOUNT
211 N ROBINSON AVE STE S1000
OKLAHOMA CITY, OK 73102-7139
Attn: ERIN VAN LAANEN

Please contact us at 800.333.9473 Option 3 if you have any questions about this wire transfer. Thank you for using Bank of America Wire Transfer Services.

The following wire was debited today in the amount of USD: 4723262.22

Transaction Ref: [redacted]
Related Ref: [redacted]
Bene's Ref: [redacted]
Service Ref: [redacted]
IMAD: [redacted]

Originator:	MCAFFEE & TAFT ESCROW ACCOUNT 211 N ROBINSON AVE STE S1000 OKLAHOMA CITY, OK 73102-7139	ID:XXXXXXX[redacted]
Instructing Bank:	BANK OF AMERICA CUSTOMER SERVICES CRM PREVIOUS DAY RETURN ACCOUNT	ID:PCRM
Beneficiary's Bank:	INTERNATIONAL BANK OF COMMERCE DRAWER 1359 LAREDO LAREDO,TEXAS	ID:A/[redacted]
Beneficiary:	YOURSELVES	
Payment Details:	/ACC/RTN YR IMAD 0323K4QLE01C000138 //DD 3/23/06 PER BNF REQ	

NNEN

BSSL000338

ph44585 on D330-44585-7600 with DISTILLER

568401.506

20-AVR-2006 19:08 DE: A: 00014056815356 P:1

DURET, SIERACZEK-ABITAN, PELLET
Société d'Avocats

ERIC DURET
AVOCATS ASSOCIÉS

HENRI TESSIER DU CROS
GWENAËLLE GRIFFON
EVE CASTEX
AUDREY KABEYA

AVOCATS

VIRGINIE DE GALARD

AVOCAT AU BARREAU
DE BUENOS AIRES

BORDEREAU DE TRANSMISSION

DATE : APRIL 20th 2006

DE LA PART DE : ERIC DURET
Tél. : 01.53.96.20.21 – Fax : 01.53.96.20.22

A L'ATTENTION DE : MR KIRK WOFORD
Fax : 001.405.681.5356

SUJET : G550

NOMBRE DE PAGES : 3

Dear Kirk,

Please find enclosed the letter of intention as well as the power of attorney.

Best regards,

Eric Duret

61, RUE DE MIROMESNIL
75008 PARIS
TEL. 01.53.96.20.00
FAX. 01.53.96.20.22
TOQUE : A0042

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 524

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01587 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.507

DURET, SIERACZEK-ABITAN, PELLET
Société d'Avocats

ERIC DURET
MANON SIERACZEK-ABITAN
STEPHANE PELLET

AVOCATS ASSOCIES

HENRI TESSIER DU CROS
GWENAËLLE GRIFFON
EVE CASTEX

AVOCATS

VIRGINIE DE GALARD

AVOCAT AU BARREAU
DE BUENOS-AIRES

LETTER OF INTENTION

In my capacity as official Counsel for Mr. Teodoro NGUEMA, I am writing to confirm the present irrevocable letter of intention regarding the purchase of the aircraft which details follow:

Manufacturer: Gulfstream model G550
Year: 2006

The agreed and accepted price is 47MUS$ (forty seven millions USDollars). A 10% downpayment, that is 4.700.000US$ (four millions and seven hundred thousand USDollars) will be soon deposited at UBS London in an escrow account under liability of IATS represented by Mr Kirk Woford - as in compliance with the initial contract.

We look forward to receiving your acceptance of the present letter of intention.

Best regards.

Eric Duret
lawyer

61, RUE DE MIROMESNIL
75008 PARIS
TEL. 01.53.96.20.00
FAX. 01.53.96.20.22
TOQUE : A0042

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01588 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.508

POWER OF ATTORNEY

I undersigned, Téodoro Nguema, give capacity to SELARL DURET, SIERACZEK-ABITAN, PELLET, represented by Mr. Eric DURET, Chief Executive Officer, to represent me,

- to sign on my behalf,
- to carry out all the legal acts related to the aircraft model Gulf Stream Aerospace, GV,
- To prepare terms, preby inspection and purchase agreement.

model :	Gulf Stream Aerospace GV
Serial N°:	669
Engine manufacturer :	BMW ROLLS ROYCE
Model :	BR 710 A1-10
Serial N°:	LH.11 447 R.H. 11379

Date: april 20TH 2006

Signature: TEODORO NGUEMA

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01589 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.509

Subject: Re: GV 669
From: "Dick Brown" <dick@twaircraft.com>
Date: Fri, 5 May 2006 07:26:55 +0700
To: <kwiats@earthlink.net>, "'eric duret'" <eduret@eduret.com>, "Christine Nasrallah" <cnasral@eduret.com>
CC: "Marianna Elias" <marianna@twaircraft.com>, "'Arnaud Poisson'" <arnaudrp@yahoo.fr>, "'Lucil Tan'" <tlucilks@habacus.com.sg>, "'Nina Safarina'" <nina@twaircraft.com>, "'Friedrich Weissmann'" <friedrich.weissmann@jetaviation.ch>

Dear Christine

I am glad to hear Eric is recovering, and I do hope he will be back to normal very soon.

It is good to hear that your client still wants to buy the aircraft, and we are still interested to sell him the aircraft, but weeks go by and there is no progress and no action from your side. We can understand the problems that have occurred with the banking, but not the long periods on no action by your side were the major contributor to the banking problems.

You client has indeed sent the US$4,700,000 back to Kirk Woford (IATS) however the funds are still held by IATS for the account of your client, and not for the escrow account of Blue Sapphire in accordance with the Purchase Agreement. Your client still has total control over these funds, we do not have them.

The Pre Purchase inspection can be scheduled as soon as the funds are moved into escrow on a non refundable basis in accordance with the terms of the Purchase Agreement.

Please contact Eric by phone today to get this matter resolved. A simple instruction from Eric to IATS is all that is needed to enable us to move forward.

I reconfirm that I am instructed by the owner to withdraw from the transaction if there are no funds in escrow, on a non refundable basis in accordance with the Purchase Agreement, by close of business in the U.S. today.

Regards
Dick

---- Original Message ----
From: Christine Nasrallah
To: 'Dick Brown' ; 'eric duret' ; kwiats@earthlink.net
Cc: 'Friedrich Weissmann' ; 'Marianna Elias' ; 'Nina Safarina' ; 'Lucil Tan' ; 'Arnaud Poisson'
Sent: Friday, May 05, 2006 1:27 AM
Subject: RE : GV 669

Dear Dick,

Eric is doing much better and has hopefully checked out yesterday from the hospital.

Our client is still interested in buying the plane.

As a token of good faith, my client has sent back the 4.700.000 USD to Kirk Woford. The 10.300.000 USD will soon arrive as well. The delay has been caused by the transfer made by Scott Mccreary via the Banque de France which has transferred them to Equatorial Guinea.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 525

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01590 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.510

Re: GV 669

We are very sorry about this banking administrative complication which was beyond our control.

We are still waiting to hear from you re the pre-inspection date.

Should you not be interested anymore in concluding this transaction, please let us know and kindly make the necessary arrangements to pay us back.

Many thanks for your understanding and cooperation.

Best regards,

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : jeudi 4 mai 2006 14:38
À : eric duret; kwiats@earthlink.net; Christine Nasrallah
Cc : Friedrich Weissmann; Marianna Elias; Nina Safarina; Lucil Tan; Arnaud Poisson; arnaud poisson
Objet : Re: GV 669

Dear Christine

Is Eric out of hospital yet?

I am instructed by the owner of the GV that if the deposit held by IATS is not made non refundable (in accordnace with the Purchase Agreement) and confirmed as non refundable by IATS, by close of business tomorrow Friday May 5, then we will have to abort the sale to your client.

We have been very patient in this transaction and have let it drag on much longer than we normally would do.

Please advise by return today.

Regards
Dick

---- Original Message ----
From: Christine Nasrallah
To: 'Dick Brown' ; kwiats@earthlink.net
Cc: 'Nina Safarina'
Sent: Tuesday, May 02, 2006 9:45 PM
Subject: RE : GV 669

Dear dick,

Eric is hospitalized since last week. He will leave tomorrow.

Best regards,
Christine

-----Message d'origine-----

00258

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01591 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.511

De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : mardi 2 mai 2006 16:38
À : eric duret
Cc : Marianna Elias; Nina Safarina; Christine Nasrallah
Objet : GV 669

Dear Eric

This is very disappointing news from IATS. Why have you not been in contact with Kirk to finalise the terms of the Escrow in accordance with the Purchase Agreement. In the absence on any positive action on your part to progress this sale, we will have to consider aborting this transaction by the end of this week.

Regards
Dick

---- Original Message ----
From: Kirk Woford
To: Dick Brown
Cc: Marianna Elias ; Nina Safarina ; eric duret ; Christine Nasrallah
Sent: Tuesday, May 02, 2006 1:33 AM
Subject: Re: Fw: RE : RE : RE : GV 669

Mr. Brown:
Since the establishment of the escrow I have not received additional information. I do not require an escrow agreement but will require written instructions from the parties at closing.
Reagrds,
Kirk Woford

Dick Brown wrote:

Dear Kirk

Have you received any additional instructions from the buyer in respect to the deposit you are holding in Escrow. Have you received a copy of the sale and purchase agreement? Do you require and Escrow agreement? If so please forward a draft.

Regards
Dick Brown

---- Original Message ----
From: Christine Nasrallah
To: Dick@Twaircraft. Com
Sent: Friday, April 21, 2006 11:42 PM
Subject: TR : RE : RE : RE : GV 669

For your info.

Best regards,

00259

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01592 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.512

Christine Nasrallahemail : cnasral@eduret.com

-----Message d'origine-----
De : Kirk Woford [mailto:kwiats@earthlink.net]
Envoyé : jeudi 20 avril 2006 19:33
À : Christine Nasrallah
Cc : Eric DURET (eduret@eduret.com)
Objet : Re: RE : RE : RE : GV 669

Eric:
Please let me know if this is acceptable.
Best regards,
Kirk Woford

Christine Nasrallah wrote:

> Kirk,
>
> Did you open a new escrow account or we still have the same number?
> Can we have the confirmation signed for the first payment by fax ?
> Thank you in advance.
> Kindrest regards,
>
> Christine
>
> -----Message d'origine-----
> **De :** Kirk Woford [mailto:kwiats@earthlink.net]
> **Envoyé :** mercredi 19 avril 2006 15:40
> **À :** Christine Nasrallah
> **Cc :** christil@insuredaircraft.com; Eric DURET (eduret@eduret.com); Dick@Twaircraft. Com
> **Objet :** Re: RE : RE : GV 669
>
> Chritine:
> I did confirm receipt but in the event you did not receive it this will confirm that the funds have been received from McAfee.
> Thnak you,
> Kirk Woford
>
> Christine Nasrallah wrote:
>
> > Dear Christi,
> >
> > Could you please forward this email urgently to Kirk as i cannot reach him either by phone or email.
> >
> > Scott.McCreary from Mcafeetaft sent back the 4.7 MUS$ to Kirk. Could you please reopen an escrow account in the name of Blue Sapphire (NGUEMA) as the transaction was cancelled via Mcafeetaft.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01593 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.513

Re: GV 669

Could you please confirm that the deposit is being held for the account of Blue Sapphire Services Ltd. and send me confirmation by mail or fax 331.53.96.20.22.

The client will transfer the 10.300.000 US$ for the second payment and the final payment will follow later.

Thank you in advance
Best regards,

Christine Nasrallah

-----Message d'origine-----
De : Christine Nasrallah [mailto:cnasral@eduret.com]
Envoyé : mercredi 19 avril 2006 11:24
À : 'Kirk Woford'
Objet : RE : RE : GV 669
Importance : Haute

Dear Kirk,

Could you please confirm if the 4.700.000 US$ hits your account.
Best regards,

Christine Nasrallah

Office Manager

Eric Duret

61 rue de Miromesnil

75008 Paris – France

) 01.53.96.20.00

Ê 01.53.96.20.22

email : cnasral@eduret.com

-----Message d'origine-----
De : McCreary, Scott D.
[mailto:Scott.McCreary@mcafeetaft.com]
Envoyé : mercredi 12 avril 2006 16:21
À : Christine Nasrallah
Cc : Dick Brown; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com; Apoisson; Dunn, Teena
Objet : RE: RE : GV 669

Yes, the funds were sent back to the party that sent us each wire transfer.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01594 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.514

Teena can provide the confirmations when provided to us by the bank.

From: Christine Nasrallah [mailto:cnasral@eduret.com]
Sent: Wednesday, April 12, 2006 9:12 AM
To: McCreary, Scott D.
Cc: 'Dick Brown'; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com; Apoisson
Subject: RE : GV 669
Importance: High

Hi Scott,

Could you be so kind and tell me if you sent the funds back or not. If yes please send me copy of the wire transfer.

Bet regards.

Christine Nasrallah

Office Manager

61 rue de Miromesnil

75008 Paris – France

) 01.53.96.20.00

Ê 01.53.96.20.22

email : cnasral@eduret.com

-----Message d'origine-----
De : McCreary, Scott D.
[mailto:Scott.McCreary@mcafeetaft.com]
Envoyé : lundi 10 avril 2006 20:28
À : arnaud poisson
Cc : dick@twaircraft.com; cnasral@eduret.com; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com
Objet : RE: GV 669

Sorry, we are sending funds back today

avec Yahoo! Messenger ! Découvez les

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01595 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.515

Re: GV 669

tarifs exceptionnels pour appeler la France et l'international. Téléchargez la version beta.

00263

PSI-Insured_Aircraft-01-0263
5/5/2006 8:26 AM

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01596 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.516

Re: GV 669

Subject: Re: GV 669
From: "Dick Brown" <dick@twaircraft.com>
Date: Fri, 5 May 2006 18:14:57 +0700
To: "eric duret" <eduret@eduret.com>, "Christine Nasrallah" <cnasral@eduret.com>
CC: "Marianna Elias" <marianna@twaircraft.com>, "'Arnaud Poisson'" <arnaudrp@yahoo.fr>, "'Lucil Tan'" <tlucilks@habacus.com.sg>, "'Nina Safarina'" <nina@twaircraft.com>, "'Friedrich Weissmann'" <friedrich.weissmann@jetaviation.ch>, <kwiats@earthlink.net>

Dear Eric

I am indeed sorry to hear of your health problems and I am sorry to be worrying you at this difficult time.

As explained in my earlier email the US$4,700,000 is in the IATS Escrow Account and is being held for the Credit of your client. The money IATS are holding is presently not tied to the Sale and Purchase Agreement we have signed with you. **This means we have no deposit from your client** whatsoever and if your client subsequently fails to complete the transaction through no fault of ours, we have no claim against the funds. This is not what is agreed in the Sale and Purchase Agreement.

We can be patient while all the other problems are sorted out, but we must have the US$4,700,000 made non refundable in accordance with the terms of the Sale and Purchase Agreement. That is, if after we complete the Pre Purchase Inspection and rectify and airworthy defects, and tender the aircraft for delivery, and you do not complete the transaction, then we would be entitiled to retain the deposit of US$4,700,000 held in Escrow.

I would suggest you contact Fred Weissmann and arrange for Jet Aviation to advise you on this matter and assist you in completing this transaction. They are experts in these matters and can help you get this transaction finalised.

Kind Regards
Dick

---- Original Message ----
From: Christine Nasrallah
To: 'Dick Brown' ; 'eric duret' ; kwiats@earthlink.net
Cc: 'Friedrich Weissmann' ; 'Marianna Elias' ; 'Nina Safarina' ; 'Lucil Tan' ; 'Arnaud Poisson'
Sent: Friday, May 05, 2006 1:27 AM
Subject: RE : GV 669

Dear Dick,

Eric is doing much better and has hopefully checked out yesterday from the hospital.

Our client is still interested in buying the plane.

As a token of good faith, my client has sent back the 4.700.000 USD to Kirk Woford. The 10.300.000 USD will soon arrive as well. The delay has been caused by the transfer made by Scott Mccreary via the Banque de France which has transferred them to Equatorial Guinea.

We are very sorry about this banking administrative complication which was beyond our control.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 527

00250
PSI-Insured_Aircraft-01-0250
5/5/2006 8:28 AM

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01597 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.517

Re: GV 669

We are still waiting to hear from you re the pre-inspection date.

Should you not be interested anymore in concluding this transaction, please let us know and kindly make the necessary arrangements to pay us back.

Many thanks for your understanding and cooperation.

Best regards,

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : jeudi 4 mai 2006 14:38
À : eric duret; kwiats@earthlink.net; Christine Nasrallah
Cc : Friedrich Weissmann; Marianna Elias; Nina Safarina; Lucil Tan; Arnaud Poisson; arnaud poisson
Objet : Re: GV 669

Dear Christine

Is Eric out of hospital yet?

I am instructed by the owner of the GV that if the deposit held by IATS is not made non refundable (in accordnace with the Purchase Agreement) and confirmed as non refundable by IATS, by close of business tomorrow Friday May 5, then we will have to abort the sale to your client.

We have been very patient in this transaction and have let it drag on much longer than we normally would do.

Please advise by return today.

Regards
Dick

---- Original Message ----
From: Christine Nasrallah
To: 'Dick Brown' ; kwiats@earthlink.net
Cc: 'Nina Safarina'
Sent: Tuesday, May 02, 2006 9:45 PM
Subject: RE : GV 669

Dear dick,

Eric is hospitalized since last week. He will leave tomorrow.

Best regards,
Christine

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : mardi 2 mai 2006 16:38

00251

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01598 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.518

À : eric duret
Cc : Marianna Elias; Nina Safarina; Christine Nasrallah
Objet : GV 669

Dear Eric

This is very disappointing news from IATS. Why have you not been in contact with Kirk to finalise the terms of the Escrow in accordance with the Purchase Agreement. In the absence on any positive action on your part to progress this sale, we will have to consider aborting this transaction by the end of this week.

Regards
Dick

---- Original Message ----
From: Kirk Woford
To: Dick Brown
Cc: Marianna Elias ; Nina Safarina ; eric duret ; Christine Nasrallah
Sent: Tuesday, May 02, 2006 1:33 AM
Subject: Re: Fw: RE : RE : RE : GV 669

Mr. Brown:
Since the establishment of the escrow I have not received additional information. I do not require an escrow agreement but will require written instructions from the parties at closing.
Reagrds,
Kirk Woford

Dick Brown wrote:

Dear Kirk

Have you received any additional instructions from the buyer in respect to the deposit you are holding in Escrow. Have you received a copy of the sale and purchase agreement? *Do you require and Escrow agreement? If so please forward a draft.*

Regards
Dick Brown

---- Original Message ----
From: Christine Nasrallah
To: Dick@Twaircraft. Com
Sent: Friday, April 21, 2006 11:42 PM
Subject: TR : RE : RE : RE : GV 669

For your info.

Best regards,

00252

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01599 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.519

Christine Nasrallahemail : cnasrall@eduret.com

-----Message d'origine-----
De : Kirk Woford [mailto:kwiats@earthlink.net]
Envoyé : jeudi 20 avril 2006 19:33
À : Christine Nasrallah
Cc : Eric DURET (eduret@eduret.com)
Objet : Re: RE : RE : RE : GV 669

Eric:
Please let me know if this is acceptable.
Best regards,
Kirk Woford

Christine Nasrallah wrote:

Kirk,

Did you open a new escrow account or we still have the same number?
Can we have the confirmation signed for the first payment by fax ?
Thank you in advance.
Kindrest regards,

Christine

-----Message d'origine-----
De : Kirk Woford [mailto:kwiats@earthlink.net]
Envoyé : mercredi 19 avril 2006 15:40
À : Christine Nasrallah
Cc : christil@insuredaircraft.com; Eric DURET (eduret@eduret.com); Dick@Twaircraft. Com
Objet : Re: RE : RE : GV 669

Chritine:
I did confirm receipt but in the event you did not receive it this will confirm that the funds have been received from McAfee.
Thnak you,
Kirk Woford

Christine Nasrallah wrote:

Dear Christi,

Could you please forward this email urgently to Kirk as i cannot reach him either by phone or email.

Scott McCreary from Mcafeetaft sent back the 4.7 MUS$ to Kirk. Could you please reopen an escrow account in the name of Blue Sapphire (NGUEMA) as the transaction was cancelled via Mcafeetaft.

Could you please confirm that the deposit is being held for the account of Blue Sapphire Services Ltd. and send me confirmation by mail or fax

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01600 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.520

331.53.96.20.22.

The client will transfer the 10.300.000 US$ for the second payment and the final payment will follow later.

Thank you in advance
Best regards,

Christine Nasrallah

-----Message d'origine-----
De : Christine Nasrallah [mailto:cnasral@eduret.com]
Envoyé : mercredi 19 avril 2006 11:24
À : 'Kirk Woford'
Objet : RE : RE : GV 669
Importance : Haute

Dear Kirk,

Could you please confirm if the 4.700.000 US$ hits your account.
Best regards,

Christine Nasrallah

Office Manager

Eric Duret

61 rue de Miromesnil

75008 Paris – France

) 01.53.96.20.00

Ê 01.53.96.20.22

email : cnasral@eduret.com

-----Message d'origine-----
De : McCreary, Scott D.
[mailto:Scott.McCreary@mcafeetaft.com]
Envoyé : mercredi 12 avril 2006 16:21
À : Christine Nasrallah
Cc : Dick Brown; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com; Apoisson; Dunn, Teena
Objet : RE: RE : GV 669

00254

Yes, the funds were sent back to the party that sent us each wire transfer.

Teena can provide the confirmations when provided to us by

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01601 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.521

the bank.

From: Christine Nasrallah [mailto:cnasral@eduret.com]
Sent: Wednesday, April 12, 2006 9:12 AM
To: McCreary, Scott D.
Cc: 'Dick Brown'; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com; Apoisson
Subject: RE : GV 669
Importance: High

Hi Scott,

Could you be so kind and tell me if you sent the funds back or not. If yes please send me copy of the wire transfer.

Bet regards.

Christine Nasrallah

Office Manager

61 rue de Miromesnil

75008 Paris – France

) 01.53.96.20.00

Ê 01.53.96.20.22

email : cnasral@eduret.com

-----Message d'origine-----
De : McCreary, Scott D. [mailto:Scott.McCreary@mcafeetaft.com]
Envoyé : lundi 10 avril 2006 20:28
À : arnaud poisson
Cc : dick@twaircraft.com; cnasral@eduret.com; nina@twaircraft.com; tlucilks@habacus.com.sg; marianna@twaircraft.com; eduret@ldsassocies.com
Objet : RE: GV 669

Sorry, we are sending funds back today

00255

avec Yahoo! Messenger ! Découvez les tarifs exceptionnels pour appeler la France et l'international. Téléchargez la version beta.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01602 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.522

TR : GV 669

Subject: TR : GV 669
From: "Christine Nasrallah" <cnasral@eduret.com>
Date: Tue, 9 May 2006 12:17:27 +0200
To: "Dick@Twaircraft. Com" <dick@twaircraft.com>, "Kirk Woford" <kwiats@earthlink.net>

FOR YOUR INFO.

B.RGDS.

-----Message d'origine-----
De : Arnaud Poisson [mailto:apoisson@jetservice-corporate.com]
Envoyé : mardi 9 mai 2006 12:11
À : friedrich.weissmann@jetaviation.ch
Cc : Duret Eric; Christine Nasrallah
Objet : GV 669

Bonjour Mr Weissmann,
As far as know, everything is finally in order to finish this deal, so we know that a prebuy can start in Singapore may 24. Is there any other possibility to set up this prebuy earlier in Jet Aviation Basle or Geneva?
The swift to pay this prebuy will be sent as soon as possible to the place it'll be done.
Best regards,
Arnaud Poisson

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 528

00268
PSI-Insured_Aircraft-01-0268

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01603 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.523

RE : GV 669

Subject: RE : GV 669
From: "Christine Nasrallah" <cnasral@eduret.com>
Date: Tue, 9 May 2006 17:03:05 +0200
To: "'Dick Brown'" <dick@twaircraft.com>
CC: "arnaud poisson" <apoisson@jetservice-corporate.com>, "Eric DURET \(eduret@eduret.com\)" <eduret@ldsassocies.com>, "Kirk Woford" <kwiats@earthlink.net>

Dear Dick,

The management of the aircraft will be done by Jet Aviation in accordance to the instructions of the buyer.
Arnaud Poisson will be the responsible of the operation.
Kirk did not send me yet the confirmation of the wire transfer.

Best regards,

ckcn
$

-----Message d'origine-----
De : Dick Brown [mailto:dick@twaircraft.com]
Envoyé : mardi 9 mai 2006 13:27
À : Christine Nasrallah
Objet : Fw: GV 669

Dear Christine

The company I thought could assist you say they are not able to do so.

Regards
Dick

----- Original Message -----
From: Dick Brown
To: Christine Nasrallah
Cc: arnaud poisson ; Arnaud Poisson
Sent: Tuesday, May 09, 2006 5:45 PM
Subject: Re: GV 669

Dear Christine

I expect that within the hour I will be able to put you in contact with a company who can assist you in closing this transaction, and also in the management and operation of the aircraft. They have a very good reputation in the operation of GV's and G550's

I will revert to you shortly.

Regards
Dick

----- Original Message -----
From: Christine Nasrallah
To: Dick@Twaircraft. Com ; Kirk Woford
Sent: Tuesday, May 09, 20[illegible]

00265

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 528

PSI-Insured_Aircraft-01-0265
5/9/2006 1:06 PM

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01604 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.524

TR : GV 669

Subject: TR : GV 669
From: "Christine Nasrallah" <cnasral@eduret.com>
Date: Tue, 9 May 2006 12:17:27 +0200
To: "Dick@Twaircraft. Com" <dick@twaircraft.com>, "Kirk Woford" <kwiats@earthlink.net>

FOR YOUR INFO.

B.RGDS.

-----Message d'origine-----
De : Arnaud Poisson [mailto:apoisson@jetservice-corporate.com]
Envoyé : mardi 9 mai 2006 12:11
À : friedrich.weissmann@jetaviation.ch
Cc : Duret Eric; Christine Nasrallah
Objet : GV 669

Bonjour Mr Weissmann,
As far as know, everything is finally in order to finish this deal, so we know that a prebuy can start in Singapore may 24. Is there any other possibility to set up this prebuy earlier in Jet Aviation Basle or Geneva?
The swift to pay this prebuy will be sent as soon as possible to the place it'll be done.
Best regards,
Arnaud Poisson

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01605 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.525

Subject: RE: Incoming Euro's
From: Greig.Boyce@ubs.com
Date: Fri, 5 May 2006 10:59:13 +0100
To: <cfiats@earthlink.net>

I-BALO
Eurocopter AS350B III
Sn: 3797

Dear Chris,

I have pleasure informing you of the following funds.

Amount Euro 50,000.00
Value 28.Apr.2006
Remitting Bank Wells Fargo NA
By Order Evergreen International Airlines

Amount US$ 2,574,975.00
Value 09.May.2006
Remitting Bank Banque De France
By Order Teodoro Nguema Obiang Via Sggegggg

Should you require any further information please do not hesitate to contact me.

Best regards,

Greig.

-----Original Message-----
From: Chris Fiegel [mailto:cfiats@earthlink.net]
Sent: 04 May 2006 20:00
To: Boyce, Greig
Subject: Incoming Euro's

Hello Greig,

We are looking for incoming funds in the amount of 50,000 Euro's. Would you please advise me when they arrive? Thanks as always for your help.

Best regards,

Chris Fiegel
Insured Aircraft Title Service, inc.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 529

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01606 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.526

Subject: RE: Incoming funds
From: Greig.Boyce@ubs.com
Date: Wed, 10 May 2006 08:41:44 +0100
To: <cfiats@earthlink.net>, <Sarah.Peters@ubs.com>
CC: <christil@insuredaircraft.com>

Dear Chris,

I can confirm the following funds into the account.

Amount: US$5,149,975.00
Value: 11.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

Should you require any further information please do not hesitate to contact me.

Best regards,

Greig.

-----Original Message-----
From: Chris Fiegel [mailto:cfiats@earthlink.net]
Sent: 09 May 2006 23:41
To: Boyce, Greig; Peters, Sarah
Cc: christil@insuredaircraft.com
Subject: Incoming funds

Greig,

We are looking for an incoming wire of US$ 5,150,000.00. Would you please advise with it arrives?

Best regards,

Chris Fiegel
Insured Aircraft Title Service, Inc.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

00264

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 530

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01607 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.527

Subject: FW: Incoming funds
From: Greig.Boyce@ubs.com
Date: Thu, 11 May 2006 09:12:45 +0100
To: <cfiats@earthlink.net>
CC: <kwoford@insuredaircraft.com>

Hi Chris,

You have received 3 amounts which I have listed below. I will continue to notify you as and when funds arrive.

Best regards,

Greig

Amount: US$2,574,975.00
Value: 12.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

Amount: US$5,149,975.00
Value: 11.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

Amount: US$2,574,975.00
Value: 09.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

-----Original Message-----
From: Chris Fiegel [mailto:cfiats@earthlink.net]
Sent: 10 May 2006 19:02
To: Boyce, Greig
Cc: kwoford@insuredaircraft.com
Subject: Re: Incoming funds

Greig,

Thank you for checking on these. Would you mind checking to see if we might have received two wires from Teodoro Nguema Obiang in the amount of US$5,149,975.00, possibly for value date of 9 May as well as the one for value 11 May?

Thanks for your help.

Best regards,

Chris Fiegel
Insured Aircraft Title Service, Inc.

Greig.Boyce@ubs.com wrote:
Dear Chris,

I can confirm the following funds into the account.

Amount: US$5,149,975.00
Value: 11.May.2006
Remitting Bank: BANQUE DE FRANCE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 531

00276

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01608 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.528

FW: Incoming funds

By Order: EODORO NGUEMA OBIANG

Should you require any further information please do not hesitate to contact me.

Best regards,

Greig.

-----Original Message-----
From: Chris Fiegel [mailto:cfiegel@earthlink.net]
Sent: 09 May 2006 23:41
To: Boyce, Greig; Peters, Sarah
Cc: christi@insuredaircraft.com
Subject: Incoming funds

Greig,

We are looking for an incoming wire of US$ 5,150,000.00. Would you please advise with it arrives?

Best regards,

Chris Fiegel
Insured Aircraft Title Service, Inc.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

00277

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01609 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.529

Re: Fw: GV S/N 669

Subject: Re: Fw: GV S/N 669
From: Christi <cyiats@earthlink.net>
Date: Thu, 18 May 2006 09:12:41 -0500
To: Dick Brown <dick@twaircraft.com>
CC: Eric DURET <eduret@ldsassocies.com>, eric duret <eduret@eduret.com>, Brenda Cobb <iatsbc@earthlink.net>, Christine Nasrallah <cnasral@eduret.com>, Christine Nasrallah <cnasrallah@ldsassocies.com>

This will confirm that IATS is currently holding the sum of $4,700,000.00 and $10,300,000.00 to the credit of Blue Sapphire as a guarantee reference the purchase of GV no 669, subject to a satisfactory pre-inspection of the plane.

Regards,

Christi Yowell
IATS

Dick Brown wrote:

> Dear Christi
>
> Is Kirk travelling? We don't seem to be getting any response from him on this matter.
>
> Regards
> Dick Brown
>
> ----- Original Message ----- From: "Dick Brown" <dick@twaircraft.com>
> To: "Kirk Woford" <kwiats@earthlink.net>
> Cc: "Apoisson" <arnaudrp@yahoo.fr>; "Eric DURET (eduret@eduret.com)" <eduret@ldsassocies.com>; "Tlucilks@Habacus. Com. Sg" <tlucilks@habacus.com.sg>; "Christine Nasrallah" <cnasral@eduret.com>
> Sent: Monday, May 15, 2006 10:10 PM
> Subject: Re: GV S/N 669
>
>> Dear Kirk
>>
>> Can you please confirm receipt of the instruction below, and issue us your usual written confirmation.
>>
>> Kind Regards
>> Dick Brown
>> Blue Sapphire Services.
>>
>> ----- Original Message ----- From: "Christine Nasrallah" <cnasral@eduret.com>
>> To: "Dick@Twaircraft. Com" <dick@twaircraft.com>; "Kirk Woford" <kwiats@earthlink.net>
>> Cc: "Apoisson" <arnaudrp@yahoo.fr>; "Eric DURET (eduret@eduret.com)" <eduret@ldsassocies.com>; "Tlucilks@Habacus. Com. Sg" <tlucilks@habacus.com.sg>
>> Sent: Wednesday, May 10, 2006 4:20 PM
>>
>> Dear Kirk,
>>
>> We should be grateful if you can confirm that you are holding in the escrow account the sum of 4.700.000USD and of 10.300.000USD to the credit of Blue Sapphire as a guarantee reference the purchase of GV no 669, subject to a satisfactory pre-inspection of the plane by ourselves.
>>
>> Dick,

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 532

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01610 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.530

Re: Fw: GV S/N 669

Could you tell us please cycles total time since new - Precise APU hours - and how lmany time TTCN the plane done until today.
Can you confirm the agreement too.

Thank you in advance and waiting your reply.

Best regards

Eric DURET

Christine Nasrallah
Assistante Eric Duret
61 rue de Miromesnil
75008 Paris - France
Tél: 01.53.96.20.00
Fax: 01.53.96.20.22
email : cnasral@eduret.com

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01611 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.531

Subject: TR: RE : U.S. Patriot Act
From: "Eric DURET" <eduret@eduret.com>
Date: Fri, 9 Jun 2006 15:38:06 +0200
To: <kwoford@insuredaircraft.com>

ERIC DURET
Avocat à la Cour
61, rue de Miromesnil
75008 Paris - France
Tél: 01.53.96.20.00
Fax: 01.53.96.20.22
email: eduret@eduret.com
-----Message d'origine-----
De : Christine Nasrallah [mailto:cnasral@eduret.com]
Envoyé : mercredi 31 mai 2006 15:42
À : 'Dick Brown'
Cc : 'Marianna Elias'; 'Nina Safarina'; arnaud poisson; Eric DURET (eduret@eduret.com)
Objet : RE : U.S. Patriot Act

Dear Dick.

Please allow me pinpoint the following points:

- the client is Indonesian
- the sale will take place in Singapore between 2 tortola companies out of which one is detained by an African
- the guarantee is based in London
- both intermediaries (you and me) are non US citizens

Based on the above, could you please explain to me how an American law can be applied to this contract knowing that the plane has already been re-registered at the Cayman Islands?

I have forwarded your e-mail to Kirk who did not reply so far; he is travelling in Europe.

Best regards.

Christine Nasrallah
Office Manager
61 rue de Miromesnil
75008 Paris – France
) 01.53.96.20.00
Ê 01.53.96.20.22
email : cnasral@eduret.com

----- Original Message -----
From: Dick Brown

00327

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 533

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01612 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.532

TR: RE ; U.S. Patriot Act

To: Eric DURET ; eric duret
Cc: Irma Soewardi ; Christine Nasrallah ; Christine Nasrallah
Sent: Tuesday, May 23, 2006 10:15 PM
Subject: U.S. Patriot Act

Dear Eric

The owner of the GV is very concerned that this sale to your client is not in compliance with the Patriot Act. As such he requires a Legal Opion form IATS's Counsel that the transaction as structured by IATS is not subject to the provisions of the Patriot Act, or if it is, that all requirements of the Patriot Act have been complied with.

Can you arrange to get us this opinion today.

Regards
Dick

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

00328

PSI-Insured_Aircraft-01-0328

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01613 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.533

THIS AIRCRAFT SALE AND PURCHASE AMENDMENT AGREEMENT is made as of 5 June 2006

BETWEEN

(1) **BLUE SAPPHIRE SERVICES LIMITED** (the "**Seller**"); and

(2) **EBONY SHINE INTERNATIONAL LTD** (the "**Purchaser**"); and

(3) **INSURED AIRCRAFT TITLE SERVICES ("IATS")**

WHEREAS:

(A) WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association organised under the laws of the United States of America with its business office at 299 South Main Street, Salt Lake City, Utah 84111, U.S.A., not in its individual capacity but solely as owner trustee, for the benefit of Seller, has taken title to and delivery of the Gulfstream G-V aircraft bearing manufacturer's serial number 669 (the "Aircraft"), not in its individual capacity but solely as owner trustee for the benefit of Seller pursuant to a Trust Agreement (669) dated as of 30 June 2005

(B) Pursuant to an Aircraft Sale and Purchase Agreement dated March 2006 (the "Agreement"), Seller agreed to sell its interest in the Aircraft to Purchaser and Purchaser agreed to purchase Seller's interest in the Aircraft from Seller

(C) IATS holds US$ 15,000,000 (fifteen million Dollars) in escrow in relation to the Purchase Price of the Aircraft

(D) The parties hereto wish to enter into this Aircraft Sale and Purchase Amendment Agreement

IT IS HEREBY AGREED as follows.

1. The Seller and the Purchaser agree that the Termination Letter dated 31 May 2006 sent by the Seller to the Purchaser is revoked and the terms and conditions of the Agreement are valid and binding.

2. Clause 3 of the Agreement is amended to read as follows:

00324

"3.1 Payment of Purchase Price
Purchaser shall pay the Purchase Price to Seller as follows:

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 535

PSI-Insured_Aircraft-01-0324

ph44585 on D330-44585-7600 with DISTILLER

568401.534

(a) A non-refundable First Payment of US$4,700,000 (four million seven hundred thousand Dollars) held in escrow by IATS (the "**First Payment**") is payable to the order of the Seller and, subject to Clause 3.2 below, is non-refundable to the Buyer.

(b) A non-refundable Second Payment of US$10,300,000 (ten million three hundred thousand Dollars) held in escrow by IATS (the "**Second Payment**") shall, subject to Clause 3.2 below, become payable to the order of the Seller and non-refundable to the Buyer upon confirmation by Jet Aviation (Asia Pacific) Pte Ltd. that the inspection referred to in Clause 4 below has been completed and all airworthiness discrepancies have been corrected, such confirmation expected to be given by 30 June 2006.

(c) the remaining balance of US$23,500,000 (twenty three million five hundred thousand Dollars) (the "**Purchase Price Balance**") shall be paid to Seller on the Delivery Date, which shall be within ten (10) days of confirmation by Jet Aviation (Asia Pacific) Pte Ltd. that the inspection referred to in Clause 4 below has been completed and all airworthiness discrepancies have been corrected.

3.2 Payments Non-Refundable

The Purchaser acknowledges that the First Payment and the Second Payment, all held in escrow by IATS, are payable to the order of the Seller and are non-refundable by Seller unless (i) Seller fails to validly tender the Aircraft for Delivery on the Delivery Date or (ii) the Aircraft is destroyed or damaged beyond repair before Delivery or (iii) Seller is otherwise unwilling or unable to complete the sale of the Aircraft, unless such unwillingness or inability arises from a breach by Purchaser of, or a failure by Purchaser to satisfy any condition specified in, this Agreement.

3.3 Payments to Seller

All payments payable by Purchaser to Seller under this Agreement will be made for value on the due date by crediting the same in Dollars and in immediately available funds to an escrow account with IATS."

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01615 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.535

4. U.S.A. Patriot Act
Prior to 9 June 2006, the Purchaser will provide to the Seller a legal opinion from IATS's legal counsel stating that the transaction set out in the Agreement as amended hereby is specifically exempt from the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. Patriot) Act of 2001, Pub. L. No. 107-56 (the "Patriot Act").

5. Counterparts
This Amendment Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.

6. Governing Law
This Amendment Agreement and all matters arising from or connected with it are governed by English law.

IN WITNESS WHEREOF the duly authorised representatives of the parties have executed this Amendment Agreement on the day and year first written above.

BLUE SAPPHIRE SERVICES LIMITED

By: IRMAYANI PUJIASTUTI

Title: DIRECTER

EBONY SHINE INTERNATIONAL LTD.

By: Eric Duret

Title: LAWYER

INSURED AIRCRAFT TITLE SERVICES

By:

Title: President

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01616 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.536

WILLIAM J. ROBINSON
ATTORNEY AND COUNSELOR
1141 N. Robinson
Suite 300
Oklahoma City, Oklahoma 73103
405-236-3571 (*Telephone*)
405-236-8028 (*Facsimile*)
Jrob91950@aol.com

June 9, 2006

Wells Fargo Bank Northwest, National Association Owner Trustee
Blue Sapphire Services Limited
Ebony Shine International Ltd
c/o Kirk Woford
Insured Aircraft Title Service Inc
4848 SW 36
OK City OK 73179

re: N1UB

Gentlemen,

In accordance with Paragraph 4 of the June 5, 2006 Aircraft Sale and Purchase Amendment Agreement herein relative to the applicability of the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act) Act Of 2001 thereto, you are advised that while the transaction may not be specifically "exempt" from same, it is my opinion, subject to qualification hereinafter expressed, that nothing in said Act prevents the parties thereto, or their agents, from consummating the purchase and sale or identifies the transaction as a violation of said Act.

This opinion is limited to the facts as revealed in the escrow file of Insured Aircraft Title Service, Inc. and no investigation has been made of the status of the parties or the good standing of said entities in the countries of origin or incorporation.

Four your records you will find enclosed a Table of Contents of the Act and that portion same (sections 373 and 374) which deal with transmission of monies internationally. It appears from the IATS escrow file that the consummation of the sale in Oklahoma City by Wells Fargo, Owner Trustee, to buyer falls without the purview of the prohibited acts covered by said Act.

Sincerely

William J. Robinson

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 536

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01617 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.537

WILLIAM J. ROBINSON
ATTORNEY AND COUNSELOR
1141 N. Robinson
Suite 300
Oklahoma City, Oklahoma 73103
405-236-3571 (*Telephone*)
405-236-8028 (*Facsimile*)
Jrob91950@aol.com

June 27, 2006

Wells Fargo Bank Northwest, National Association Owner Trustee
Blue Sapphire Services Limited
Ebony Shine International Ltd
c/o Kirk Woford
Insured Aircraft Title Service, Inc
Post Office Box 19527
Oklahoma City, OK 73144

Re: N1UB

Gentlemen:

This will supplement the opinion of this office of June 9, 2006. For purposes of this opinion it is assumed that one or more of the parties to the Aircraft Purchase Agreement, as amended, have concerns that the transmission of monies via wire from sources outside of the U.S. to the escrow account of IATS in a local bank in Oklahoma City, Oklahoma for purposes of acquiring title to the aircraft herein is within the purview of transactions which are the subject matter of the Patriot Act ("The Act"). Based on this assumption the act of wiring money is considered to be the only fact in this opinion upon which the law may apply. If there is some other concern the facts relative thereto have not been presented for opinion.

Given the facts assumed, Title III - International Money Laundering Abatement an Anti-Terrorist Financing Act of 2001 has been reviewed to determine the applicability thereto as said sections constitute the portions of the act which bear upon wiring of monies from sources without the U.S.

There is no doubt that The Act has provisions which require certain reporting and record keeping requirements respecting wire transfers of money. In this regard, IATS is not a financial institution or a money transmission business required to be licensed under the laws of the State of Oklahoma as same are defined in The Act.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 537

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01618 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.538

It is the opinion of this office that the entities or parties which are subject to The Act are the financial institutions (banks) that will be or have been wiring funds to the escrow account of the escrow agent (IATS) in a local bank to apply on the purchase price or to whom the bank of IATS will be wiring the proceeds of the sale for the benefit of the Seller.

The Act provides for a vehicle for domestic financial institutions to maintain records, file reports, or both to include:

1. the identity and address of the participants in a transaction or relationship, including the identity of the originator any funds transfer;
2. the legal capacity in which a participant in any transaction is acting;
3. the identity of the beneficial owner of the funds involved in any transaction, in accordance with such procedures as the Secretary of the Treasury determines to be reasonable and practicable to obtain and retain the information; and
4. a description of any transaction.

As no foreign individual or non-United States person has, to the knowledge of this office, opened a private banking or correspondent bank account requiring additional, appropriate, specific and, where necessary, enhanced, due diligence policies, procedures, and controls that are reasonably designed to detect and report instances of money laundering through those accounts, no opinion is expressed on the applicability of the act to the transaction at hand.

All in all, each financial institution must adopt procedure to detect money laundering and this office has been advised that Wells Fargo NA and International Bank of Commerce (IATS escrow) have adopted such policies and procedures.

No opinion is expressed as to whether Banque de France has cooperated with the Secretary of the Treasury with respect to reporting and record keeping required by The Act.

Sincerely,

William J. Robinson

WJR/slr

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01619 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.539

Dunn, Teena

From: Dick Brown [dick@twaircraft.com]
Sent: Monday, June 26, 2006 3:25 AM
To: Dunn, Teena; McCreary, Scott D.
Cc: Emma Casdagli; Marianna Elias; Nina Safarina; Rida Handayani; Irma Soewardi
Subject: Fw: Sale of Gulfstream V S/N 669

Dear Scott and Teena

We are now attempting to finalise the sale of the GV S/N 669 to Ebony Shine and the full amount of funds are now in Escrow with IATS. As you will see from the email below from Emma Casdagli of Clifford Chance in Hong Kong, who are representing PMA, they do not know IATS and as a result do not seem comfortable to process the closing with IATS.

Could McAfee & Taft act in the middle to process the documentation from PMA to IATS and ensure the funds are correctly directed to PMA's satisfaction.

I understand that Emma has previously sent you all the required documents (see below). Can you advise if you are still holding these documents.

One last question on Cape Town. Do all aircraft transactions have to be registered with the Cape Town Registry, or only aircraft transactions where there is a financial interest held by another party.

Regards
Dick

---- Original Message ----
From: Emma.Casdagli@cliffordchance.com
To: dick@twaircraft.com
Cc: marianna@twaircraft.com ; nina@twaircraft.com ; rida.handayani@energi-mp.com ; irma.soewardi@b-sapphire.com ; flintd@pmaia.com
Sent: Monday, June 26, 2006 3:52 PM
Subject: RE: Sale of Gulfstream V S/N 669

Dick,

PMA couldn't release security and allow title to pass without a written confirmation of receipt of the funds and a written agreement as to what funds go to which party in which circumstance and for that reason I think it would be easiest to use McAfee and Taft as the form of escrow letter was already agreed.

In addition, please advise what you are looking for from us. Title will come from Wells Fargo as they hold legal title. We previously agreed a form and McAfee and Taft were going to get the original signed copy from Wells Fargo, but I don't know if they actually did so. You may want to check with them.

I also sent McAfee and Taft (on 22 March) the required Lease Agreement Termination, Release and Disclaimer by PMA and the original FAA Bill of Sale passing title to Wells Fargo and they should still have them (another reason why it may be easier to use McAfee and Taft).

If there is anything further required from us you will need to let us know what it is and send a draft.

Finally, can you let us know which date is scheduled for closing so that PMA can calculate the amount due.

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 540

BSSL000339

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01620 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.540

Regards

Emma

Emma Casdagli
CLIFFORD CHANCE
29th Floor Jardine House
One Connaught Place
Hong Kong

Direct dial: +852 2826 2460
Switchboard: +852 2825 8888
Fax: +852 2825 8800
E-mail: emma.casdagli@cliffordchance.com
http:\\www.cliffordchance.com

A list of the firm's partners will be provided upon request

-----Original Message-----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: 26 June 2006 15:32
To: Emma Casdagli
Cc: Marianna Elias; Nina Safarina; Rida Handayani; Irma Soewardi; Darryl Edwards
Subject: Fw: Sale of Gulfstream V S/N 669

Emma

Have you been able to progress this matter. We have the buyer in Singapore to begin the aircraft acceptance.

Regards
Dick

---- Original Message ----
From: Dick Brown
To: flintd@pmaia.com ; Emma.Casdagli@cliffordchance.com
Cc: Christi ; Marianna Elias ; Nina Safarina ; irma.soewardi@b-sapphire.com ; yuli.soedargo@energi-mp.com ; rida.handayani@energi-mp.com ; Kirk Woford
Sent: Tuesday, June 20, 2006 11:49 PM
Subject: Re: Sale of Gulfstream V S/N 669

Emma

Insured Aircraft Title Services Inc is one of the main Escrow Agents in Oklahoma City and are used by most of the major aircraft dealers in the U.S. http://www.insuredaircraft.com/ We have worked with them on several transactions in the past.

They are known to McAfee & Taft so you could check with Scott McCreary.

Alternatively you could place the documents with Scott and have him handle the closing with Insured Aircraft Title.

There is no formal escrow agreement as Insured Aircraft Title do not require one. They simply act on the instructions given by the buyer and the seller.

ph44585 on D330-44585-7600 with DISTILLER
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568401.541

You could contact Kirk Woford kwoford@insuredaircraft.com the President directly if you want any references on Insured aircraft Title.

Regards
Dick

---- Original Message ----
From: Emma.Casdagli@cliffordchance.com
To: dick@twaircraft.com ; flintd@pmaia.com
Cc: rida.handayani@energi-mp.com ; marianna@twaircraft.com ; nina@twaircraft.com ; yuli.soedargo@energi-mp.com ; irma.soewardi@b-sapphire.com
Sent: Tuesday, June 20, 2006 9:31 PM
Subject: RE: Sale of Gulfstream V S/N 669

Dick,

I am not familiar with Aircraft Title Services. Can you give PMA some background on who they are and is there a formal escrow agreement that I could see?

Regards

Emma

Emma Casdagli
CLIFFORD CHANCE
29th Floor Jardine House
One Connaught Place
Hong Kong

Direct dial: +852 2826 2460
Switchboard: +852 2825 8888
Fax: +852 2825 8800
E-mail: emma.casdagli@cliffordchance.com
http:\\www.cliffordchance.com

A list of the firm's partners will be provided upon request

----Original Message----
From: Dick Brown [mailto:dick@twaircraft.com]
Sent: 19 June 2006 23:51
To: Darryl Flint
Cc: Rida Handayani; Marianna Elias; Nina Safarina; Yuli Soedargo; Irma Soewardi; Emma Casdagli
Subject: Sale of Gulfstream V S/N 669

Dear Darryl

We have finally got everything in place to move the GV to the new buyer. The funds are in Escrow with Insured Aircraft Title Services as follows,

Kirk Woford
President
kwoford@insuredaircraft.com
INSURED AIRCRAFT TITLE SERVICES, INC
4848 S. W. 36th Street

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01622 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.542

Oklahoma City, OK 73179
Mailing address:
P.O. Box 19527
Oklahoma City, OK 73144
Phone 405-681-6663
Fax: 405-681-9299

We will try to close some time about mid next week. If Emma could position all the documents into Insured Aircraft Title Services ready for the closing, we could then advise them by email of the exact figures the day before the closing.

Could you discuss this with Emma and advise me how we can proceed.

Kind Regards
Dick

****

This message and any attachment are confidential and may be privileged or otherwise protected from disclosure. If you are not the intended recipient, please telephone or email the sender and delete this message and any attachment from your system. If you are not the intended recipient you must not copy this message or attachment or disclose the contents to any other person.

For further information about Clifford Chance please see our website at http://www.cliffordchance.com or refer to any Clifford Chance office.

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01623 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.543

ESCROW AGREEMENT

This Escrow Agreement (the "**Agreement**"), is entered into as of this day of 28 June, 2006, among Blue Sapphire Services Limited, as seller ("**Seller**"), Wells Fargo Bank Northwest, National Association, as Owner Trustee (the "**Owner Trustee**"), PMA Capital Management Limited, as Security Agent and as Agent ("**PMA**"), Ebony Shine International Ltd. (the "**Purchaser**") and Insured Aircraft Title Service, Inc(the "**Escrow Agent**") (Seller, Owner Trustee, PMA and Purchaser are collectively the "**Parties**")

WITNESSETH:

WHEREAS, the Parties desire to employ the Escrow Agent to receive documents and funds from the respective parties hereto and deliver or file the same, according to the terms hereof, in connection with the transaction involving the One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration Number N1UB, previously N544KK (the "**Aircraft**") and two (2) Rolls-Royce Deutschland Ltd & Co Kg model BR 700-710A1-10 aircraft engines bearing manufacturer's serial numbers 11447 ("**Engine 11447**") and 11379 ("**Engine 11379**") (collectively, the "**Engines**") (the Aircraft and Engines are collectively the "**Equipment**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Deposit of Funds. On or about March 17, 2006 the Purchaser deposited the sum of $4,700,000.00 US (the "**First Payment**") to the escrow account of Escrow Agent with the Bank of America N.A., (the "**Bank**") to the account described below (the "**Escrow Account**"). On or before March 31, 2006 at 5:00 p.m., CST, Purchaser deposited the sum of $10,300,000.00 US (the "**Second Payment**") by wire transfer in readily available funds to the Escrow Account. On or before June 27, 2006, at 5:00 p.m., CST Purchaser deposited the sum of $23,500,000.00 US (the "**Balance**") by wire transfer in readily available funds to the Escrow Account of Escrow Agent. The First Payment, Second Payment, Balance and the Escrow Agent Fee shall be referred to hereafter as (the "**Escrow Funds**"). The description of the Escrow Account is as follows:

Insured Aircraft Title Service Inc
UBS AG
London Branch
London
Attention Sarah Peters
Private Banking

2. Escrow Account. The Escrow Account is a trust account under Rule 1.15(d) of the Oklahoma Rules of Professional Conduct, 5 O.S.A. Ch1, App. 3-A. As such, interest, if any, gained on said Escrow Funds will be remitted to the Oklahoma Bar Association pursuant to Rule 1.15(d) and the parties wil

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 541

ph44585 on D330-44585-7600 with DISTILLER
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568401.544

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and year first above written.

Blue Sapphire Services Limited By: _____ Title: IRMAYANI PUJIASTUTI	Wells Fargo Bank Northwest, Nationa Association, as Owner Trustee By: _____ Title: _____
Ebony Shine International Ltd. By: _____ Title: TEODORO NGUTAN	Insured Aircraft Title Service, Inc. By: _____ Title: President
PMA Capital Management Limited, as Security Agent and as Agent By: _____ Title: _____	

Instructions to Fund/File

28 JUNE, 2006
Insured Aircraft Title Service, Inc.
PO Box 19527
Oklahoma City
Oklahoma 73144
Phone : (405) 681-6663
Fax : (405) 681 –9299
Email : kwoford@insuredaircraft.com

Dear Sirs:

Pursuant to Section 10 of the Escrow Agreement, dated 28 JUNE, 2006 among the undersigned parties and Insured Aircraft Title Service, Inc. (the "**Escrow Agent**"), the Escrow Agent is hereby instructed to wire funds and date, file with the FAA and deliver documents on the date hereof as contemplated in the Escrow Agreement.

This Exhibit A may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The parties agree that this Exhibit A is valid and binding upon the execution and delivery of same via facsimile transmission or email.

Blue Sapphire Services Limited By: [signature] Title: IRMAYANI PUJIASTUTI	Wells Fargo Bank Northwest, National Association, as BSSL Owner Trustee By: Title:
Ebony Shine International Ltd. By: [signature] Title: TEODORO NOVENA	PMA Capital Management Limited, as Security Agent and as Agent By: Title:

Escrow Agreement Clean 26.7.06 8.20pm

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01626 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.546

ESCROW AGREEMENT

This Escrow Agreement (the "**Agreement**"), is entered into as of this day of 28 June, 2006, among Blue Sapphire Services Limited, as seller ("**Seller**"), Wells Fargo Bank Northwest, National Association, as Owner Trustee (the "**Owner Trustee**"), PMA Capital Management Limited, as Security Agent and as Agent ("**PMA**"), Ebony Shine International Ltd. (the "**Purchaser**") and Insured Aircraft Title Service, Inc(the "**Escrow Agent**") (Seller, Owner Trustee, PMA and Purchaser are collectively the "**Parties**")

WITNESSETH:

WHEREAS, the Parties desire to employ the Escrow Agent to receive documents and funds from the respective parties hereto and deliver or file the same, according to the terms hereof, in connection with the transaction involving the One (1) Gulfstream Aerospace model G-V aircraft bearing manufacturer's serial number 669 and United States Registration Number N1UB, previously N544KK (the "**Aircraft**") and two (2) Rolls-Royce Deutschland Ltd & Co Kg model BR 700-710A1-10 aircraft engines bearing manufacturer's serial numbers 11447 ("**Engine 11447**") and 11379 ("**Engine 11379**") (collectively, the "**Engines**") (the Aircraft and Engines are collectively the "**Equipment**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Deposit of Funds. On or about March 17, 2006 the Purchaser deposited the sum of $4,700,000.00 US (the "**First Payment**") to the escrow account of Escrow Agent with the Bank of America, N.A., (the "**Bank**") to the account described below (the "**Escrow Account**"). On or before March 31, 2006, at 5:00 p.m., CST, Purchaser deposited the sum of $10,300,000.00 US (the "**Second Payment**") by wire transfer in readily available funds to the Escrow Account. On or before June 27, 2006, at 5:00 p.m., CST, Purchaser deposited the sum of $23,500,000.00 US (the "**Balance**") by wire transfer in readily available funds to the Escrow Account of Escrow Agent. The First Payment, Second Payment, Balance and the Escrow Agent Fee shall be referred to hereafter as (the "**Escrow Funds**"). The description of the Escrow Account is as follows:

Insured Aircraft Title Service Inc
UBS AG
London Branch
London
Attention Sarah Peters
Private Banking

2. Escrow Account. The Escrow Account is a trust account under Rule 1.15(d) of the Oklahoma Rules of Professional Conduct, 5 O.S.A. Ch1, App. 3-A. As such, interest, if any, gained on said Escrow Funds will be remitted to the Oklahoma Bar Association pursuant to Rule 1.15(d) and the parties will

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 542

BSSL000364

ph44585 on D330-44585-7600 with DISTILLER
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568401.547

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and year first above written.

Blue Sapphire Services Limited By: [signature] Title: IRMAYANI PUJIASTUTI	Wells Fargo Bank Northwest, National Association, as Owner Trustee By: _____ Title: _____
Ebony Shine International Ltd. By: [signature] Title: TEODORO NGUTAN	Insured Aircraft Title Service, Inc. By: _____ Title: _____
PMA Capital Management Limited, as Security Agent and as Agent By: _____ Title: _____	

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01628 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.548

Instructions to Fund/File

28 JUNE, 2006
Insured Aircraft Title Service, Inc.
PO Box 19527
Oklahoma City
Oklahoma 73144
Phone : (405) 681-6663
Fax : (405) 681 –9299
Email : kwoford@insuredaircraft.com

Dear Sirs:

Pursuant to Section 10 of the Escrow Agreement, dated 28 JUNE, 2006 among the undersigne parties and Insured Aircraft Title Service, Inc. (the "**Escrow Agent**"), the Escrow Agent is hereby instructe to wire funds and date, file with the FAA and deliver documents on the date hereof as contemplated in th Escrow Agreement.

This Exhibit A may be executed in one or more counterparts, each of which shall be deeme an original, and all of which together shall constitute one and the same instrument. The parties agree that thi Exhibit A is valid and binding upon the execution and delivery of same via facsimile transmission or email.

Blue Sapphire Services Limited By: _____ Title: IRMAYANI PUJIASTUTI	Wells Fargo Bank Northwest, National Association, as BSSL Owner Trustee By: _____ Title: _____
Ebony Shine International Ltd. By: _____ Title: TEODORO NGUENA	PMA Capital Management Limited, as Securit Agent and as Agent By: _____ Title: _____

Escrow Agreement Clean 26.7.06 8.20pm

BSSL000366

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01629 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.549

ESCROW WORKSHEET

BUYER: Blue Sapphire
CONTACT: Eric Duret
PHONE & FAX:

N 1UB
MAKE GV
S/N 669

SELLER:
CONTACT:
PHONE & FAX:

BROKER:
CONTACT:
PHONE & FAX:

FUNDS RECEIVED:

FROM: M&T (NGUEMA) DATE: 4/30/06 $ 4,723,262.22
FROM: ~~Teodoro Martinez~~ DATE: ~~5-5-06~~ $ ~~2415~~
FROM: ~~Teodoro Nguema~~ DATE: ~~5-9-06~~ ~~5,149,975~~
FROM: Teodoro Nguema DATE: 5-9-06 $ 2,574,975.00
FROM: " " DATE: 5-11-06 $ 5,149,975
FROM: " " DATE: 5-12-06 $ 2,574,975.
(3) wires " " TOTAL: 5/16/06 $ 23,499,924.99
UBS London

38,523,112.21

FUNDS DISBURSED TO:

TO: IATS DATE: 6/25 $ 22,525.02
TO: Blue Sapphire DATE: 6/25 $ 11,232,011.83
TO: Clifford Chance DATE: 6/29 $ 6,500
TO: PMA DATE: 6/29 $ 27,238,963.17
TO: WJ Robin DATE: 6/30/06 $ 4,000. from Purchaser
TO: DATE: $
TO: DATE: $
TOTAL: $

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 543

PSI-Insured_Aircraft-01-0182
00182

ph44585 on D330-44585-7600 with DISTILLER
VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01630 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT
568401.550

Seller: Blue Sapphire Services Limited 91 Tanglin Road #03-09, Tanglin Place Singapore 247918 Fax: +65 6838 0574 Attention: Irma Pujiastuti	Owner Trustee: Wells Fargo Bank Northwest, National Association Attention: Val Orton, Esquire Corporate Trust Services MAC [redacted] 299 South Main Street, 12th Floor Salt Lake City UT 84111 Bus: (801) 246-6000 Bus 2: (801) 246-5208 Bus Fax: (801) 246-5053 E-mail: val.orton@wellsfargo.com
Escrow Agent: Insured Aircraft Title Service, Inc. PO Box 19527 Oklahoma City Oklahoma 73144 Phone : (405) 681-6663 Fax : (405) 681 –9299 Email : kwoford@insuredaircraft.com	Purchaser: Ebony Shine International Ltd. Road Town Tortola – B.V.I. c/o Eric Duret 61 Rue De Miromesnil 75008 Paris Phone: 33 153 96 2000 Direct Dial: 33 153 96 2020 Direct Fax: 33 153 96 2022 Email: eduret@ldsassocies.com; eduret@eduret.com
PMA Capital Management Limited Harbour Place 103 South Church Street P.O. Box 1034GT Grand Cayman Cayman Islands Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer With a copy to: PMA Investment Advisors Ltd. 6/F, ICBC Tower 3 Garden Road Central Hong Kong Fax: +852 3105 9700 Attention: Darryl Flint, Chief Investment Officer	

Escrow Agreement Clean 26.7.06 8.20pm

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 543

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568401.551

Incoming Funds

Subject: Incoming Funds
From: Sarah.Peters@ubs.com
Date: Fri, 16 Jun 2006 10:56:12 +0100
To: <cfiats@earthlink.net>
CC: <kwoford@insuredaircraft.com>, <Joann.Holmes@ubs.com>, <Greig.Boyce@ubs.com>

Dear Chris

I have pleasure in confirming receipt of the following funds:-

USD7,833,308.33 value 19.06.06 BY ORDER OF : TEODORO NGUEMA OBIANG

USD7,833,308.33 value 13.06.06 BY ORDER OF : TEODORO NGUEMA OBIANG

USD7,833,308.33 value 13.06.06 BY ORDER OF : TEODORO NGUEMA OBIANG

Kind regards

Sarah

--
This message has been scanned for viruses and
dangerous content by MailScanner, and is
believed to be clean.

$23,499,924.99

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 543

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01632 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.552

Subject: FW: Incoming funds
From: Greig.Boyce@ubs.com
Date: Thu, 11 May 2006 09:12:45 +0100
To: <cfiats@earthlink.net>
CC: <kwoford@insuredaircraft.com>

Hi Chris,

You have received 3 amounts which I have listed below. I will continue to notify you as and when funds arrive.

Best regards,

Greig

Amount: US$2,574,975.00
Value: 12.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

Amount: US$5,149,975.00
Value: 11.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

Amount: US$2,574,975.00
Value: 09.May.2006
Remitting Bank: BANQUE DE FRANCE
By Order: EODORO NGUEMA OBIANG

-----Original Message-----
From: Chris Fiegel [mailto:cfiats@earthlink.net]
Sent: 10 May 2006 19:02
To: Boyce, Greig
Cc: kwoford@insuredaircraft.com
Subject: Re: Incoming funds

Greig,

Thank you for checking on these. Would you mind checking to see if we might have received two wires from Teodoro Nguema Obiang in the amount of US$5,149,975.00, possibly for value date of 9 May as well as the one for value 11 May?

Thanks for your help.

Best regards,

Chris Fiegel
Insured Aircraft Title Service, Inc.

Greig.Boyce@ubs.com wrote:
Dear Chris,

I can confirm the following funds into the account.

Amount: US$5,149,975.00
Value: 11.May.2006
Remitting Bank: BANQUE DE FRANCE

Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 543

00276

ph44585 on D330-44585-7600 with DISTILLER

VerDate Nov 24 2008 14:14 Aug 17, 2010 Jkt 056840 PO 00000 Frm 01633 Fmt 6601 Sfmt 6601 P:\DOCS\56840.TXT SAFFAIRS PsN: PAT

568401.553

FAA RELEASE AND DISCLAIMER

PMA Capital Management Limited (not in its individual capacity, but solely as security agent for and on behalf of the Finance Parties) (the "**Security Agent**"), hereby releases from the terms of the Mortgage, the Beneficial Interest Security Agreement, the BSSL Owner Trustee Assignment and the BSSL Assignment (each described and defined on Exhibit A attached hereto), all of its right, title and interest in and to any and all collateral and property subject thereto (including but not limited to the Equipment, BSSL Lease and EMP Lease each of which are described and defined on Exhibit A). The Security Agent further confirms the Mortgage, the Beneficial Interest Security Agreement, the BSSL Owner Trustee Assignment and the BSSL Assignment are hereby terminated, and disclaims any and all right, title and interest in and the Equipment. PMA Capital Management Limited, as Agent under the Loan Agreement (described on Exhibit A) disclaims any and all right, title and interest in and the Equipment

Dated as of this 29 day of June, 2006.

PMA Capital Management Limited, as
Security Agent and as Agent

BY: Robert A. Mahly

TITLE: Chief Executive Officer

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Permanent Subcommittee on Investigations
EXHIBIT #134 - FN 545

00161
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