

S. Hrg. 107-84

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

HEARINGS

BEFORE THE
PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS
OF THE
COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTH CONGRESS
FIRST SESSION

—————
MARCH 1, 2, AND 6, 2001
—————

VOLUME 2 OF 5
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Printed for the use of the Committee on Governmental Affairs



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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 2001

73-779 ec

For sale by the Superintendent of Documents, Congressional Sales Office
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American International Bank general documents

151
18 APR 1990



Pub# 29

GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION FOR INTERNATIONAL BUSINESS CORPORATION CHARTER

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS
MINISTRY OF FINANCE

1. Proposed Name: AMERICAN INTERNATIONAL BANK LTD.
2. Registered Office and Name and Address of Resident Agent:
Antigua Management & Trust Ltd.
P. O. Box 1679
St. John's, Antigua
3. Authorized Number of Shares by Class:
1,000,000 common shares at US\$1.00
4. Transferability Restrictions -- mark if applicable
5. Number of Directors -- Maximum 7 Minimum 3
6. Restrictions to Corporate Purpose Clause:
The company is restricted to carrying on international banking business in accordance with the law.
7. Securities Regulations Documents -- attached if applicable
8. Licence Applications -- Banking , Trust , Insurance
9. Unanimous Shareholder Agreement ---attached if applicable
10. Incorporators:
Joan M. Fung, Solicitor
Chambers
8, Long Street, St. John's, Antigua
Joycelyn Elmes
c/o Joan Fung Chambers
8, Long Street
St. John's, Antigua

PLEASE SUBMIT THE FOLLOWING COPIES OF DOCUMENTS, IF APPLICABLE:

Application for International Business Corporation Charter (1)
Articles of Incorporation (3) (One certified copy returned)

REL# 14



GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION

TO: Supervisor of International Banks and Trust Corporations - Ministry of Finance

FOR AUTHORITY TO ORGANIZE AND OPERATE UNDER AN

International Banking Licence International Trust Licence

PURSUANT TO SECTION 230 OF THE INTERNATIONAL BUSINESS CORPORATIONS ACT 1982, No. 28 OF 1982.

American International Bank Ltd.

(Name of Proposed Licensee)

High Street, P. O. Box 1679, St. John's, Antigua

(Address of Proposed Licensee)

Date Submitted: _____

PLEASE SUBMIT THIS APPLICATION AND ALL SUPPORTING DOCUMENTATION IN DUPLICATE ORIGINALS.

FOR OFFICIAL USE ONLY -

Received: 17th APRIL 1990

Tentative Licence Granted: _____

Ordinary Licence Granted: 18th APRIL 1990

Denial: _____

Shirley Ziegler-Feinberg

(Names of Organizer(s))

(hereinafter referred to as Applicant(s)), hereby apply to the Supervisor of International Banks and Trust Corporations, Ministry of Finance (hereinafter referred to as the Supervisor), pursuant to Section 230, International Business Corporations Act, 1982, No. 28 of 1982, for authority to organize and operate

PLBFF 10

American International Bank Ltd.
(Name of Proposed International Business Corporation)

hereinafter referred to as "the IBC," under the following:

- International Bank Corporation Licence
- International Trust Corporation Licence

CERTIFICATE

The Applicants hereby certify that the information contained in this application is true and complete to the best of their knowledge and belief; further, the Applicants accept the responsibility of informing the Supervisor: promptly of any changes in the information presented herein.

Executed this 28th day of February, 19 90

(Name)

(Signature)

Shirley Ziegler-Feinberg

Shirley Ziegler-Feinberg

If the IBC is to be controlled by a holding company, submit the signature and title of the holding company representative.

(Signature)

(Title)

(Holding Company)

NOTE: All organizers must sign the Certificate.

1. Proposed name of IBC: American International Bank Ltd.
2. Proposed Address of IBC: High Street, P. O. Box 1679, St. John's, Antigua
3. Proposed capitalization of IBC:

Capital: <u>\$1,000,000</u>	No. of Preferred Shares: <u>--</u>
Surplus: <u>--</u>	Par Value: <u>--</u>
	✓ No. of Common Shares: <u>1,000,000</u> ✓
	Par Value: <u>--</u>

4. Proposed directors of IBC (All organizers must be proposed directors of IBC):

Pub # 7

(Name - Occupation)	(Address: City & State)
<u>Antigua Management & Trust Ltd.</u>	<u>High Street, St. John's, Antigua</u>
<u>Shirley Ziegler-Feinberg</u>	<u>Boca Raton, Florida</u>
<u>Joan M. Fung</u>	<u>Long Street, St. John's, Antigua</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

5. Name, address and telephone number of person authorized by Applicants to receive correspondence for them:

Antigua Management & Trust Ltd
P O Box 1407
St John's, Antigua

- 6. Attach a list of all the subscribers to the capital stock of the IBC, showing name, place of residence, and number of shares subscribed to. Any changes in proposed subscribers shall be reported promptly to the Supervisor, and in any event, within 30 days prior to opening, whichever occurs first.
 - 7. Are any of the proposed stockholders of five percent or more of the IBC's stock, other than directors and officers, connected with any other banking or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
 - 8. Submit biographical information for each proposed director, officer and subscriber to five percent or more of IBC's stock.
 - 9. List the qualifications of the proposed directors and officers to operate an international or trust corporation successfully.
 - *10. Are any of the proposed directors or officers of the IBC connected with any other bank or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
 - *11. Have any of the proposed directors, officers or proposed stockholders of five percent or more of the IBC's stock ever been charged with or convicted of any criminal offense? If so, give details, including status of case.
- *10. Mr William W Cooper, Director of Antigua Management and Trust Ltd, which will manage the bank for and on behalf of the shareholder, is also a director and General manager of Antigua Barbuda Investment Bank Ltd.
- *11. NO

Pub# 8

Point 6. Subscribers to capital stock

	No. of Common Shares
Shirley Ziegler-Feinberg P. O. Box 340082 Boca Raton, Florida 33434	1,000,000

Points 7, 8, 9, 10.

Antigua Management & Trust Ltd.

See biographical information of General Manager, William W. Cooper, attached. A management contract between the Bank and Antigua Management & Trust will be executed.

Mrs. Shirley Ziegler-Feinberg

Mrs. Ziegler was employed as a financial executive of a major multi-national company located in the Northeastern United States for over 20 years.
(See biographical info attached).

Joan M. Fung

Mrs. Fung has been a practising Barrister and Solicitor in Antigua since 1978 and acted on behalf of various banks and insurance companies in the State.
(See biographical info attached).

00118



GOVERNMENT OF ANTIGUA AND BARBUDA

**LICENSE TO CONDUCT AN INTERNATIONAL
BANKING, TRUST OR INSURANCE BUSINESS**

Pursuant to Section 230 of the International Business Corporations Act,
1982, No. 28 of 1982, the undersigned hereby grants a license to conduct an
international banking business to

AMERICAN INTERNATIONAL BANK LTD.

subject to all the terms and conditions of said Act.

(For bank/trust)

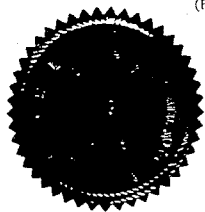
W. Stalio

Supervisor,
International Banks and Trust
Corporations

(For insurance)

Superintendent,
International Insurance Corporations

Issued at St. John's, Antigua,
this 18th day of APRIL, 1990





001129

GOVERNMENT OF ANTIGUA AND BARBUDA

CERTIFICATE OF INCORPORATION
AND GOOD STANDING

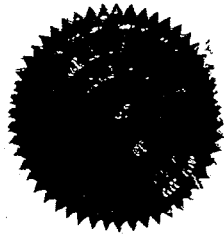
Pursuant to Section 9 of the International Business Corporations Act,
1982, No. 28 of 1982, the undersigned hereby certifies that:

AMERICAN INTERNATIONAL BANK LTD.

was incorporated under the laws of Antigua and Barbuda on the 18th day of
APRIL, 1990 is in good standing and enjoys all the rights, powers
and privileges conferred by law consistent with the attached Articles of
Incorporation.

REGISTERED

Director,
International Business Corporations



Registered at St. John's, Antigua,
this 18th of APRIL, 1990



001175

GOVERNMENT OF ANTIGUA AND BARBUDA

NOTICE OF APPOINTMENT, RESIGNATION OR
REMOVAL OF DIRECTORS

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS

1. Name of Corporation: American International Bank Ltd.

2. Name and Address of Appointed Directors:

Mark Jackson
The Coach House
106A Harper Lane
Shenley
Herts WD7 9HL


3. Effective Date of Appointment: September 24, 1992

4. Name and Address of Directors Removed or who have Resigned:

Shirley Ziegler-Fienberg
P.O. Box 340082
Boca Raton, Florida 33434

5. Effective Date of Resignation or Removal: September 24, 1992

Date: September 24, 1992


(Corporate Director)
Antigua Management & Trust Ltd.

001179

MINUTES OF ORGANIZATIONAL MEETING OF THE
SOLE INCORPORATOR AND INITIAL DIRECTOR

OF

AMERICAN INTERNATIONAL BANK LTD.

The organizational meeting of the Incorporator and Initial Director named in the Articles of Incorporation of the above captioned corporation, was held at the registered office of the Corporation at High Street, St. John's, Antigua on the 31st day of December, 1992, at 2:30 o'clock p.m.

Joan M. Fung, an officer of the Incorporator, named in the Articles of Incorporation, called the meeting to order.

William W. Cooper of Antigua Management & Trust Ltd. was nominated and elected Chairman of the meeting.

Ilse Cooper of Antigua Management & Trust Ltd. was nominated and elected Secretary of the meeting.

The Secretary then called the roll and found that the sole Incorporator and Initial Director named in the Articles of Incorporation were duly represented.

The Secretary then presented and read to the meeting a copy of the Articles of Incorporation and By-Laws of the Corporation and reported that on the 18th day of April 1990, the original thereof was duly filed and registered by the Director of International Business Corporations, Ministry of Finance.

601171

Upon motion duly made, seconded and carried, it was RESOLVED, that said report in all respects be ratified, confirmed and adopted and the Secretary is directed to append to these minutes a copy of the Articles of Incorporation and By-Laws to be inserted in the Record Book of the Corporation.

Upon motion duly made, seconded and carried, it was RESOLVED, that the Board of Directors authorizes the adoption of a seal which shall bear the name of the Corporation and year of incorporation, and further

RESOLVED, that any Director is hereby authorized to issue certificates for shares in the form submitted to this meeting and appended hereto, and further

RESOLVED, that the share and transfer book now presented at this meeting be and the same hereby is adopted as the share and transfer book of the Corporation. The Secretary was directed to attach a form of stock certificate to these Minutes.

Upon motion duly made, seconded and carried, it was RESOLVED, that any Officer, in his, her or its sole discretion, hereby is authorized to open a bank account on behalf of the Corporation with any banking institution within or without Antigua and Barbuda suitable for the purposes of the Corporation. The Initial Director named in the Articles of Incorporation then tendered its resignation, effective upon the adjournment of this meeting. Upon motion duly made, seconded and adopted, said resignation was accepted and ordered spread upon the Minutes

601176

Upon motion duly made, seconded and carried, it was
RESOLVED, that the following named persons be elected to the
permanent Board of Directors of the Corporation, each to hold
office until the first annual meeting of Shareholders or until a
successor of each shall have been elected and qualified.

WILLIAM COOPER

ILSE COOPER

FURTHER RESOLVED, that the following be appointed Officers
of the Corporation with full, independent power to bind
the Corporation, restricted only by the limitations enumerated in
Section 8.11 of the By-Laws:

WILLIAM COOPER

ILSE COOPER

The Chairman then stated that

There was presented, to the Corporation, the following offer(s)

to purchase shares of capital stock:

FROM	NO. OF SHARES	CONSIDERATION
AMT MANAGEMENT LTD.	1,000	US \$1,000,000

001173

The following action was taken upon said offer(s):

RESOLVED, that said proposal or offer be and the same hereby is approved and accepted and that in accordance with the terms hereof, the Corporation issue to the offeror(s) or nominee(s) the above stated number of fully paid and nonassessable shares of this Corporation , and it is

RESOLVED, that upon delivery to the Corporation of said assets and the execution and delivery of such proper instruments as may be necessary to transfer and convey the same to the Corporation, any Director of the Corporation is authorized and directed to execute and deliver the certificate or certificates for such shares as are required to be issued and delivered on acceptance of said proposal in accordance with the foregoing.

It was determined that the consideration offered for the stock is reasonably worth the number of shares for which it was offered and that it is in the best interest of the Corporation to accept the offer. It was thereupon,

RESOLVED, that the consideration offered was of a value of at least equal to the full value of the stock to be issued therefor; that each such offer be therefore accepted and that upon delivery, in full, to the Corporation of the consideration offer, then an appropriate stock certificate be issued in favor of each offeror as soon as possible to reflect ownership of the shares so purchased and that the offerors thereupon constitute the stockholders of this Corporation.

001171

RESOLVED, that the signing of these Minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

.....
Joan M. Fung

.....
Jocelyn Elmes

Antigua Management & Trust Ltd.

By:
William Cooper

.....
Ilse Cooper

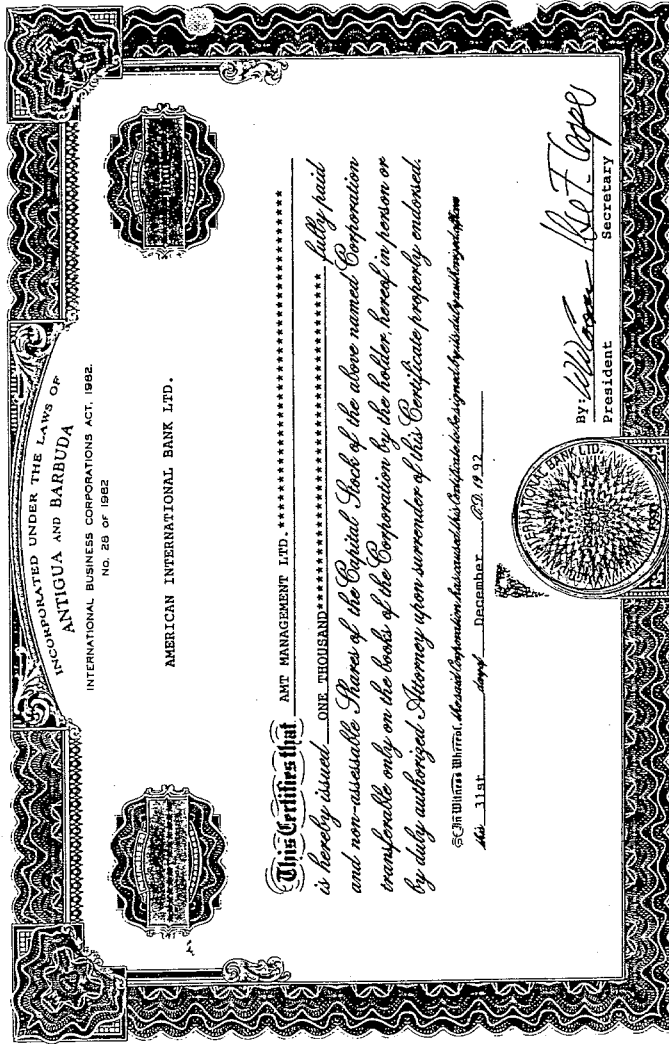
A true copy of each of the following papers referred to in the foregoing Minutes is appended hereto:

Certificate of Incorporation and Good Standing

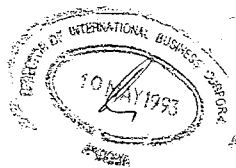
Articles of Incorporation

By-Laws

Specimen Certificate of Shares



1932



GOVERNMENT OF ANTIGUA AND BARBUDA

**NOTICE OF APPOINTMENT, RESIGNATION OR
REMOVAL OF DIRECTORS**

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS

1. Name of Corporation: AMERICAN INTERNATIONAL BANK LTD.

2. Name and Address of Appointed Directors:

William W. Cooper, Paradise View
Ilse F. Cooper, Paradise View

3. Effective Date of Appointment: May 7, 1993

4. Name and Address of Directors Removed or who have Resigned:

Joan M. Fung, Long St.
AMT Ltd., Redcliffe Quay
Mark Jackson, Shenley, Herts., UK

5. Effective Date of Resignation or Removal: May 7, 1993

Date: May 7, 1993



(Corporate Director)



001177

GOVERNMENT OF ANTIGUA AND BARBUDA

NOTICE OF APPOINTMENT, RESIGNATION OR
REMOVAL OF DIRECTORS

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS

1. Name of Corporation: AMERICAN INTERNATIONAL BANK LTD.

2. Name and Address of Appointed Directors:

Patricia Randall
Crosbies
Antigua

3. Effective Date of Appointment: May 18, 1993

4. Name and Address of Directors Removed or who have Resigned:

5. Effective Date of Resignation or Removal:

Date: May 18, 1993


By: W. W. Cooper
(Corporate Director)

MINUTES OF THE ANNUAL SHAREHOLDER'S MEETING OF
AMERICAN INTERNATIONAL BANK LTD.

The Annual Shareholder's meeting was held at the registered office of the Company at Redcliffe Quay, St. John's, Antigua on the 1st day of February, 1994 at 2:30 o'clock p.m.

William W. Cooper was nominated and elected Chairman of the meeting.

Ilse F. Cooper was nominated and elected Secretary of the meeting.

The Secretary then called the roll and found that the Shareholders and Directors named in the Articles of Incorporation were duly represented.

RESOLVED, that the following named persons be re-elected to the permanent Board of Directors of the Company, each to hold office until a successor of each shall have been elected and qualified:

William W. Cooper
Ilse Cooper
Joan deNully
Pat Randall

FURTHER RESOLVED, that the following be appointed Officers of the Company with full, independent power to bind the Company, restricted only by the limitations enumerated in Section 8.11 of the By-Laws:

William Cooper - President
Ilse Cooper - Secretary
Joan deNully - Senior Vice President
Pat Randall - Senior Vice President


RESOLVED, that Pannell Kerr Forster be appointed auditors for the year ending 1994.

RESOLVED, that the signing of these Minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.



William W. Cooper, President



Ilse F. Cooper, Secretary

MINUTES OF THE ANNUAL SHAREHOLDER'S MEETING OF
AMERICAN INTERNATIONAL BANK LTD.

The Annual Shareholder's meeting was held at the registered office of the Company at Redcliffe Quay, St. John's, Antigua on the 26th day of September, 1995 at 2:30 o'clock p.m.

William W. Cooper was nominated and elected Chairman of the meeting.

Ilse F. Cooper was nominated and elected Secretary of the meeting.

The Secretary then called the roll and found that the Shareholders and Directors named in the Articles of Incorporation were duly represented.

RESOLVED, that the following named persons be re-elected to the permanent Board of Directors of the Company, each to hold office until a successor of each shall have been elected and qualified:

William W. Cooper
Ilse Cooper
John Greaves
Pat Randall

FURTHER RESOLVED, that the following be appointed Officers of the Company with full, independent power to bind the Company, restricted only by the limitations enumerated in Section 8.11 of the By-Laws:

William Cooper - President
Ilse Cooper - Secretary
John Greaves - Senior Vice President
Pat Randall - Senior Vice President

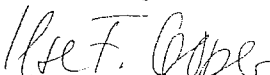
RESOLVED, that Pannell Kerr Forster be appointed auditors for the year ending 1995.

RESOLVED, that the signing of these Minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.



William W. Cooper, President



Ilse F. Cooper, Secretary

MINUTES OF THE ANNUAL SHAREHOLDER'S MEETING OF
AMERICAN INTERNATIONAL BANK LTD.

The Annual Shareholder's meeting was held at the registered office of the Company at Woods Centre, St. John's, Antigua on the 26th day of September, 1996 at 2:30 o'clock p.m.

William W. Cooper was nominated and elected Chairman of the meeting.

Ilse F. Cooper was nominated and elected Secretary of the meeting.

The Secretary then called the roll and found that the Shareholders and Directors named in the Articles of Incorporation were duly represented.

RESOLVED, that the following named persons be re-elected to the permanent Board of Directors of the Company, each to hold office until a successor of each shall have been elected and qualified:

William W. Cooper
Ilse Cooper
John Greaves
Pat Randall


FURTHER RESOLVED, that the following be appointed Officers of the Company with full, independent power to bind the Company, restricted only by the limitations enumerated in Section 8.11 of the By-Laws:

William Cooper - President
Ilse Cooper - Secretary
John Greaves - Senior Vice President
Pat Randall - Senior Vice President

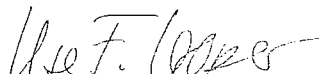
RESOLVED, that Pannell Kerr Forster be appointed auditors for the year ending 1996.

RESOLVED, that the signing of these Minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.



William W. Cooper, President



Ilse F. Cooper, Secretary

MINUTES OF THE DIRECTORS MEETING OF
AMERICAN INTERNATIONAL BANK LTD.

The Directors meeting was held at the registered office of the company at Woods Centre, St. John's, Antigua on the 14th day of November, 1996 at 3:30 o'clock p.m.

William W. Cooper was nominated and elected Chairman of the meeting.

Ilse F. Cooper was nominated and elected Secretary of the meeting.

Present were: W.W. Cooper
John Greaves
Ilse Cooper
Pat Randall

RESOLVED that John Greaves has been appointed as President of the bank effective November 15, 1996. W.W. Cooper has been appointed Chairman of the Board effective November 15, 1996.

John Greaves responsibilities will be the day to day operations including treasury, money management, money investments and loans. Both Trevor Bailey and Danley Philip will report to Mr. Greaves.


W.W. Cooper's responsibilities will be marketing, advertising, business development and the new bank building. Alan Jeyes will report to W.W. Cooper.

RESOLVED that we are to have a directors meeting on the last Thursday of every month.


RESOLVED that John Greaves will receive an employment contract at the same rate of pay as W.W. Cooper, effective November 15, 1996 and that the present arrangement with John Greaves will be terminated.

RESOLVED that a new loans and investment policy will be established. To be included in the loan policy is that all loans above \$50,000 must be approved by the Board of Directors.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned at 4:00 p.m.



President



Secretary

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GOVERNMENT OF ANTIGUA AND BARBUDA

INTERNATIONAL BUSINESS CORPORATIONS ACT

CERTIFICATE OF INTENT TO DISSOLVE
(Section 295)

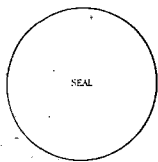
AMERICAN INTERNATIONAL BANK LIMITED 858

1. Name of Corporation 2. Number

I hereby certify that the above-mentioned Corporation intends to dissolve under section 295 of the International Business Corporation Act, as set out in the attached Statement of Intent to Dissolve.

Robert H. H...
Director

Date of Dissolution



REGISTERED

Issued at St. John's, Antigua,
this 30th day of December, 1977

105

REGISTERED



GOVERNMENT OF ANTIGUA AND BARBUDA

INTERNATIONAL BUSINESS CORPORATIONS ACT

STATEMENT OF REVOCATION OF INTENT TO DISSOLVE
(Section 297)

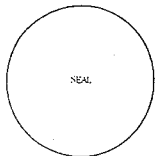
1. Name of Corporation	2. Corporation No.
AMERICAN INTERNATIONAL BANK LIMITED	858

3. The Corporation revokes its certificate of intent to dissolve.

<i>July 9, 1998</i>	<i>W. Cooper</i>	<i>Director</i>
Date	Signature	Description of Office

For Ministry use only

REGISTERED



Issued at St. John's, Antigua,
this day of 09 JUL 1998, 19

101



GOVERNMENT OF ANTIGUA AND BARBUDA

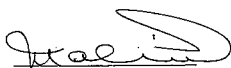
INTERNATIONAL BUSINESS CORPORATIONS ACT

CERTIFICATE OF REVOCATION OF INTENT TO DISSOLVE
(Section 297)

AMERICAN INTERNATIONAL BANK LIMITED 858

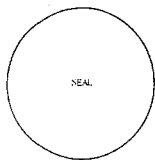
1. Name of Corporation 2. Number

I hereby certify that the above-mentioned Corporation revoked its intent to dissolve as set out in the attached Statement of Revocation of Intent to Dissolve.


Director

July 9, 1998
Effective Date

REGISTERED



Issued at St. John's, Antigua,
this 9th day of July, 1998

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#

GOVERNMENT OF ANTIGUA AND BARBUDA

Ministry of Finance
International Business Corporation

HIGH STREET
ST. JOHN'S, ANTIGUA, W.I.
Telephone: 462-3372/462-5086
Telex No.: 2055 Finance AK
FAX: 268-461-0422

9th July, 1998

Mr. Edward Smith
Cassada Gardens
St. John's, Antigua

Dear Mr. Smith:

Re: Receiver/Manager - American International Bank

Further to recent discussions with you in respect to the above captioned bank, and pursuant to Section 287 (1) (b) of the International Business Corporations Act, Cap. 222, and in my capacity as the appropriate official, I hereby appoint you Receiver/Manager of the American International Bank, with effect from July 9, 1998.

The Bank's offices are located at the Woods Centre, Friars Hill Road, St. John's.

Respectfully yours,

A handwritten signature in cursive script, appearing to read 'Eden Weston'.

Eden Weston
Supervisor of International Banks
and Trust Corporations

cc. Nicolette Doherty
Marcel Commodore

ANNEX I

OFFSHORE BANKS LICENSED IN ANTIGUA BY DATE OF LICENSE*As of December 31, 1997³ (total licensed = 47)*

<u>LICENSE</u>	<u>DATE</u>	<u>NAME</u>	<u>AGENT</u>
0002	04.02.83	Swiss American Bank Ltd	AIT
0484	11.13.87	Brysons International Bank Ltd	CS
0595	15.13.88	Antigua Overseas Bank Ltd	AMT
0858	04.18.90	American International Bank Ltd	AMT
0945	12.07.90	Stanford International Bank Ltd	Goodwin
0965	02.08.91	Northern International Bank Ltd	AMT
1301	08.12.92	Hanover Bank Ltd, The	AMT
1438	11.19.92	Investech International Bank Ltd	AMT
1655	0427.93	Caribbean Bank of Commerce Ltd	Benjamin
1965	08.18.93	First Security Bank Ltd	AMT
2034	0915.93	Madison International Bank Ltd	AMT
2180	11.25.93	Western Bank Corporation	ABIT
2198	10.15.93	Global Bank Ltd	AMT
2323	02.11.94*	Graff Credit Bank Ltd	C & L
2367	03.14.94	Banco Occidental International Ltd	AMT
2427	04.12.94	Unicorp Bank Overseas Ltd	AMT
2428	04.12.94	Vengold International Bank Ltd	C & L
2469	04.12.94	Interacciones Banking Corporation	ABIT
2692	08.26.94	Pacific Bank Ltd	AMT
2733	09.09.94*	Maxi Bank Ltd	AMT
2934	11.15.94*	V.T.L Bank Ltd	ABIT
2939	11.16.94	Luxembourg Financial Bank Ltd	AMT
2957	1124.94	Phoenician Bank Ltd	ABIT
2970	12.01.94	Banco Meridiano Inc	CS
3040	12.14.94	Atlantic Bank Ltd	Wade
3160	02.08.95	International Investment Bank Ltd	AMT
3455	04.28.95	Horizon Bank International Ltd	AMT
3592	05.30.95*	Windward and Leeward United Bank Ltd	C & L
3614	06.01.95*	Washington Commercial Bank Inc	AMT
3872	08.14.95	Banque De Credit Commercial Ltd	AMT
3873	0814.95	Privat Kredit Bank Ltd	AMT
3986	09.18.95	Middle European Merchant Bank Ltd	C & L
4148	10.12.95*	Banco Maritimo Ltd	ABIT
4209	10.27.95	Overseas Commerce Bank Ltd	AMT
4656	10.29.95	Institutional Bankers Limited	ABIT
4744	01.15.96	Worldwide International Bank Ltd	ABIT
4989	02.26.96	Hab Bank Ltd	C & L
5496	04.29.96	Meinl Bank (Antigua) Ltd	KPMG
5497	04.29.96	Westbond International Bank Ltd	CMT
5770	05.25.96	New Bremen Bank Ltd	AMT
5840	05.20.96*	European Federal Credit Bank Ltd	CMT
6165	06.07.96*	Central Atlantic Bank Inc.	AMT
6517	07.02.96****	German American Banking Corporation	ABIT
7712	11.03.96****	Bank of Europe Limited	AMT
6603	03.12.97****	Commercial & Industrial Bank Ltd	Unknown
8602	03.12.97****	Barrington Bank Inc.	Unknown
10100	09.26.97****	First Pine Bank Inc., The	Unknown

³ Information on bank licensing in Antigua was received from Greenberg Traurig.

REMOVED FROM ACTIVE LIST

As of December 31, 1997

LIC.	DATE	NAME	AGENT	REASON
1301	08.12.92	Hanover Bank Ltd, The	AMT	Revoked 4/3/97 Restored /legal
1343	09.24.92*****	Multivest International Bank Ltd	AMT	Revoked 4/3/97
1655	0427.93	Caribbean Bank of Commerce Ltd	Benjamin	Revoked 4/3/97 On 12/30/97 list
1820	04.14.93*****	Banco de Inversion y Credit Ltd	A M T	Revoked 4/24/97
1947	05.06.93	United Trading Bank Ltd	Unknown	Denied
2011	06.18.93*****	Bank Invest Bank Ltd	A M T	Revoked 4/24/97
2140	11.05.93*****	Banco Barinas International S.A.	A M T	Revoked 8/25/97
2181	11.25.93*****	Globadir International Bank Ltd	ABI T	Revoked 8/25/97
2229	12.15.93* ***	Bank Kometa S.A.	A M T	Liquidation 4/3/97
2311	02.07.94*****	Cavendes Investments Bank Ltd	A M T	Revoked 4/24/97
2508	05.20.94*****	Universal Bank Ltd	ABI T	Unknown
2529	06.08.94* ***	European Union Bank Inc.	C & L	Receivership (8/13/97)
2732	09.09.94***	Caribbean American Bank Ltd	A M T	Receivership (8/16/97)
3593	05.30.95* *****	Anta Bank Ltd	C & L	Revoked 4/24/97
3674	08.02.95*****	NorChem International Bank Ltd	CS	Unknown
5514	04.30.96*****	Banque R. Superville et Fils S.A.	—	Unknown
7719	11.12.96*****	South Coast Bank Limited	Benjamin	Unknown

- * Russian
- ** License surrendered/in receivership
- *** Reported to be in liquidation
- **** New name appearing on December 31, 1997 list provided by Greenberg Traurig
- ***** Name dropped from December 31, 1997. No reason given.

- Reports indicate 4 banks may have migrated to Dominica following pressure from Antigua to disclose beneficial ownership. Authorities in Dominica have been contacted in an attempt to identify the name of any banks that may have migrated from Antigua.

AGENTS

AIT: Antigua International Trust Ltd (SAB)
 C S: Corporate Services Ltd (PW; Don Ward)
 AM T: Antigua Management & Trust Ltd (Cooper)
 Goodwin: Ann Henry Goodwin
 Simon: Justin L Simon
 Benjamin: Stedroy Benjamin
 ABI T: ABI Trust Ltd (Mac Abbott)
 C & L: Coopers and Lybrand (S Jarden)
 Wade: Cecil E Wade
 C M T: Caribbean Management & Trust (Alice Roberts)

AMERICAN INTERNATIONAL
MANAGEMENT SERVICES

AGREEMENT

THIS AGREEMENT is made between

AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
of Woods Centre, Friars Hill Road in the City of Saint John in Antigua and Barbuda (hereinafter called
"the Company") of the One Part and (hereinafter called "the
Offshore") of the Other Part.

WHEREAS the Off-shore wishes that its affairs be managed here in Antigua and Barbuda
and it has now been agreed between the parties hereto that the Off-shore shall be managed by the
Company on the terms and conditions hereinafter mentioned.

NOW IT IS HEREBY AGREED by and between the parties hereto as follows:-

1. Administrative Services shall include but not be limited to:-
 - The statutory filings and notices of the Off-Shore.
 - The maintenance of the register of the Off-Shore.
 - Acting for and behalf of the Off-Shore as liaison with auditors and Government authorities.
 - Obtaining and maintaining for and on behalf of the Off-Shore separate phone, fax and telex lines.
 - Receiving mail for and on behalf of the Off-Shore and sending the same to its other offices.
 - The mailing of outgoing correspondence for and on behalf of the Off-Shore.
 - The production and signing of documentation for and on behalf of the Off-Shore.
2. Back Office Services shall include but will not be limited to:-
 - The establishment of a correspondent banking relationship with American International Bank to effect wire transfers and issue multi-currency drafts.
 - The installation and operation of a computerised banking and accounting system.
 - The issuing of certificates of deposit and statements of accounts.
 - Administrative/clerical functions relating to the purchase and sale of securities and foreign exchange.
 - Administrative/clerical functions pertaining to the filing of all correspondence/ documentation and all other ancillary functions of an administrative nature.
 - The Company shall advise the Off-Shore of any operations or instructions that may conflict with the laws of Antigua and Barbuda and/or Dominica and will not allow the Off-shore to conduct such operations.
3. The services hereby provided by the Company shall wholly exclude marketing or other promotional activities.

4. The Off-Shore shall be managed by the Company in accordance with principles agreed between the Off-Shore and the Company.

5 (a) The Company shall provide Administrative Services and Back Office Services to the Off-Shore for a period of one year.

This agreement will be automatically renewed for another period of two years if no notice of termination is given sixty days prior to.

(b) The Off-Shore shall during the continuation of this agreement pay to the Company the sum of US\$5,000.00 payable each month beginning on the

6. In consideration of the premises, the Off-Shore hereby covenants with the Company that Off-Shore will at all times during the continuation of this agreement and thereafter indemnify and keep indemnified the Company from all actions, proceedings, claims or demands by Off-Shore in respect of all liabilities incurred by the Company or of any matter whatsoever arising from the management and control by the Company of Off-Shore under and by virtue of this agreement.

7. If at any time during the subsistence of this Agreement either party shall be guilty of any serious misconduct or breach of terms of this Agreement or shall commit any act of bankruptcy the other party may determine the agreement forthwith without any notice or payment in lieu of notice and upon such determination the offending party shall not be entitled to any further benefit under this Agreement.

8. This Agreement may also be terminated forthwith by and at the option of one party upon the giving of written notice to the other party if in the opinion of the one party, it has become impossible for the other party to properly and efficiently carry out the duties for which it is contracted hereunder.

9. This agreement will be governed and construed under the laws of Antigua and Barbuda and/or Dominica.

IN WITNESS WHEREOF the parties have set their hands and caused their seals to be hereunto affixed the day and year first hereinabove written.

SIGNED AND SEALED by
WILLIAM COOPER AND JOHN GREAVES
for and on behalf of
AMERICAN INTERNATIONAL MANAGEMENT
SERVICES LTD
in the presence of

SIGNED AND SEALED by
.....
for and on behalf of
In the presence of
.....

DIRECTOR INDEMNITY

C/O AMERICAN INTERNATIONAL BANK LTD.
BOX 1673, ST. JOHN'S, ANTIGUA, W.I.

This indenture made the _____ day of _____, 199____ between

of _____
(hereinafter called "the Owner" which expression where the context so admits shall include his heirs, executors and assigns) of the first part, and _____ of Antigua, (Director of the hereinafter referred to _____) of the second part

Whereas, the Owner is at the date hereof beneficially entitled to all the issued voting shares in

a company incorporated under the laws of Antigua (hereinafter called "the Company") as whereas the Owner has requested and _____ has agreed to act as a Director of the Company upon having such Indemnity as is hereinafter contained. Now this indenture witnesseth that in pursuance of the said agreement and in consideration of the premises of the Owner hereby covenants with _____ that so long as he acts as a Director of the Company the Owner will at all times hereafter indemnify him and keep him and his personal representative indemnified from all actions, proceedings, claims or demands by any person or persons whomsoever in respect of or arising out of or by reason of his holding any Directorship in the Company and against all actions, suits, proceeding, claims, demands, costs and expenses whatsoever which may be taken or made against him or incurred or become payable by him or his respective personal representative by reason or in consequence of holding any Directorship in the Company as aforesaid or by reason of or in consequence of any act done or omitted to be done by him directly or indirectly upon instructions received from the Owner or his agents or otherwise in relation to the premises.

In witness whereof, the Owner hath hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered by the said Owner

Notary Public



GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION

TO: Supervisor of International Banks and Trust Corporations — Ministry of Finance

FOR AUTHORITY OF ORGANIZE AND OPERATE UNDER AN

International Banking Licence [] International Trust Licence []

PURSUANT TO SECTION 230 OF THE INTERNATIONAL BUSINESS CORPORATIONS ACT 1982,
No. 28 OF 1982.

(Name of Proposed Licensee)

(Address of Proposed Licensee)

Date Submitted: _____

PLEASE SUBMIT THIS APPLICATION AND ALL SUPPORTING DOCUMENTATION IN DUPLICATE ORIGINALS.

FOR OFFICIAL USE ONLY —

Received: _____

Tentative Licence Granted: _____

Ordinary Licence Granted: _____

Denial: _____

(Names of Organizer(s))

(hereinafter referred to as Applicant(s), hereby apply to the Supervisor of International Banks and Trust Corporations, Ministry of Finance (hereinafter referred to as the Supervisor), pursuant to Section 230, International Business Corporations Act, 1982, No. 28 of 1982, for authority to organize and operate

(Name of Proposed International Business Corporation)

hereinafter referred to as "the IBC," under the following:

- International Bank Corporation Licence
- International Trust Corporation Licence

CERTIFICATE

The Applicants hereby certify that the information contained in this application is true and complete to the best of their knowledge and belief; further, the Applicants accept the responsibility of informing the Supervisor Promptly of any changes in the information presented herein.

Executed this _____ day of _____, 19_____.

(Name)

(Signature)

_____	_____
_____	_____
_____	_____
_____	_____

If the IBC is to be controlled by a holding company, submit the signature and title of the holding company representative.

_____	_____
(Signature)	(Title)

	(Holding Company)

Name of IBC:
Proposed Address of IBC:
Proposed capitalization of IBC:

Capital: No. of Preferred Shares:
Surplus: Par Value:
No. of Common Shares:
Par Value:

4. Proposed directors of IBC (All organizers must be proposed directors of IBC):

(Name — Occupation)	(Address: City & State)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- 5. Name, address and telephone number of person authorized by Applicants to receive correspondence for them:
- 6. Attach a list of all the subscribers to the capital stock of the IBC, showing name, place of residence, and number of shares subscribed to. Any changes in proposed subscribers shall be reported promptly to the Supervisor, and in any event, within 30 days prior to opening, whichever occurs first.
- 7. Are any of the proposed stockholders of five percent or more of the IBC's stock, other than directors and officers, connected with any other banking or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
- 8. Submit biographical information for each proposed director, officer and subscriber to five percent or more of IBC's stock.
- 9. List the qualifications of the proposed directors and officers to operate an international or trust corporation successfully.
- 10. Are any of the proposed directors or officers of the IBC connected with any other bank or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
- 11. Have any of the proposed directors, officers or proposed stockholders of five percent or more of the IBC's stock ever been charged with or convicted of any criminal offense? If so, give details, including status of case.

GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

APPLICATION
FOR A LICENSE TO ESTABLISH AND OPERATE
OFFSHORE BANKING BUSINESS.....
OFFSHORE AND DOMESTIC BANKING.....
INTERNATIONAL TRUST BUSINESS.....
DATE.....

PURSUANT TO SECTION 4 SUBSECTION 2 OF THE OFF-SHORE BANKING ACT
NO. 8 OF 1996

NAME OF APPLICANT

ADDRESS OF PRINCIPAL OFFICE OR REGISTERED OFFICE

PAYMENT OF LICENSE FEE

Attached is the receipt issued the Accountant General for the payment of the prescribed fee

MEMORANDUM AND ARTICLES OF ASSOCIATION

Attached is a copy of memorandum and articles of association

FOR OFFICIAL USE ONLY

License Granted.....

License Not Granted.....

Date.....

Signature.....

MINISTER FOR FINANCE, INDUSTRY & PLANNING

AUTHORIZED AGENTS IN DOMINICA

- (1) Name: American International Bank & Trust Company
 Address: 42 Kennedy Avenue
 Roseau, Dominica
- (2) Name: Overseas Development Bank & Trust Company
 Address: 42 Kennedy Avenue
 Roseau, Dominica

SHAREHOLDERS

Names Addresses

DIRECTORS

Names Addresses

Attached are professional and character reports of the proposed shareholders and directors and managers.

MANAGERS AND OFFICERS

Names Positions Addresses

LAWYER

Name Address

Prevost & Williams 42 Hillsborough Street
 Roseau, dominica

Attached is a letter from the above named attorney(s) accepting to act on behalf of the licensee.

AUDITOR

Name Address

Attached is a letter from the above named auditors accepting to act on behalf of the licensee.

FINANCIAL REPUTATION

Attached is a report on the financial reputation of the applicant.

INTERNATIONAL BUSINESS REPUTATION

Attached is a written report on the international business reputation of the licensee.

BUSINESS PLAN

Attached is a business plan and three years projected financial statements.

EXPERIENCE IN BANKING OR TRUST BUSINESS

Attached are resumes evidencing that the applicant or some person directly connected with it possesses sound and practical experience in banking and/or trust business.

PAID UP CAPITAL

Attached is an undertaking in writing to provide and maintain the prescribed capital requirement according to Section 14(1) of the Act.

FINANCIAL NET WORTH

Attached is a report of the financial net worth of each director and associate or affiliate company of the applicant as required in Section 5 subsection 3(d) of the Act.

DECLARATION

I hereby certify that the information contained in this application is true and complete to the best of my knowledge and I accept responsibility of informing the Manager, International Business Unit of any changes in the information presented herein.

NAME :

ADDRESS :

.....

.....

TEL NO. :

FAX NO. :

SIGNATURE :

POSITION :

DATE :

NOTES: (1) APPLICATION AND ALL SUPPORTING DOCUMENTATION SHOULD BE SUBMITTED TO:

THE MANAGER
INTERNATIONAL BUSINESS UNIT
MINISTRY OF FINANCE, INDUSTRY & PLANNING
GOVERNMENT HEADQUARTERS, ROSEAU
COMMONWEALTH OF DOMINICA

IN DUPLICATE AND MUST BE ORIGINALS

(2) TYPE YES WHERE NECESSARY

(3) THE LICENSE FEE MUST BE PAID BEFORE THE APPLICATION IS PROCESSED AND IS NON-REFUNDABLE.

12 JUL 1995



GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION FOR INTERNATIONAL BUSINESS CORPORATION CHARTER

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS
MINISTRY OF FINANCE

1. Proposed Name: **AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.**
2. Registered Office and Name and Address of Resident Agent:
**Antigua Management & Trust Ltd.
Redcliffe Quay, P.O. Box 1407
St. John's, Antigua, W.I.**
3. Authorized Number of Shares by Class:
1000 Common Shares, par value US\$1000
4. Transferability Restrictions -- mark if applicable
5. Number of Directors -- Maximum 10 Minimum 1
6. Restrictions to Corporate Purpose Clause:
**The Company is restricted to carrying on
international trade or business in accordance
with the IBC Act of 1982**
7. Securities Regulations Documents -- attached if applicable
8. Licence Applications -- Banking , Trust , Insurance
9. Unanimous Shareholder Agreement -- attached if applicable
10. Incorporators: **W. W. Cooper
Redcliffe Quay, St. John's, Antigua**
**Joan M. Fung
Long Street, St. John's**
11. The Company will be operating from:
**#10 Redcliffe Quay
St. John's, Antigua**

PLEASE SUBMIT THE FOLLOWING COPIES OF DOCUMENTS, IF APPLICABLE:

- Application for International Business Corporation Charter (1)
- Articles of Incorporation (3) (One certified copy returned)
- Licence Applications (2)
- Unanimous Shareholders Agreement (2)



GOVERNMENT OF ANTIGUA AND BARBUDA

CERTIFICATE OF INCORPORATION
AND GOOD STANDING

Pursuant to Section 9 of the International Business Corporations Act,
1982, No. 28 of 1982, the undersigned hereby certifies that:

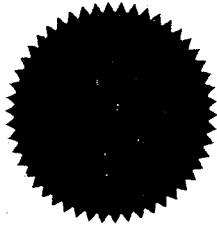
AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

was incorporated under the laws of Antigua and Barbuda on the 19th day of
JUNE 1995; is in good standing and enjoys all the rights, powers
and privileges conferred by law consistent with the attached Articles of
Incorporation.

REGISTERED

A handwritten signature in black ink, appearing to read 'S. J. ...'.

Director,
International Business Corporations



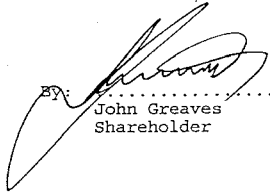
Registered at St. John's, Antigua,
this 19th of JUNE 1995

CONSENT TO ACTION
IN LIEU OF A MEETING OF SHAREHOLDERS OF
AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

In accordance with Section 161 (1) of the International Business Corporations Act, 1982, No. 28 of 1982, the undersigned, representing all the shares of AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD. hereby adopts the following resolution(s) as of the date shown below:

RESOLVED, that the name of the Company be changed to
OVERSEAS MANAGEMENT SERVICES LTD.

Dated: December 30, 1997


BY:
John Greaves
Shareholder



GOVERNMENT OF ANTIGUA AND BARBUDA

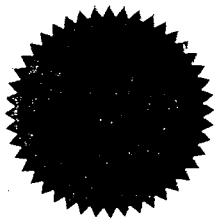
CERTIFICATE OF CHANGE OF NAME

Pursuant to Section 161 (1) (a) of the International Business Corporations Act, 1982, No. 28 of 1982, the undersigned hereby certifies that:

AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

By Special Resolution of the Company dated December 30, 97 changed its name to: OVERSEAS MANAGEMENT SERVICES LTD.

REGISTERED



Lebrecht H...

Director
International Business Corporations

Issued at St. John's, Antigua,
this 31st day of December 1997

ANTIGUA MANAGEMENT & TRUST LTD.

Ms. Lillia Mingo
Office of International
Business corporations
St. John's, Antigua

August 30, 1999

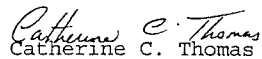
RE: AVERY, SIKES, BRODY, LTD. - 11327
COMMERCIAL INVESTMENT CORPORATION - 984
GLOBAL COMMUNICATIONS LTD. - 5743
INTERNATIONAL-YACHTING & MANAGEMENT LTD. - 11045
MONTREUX CAPITAL MANAGEMENT LTD. - 2069
MI ROCK LTD. - 11057
OVERSEAS MANAGEMENT SERVICES LTD. - 3053

Dear Ms. Mingo:

We have been requested by our clients to have the above captioned companies struck off the register.

Thank you for your cooperation.

Yours sincerely,


Catherine C. Thomas

AMERICAN INTERNATIONAL BANK LTD.FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED 31ST DECEMBER, 1993

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SCHEDULES TO THE INCOME STATEMENT	8

O. A. E. Gardner W. A. Harrigan

001111

PANNELL
KERR
FORSTER

Chartered Accountants

P.O. Box 159
Redcliffe Street
St. John's, Antigua
West Indies
Tel: (809) 462-0827/0828
Cables: PANKERFOR Antigua
Fax: (809) 462-4747

Page 1

AUDITORS' REPORT TO THE SHAREHOLDERS OF
AMERICAN INTERNATIONAL BANK LTD.

We have examined the Balance Sheet of American International Bank Ltd. as at 31st December, 1993, and the related Statements of Income and Source and Application of Funds for the period then ended. These financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements set out on pages 2 to 8, present fairly, in all material respects, the financial position of American International Bank Ltd. as at 31st December, 1993 and the results of its operations and changes in financial position for the period then ended in accordance with generally accepted accounting principles.

PANNELL KERR FORSTER



Chartered Accountants

ANTIGUA:
31st March, 1994

AMERICAN INTERNATIONAL BANK LTD.

BALANCE SHEET AT 31ST DECEMBER, 1993

(Expressed in United States Dollars)

	Notes	31/12/93	30/4/93
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and short-term funds		337,120	82,188
Other current assets		576,303	33,333
		-----	-----
Total Current Assets		913,423	115,521
INVESTMENTS	3	2,916,177	-
LOANS	4	25,483,759	1,113,393
ORGANISATION COSTS	5	28,374	31,234
FIXED ASSETS	6	167,421	-
		-----	-----
TOTAL ASSETS		\$29,509,154	\$1,260,148
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowing	7	1,263,947	-
Customers' deposits	8	26,861,716	195,581
Other liabilities		325,000	64,567
		-----	-----
TOTAL CURRENT LIABILITIES		28,450,663	260,148
		-----	-----
SHAREHOLDERS' EQUITY			
Share capital	9	1,050,000	1,000,000
Retained earnings		8,491	-
		-----	-----
		1,058,491	1,000,000
		-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$29,509,154	\$1,260,148
		=====	=====

Approved on behalf of the Board:

 Director
 Director

The attached notes on pages 5 to 7 form part of these financial statements.

AMERICAN INTERNATIONAL BANK LIMITED

Page 6

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST DECEMBER, 1993

(Continued)

(Expressed in United States Dollars)

3.	INVESTMENTS	31/12/93	30/4/93
		-----	-----
	Corporate bonds listed in the United States	2,471,231	-
	Corporate shares listed in the United States	470,395	-
		-----	-----
		2,941,626	-
	Less: Reserve for diminution in value	(25,449)	-
		-----	-----
		\$2,916,177	\$ -
		=====	=====
4.	LOANS		
	Fixed loans	23,253,314	-
	Affiliated companies	1,430,759	1,113,393
	Staff	610,319	-
	Other customers	189,367	-
		-----	-----
		\$25,483,759	\$1,113,393
		=====	=====
	There were no loans requiring provision for bad debts during the period under review.		
5.	ORGANISATION COSTS		
	Organisation costs	32,739	31,234
	Less: Amortization	(4,365)	-
		-----	-----
		\$28,374	\$31,234
		=====	=====
	Organisation costs are being amortized over a period of five (5) years commencing 1st May, 1993.		
6.	FIXED ASSETS	Cost	Cost
		31/12/93	30/4/93
		-----	-----
	Computer hardware	33,288	-
	Equipment	7,515	-
	Furniture and fittings	47,529	-
	Computer software	42,015	-
	Motor vehicle	8,204	-
	Leasehold improvement	28,870	-
		-----	-----
		\$167,421	-
		=====	=====

AMERICAN INTERNATIONAL BANK LTD.FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1994

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O. A. E. Gardner W. A. Harrigan

**PANNELL
KERR
FORSTER**

Chartered Accountants

P.O. Box 119
Pensilvie Street
St. John's, Antigua
West Indies
Tel: (809) 462-0827/0828
Cables: PANKERFOR Antigua
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Page 1

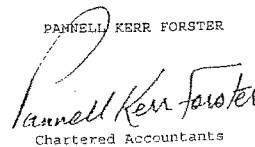
AUDITORS' REPORT TO THE SHAREHOLDERS OFAMERICAN INTERNATIONAL BANK LTD.

We have examined the Balance Sheet of American International Bank Ltd. as at 31st December, 1994, and the related Statements of Income, Retained Earnings and Source and Application of Funds for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements set out on pages 2 to 8, present fairly, in all material respects, the financial position of American International Bank Ltd. as at 31st December, 1994 and the results of its operations and changes in financial position for the period then ended in accordance with generally accepted accounting principles.

PANNELL KERR FORSTER



Chartered Accountants

ANTIGUA:
16th June, 1995

Representing the Arthur Andersen Worldwide Organisation in the Leeward Islands (Anguilla, Antigua-Barbuda,
Montserrat, St. Kitts-Nevis) and Tortola (British Virgin Island).

AMERICAN INTERNATIONAL BANK LTD.

Page 2

BALANCE SHEET AT 31ST DECEMBER, 1994

(Expressed in United States Dollars)

	Notes	1994	1993
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and short-term funds		227,972	337,120
Other current assets		1,730,554	576,303
		-----	-----
Total Current Assets		1,958,526	913,423
INVESTMENTS	3	5,819,844	2,916,177
LOANS	4	10,621,980	25,483,759
ORGANISATION COSTS	5	21,826	28,374
FIXED ASSETS	6	188,986	167,421
		-----	-----
TOTAL ASSETS		\$18,611,162	\$29,509,154
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Due to banks	7	243,682	-
Short-term borrowing	8	99,851	1,263,947
Customers' deposits	9	16,916,238	26,861,716
Other liabilities		160,879	325,000
		-----	-----
TOTAL CURRENT LIABILITIES		17,420,650	28,450,663
		-----	-----
SHAREHOLDERS' EQUITY			
Share capital	10	1,334,710	1,050,000
Retained earnings (Deficit)		(144,198)	8,491
		-----	-----
		1,190,512	1,058,491
		-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$18,611,162	\$29,509,154
		=====	=====

Approved on behalf of the Board:

W. W. Logan : Director
Samuel J. ... : Director

The attached notes on pages 6 to 8 form part of these financial statements.

AMERICAN INTERNATIONAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AT 31ST DECEMBER, 1994
(Continued)

Page 7

(Expressed in United States Dollars)

2. ACCOUNTING POLICIES (Cont'd)

f) Investments

Investments are stated at market values. Thus, gains and losses on marketable securities are accounted for in the income statement.

Long-term investments are stated at cost:

3. INVESTMENTS	1994	1993
	----	----
Corporate bonds listed in the United States	3,114,178	2,471,231
Corporate shares listed in the United States	1,972,839	470,395
	-----	-----
	5,087,017	2,941,626
Less: Reserve for diminution in value	(368,760)	(25,449)
	-----	-----
Certificates of Deposit	4,718,257	2,916,177
Long-term investments	400,000	-
	701,587	-
	-----	-----
	\$5,819,844	\$2,916,177
	=====	=====
 4. LOANS		
Customers	8,087,377	23,442,681
Affiliated companies	1,577,620	1,430,759
Staff	955,983	610,319
	-----	-----
	\$10,621,980	\$25,483,759
	=====	=====
 5. ORGANISATION COSTS		
Organisation costs	32,739	32,739
Less: Amortization	(10,913)	(4,365)
	-----	-----
	\$21,826	\$28,374
	=====	=====

AMERICAN INTERNATIONAL BANK LTD.FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1995

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O. A. E. Gardner W. A. Harrigan

**PANNELL
KERR
FORSTER**

Chartered Accountants

P.O. Box 159
Redcliffe Street
St. John's, Antigua
West Indies
Tel: (809) 462-0827/0828
Cables: PANKERFOR Antigua
Fax: (809) 462-4747

Page 1

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
AMERICAN INTERNATIONAL BANK LTD.**

We have examined the Balance Sheet of American International Bank Ltd. as at 31st December, 1995, and the related Statements of Income, Retained Earnings and Source and Application of Funds for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements set out on pages 2 to 9, present fairly, in all material respects, the financial position of American International Bank Ltd. as at 31st December, 1995 and the results of its operations and changes in financial position for the period then ended in accordance with generally accepted accounting principles.

PANNELL KERR FORSTER



Chartered Accountants

ANTIGUA:
16th June, 1996

Representing the Arthur Andersen Worldwide Organisation in the Leeward Islands (Anguilla, Antigua-Barbuda, Montserrat, St. Kitts-Nevis) and Tortola (British Virgin Island).

AMERICAN INTERNATIONAL BANK LTD.

Page 2

BALANCE SHEET AT 31ST DECEMBER, 1995

(Expressed in United States Dollars)

	Notes	1995	1994
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and short-term funds		7,960,814	227,972
Other current assets		2,691,825	1,730,554
		-----	-----
Total Current Assets		10,652,639	1,958,526
INVESTMENTS	3	7,788,133	5,819,844
LOANS	4	19,423,605	10,621,980
ORGANISATION COSTS	5	15,278	21,826
FIXED ASSETS	6	191,086	188,986
		-----	-----
TOTAL ASSETS		\$38,070,741	\$18,611,162
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Due to Banks	7	393,494	243,682
Short-term borrowing	8	566	99,851
Customers' deposits	9	35,616,354	16,916,238
Other liabilities		331,627	160,879
		-----	-----
TOTAL CURRENT LIABILITIES		\$36,342,041	\$17,420,650
		-----	-----
SHAREHOLDERS' EQUITY			
Share capital	10	1,575,300	1,334,710
Retained Earnings (Deficit)		153,400	(144,198)
		-----	-----
		1,728,700	1,190,512
		-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$38,070,741	\$18,611,162
		=====	=====

Approved on behalf of the Board:

W. W. Cooper : Director

John J. ... : Director

The attached notes on pages 6 to 9 form part of these financial statements.

AMERICAN INTERNATIONAL BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT 31ST DECEMBER, 1995
(Continued)

(Expressed in United States Dollars)

2. ACCOUNTING POLICIES

e) Provision for Loan Losses

The provision for loan losses is based on a monthly evaluation of the loan portfolio by management. In this evaluation management considers numerous factors including, but not necessarily limited to, general economic conditions, loan portfolio composition, prior loan loss experience and management's estimation of future potential losses.

f) Investments

Tradeable investments are stated at market values. Thus, gains and losses on marketable securities are accounted for in the income statement.

Long-term investments are stated at cost.

3. INVESTMENTS	1995	1994
	-----	-----
Corporate bonds listed in the United States	3,676,024	3,114,178
Corporate shares listed in the United States	1,483,577	1,972,839
	-----	-----
	5,159,601	5,087,017
Less: Reserve for diminution in value	-	(368,760)
Add: Reserve for accretion in value	34,927	-
	-----	-----
	5,194,528	4,718,257
Certificates of Deposits	536,000	400,000
Long-term investments	2,057,605	701,587
	-----	-----
	\$7,788,133	\$5,819,844
	=====	=====
 4. LOANS		
Customers	15,733,637	8,321,918
Affiliated companies	1,972,246	1,577,620
Staff	1,608,645	722,442
Credit Card Advances	109,077	-
	-----	-----
	\$19,423,605	\$10,621,980
	=====	=====

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AMERICAN INTERNATIONAL BANK LTD.FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1996

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O. A. E. Gardner W. A. Harrigan

PANNELL
KERR
FORSTER

Chartered Accountants

P.O. Box 159
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Page 1

AUDITORS' REPORT TO THE SHAREHOLDERS OF

AMERICAN INTERNATIONAL BANK LTD.

We have examined the Balance Sheet of American International Bank Ltd. as at 31st December, 1996, and the related Statements of Income, Retained Earnings and Changes in Financial Position for the year then ended. These Financial Statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

In our opinion, the Financial Statements set out on pages 2 to 9, present fairly, in all material respects, the financial position of American International Bank Ltd. as at 31st December, 1996 and the results of its operations and changes in financial position for the year then ended in accordance with generally accepted accounting principles.

PANNELL KERR FORSTER



Chartered Accountants

ANTIGUA:
27th August, 1997

Representing the Arthur Andersen Worldwide Organisation in the Leeward Islands (Anguilla, Antigua-Barbuda, Montserrat, St. Kitts-Nevis) and Tortola (British Virgin Island).


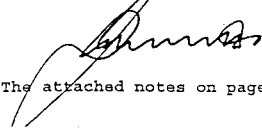
AMERICAN INTERNATIONAL BANK LTD.

BALANCE SHEET AT 31ST DECEMBER, 1996

(Expressed in United States Dollars)

	Notes	1996	1995
	-----	----	----
ASSETS			
CURRENT ASSETS			
Cash and short-term funds		2,078,151 ✓	7,960,814 ✓
Other current assets		3,833,037 ✓	2,691,825 ✓
		-----	-----
Total Current Assets		5,911,188 ✓	10,652,639 ✓
INVESTMENTS	3	9,782,782 ✓	7,788,133 ✓
LOANS AND ADVANCES	4	41,251,828 ✓	19,423,605 ✓
ORGANISATION COSTS	5	8,738 ✓	15,278 ✓
FIXED ASSETS	6	900,166 ✓	191,086 ✓
		-----	-----
TOTAL ASSETS		\$57,854,702 ✓	\$38,070,741 ✓
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Due to banks	7	317,274 ✓	393,494 ✓
Short-term borrowing	8	2,756,790 ✓	566 ✓
Customers' deposits	9	51,661,274 ✓	35,616,354 ✓
Other liabilities		378,454 ✓	331,627 ✓
		-----	-----
TOTAL CURRENT LIABILITIES		55,113,792 ✓	36,342,041 ✓
		-----	-----
SHAREHOLDERS' EQUITY			
Share capital	10	2,101,245 ✓	1,575,300 ✓
Retained Earnings (Page 4)		639,665 ✓	153,400 ✓
		-----	-----
		2,740,910 ✓	1,728,700 ✓
		-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$57,854,702 ✓	\$38,070,741 ✓
		=====	=====

Approved on behalf of the Board:

 : Director
 : Director

The attached notes on pages 6 to 9 form part of these Financial Statements.

AMERICAN INTERNATIONAL BANK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1996
(Continued)

(Expressed in United States Dollars)

2. ACCOUNTING POLICIES

e) Provision for Loan Losses

The provision for loan losses is based on a monthly evaluation of the loan portfolio by management. In this evaluation management considers numerous factors including, but not necessarily limited to, general economic conditions, loan portfolio composition, prior loan loss experience and management's estimation of future potential losses.

f) Investments

Tradable investments are stated at market values. Thus, gains and losses on marketable securities are accounted for in the income statement.

Long-term investments are stated at cost.

3. INVESTMENTS	1996	1995
	----	----
Corporate bonds listed in the United States	1,804,684	3,676,024
Corporate shares listed in the United States	4,609,249	1,483,577
	-----	-----
	6,413,933	5,159,601
Less: Reserve for diminution in value	(166,671)	-
Add: Reserve for accretion in value	-	34,927
	-----	-----
	6,247,262	5,194,528
Certificates of Deposits	575,240	536,000
Long-term investments	2,960,280	2,057,605
	-----	-----
	\$9,782,782	\$7,788,133
	*****	*****

4. LOANS AND ADVANCES

Customers	35,783,858	15,733,637
Affiliated companies	3,311,656	1,972,246
Staff	1,599,575	1,608,645
Credit Card Advances	556,739	109,077
	-----	-----
	\$41,251,828	\$19,423,605
	*****	*****

MEMORANDUM

To: William Jenks
The Bank of New York
Compliance Department

From : Jean-Pierre St. Victor

Date: November 20, 1997

Re: Antigua Overseas Bank
St. John's Antigua
A/C No. 890-0097-388

The Latin America Division would like to report that, starting on October 1, 1997, Antigua Overseas Bank (AOB) has been receiving a series of fund transfer payments in its account at The Bank of New York in favor of American International Bank, Ltd (AIB) St. John's Antigua. The volume of incoming payments in AOB's account has more than doubled in October compared to September and the remitters are located in various countries from North America, South America, Caribbean to Australia and New Zealand. All of these payments are in favor of third party accounts with AIB.

These payments are very unusual because AIB is not related to AOB. American International Bank Ltd as an offshore financial entity operating in Antigua maintains accounts with foreign correspondents in the USA and Canada (not with BNY) and does not necessarily needs to clear its payments through Antigua Overseas Bank. However, we have been informed lately through market intelligence that most of AIB's foreign accounts were closed as a result of irregular and suspicious transactions.

Antigua Overseas Bank is currently the clearing bank for American International Bank and these payments are still being credited in the account. The attached documents include payments for the month of October and November 1997. Each payment is divided in two pages: the first page describes the remitter and the ordering party and the second page the beneficiaries.

We will keep you informed on any new developments and do not hesitate to contact us if you have any questions.

c.c: D.A. Kmetz
M. Bluman
M. Alvarez-Santiago

BNYSEN08811

12/11/97 THU 13:29 FAX 418 987 7838

INTL BNG SERV

J.P. A. V. V. V.
BWT

ANTIGUA OVERSEAS BANK LTD.

(212) 635. 8795

8th December, 1997

Mr. John E. Greaves
 President
 American International Bank Ltd.
 Woods Centre
 Friars Hill Road
 St. John's
 Antigua

Dear Mr. Greaves:

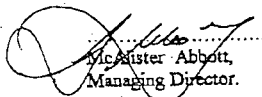
Further to our recent discussions with both yourself and Mr. Cooper we regret that we are unable to continue correspondent banking relationship with your institution.

Effective immediately, we will no longer be able to accept deposits to your account or make any further payments on your behalf. In addition, we will have to freeze US\$500,000.00 (Five hundred thousand US Dollars) of the available balance on your account in order to provide for the eventuality of items being returned. This amount will be frozen for a period of three (3) years from today's date in accordance with U.S. laws governing items returned for fraudulent endorsements.

In order to provide you and your staff with sufficient time for an orderly transition, the accounts maintained in our books will be closed with effect from December 19th, 1997.

Our action is necessary in order to protect the interests of our staff, clients and shareholders.

Yours sincerely,


 Mr. Auster Abbott,
 Managing Director.

HIGH STREET • P. O. BOX 1679 • ST. JOHN'S, ANTIGUA • TELEPHONE (268) 480-2700
 FAX: (268) 480-2750 • TELEX: 2039 ABIBANK AK • E-MAIL: aob@andwag

BNYSEN08809

947

To: WJenks @ vaxgate
cc: Dorothy A. Kmetz, Mark Bluman, Leonard Morreale
From: Jean-Pierre St. Victor
Date: 04/14/98 10:30:36 AM
Subject: Antigua Overseas Bank & Antigua Barbuda Investment Bank

William,

The accounts of Antigua Barbuda Investment Bank and its offshore subsidiary Antigua Overseas Bank were closed on March 31 and April 2, 1998. All incoming payments intended for these two accounts are being returned to the remitters by BNY's Funds Transfer Division.

We have records of most of the payments which went through Antigua Overseas account from October 1997 to March 1998. Antigua Overseas started to clear payments for American International Bank and Overseas Development Bank in October 1997.

All closing balances were sent to Bank of America, New York by order of the client.

regards,

jps

BNYSEN08808

May 10, 1994

Mr. William Cooper, President
American International Bank Ltd.
10 Redcliffe Quay
Box 1673
St. John's, Antigua

FAX: (809) 462-6675

Dear Mr. Cooper:

In reference to your recent conversation with Ms. Joanne Eichorn, we are requesting the following information in order follow up with your credit request.

1. Income Statement that reflects the results from 5/1/93 to 5/1/94.
2. Balance Sheet for 4/30/94.
3. Management's experience in private banking or related fields in view of the fact that your institution has been operating for only one year.
4. The latest fiscal yearend financial statements for AMT Management LTD because this is AIB's parent company.

We have deduced that AMT Management LTD is the same BVI holding company which owes AIB US\$ 1 million and that the assigned bankshares are those of AIB. If this is incorrect, please clarify who is the borrower and which are the bankshares in question.

5. A list of the specific services offered by AIB.

Please do not hesitate to call me and discuss any of the above points (Ph# 305-530-9669). Thank you in advance for your reply.

Sincerely,

Daniel Aleman
Credit Analyst

UB-0031

May 10, 1994

Mr. William Cooper, President
American International Bank Ltd.
10 Redcliffe Quay
Box 1673
St. John's, Antigua

FAX: (809) 462-6675

Dear Mr. Cooper:

Thank you for your reply to the information we requested; it was very helpful in gaining a better understanding of your bank. However, we would like to request the following additional information to properly complete an analysis.

- 1) A breakdown of amounts loaned by AIB as of December 31, 1993 according to industry, collateral, and maturity.
- 2) The number of depositors and a breakdown of deposits according to maturities as of December 31, 1993.
- 3) Earnings projections for 1994.
- 4) A profile of the industry of offshore private banking and financial services and its competitive environment. What is the relative position of AIB in the industry and among its competitors? What kind of growth or market conditions are projected for the short and medium term?
- 5) Marketing efforts being made by AIB.
- 6) Profile of the regulatory environment in Antigua for international banks formed under Section 230 of the International Business Corporations Act, 1982.

Please do not hesitate to call me and discuss any of the above points (Ph# 305-530-9669). Thank you in advance for your attention to this matter.

Sincerely,

Daniel Aleman
Credit Analyst

Exhibit 56b.

Ford/Forum documents



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November 14, 1999, Sunday, Final Edition

SECTION: FINANCIAL; Pg. H01

LENGTH: 1769 words

HEADLINE: A Case Study in the Elusiveness of Offshore Banks

BYLINE: Sharon Walsh, Washington Post Staff Writer

BODY:

Melvin J. Ford doesn't live in Switzerland or Antigua or South America.

The 50-year-old insurance salesman-turned-investment guru conducts his business from various offices near his Bowie home. He uses the U.S. mail and invests the money of U.S. citizens. He advertises some of his ventures in national publications and on television infomercials.

But money he collected from investors in recent years--tens of millions of dollars--has gone to offshore destinations such as Antigua and Barbuda, Switzerland, and Panama, where it simply seems to vanish.

The Ford case is an example of the predicament federal authorities face when they attempt to trace money that is sent to offshore banking havens. Even when officials believe financial crimes involving U.S. citizens may have occurred, laws of offshore asylums such as Antigua protect the privacy of their banking clients, making it virtually impossible for U.S. officials to get access to evidence.

In 1991, U.S. District Judge Thomas F. Hogan said Ford was responsible for a "massive securities fraud," drawing investors into what was essentially a pyramid scheme when he collected between \$ 80 million and \$ 100 million from investors by promising huge returns on investments.

The Securities and Exchange Commission, which can bring only civil charges, shut down his operations, and Ford in 1992 signed a consent order agreeing not to violate securities law again. After filing for bankruptcy, he paid \$ 5,000 of an \$ 860,000 fine levied by the SEC.

A trustee recovered only about 3 percent to 4 percent of investors' money. No criminal charges were ever filed. And Ford has continued to take in money from investors by moving his operations offshore, according to investors and federal authorities.

"I was pretty amazed that \$ 100 million disappears and the guy isn't prosecuted," said David Marchant, publisher of the Miami-based Offshore Alert. "It's breathtaking. Why isn't anybody doing anything about this huge criminal enterprise? . . . All these offshore scams are run from the U.S."

Currently, Ford and his associates are being investigated by the SEC, the Internal Revenue Service, the U.S. Attorney's Office in Maryland, the U.S. Customs Service and U.S. postal inspectors.

IRS agents have executed search warrants on the homes of Ford and his principal associates--Goldie

Ford, who is not related to Melvin Ford but who handles financial transactions for his various enterprises, and her husband, Chester Moody. Each of them, as well as their attorneys, declined to be interviewed.

As many as 30,000 investors have given money to Ford's operations since 1993, according to federal authorities. Ford's current organization, The Forum, is based in Antigua and claims to offer returns of 100 percent in only a matter of months, according to investors.

Thera Hush, 69, of Sun Lakes, Ariz., invested \$ 35,000 with Ford three years ago and hasn't seen "a penny" back. "Why isn't he in jail?" she asked.

The answer, according to offshore experts, lies buried in the high-tech world of wire transfers from banking shelters such as Antigua, where the laws protected the identities of those who wash money through its banks. The banks that Ford used had no vaults and no tellers and could not transact business in the local currency. One was housed in offices above a strip mall outside the city of St. John's.

Ford's clients sent money orders to a freight-forwarding company in Miami, which sent them on to Antigua, federal investigators said. In the world of offshore banks, funds are electronically transferred to and from "correspondent banks" in money centers such as New York. So, the money itself is accounted for on the West Indies island only briefly. After it reaches correspondent accounts in the United States, it goes on to banks where it can be used by Ford.

In addition to insulating himself by depositing his investors' money in accounts in offshore jurisdictions that are difficult to trace, Ford also has protected himself by preaching the gospel of fear to his clients, according to investigators and former clients.

Many of the investors he has lured to offshore seminars affiliated with The Forum have been part of militant anti-government groups and already have a natural distrust of government agencies. Ford has added to that concern by telling them the IRS would only want to take away their investment returns, so even those who have lost tens of thousands of dollars have not reported those losses to authorities.

Ford encouraged his investors to set up "international business companies" (IBCs), which often have nominee directors or stand-ins for the real owners, blurring their true ownership. While there is nothing inherently illegal about an IBC or an offshore trust, they are frequently used to hide assets from legitimate creditors, to avoid paying taxes or to launder money made from criminal activities, according to the IRS.

Ford then advises the investors to use money deposited with their IBCs to invest in various enterprises that he runs.

The Antigua government charges a fee of \$ 300 for every IBC that is formed there, and the IBC must be renewed each year. Ford's clients opened at least 12,000 IBCs in recent years, according to a well-placed banker on the island, paying Antigua about \$ 3.6 million a year.

In 1996, Antigua's prime minister, Lester Bird, said in an interview that he had begun an investigation of Ford and his activities on the island. But an Antigua banker, who declined to be identified, said the probe was never carried out. Bird declined to comment.

Antigua is just one of 17 Caribbean offshore tax havens where laws protect the identities of private banking clients. This spring, the Treasury Department issued an advisory to banks to "give enhanced scrutiny to all financial transactions routed into or out of Antigua and Barbuda," particularly into the 50 offshore banks there.

The loose banking regulations in Antigua "threaten to create a haven whose existence will undermine international efforts . . . to counter money laundering and other criminal activity," the advisory said.

"We think it is a most unfortunate decision," Bernard Percival, chairman of the International Financial

Sector Authority in Antigua, said of the advisory. "Antigua has always cooperated with the U.S. . . . We want money laundering eradicated."

Antiguan officials said they do not have the resources to police all the offshore banks there and have asked for the help of U.S. authorities in some cases. Two of the banks Ford dealt with have been closed by authorities for insolvency and put into receivership.

U.S. banks must keep records of all inbound and outbound wire transfers, although once the money is deposited in an offshore bank, the account names may be changed, making it impossible to trace it further. In addition, many offshore banks issue credit cards that can be used as debit cards. So if you wanted to buy a \$ 50,000 car in the United States, you could simply use your Antigua bank's Visa card rather than writing a check or wiring the money back to the United States. This is how Melvin Ford paid his living expenses, according to investigators.

According to investigators, Ford travels first class to Antigua and other destinations and has used investors' money to bankroll a diamond club, an import-export business, a Gambian seafood company, a limousine service, and real estate and diamond-mining ventures.

Some of Ford's investors were rewarded financially to bring in other investors. Others were not.

This summer, some of the investors contacted International Debt Recovery, an investigative firm based in Ireland, and asked for help in recouping their investments.

IDR, whose World Wide Web site is www.idrnet.co.uk, now represents about 17,000 U.S. clients who say they have lost their initial investments. IDR says it has not calculated the total value of the claims, but it could easily exceed \$ 47 million. And that figure represents less than half of Ford's investors.

"We have a better chance of tracing the money than the authorities," said Andy Haughton, managing director of IDR, who said the firm will earn between 10 percent and 20 percent of any money recovered. "We don't have any barbed-wire jurisdictional fences like they do."

Meanwhile, one of the primary banks used by Ford's organization in Antigua, **American International Bank**, has closed. **William W. Cooper**, who ran the bank, has been indicted in Florida on charges of money laundering. Cooper, who has not been extradited, denies the charges.

No one knows how much of Ford's investors' money is left. As much as \$ 25 million was used to finance Ford's business schemes, according to the IDR spokesman. According to investigators, when money ran out, Ford would simply bring in more investors. This money, the investigators say, paid for such ventures as:

* **Pelican Seafood.** Ford paid \$ 2.4 million for a Gambian fishing operation that now comprises four fishing boats (two of which have sunk) and no fish. Chester Moody oversees the operation while living in a seven-bedroom walled villa with servants in Gambia.

* **A diamond-mining venture.** The Forum heavily promoted a mining venture in Guinea from which it said investors would reap tremendous rewards. De Beers, the diamond conglomerate, reports that the likelihood of a new source of diamonds there--or anywhere else--is small and would require enormous investment.

* **Boxes of gold.** Ford paid \$ 1 million for several locked boxes from Sierra Leone that were supposed to contain gold worth \$ 10 million. The boxes actually contained rocks and dirt.

* Diamond Club International. National television and magazine ads promoted mail-order diamonds. Earlier this year the Diamond Club closed, and creditors have sued it for \$ 500,000 in unpaid bills.

* Limousine and clothing businesses. Goldie Ford, who drives a new champagne-colored Jaguar, has started a number of businesses in Maryland, including A Touch of Class Limousine Service; High Image Fashion, a boutique that sells mink coats and upscale clothing; and Waldorf Golf Plus, a golf store.

None of those ventures has benefited David M. Foster, 50, a Vancouver, B.C., railroad engineer who jumped into investing with Ford because he had heard others struck it rich.

His primer on offshore investing was an expensive one--it cost him his \$ 60,000 savings.

"This offshore stuff, it's really shark-infested waters," Foster said. "There are a lot of scam artists out there."

LANGUAGE: ENGLISH

LOAD-DATE: November 14, 1999

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May 29, 1996, Wednesday, Final Edition

SECTION: A SECTION; Pg. A02

LENGTH: 882 words

HEADLINE: U.S. Authorities Question Antigua's Probe of Md. Man

BYLINE: David Segal; Sharon Walsh, Washington Post Staff Writers

BODY:

The prime minister of Antigua has launched what he calls the government's first real investigation of a financial entity and its leader. The subject of the inquiry is Melvin Ford, a Bowie man who runs a get-rich-quick seminar called the Forum that Antiguan authorities said may be a pyramid scheme.

But U.S. banking and legal authorities say Antigua's investigation of Ford is unlikely to be a serious probe. And the prime minister of this offshore banking haven, which is run by a tiny group of government and banking officials, acknowledged that his investigation has already run into complications.

Four years ago, Ford headed International Loan Network, a company that a federal judge called nothing more than a "glorified chain letter." Only \$1 million of \$110 million that Ford raised from about 45,000 investors -- most of them lower-income minorities -- was ever recovered after the Securities and Exchange Commission shut the operation down. Now Ford is holding secretive, monthly meetings in a beach-side hotel in St. John's, the capital city, that have drawn thousands of U.S. investors.

Ford did not respond to requests for comment left at his home.

After a meeting with Ford several weeks ago, Prime Minister Lester Bird worried that the Forum was "not kosher" and he decided to begin an inquiry. Soon, Bird said, he learned something that stunned him: Ford and Antigua are represented by the same lawyer in Washington.

"I called an attorney in the United States whom we have retained for years, Mr. Bob Washington, and told him that I wanted to look into Mr. Melvin Ford," said Bird. "Mr. Washington told me that he had a little bit of a conflict in this matter and he asked to withdraw."

Washington was out of town and did not return telephone calls requesting comment. The task of collecting information about Ford in the United States has now fallen to an accountant whom Bird declined to name.

In his own country, Bird asked the head of the island's quasi-governmental Financial Services Committee to look into Ford's operation. But another possible conflict was quickly evident: One of the members of the committee is William W. Cooper, the head of the bank where most Forum depositors leave their money and a frequent lecturer at Forum meetings.

Pricewaterhouse accountant Don Ward, who is head of the committee, said that though he has known Cooper for years and sits with him on the same board, he has no compunctions about investigating a matter that involves Cooper's bank.

Two days after the prime minister asked him to lead the investigation, Ward boarded a plane for a previously scheduled two-week trip to London. Ward said he didn't know whether the investigation would wait for him to return to the island or whether the prime minister would deputize another island accountant.

If his investigation does resume, it isn't clear how broad Ward's authority will be. He said he had been asked to do a "fact finding, not a full audit," and that he had not been given any special powers or access to records.

"Basically, I'm supposed to call around and find out who knows what and try to get information voluntarily," Ward said.

U.S. banking authorities voiced some skepticism about the ability of the island to investigate fraud. "It will be a cursory investigation at best," said one official familiar with the government there. "Especially if you have a local person working with a U.S. citizen such as Melvin Ford, you're not going to get a meaningful investigation."

Prime Minister Bird bristled at the idea that his investigation is not a serious one.

"We just got involved," he said. "We've appointed people of integrity," he said.

Bird made clear that his investigation of Ford was designed to quell any questions raised about Antigua's banking system. He added that his government had not contacted U.S. regulators to ask for help in their investigation, but that he expected they would eventually contact the Securities and Exchange Commission. No U.S. government agency has contacted his government about the Forum operation, he said.

Since November, thousands of Americans have flown to the resort island at the invitation of the Forum. (It is not connected with a Northern Virginia group, Landmark Education International, which also uses the name Forum.) Participants stay at the Royal Antiguan hotel and hear all-day lectures about the fortunes they can earn by opening an offshore banking account and pooling their money with other attendees' money.

There are few specifics about what happens to the money once it is invested, only promises that investors will see their balance grow fast. Nearly all of the investors park their money in the **American International Bank** -- headed by Cooper -- which is one of 12 banks located in a single office above a St. John's strip mall.

Bird said that if his suspicions about the Forum are correct, the strongest sanction he could consider is to prevent it from issuing new accounts known as IBCs, or international banking corporations. The monthly meetings, he said, would not be affected.

"We haven't addressed the issue of stopping the meetings," said Bird. "We are a tourist island. We don't want to send a signal that we would stop people willy-nilly."

CORRECTION-DATE: May 30, 1996

CORRECTION:

An article yesterday about a probe by Antigua into an investment seminar run by Melvin Ford incorrectly said Ford and Antigua are represented by the same lawyer in Washington. Robert Washington and the law firm where he is a partner, Washington & Christian, which represents Antigua, have never represented Ford. Washington said he told Lester Bird, the prime minister of Antigua, that a prior law firm of which he was a partner had represented Ford on an unrelated matter. Washington & Christian said it has no conflict in its representation of Antigua.

LANGUAGE: ENGLISH

LOAD-DATE: May 29, 1996 May 29, 1996

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May 19, 1996, Sunday, Final Edition

SECTION: A SECTION; Pg. A18

LENGTH: 562 words

HEADLINE: Where It Comes From, Few Seem to Know; Some of Forum's Investors Are Interested in a Fortune -- but Not the Particulars of the Deal

BYLINE: David Segal; Sharon Walsh, Washington Post Staff Writers

DATELINE: ST. JOHN'S, ANTIGUA

BODY:

Investors who join the offshore banking group here called the Forum are led to believe that their money

will grow spectacularly. But when asked what they're investing in, Forum members said they didn't know.

"I really can't explain where the money goes," said one member of the Forum who lives in Arizona and has participated in the offshore banking concept for about a year. "In the fall, it was more into gold and rice. Now it's more in diamonds and I think they're looking into coffee." She added that she had been pleased with the return on her investments, but declined to say how much she has made.

Asked who heads the group, Jay Charles Reives of Winston-Salem, N.C., a four-year member, replied that "no particular person heads it. . . . It's just friends interested in international trade."

One thing partners in the Forum's ventures know is that they can earn money for bringing in new members. People who have been to Forum meetings explain how it works: Forum members have accounts that are credited with 10 percent of the amount invested by people they bring into the group and 3.75 percent of what's invested when those people attract other members.

To become a partner, members need only fill out some forms and send \$ 1,500 to a courier drop in Miami that is maintained by Antigua Management & Trust, which sets up an offshore account, sources said. The weekend trips to Antigua each month are optional.

Nearly all Forum investors open their accounts at the American International Bank, one of 12 banks housed in a single office above a supermarket in a St. John's strip mall. The bank has no tellers, no cash windows and no ATMs.

American International is registered as an offshore shell bank, U.S. banking authorities said. Often, such banks are nothing more than a post office drop.

The president of the bank, William W. Cooper, is a frequent lecturer at Forum meetings, though he says he knows nothing about the group or what investment it's pushing.

"I have no idea what their business is at all," said Cooper, a 56-year-old former Philip Morris executive. "I just spend about two hours there explaining how to form a company, get your signature cards right and transfer money."

Why would people invest in the Forum, given that many longtime members know next to nothing about how it operates or who runs it?

In part, it's a thirst for the fast buck and a good life that investors believe has been easy for others and should be easy for them as well, according to securities experts. It's as if investors like Warren Buffett, Donald Trump and others have a secret formula and if they only shared it, everyone could be rich.

In addition, say financial experts, a wide array of confusing new financial investments makes it tough for people to figure out: what's a legitimate investment and what's not. Investing is no longer as simple as buying a savings bond or investing in stocks, and in recent months even sophisticated investors have been taken in on far-fetched schemes, from nonexistent prime bank instruments to bogus cable licenses sold on the Internet.

"I see an increasing tendency for great numbers of people to fall for these things," said Elynn Brown, a former Maryland securities commissioner. "They're not just victims, not just vulnerable. They're out there looking for it, running to embrace it."

LANGUAGE: ENGLISH

LOAD-DATE: May 20, 1996May 20, 1996

UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	Civil Action No. 91-1102
Plaintiff,	:	(TFH)
	:	
	:	
INTERNATIONAL LOAN NETWORK, INC.,	:	
MELVIN J. FORD AND ODELL MUNDEY,	:	
	:	
Defendants.	:	

FILED
 NOV 20 1992
 CLERK, U.S. DISTRICT COURT
 DISTRICT OF COLUMBIA

FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF AS TO MELVIN J. FORD

Plaintiff Securities and Exchange Commission ("Commission") having filed an Amended Complaint For Permanent Injunction And Other Equitable Relief ("Complaint"); the Court having entered the Memorandum Opinion of July 18, 1991 and the Preliminary Injunction and Order of July 26, 1991; the D.C. Circuit having affirmed the Preliminary Injunction in its decision dated July 10, 1992; and Defendant Melvin J. Ford ("Ford"), in his attached Consent and Undertakings, having entered a general appearance, admitted the jurisdiction of the Court over him and the subject matter of this action, withdrawn his Answer to the Complaint, waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and, solely for the purpose of this action, without admitting or denying the allegations of the Complaint, consented to the entry of this Final Judgment of Permanent Injunction And Other Equitable Relief As To Melvin J. Ford ("Final Judgment")

permanently enjoining him from, inter alia, engaging in transactions, acts, practices and courses of business which constitute violations of Sections 5 and 17(a) of the Securities Act of 1933 [15 U.S.C. §§ 77e and 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, and requiring him to pay or transfer, or cause to be paid or transferred, all of his assets with the exception of those specifically exempted herein within fourteen days of the entry of this Order to the Trustee in Bankruptcy for International Loan Network ("ILN"), Francis P. Dicello ("Trustee"), and providing for the entry of a judgment against him in the amount of \$863,646.62, and it appearing that this Court has jurisdiction over the parties and the subject matter hereof, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

I.

Ford and his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are permanently enjoined from violating Section 5 of the Securities Act of 1933 [15 U.S.C. §§ 77e] by, directly or indirectly, in the absence of any applicable exemption:

- a. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or

- otherwise, unless and until a registration statement is in effect as to such securities;
- b. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities; or
 - c. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act of 1933 [15 U.S.C. § 77h];
 - d. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to carry or transmit any prospectus relating to any security with respect to which a registration has been filed under the Securities Act [15 U.S.C. § 77 et seq.], unless such prospectus meets

the requirements of Section 10 of the Securities Act [15 U.S.C. § 77j]; or

- e. carrying or causing to be carried through the mails or in interstate commerce any such security for the purpose of sale or for delivery after sale, unless accompanied by a prospectus that meets the requirements of subsection (a) of section 10 of the Securities Act [15 U.S.C. § 77j (a)].

II.

Ford and his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are permanently enjoined from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)], directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, to

- a. employ any device, scheme, or artifice to defraud;
- b. obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- c. engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser,

in the offer or sale of any securities.

III.

Ford and his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are permanently enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, to

- a. employ any device, scheme, or artifice to defraud;
- b. make any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- c. engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

IV.

Ford and his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are permanently enjoined from offering or selling those programs that the Court, in its Order of Preliminary Injunction dated July 26, 1991, determined to be investment contracts, viz., the Capital Fund Bonus System, the Property Acquisition Certificate (PAC) program, the PAC-List program, the Property Rights Assignment (PRA) program, the Property Rights Acquisition (PRA) program, and the Maximum Consideration program (collectively the "ILN Investment Contract Programs").

V.

Within fourteen days of the entry of this Final Judgment, Ford shall disgorge, deliver, and cause to be delivered to the Trustee all of the assets in which he or his wife holds a direct or indirect beneficial interest including, but not limited, to the funds held in Citibank account no. 20160177, Chevy Chase Savings & Loan account no. 774503599, Chevy Chase SEP account no. 077800160-1, and Chevy Chase IRA account no. 77800169-5; excepting only the following assets: the furniture, clothing, jewelry, and other personal effects of Ford and his wife and minor children; an Oldsmobile van titled in Gwendolyn Ford's name; and bank accounts held solely in Gwendolyn Ford's name at Nation's Bank (account no. 8189725), Industrial Bank of Washington (Georgia Avenue) (account no. 0298999), and

Washington, D.C. Teachers Credit Union (account no. 19571), which in total do not exceed a value of \$3,500. Ford shall sell the improved real property located at 15105 Peregrine Court, Bowie, Maryland, which is the sole residence of Ford and his wife and minor children, on or before February 17, 1993, and immediately transfer to the Trustee any and all proceeds from these sales, after satisfaction of any remaining security interests in these properties which were in existence as of November 13, 1992, and reasonable and necessary costs of sales. Ford and his wife shall remain current on the mortgage, taxes, utilities, and all other expenses relating to the Bowie residence. The assets thus disgorged by Ford hereunder and the monies derived therefrom, as agreed between the Commission and the trustee in bankruptcy for ILN and set forth in the Final Judgment entered against ILN in this case, shall be made available for purposes of distribution only, under the Trustee's Disclosure Statement and Plan of Reorganization providing for the payment of claims against ILN (the "Plan"), to be proposed by the Trustee and confirmed by the Bankruptcy Court, and shall be earmarked solely for the satisfaction of the claims of persons who paid more in ILN Investment Contract Programs than these investors received from ILN. It is not intended that such assets become assets of the estates of ILN or ILNDC.

Ford shall inform the Commission in writing on the first day of each month of his efforts to sell the Bowie house in an arms' length, bona fide transaction. The Commission may, in its sole

discretion, extend the time for Ford to sell his Bowie residence. Any such extension shall be in writing.

VI.

Judgment is hereby entered against Ford in the amount of \$863,646.62, plus interest at the rates established by the Internal Revenue Service for underpayment of taxes from May 15, 1991, representing disgorgement of all sums received by Ford, directly or indirectly, from ILN. Upon satisfaction of \$863,646.62 of such claims, plus all accrued interest, no further disgorgement shall be required, provided, however, that if Ford is shown to have received more than \$863,646.62 from ILN, directly or indirectly, then the amount of this judgment shall be increased accordingly.

VII.

Ford and his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, are permanently enjoined for a period of three years from the date of this Final Judgment from destroying, mutilating, concealing, altering, or disposing of any items, including, but not limited to, any books, records, documents, contracts, agreements, assignments, obligations, tape recordings, computer media or other property of the defendants, relating to the activities described in the Amended Complaint in this action or to ILN or its affiliates or subsidiaries.

VIII.

Subject to the assertion of any applicable privileges, Ford shall cooperate and shall cause Gwendolyn Ford to cooperate in all respects with the efforts of the Trustee and the Commission pursuant to this Final Judgment; shall give the Trustee and the Commission all reasonable assistance, including powers of attorney and assignments, and such testimony, information, and documents as the Trustee requires to carry out his duties detailed above, or as the Commission requires in connection with any continuing investigation of the matters alleged in the Complaint or otherwise relating to International Loan Network.

IX.

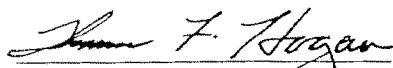
In accordance with his agreement in his Consent and Undertakings, Ford shall continue to be considered a party to this action for purposes of the Right to Financial Privacy Act of 1978 [12 U.S.C. 3401 et seq.] and, as if still a party to this action, shall respond to requests for discovery by the Commission in accordance with the Federal Rules of Civil Procedure and the applicable local rules.

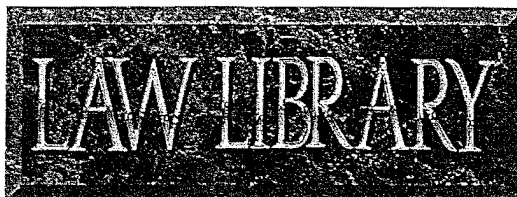
X.

IT IS ORDERED, ADJUDGED AND DECREED, that Ford shall comply with the annexed Consent and Undertakings of Melvin J. Ford, which are incorporated herein with the same force as if fully set forth in this Final Judgment.

... There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

SO ORDERED, this 19th day of November, 1992, at 9 A.m.


THOMAS F. HOGAN
UNITED STATES DISTRICT JUDGE



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968 F.2d 1304

Fed. Sec. L. Rep. P 96,886

SECURITIES AND EXCHANGE COMMISSION, Appellee,

v.

INTERNATIONAL LOAN NETWORK, INC., et al., Appellants.

No. 91-5306.

United States Court of Appeals,

District of Columbia Circuit.

Argued May 18, 1992.

Decided July 10, 1992.

Before RUTH BADER GINSBURG, HENDERSON and RANDOLPH, Circuit Judges.

Opinion for the court filed by Circuit Judge KAREN LeCRAFT HENDERSON.

KAREN LeCRAFT HENDERSON, Circuit Judge:

[T]he movement of money creates wealth. What we believe is that if you organize people and get money moving, it can actually create wealth.

--Melvin J. Ford [FN1]

FN1. Los Angeles, California President's Night, April 18, 1991. Joint Appendix (JA) 150.

Money is always there but the pockets change.

--Gertrude Stein [FN2]

FN2. As attributed in Michael C. Thorsett, *A Treasury of Business Quotations* 102 (1990).

Appellants Melvin J. Ford and Odell Munday appeal from the district court's opinion holding that the operation of certain investment programs by the International Loan

Network, Inc. (ILN) constitutes the fraudulent offer or sale of unregistered securities in violation of federal securities law and from the preliminary injunction, based thereon, prohibiting the appellants from continuing to operate those programs and freezing ILN's assets. For the reasons set out below, we affirm the trial court's opinion and preliminary injunction.

Ford is the founder and president of ILN, which he describes as "a financial distribution network whose members believe that through the control of money and through the control of real estate you can accumulate wealth and become financially independent." JA 131. To promote ILN's various financial enrichment programs, Ford travels throughout the country addressing ILN members and prospective members, with evangelical fervor, at revival-style "President's Night" gatherings. *1306 **24 Munday is vice president of ILN. ILN's programs, which are described at length in the district court's opinion, see SEC v. International Loan Network, Inc., 770 F.Supp. 678, 682-87 (D.D.C.1991), may be summarized as follows:

(1) Memberships: First, ILN sells "basic" and "club" memberships. A basic membership costs \$125 and entitles the member to various benefits including discount shopping, travel and car rental. A basic member can purchase a club membership for an additional \$100, \$500, or \$1,000 payment and receive in return investment advice through newsletters, seminars, and so on. In addition, Club members at the \$500 and \$1,000 level are entitled to participate in ILN's "Property Rights Acquisition" program, which is described infra.

(2) Capital Fund Bonus System: The Capital Fund Bonus System (CFBS) is a pyramid sales program that Ford has characterized as "the most powerful financial system since banking." JA 150. To participate in this program, a person signs on as an "Individual Representative" (IR) to sell ILN memberships for a fifty per cent commission. In addition, he receives fifteen per cent commissions on sales made by members he recruits and by their recruits and ten per cent commissions on sales by the next two levels of recruits "downline."

(3) Property Rights Acquisition Program: The Property Rights Acquisition (PRA) program is the fourth in a series of related ventures. In its first three incarnations, as more fully described by the district court, 770 F.Supp. at 683-85, the program promised large cash payments or valuable real property rights within 180 days to qualified members who made an immediate cash payment of \$1,000 to \$10,000. The present program, begun in March, 1991, is substantially more modest, at least on paper. According to the program's brochure, the purchaser of a PRA now obtains only instructional videotapes, the right to enroll in real estate courses and access to a computer listing service. [FN3]

FN3. Without making any finding on the matter, the district court suggested the possibility that the PRA program might still be orally promoted as an investment contract similar to its predecessors. 770 F.Supp. at 693.

(4) Maximum Consideration Program: The Maximum Consideration program is described in ILN's written materials as a "special award opportunity for representatives of ILN who have evidenced that they are in the process of acquiring real property for purposes other than a personal residence." JA 108. To be eligible for the award, a person must (1) sell \$3,000 worth of PRA memberships, (2) make an earnest money deposit on an agreement to purchase real estate for other than residential use, which can be satisfied by a PRA purchase, and (3) sign an "acknowledgment" form that states, inter alia: "I agree that Maximum Consideration is a special award paid at the sole discretion of ILN and only the top ten qualifiers are guaranteed an award," JA 111. Each of the top ten qualifiers is guaranteed an award of at least \$5,000, while the discretionary awards to others may reach five times their original PRA purchase price or real estate contract deposit, "based upon PRA sales volume, the amount of money invested, and the length of time they have been in the program." 770 F.Supp. at 686. According to Ford, an individual purchasing \$16,000 worth of PRAs could receive an award of up to \$80,000 because "all of a sudden the velocity of money increases

to such a point, the ability to create wealth expands to such a degree, that we could come back and give somebody an award for up to \$80,000." JA 165.

(5) Subsidiaries: ILN also operates several subsidiaries including a real estate acquisition company, an educational scholarship service, a financial advisory service, a real estate brokerage service and a printing and graphics company. Each of these is funded, at least in part, by ILN and some of them provide services for ILN members as well as the general public.

*1307 **25 On May 15, 1991, the SEC commenced this action against ILN, Ford and Munday, alleging that (1) they were selling unregistered securities in violation of section 5 of the Securities Act of 1933 (1933 Act), 15 U.S.C. § 77e, and (2) they were doing so fraudulently in violation of section 17(a) of the 1933 Act and section 10(b) of the Securities Exchange Act of 1934 (1934 Act), 15 U.S.C. §§ 77q(a), 78j(b), and Securities and Exchange Commission Rule 10b-5, 17 C.F.R. § 240.10b-5. On May 15, 1991, the district court issued a temporary restraining order which, inter alia, prohibited ILN, Ford, Munday or any other ILN agents from offering or selling securities without registration or by fraudulent means and froze ILN's, Ford's and Munday's assets. [FN4] On July 18, 1991, following a three-day evidentiary hearing, the district court issued an opinion holding that (1) the CFBS, the predecessors to the current PRA program and the Maximum Consideration program all involved the offer or sale of unregistered securities in violation of section 5 of the 1933 Act, 770 F.Supp. at 691-93, [FN5] and (2) the marketing of these securities was accompanied by material misrepresentations in violation of sections 17(a) of the 1933 Act, section 10(b) of the 1934 Act and Rule 10b-5. Id. at 693-96. Based on these holdings, the court concluded a preliminary injunction was required to continue the prohibition on the marketing of these programs and the freeze of ILN's assets. Id. at 696-97. Accordingly, on July 26, 1991, the court issued a preliminary injunction extending that relief.

FN4. That order was amended on May 28, 1991, to free Ford's and Munday's personal assets.

FN5. The court concluded that the basic and club membership sales by themselves involve no securities, 770 F.Supp. at 691, but noted that "club memberships do not currently have an existence apart from the Capital Fund Bonus System," id. at 692 n. 14. The court further found it unnecessary "at this preliminary stage" to decide whether the current PRA program involves securities because that program is "inextricably intertwined" with the Maximum Consideration program, which does. Id. at 693.

Ford and Munday appeal the district court's opinion and injunction on the grounds that (1) ILN's programs do not involve the offer or sale of securities and (2) they made no misrepresentations in promoting those programs. [FN6] We find neither argument persuasive.

FN6. Former appellant ILN has withdrawn its appeal. Stipulation of Dismissal of ILN as Appellant (filed February 26, 1992).

I.

First, the appellants assert the district court erroneously concluded that the CFBS and the Maximum Consideration program involve the offer or sale of securities, namely investment contracts, so as to come within the purview of the 1933 and 1934 acts. [FN7] We disagree.

FN7. They do not challenge the district court's holding that the three predecessors to the current PRA program involved securities.

[1] The Supreme Court set out the now-familiar test for identifying investment contracts in

SEC v. W.J. Howey Co., 328 U.S. 293, 301, 66 S.Ct. 1100, 1104, 90 L.Ed. 1244 (1946): "The test is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others." The district court properly applied this tripartite test and we affirm both its conclusions and its analysis. See 770 F.Supp. at 688-93.

[2] Regarding the CFBS, we perceive no error in the district court's holding that all three prongs of the Howey Test are satisfied. The appellants argue strenuously that the program involves no investment of money because an individual need make no payment to ILN to become an IR. The district court, however, found otherwise. Based on a President's Night transcript and the testimony of witnesses "who ha[d] repeatedly heard [Ford] speak," the court concluded that "the intent is for a person to become a member first and then recruit new members." 770 F.Supp. at 691; see also *id.* at 682 ("[I]t is equally clear that the Capital Fund is marketed so that a person will first join the organization himself and then recruit others to join"). In particular, the court noted Ford's oft repeated "1308 **26 refrain: "you come in, then you bring in your wife and your kids." *Id.* at 691. We find this evidence more than sufficient to support the court's finding.

As for the common enterprise element, the fortunes of investors are clearly linked to each other and to the success of ILN as an enterprise. The CFBS generates income for its investors, and for the appellants, only through constant expansion of membership, which depends on individual recruiting and the appeal of Ford's larger marketing campaign. Thus, the court properly found the CFBS satisfies the second prong of the Howey test as well. [FN8]

FN8. In fact the evidence suggests that the CFBS and Maximum Consideration program may form a single, interlocking investment enterprise. See JA 163- 65.

Finally, profits for CFBS investors are expected to accrue, if not solely, at least predominantly from the efforts of others, namely of the downline members from whose fees an IR expects to derive most of his wealth and of the appellants who created, promote and operate ILN's programs. [FN9] Thus, the CFBS satisfies the third prong of the Howey test as well. See SEC v. Glenn W. Turner Enters., Inc., 474 F.2d 476, 482 (9th Cir.) (interpreting third prong of Howey test broadly to require only that "the efforts made by those other than the investor are the undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise"), cert. denied, 414 U.S. 821, 94 S.Ct. 117, 38 L.Ed.2d 53 (1973); SEC v. Koscot Interplaretery, Inc., 497 F.2d 473 (5th Cir.1974) (adopting Glenn W. Turner interpretation of Howey); Baurer v. Planning Group, Inc., 669 F.2d 770 (D.C.Cir.1981) (applying Glenn W. Turner test).

FN9. The evidence suggests that at least in some cases Ford's President's Night promotions are instrumental in consummating an IR's recruitment of new members. The district court noted: "[T]o be credited with recruiting a new member may involve as little as inviting someone to an ILN meeting or President's Night. If the ILN marketing representatives or Melvin Ford himself are successful in persuading the potential recruit to join, the person who extended the invitation, otherwise known as the 'sponsor,' will be credited as having made the recruitment and will earn income from it." 770 F.2d at 692; see also JA 156-57.

[3] The Maximum Consideration program presents an even clearer picture of a classic investment contract. A participant in that program typically invests money in a PRA [FN10] and is led to expect a large annual "award" with only the modest additional effort of selling \$3,000 worth of PRAs. The appellants urge strenuously that this program does not involve an investment contract because no return is ever "guaranteed." We find this argument without merit. Very few investments "guarantee" a return--all that Howey requires is a "reasonable expectation of profits." *United Hous. Found., Inc. v. Forman*, 421 U.S. 837, 852, 95 S.Ct. 2051, 2060, 44 L.Ed.2d 621 (1975). The evidence clearly supports such an expectation here. See 770 F.Supp. at 686.

FN10. Although the program literature permitted either purchase of a PRA or any earnest money deposit on an agreement to purchase nonresidential real estate, see JA 108, Ford marketed the program somewhat differently. At a President's Night meeting, he told his audience:

[I]f you want to get that award that we call "Maximum Consideration," you have to have one of those PRAs we just talked about. So you have to have a--actually, technically, you could have a real estate contract or the PRA we just discussed.

But let me underline--after all, ILN sells PRAs, right. So we should be able to promote our own business, so, if you have a PRA, you are eligible to participate in Maximum Consideration.

JA 166-67.

II.

[4] Next, the appellants contend the district court erroneously held that they violated the fraud provisions of the securities acts by making material misrepresentations in the offer or sale of the investment contracts involved. The district court concluded:

With respect to whether misrepresentations have been made concerning ILN's programs, the evidence is clear that ILN is nothing more than a glorified chain letter, destined to collapse of its own weight. Despite the inevitability of this *1309 **27 outcome, potential investors were, until the issuance of the temporary restraining order in this case, continuing to be promised great wealth through their participation in the ILN. The pyramid nature of the organization was never fully revealed to them.

770 F.Supp. at 694. The appellants assail this conclusion on two grounds, neither of which is worth a Continental. [FN11]

FN11. The phrase "not worth a Continental" is a variant of "not worth a Continental dam." Respectfully Quoted: A Dictionary of Quotations Requested from the Congressional Research Service 229 (Suzy Platt ed. 1989). As one source explains:

" 'Not worth a Continental dam' had its origin about this time [1780]. It is not a profane expression. A 'dam' is an Indian coin of less value than one cent and a Continental one cent was next to worthless when it took six pounds, or about thirty dollars to buy a 'warm dinner.' "

Id. (quoting Oliver Taylor, *Historic Sullivan* 97 (1909)).

First, the appellants assert there is no evidence either that representations of profitability were made or that the ventures do not in fact produce profits. We disagree. The record is replete with Ford's descriptions of the profits available from ILN's programs, while the very nature of those programs ensures that such profits will not extend to all investors. As the Fifth Circuit has noted:

The essential vice of chain or pyramid distribution schemes has been well documented. For example, if the founder recruited five distributors in the first month and if those five each recruited five more distributors in month two, and if each of these subsequent recruits enticed five people to join in the month following his own recruitment, over 244 million new distributors would be recruited in the twelfth month. Obviously, this would be impossible in a nation of only 220 million people. Equally as obvious is the fact that those who have the greatest risk of loss are those who enter the pyramid when the market is closest to saturation.... The disclosure which would be necessary to inform a new investor of

his prospects for success or failure would have to change almost daily in order to reflect the acquisition of new distributors. Needless to say, there would be substantial administrative obstacles connected with any such regime of disclosure.

Piambino v. Bailey, 610 F.2d 1306, 1318 n. 9 (5th Cir.1980); see also Arthur Allen Leff, Swindling and Selling 70 (1976). [FN12]

FN12. In fact, the district court noted in its opinion: "According to the SEC's as-yet-undisputed allegations, the ILN has \$500 million worth of obligations to investors, but has only \$4 million in liquid assets, \$5 million in real property, and tax lien certificates for property worth \$75 million in assessed value." 770 F.Supp. at 697. ILN has since filed for Chapter 11 bankruptcy. See Stipulation of Dismissal of ILN as Appellant (filed February 26, 1992).

Finally, Munday asserts that he cannot personally be credited with any misrepresentations because he did not personally make any. We disagree, finding ample evidence to hold Munday liable for ILN's misrepresentations. As the SEC points out, the evidence shows that Munday, ILN's vice president and 25% owner, was intimately involved with its daily operations and controlled all disbursements of its funds. See JA 116, 118. These facts support the inference that Munday knew of Ford's representations and of the inevitability of ILN's investors' losses. The district court therefore committed no error in finding him jointly responsible for ILN's fraudulent sale of securities. Cf. Gross v. SEC, 418 F.2d 103, 107 (2d Cir.1969) (concluding that vice president aided and abetted firm's violation of anti-fraud provisions "[o]n the basis of [his] participation in the management of the firm and his knowledge of the course of conduct in which his firm was engaging").

For the preceding reasons, the district court's opinion and its preliminary injunction are Affirmed.

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Go To

770 F.Supp. 678

SECURITIES AND EXCHANGE COMMISSION, Plaintiff,

v.

INTERNATIONAL LOAN NETWORK, INC., Melvin J. Ford, and Odell Munday,
Defendants.

Civ. No. 91-1102.

United States District Court,

District of Columbia.

July 18, 1991.

MEMORANDUM OPINION

THOMAS F. HOGAN, District Judge.

On May 15, 1991, the plaintiff Securities and Exchange Commission (SEC) applied to this Court for an ex parte temporary restraining order enjoining defendants from committing federal securities violations and freezing defendants' assets, among other things. The Court granted the requested temporary relief upon the SEC's showing that there was a justifiable basis for believing that defendants had sold securities in violation of the registration provisions of the Securities Act of 1933, 15 U.S.C. 77a et seq., (the 1933 Act), and of the antifraud provisions of the 1933 Act and the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq., (the 1934 Act).

On May 30, 1991, defendants International Loan Network, Inc., and Melvin Ford sought and received a modification of the temporary restraining order and asset freeze to permit defendants to retain counsel on their behalf and to enable them to meet necessary business and living expenses, among other things. Defendant Odell Munday subsequently sought and was granted minor modifications of this Order. After an expedited discovery period, the SEC filed a Motion for a Preliminary Injunction, Order Freezing Assets, Appointment of a Receiver and Other Ancillary Relief on June 21, 1991. After the Oppositions and Reply were filed, this Court conducted a three-day evidentiary hearing from July 1, 1991 to July 3, 1991. Counsel for all parties delivered lengthy closing arguments on July 8, 1991.

FINDINGS OF FACT

The defendants in this case are the International Loan Network, Inc. (ILN); its president and founder, Melvin J. Ford; and its vice president, Odell Munday. The substance of the case is the SEC's allegation that the ILN and its various affiliates and subsidiaries are nothing more than a "Ponzi" (FN1) or pyramid scheme which produces no significant products or services but makes its money almost solely through the sale of new memberships in the organization. The ILN, Ford, and Munday argue that the ILN #681 provides a variety of valuable benefits and services to its members, that none of its programs involves the offer or sale of "securities" within the meaning of the 1933 and 1934 Acts, and that the ILN has in good faith attempted to comply with federal and state securities laws in the operation of its programs.

FN1. The term "Ponzi" scheme derives from Charles Ponzi, a notorious swindler who, during eight months in the early 1900s, took in over \$9 million by selling his own notes for \$100 apiece with the promise to repay investors \$150 dollars within 90 days. See *Cunnirgham v. Brown*, 265 U.S. 1, 44 S.Ct. 424, 68 L.Ed. 873 (1923).

After three days of live testimony and one full day of argument, there is, unfortunately, much that remains unclear about the operation of ILN and its programs. What appears in ILN documents has been directly contradicted by witness testimony and by transcripts of ILN meetings and video presentations. Programs as described in testimony and in written material are frequently incomprehensible. Questions propounded by the Court to both witnesses and counsel have been left unanswered. In short, because of significant gaps in the evidence presented, the Court's own findings are necessarily limited. When in doubt, however, the Court has relied on the words of the ILN's founder and president, Melvin Ford, whose oral presentations have been preserved on video and audio tapes introduced as evidence in this case.

According to Ford, "ILN is a financial distribution network whose members believe that through the control of money and through the control of real estate you can accumulate wealth and become financially independent." Plaintiff's Exhibit 101 at 12 (Transcript of Melvin Ford's presentation at the Los Angeles, California "President's Night" on April 18, 1991) (hereinafter President's Night Transcript). This concept boils down to one essential phrase, which is repeatedly referred to by Ford and other ILN representatives in the numerous exhibits filed in this case: "The movement of money creates wealth." President's Night Transcript at 37.

To become a member of the ILN and gain the opportunity to achieve the organization's stated goal of financial independence, a person must, at a minimum, pay a \$125 "basic" membership fee. This fee, which is retained in its entirety by the organization, entitles a basic member to a variety of "benefits and services" including discount shopping, discount travel and car rental, and other similar discounts. These benefits are provided by Consumer Benefit Services, Inc., by virtue of a contract with the ILN.

Beyond the basic membership, a person may become a "club member" in ILN's \$100, \$500, or \$1,000 clubs. Each of these clubs requires an investment of these respective additional amounts, plus the \$125 basic membership fee. Club memberships entitle members to the benefits provided to basic members plus newsletters and various seminars on money management and other topics. In addition, as a member of the \$500 or \$1,000 club, a person becomes eligible to participate in the ILN's Property Rights Acquisition program (PRA), which offers real estate training courses and videotapes, among other things.

The PRA program, along with the Capital Fund Bonus System and the Maximum Consideration program, are the primary programs alleged by the SEC to violate the federal securities laws and will be discussed in detail below. All are marketed through a network of

ILN marketing representatives and independent representatives. These representatives invite potential members to local ILN meetings and "President's Nights," where the sales pitches for the organization are made. Melvin Ford is the central speaker at the President's Nights, which are held in hotels throughout the country and draw large crowds of members and potential members. At these meetings, Ford has been known to enter with his family down a central aisle to the soundtrack from the movie "Flashdance." He then delivers a lengthy presentation that is part motivational and part financial evangelism. He rouses the crowd with chants such as "I will not accept defeat" and "I'm the captain of my ship." He is both engaging and persuasive. The highlight of his presentation is his "reward" to the audience members by showing them "how you make money in ILN" through the three programs that are the focus of this lawsuit. President's Night Transcript at 31.

*682 I. ILN PROGRAMS

A. The Capital Fund Bonus System

According to Melvin Ford, the Capital Fund Bonus System (the Capital Fund) "is the most powerful financial system since banking." President's Night Transcript at 31. This is the system by which ILN members earn income by recruiting others to join the ILN. Although the ILN's written material makes it clear that a person need not be a member of the ILN in order to solicit new members, it is equally clear that the Capital Fund is marketed so that a person will first join the organization himself and then recruit others to join. The process is repeatedly explained at ILN meetings and President's Nights with the chant: "You come in, then you bring in your wife and your kids." President's Night Transcript, *passim*.

To earn money through the recruitment of others, a person must apply to become an "Independent Representative" of the ILN and must sign an "Independent Representative Agreement." This agreement specifies that as an Independent Representative, the person must abide by all federal, state, county, and local laws and regulations and must not engage in "deceptive, misleading, or unethical practices." ILN's Exhibit 2 at 10 ("Income Opportunity" brochure describing ILN's Capital Fund Bonus System) (hereinafter "Income Opportunity" brochure). For each new member recruited, an Independent Representative receives 50 percent of the new member's club membership fee. [FN2] Each new member represents a "Capital Fund" for the Independent Representative, from which additional income may derive. Through these Capital Funds, an Independent Representative receives descending percentages of the club membership fees paid by new members recruited "downline" through the fifth level of recruitment. ILN explains this in its materials by referring to "Daddy Tom" recruiting "Sister Sue," "Cousin Bob," "Aunt Mary," and "Uncle Joe." Each person recruited by Daddy Tom becomes a Capital Fund for Daddy Tom. He then gets 50 percent of the club membership fees paid by these new recruits. Additionally, Daddy Tom receives 15 percent of the club fees paid by anyone recruited by the people he recruited. He also receives 15 percent of the third level of recruits, and 10 percent of the fourth and fifth levels of recruits. See Income Opportunity brochure at 5-6.

FN2. Independent Representatives receive a share of the \$100, \$500, and \$1,000 club membership fees paid by those they recruit, but not of the \$125 administrative fee that is also paid by all new members but retained by the ILN.

The opportunity to earn income through the ILN Capital Fund program is substantial. At the evidentiary hearing conducted in this case, Lee Steverson, the director of membership for the ILN, testified that he had earned over \$68,000 since 1989 through the Capital Fund. Mr. Steverson had only directly sponsored 12 people into the ILN. The Court also heard testimony that H.L. Barner, an associate marketing representative for the ILN, had 250 people in his "downline" and had earned substantial income by recruiting new ILN members.

The success of those like Barner and Steverson was highlighted by Melvin Ford at

President's Nights throughout the country. At an April 1991 President's Night in Los Angeles, California, Ford told the audience that a member's downline could grow to over 3,000 Capital Funds and that there were people in California making over \$30,000 in one month through the Capital Fund. "It's too simple, isn't it," he said. "You come in, then you bring in your wife and your kids." President's Night Transcript at 40. [FN3]

FN3. Ford also stressed the income many ILN members had received through the Capital Fund in a videotape called "Common Ground" that was shown to many potential ILN members at meetings around the country. The tape included testimonials of several people who had earned substantial income through the Capital Fund. See Plaintiff's Exhibit 24 (Video Tape "Common Ground" and Transcript) (hereinafter Common Ground Transcript). H.L. Barner, among others, gave testimony that he had received a Capital Fund check that matched his income as a captain in the U.S. Army.

B. The Property Rights Acquisition Program (PRA)

This program has been through several incarnations, almost all of which offered *683 the opportunity for those investing \$1,000 or more to receive huge cash returns on their investments or the right to acquire property worth many times the amount of their investments. To participate in the current PRA program as well as all of its predecessor programs, a person must first have purchased a \$500 or \$1000 club membership.

1. The Property Acquisition Certificate (PAC) Program

Instituted in the fall of 1989, this was the first in the series of programs leading up to the current PRA program. This program was marketed as an opportunity for every ILN member to achieve a "guaranteed lifetime income." See Plaintiff's Exhibit 24 at 29 (Video Tape "Common Ground" and Transcript) (hereinafter Common Ground Transcript). [FN4] Under the PAC program, investors of \$10,000 were told they would receive either \$100,000 of equity in real estate within 90 days or \$100,000 in income payable in monthly installments of approximately \$1,500 starting within 180 days (the Standard PAC). ILN guaranteed investors that if the monthly checks fell below \$1,000 per month, ILN would refund the \$10,000 investment plus 50 percent interest. See Common Ground Transcript at 31. Investors of \$25,000 were told they would receive either \$250,000 worth of equity in real property within 90 days or income of \$50,000 per year for their lifetimes, payable in monthly installments of just over \$4,000 (the Super PAC). ILN guaranteed investors in the Super PAC that if their monthly payments fell below \$2,500, ILN would refund the entire \$25,000 investment plus 50 percent interest. See Common Ground Transcript at 33.

FN4. In keeping with the evangelistic tenor of ILN's marketing, Melvin Ford described the Property Acquisition Certificate as a "ceremonial document" backed up by a contract providing people with guaranteed benefits. Common Ground Transcript at 30.

The PAC program was discontinued in mid-1990 after an investigation and settlement with securities regulators in North Carolina. Much of the money taken in through the PAC program was returned to investors. Significantly, counsel for the ILN admitted during closing arguments that the PAC program "quite possibly" involved the offer and sale of a security.

2. The PAC-List Program

This transitional program took the place of the PAC program after its discontinuance in early 1990. Under this program, investors of \$1,000, \$5,000, or \$10,000 allegedly were promised the rights to real property or, the evidence indicates, large cash "settlements" within 180 days. The duration of this program is unclear from the evidence, but the program operated in all material respects like the Property Rights Assignment program that took its place within a very short period of time.

3. The Property Rights Assignment (PRA) Program

The PRA program was initiated in May 1990. Written materials describing the program promised investors "an opportunity to acquire property below market value." Plaintiff's Exhibit 39 at 1 (Property Rights Assignment brochure). ILN offered this opportunity through the assignment of tax lien sale certificates or rights to property acquired by ILN through foreclosures or government-assisted programs. According to the PRA brochure, purchasers of \$1,000 PRAs would be assigned property rights assessed at \$10,000; purchasers of \$5,000 PRAs would be assigned property rights assessed at \$50,000; and purchasers of \$10,000 PRAs would be assigned property rights assessed at \$100,000. The assignments were to be made within 180 days of the purchase of a PRA.

The oral descriptions of the PRA program, as testified to by several SEC witnesses who had purchased PRAs, differed significantly. These witnesses testified that at meetings conducted by ILN representatives, potential purchasers were promised the option of cash payments of five times their investments in lieu of the property rights assignments. In other words, for a \$1,000 PRA, a purchaser had the option of \$10,000 worth of property rights *684 or \$5,000 in cash. At least two of the witnesses testifying for the SEC stated that they had no interest in acquiring property and they had been persuaded to purchase PRAs solely because of the promise of a large cash return through no effort of their own. These witnesses specifically asked the people recruiting them whether they would have to recruit others in order to receive their money. They were told that if they were not interested in recruiting, then the PRA program was the program for them. Each of these witnesses was shown checks made out to others who had purchased PRAs. The checks were for amounts of five times the amounts originally invested and were dated within 30 days of the dates of the original investments. One witness testified that she and others at the ILN meeting she attended specifically inquired about why ILN's written documents did not mention the five-to-one cash option. She was told that the Internal Revenue Service (IRS) was investigating the program and that because of this, even though the program was legal, the cash option could only be mentioned in private. This witness and others also testified that they were promised a full refund if they were dissatisfied with the program. At least two of the SEC's witnesses testified that they had submitted written requests for refunds as early as February 1991, but still had not received any money back. [FN5] None of these witnesses were impeached at the hearing and the Court thus accepts their testimony as credible.

FN5. The SEC alleges that over \$11 million in refunds has been requested and only \$2 million has been paid. The SEC also alleges that of the \$500 million in real property and tax lien certificates that the ILN has promised to its investing members since May 1990, the company has only \$4 million in cash, \$5 million in real estate equity and \$75 million in assessed value of tax lien certificates with which to satisfy these obligations.

Several witnesses for defendants testified that they had never heard Ford or Munday guarantee a five-to-one cash return to PRA purchasers. Moreover, ILN's director of membership, Lee Steverson, testified that Independent Representatives were repeatedly reminded through memoranda and other written documentation not to make such unauthorized offers. Nevertheless, the un rebutted testimony of Lewis Goolsby, a former consultant for ILN who was involved in designing software for the PRA program, revealed that in May 1990, Odell Munday directed him to print "settlement" checks for all PRA members at five times their initial investment. Goolsby testified that \$22 million in checks were printed and delivered to Munday. The checks were not subsequently distributed through a single mass mailing, but were held back so that they could be distributed either shortly before or actually at the President's Nights and other ILN meetings in various cities throughout the country. The evidence before the Court indicates that some of the checks were never distributed.

Steverson's explanation for the five-to-one checks was that they were settlements for the

company's inability to assign property to PRA purchasers within the 180-day time period promised. According to Steverson, the property that ILN had acquired at the time was too overvalued to assign, therefore, the company offered PRA purchasers cash settlements of 50 percent of the assessed value of the property rights they had expected, which, the Court notes, equals five times the initial PRA investment. Steverson acknowledged that some cash settlements were made within one month of the initial PRA purchase, rather than at the end of 180 days, and that settlement checks were distributed at President's Nights. This testimony was corroborated by the testimony of H.L. Barner, an associate marketing representative for ILN, who received such a cash settlement of \$50,000 in June 1990 for a \$10,000 PRA he purchased in May 1990. Barner acknowledged that he had shown his check to potential PRA purchasers, although he claims he only did this in the privacy of his home and not at public meetings. Despite Steverson's and Barner's consistent testimony that no guarantees about cash returns were ever made, both had family members who received five-to-one cash payments. Steverson's fiancée received a \$5,000 payment for her \$1,000 PRA. Barner's *685 wife, mother, mother-in-law, brother, and uncle all purchased PRAs and received checks in amounts equaling five times their investments. Most, if not all, received their checks within 30 days of their investments. None received property rights assignments. In fact, defendants have presented no evidence that anyone ever received a property rights assignment under the former PRA program.

Although the Court accepts the testimony of Steverson and Barner that the word "guarantee" was not used in connection with the PRA program, the Court finds incredible any testimony that potential recruits were not led to believe they could expect cash returns on their PRA investments. [FN6] The Court makes this determination based upon inconsistencies in Steverson's and Barner's testimony, their inability to explain details of the programs, and their demeanor on the witness stand. Additionally, if the PRA program had not been marketed as providing five-to-one cash payments, there would have been no reason for the ILN to make these payments other than for display to potential investors. ILN was only otherwise obligated to provide a refund if it could not provide the promised property rights assignments.

FN6. One of the SEC's witnesses, Shirley Pleasant, testified that not only did H.L. Barner show her copies of five-to-one checks received by Barner and his wife, he also told her that she and her husband would be "stupid" to take property rights when they could get cash.

4. The Property Rights Acquisition Program (PRA)

In March 1991, the PRA program was revised yet again. [FN7] The name was changed from Property Rights Assignment program to Property Rights Acquisition program. Under this program, a \$1,000 PRA entitled the purchaser to three real estate training courses. Purchasers of \$5,000 PRAs were entitled to seven courses and five videotapes with accompanying workbooks. Purchasers of \$10,000 PRAs were entitled to 12 real estate courses and 12 videotapes with accompanying workbooks. In addition, purchasers of any of these PRAs receive the right to use the PRA Selection Service to acquire tax lien certificates or real property, based on availability. As it has been described to the Court, this service consists of a listing of available properties and tax lien certificates that PRA members may review and make selections from. If a PRA member chooses to acquire any of the property rights on the selection list, the member must pay all acquisition costs and related expenses. To date, under both the former PRA program and this new program, only one property selection list has ever been distributed to PRA members.

FN7. Lee Steverson testified that purchasers of the old PRAs had the option of continuing in the old program or transferring into the new program. No other evidence was introduced regarding the retroactivity or nonretroactivity of the new PRA program.

C. The Maximum Consideration Program

The Maximum Consideration Program, like the revised PRA program, is a fairly recent addition to the ILN portfolio of programs. Perhaps this is why the program is a source of confusion for not only the Court but, as the recently concluded hearing revealed, for many others including counsel and witnesses. Three times the Court has read the "Representative's Guide to Maximum Consideration" and the transcript of Melvin Ford's explanation of the program at a recent President's Night. Three times the Court has been left wondering where the truth lies.

According to the written materials describing the program, Maximum Consideration is a "special award opportunity for representatives of ILN who have evidenced that they are in the process of acquiring real property for purposes other than a personal residence." Defendants' Exhibit 39 at 1 (A Representative's Guide to Maximum Consideration). To be eligible for the award, a person must have achieved \$3,000 in PRA sales and have placed a verifiable earnest money deposit check on an agreement to purchase real estate other than for use as a personal residence. Purchasing a *686 PRA apparently satisfies the second requirement. Once eligible, only the top 10 producers of PRA sales are guaranteed an award. This award is a minimum of \$5,000. Others, however, are eligible for awards of up to five times their original PRA purchase price or real estate contract deposit, based upon PRA sales volume, the amount of money invested, and the length of time they have been in the program. The Representative's Guide to Maximum Consideration is explicit that all awards other than those guaranteed to the top ten producers are in the sole discretion of ILN.

Oral representations of the program differ significantly. According to Melvin Ford, the purpose behind the Maximum Consideration program is to "raise[] the volume in the Capital Fund." President's Night Transcript at 46. As the Court understands Ford's explanation, a person who purchases a \$1,000 PRA, a \$5,000 PRA, and a \$10,000 PRA, for a total of \$16,000, is eligible for an award of up to \$80,000 because, according to Ford, "all of a sudden the velocity of money increases to such a point, the ability to create wealth expands to such a degree, that we could come back and give somebody an award for up to \$80,000." President's Night Transcript at 46-47. To be eligible for this award requires three things, according to Ford: a person must purchase a PRA or have a real estate contract, he or she must sign an acknowledgement form stating that ILN has not guaranteed anything, and they are urged to simply bring in their spouses at the \$5,000 PRA and then their \$3,000 sales volume requirement will be satisfied.

In his President's Night presentation, Melvin Ford is careful not to make any guarantees. Over and over again he explains that Maximum Consideration is an award and not a guarantee. At the same time, however, he urges people to participate in the program by explaining that "the system does work." President's Night Transcript at 48. "No, we can't guarantee you any money," he says, "but we sure have got a system that can produce some." *Id.* at 53. [FN8]

FN8. At one point Ford explained to his audience that "I have to use the right words here--you know, we could intend to do a lot of things, but you only say it a certain way." President's Night Transcript at 53.

Guarantee or no guarantee, the evidence before the Court reveals that several members of ILN's marketing team, as well as others outside the company, received "Maximum Consideration" award checks as recently as April 1991. These awards were distributed at President's Nights just as the former settlement checks had been. The display of these checks no doubt had the same effect on potential PRA purchasers as the settlement checks had on a number of witnesses and affiants who testified that they were persuaded to purchase PRAs when they saw the checks that others had received. [FN9]

FN9. Additionally, Patricia Redden, who attended a recent President's Night in Baltimore, Maryland, testified that Ford represented that by putting money into the ILN, a person

would receive five times that amount in return.

II. ILN SUBSIDIARIES AND AFFILIATES

In addition to the basic memberships, club memberships, and Capital Fund, PRA, and Maximum Consideration programs, the ILN owns several subsidiaries that defendants argue are legitimate, profit-making enterprises providing real services to ILN members and others. Whatever the legitimacy or value of the services provided by these entities, the evidence presented makes it clear that all are wholly dependent upon the ILN for funding and ultimate managerial direction.

A. ILN Development Corporation (ILNDC)

This subsidiary was incorporated in June 1990 to acquire real estate throughout the United States, including property for assignment to PRA members. The evidence presented by the SEC indicates that the ILNDC did not receive any particular allocation of revenues from the PRA program with which to make its acquisitions. Instead, *687 when the ILNDC needed funds for a particular acquisition, it would request the money from Ford and the funds would be made available.

B. ILN College Education Services, Inc. (ICES)

This for-profit subsidiary officially began operating on October 1, 1990. Since then it has incurred operating expenses of about \$300,000 and has generated revenues of \$110,000. According to its acting president, Jayme Sokolow, PhD., the funds to meet ICES's expenses come from the ILN.

For a \$500 fee, ICES provides a five-year membership that includes the provision of books, teaching and study aids, educational materials, and assistance in obtaining educational financing and scholarships. For an additional fee, the membership is open to non-ILN members. According to Dr. Sokolow, ICES is currently in the process of establishing a foundation for the purpose of granting scholarships to ICES members on a funds-available basis. The application for tax-exempt status for the foundation is currently pending before the Internal Revenue Service. Despite the fact that the foundation is not yet officially in existence and has no funds whatsoever, Dr. Sokolow acknowledged that a brochure sent to ILN members last year represented that by enrolling a child in ICES, the child would be eligible to receive \$25,000 in scholarships from the ICES Foundation. The brochure represented that the Foundation was funded through a \$1 million endowment and was expecting another \$1 million endowment by the end of 1991.

C. ILN Financial Services, Inc. (IFS)

This subsidiary was created to provide insurance, tax, and personal finance services to ILN members and the general public. A \$550 fee covers a variety of services from the IFS, including tax preparation and a quarterly tax newsletter.

D. ILN Real Estate Services (IRES)

This ILN subsidiary was established in February 1991 to provide real estate brokerage services and assistance in obtaining mortgages. It also provides real estate training for ILN club members and PRA members. Additionally, according to its president, James Wilson, the company is available to do construction management and consulting. Mr. Wilson testified that although IRES had not turned a profit before this Court issued its Temporary Restraining Order, the company was expected to turn a profit by the end of the year. There is some evidence in the record that ILN representatives have promised members that the ILN would loan money to its members for the acquisition of property, although this service is not provided by IRES. See Plaintiff's Exhibit 50 at 12.

E. Imaginative Concepts & Designs, Inc. (ICON)

This subsidiary does not provide any direct benefits to members. Rather, it is a printing and graphics company, formed in October 1990 to compete for large commercial accounts. It purchased a large amount of sophisticated graphics equipment with money from ILN that its president, Vanessa Bigelow, testified the company intended to pay back. Additionally, according to Ms. Bigelow, ICON intended to begin paying its own salaries this year. These salaries have at all times been paid by the ILN. Although Ms. Bigelow referred to various oral contracts that the company had entered into indicating that it would soon be self-sufficient, rebuttal testimony offered by the SEC indicated that these so-called "contracts" were greatly exaggerated. Accordingly, the Court has no evidence before it to support the claims that ICON would have been able to operate independently of the ILN in the near future.

CONCLUSIONS OF LAW

The SEC has the authority to bring this litigation by virtue of 20(b) of the 1933 Act and 21(e) of the 1934 Act. The language of 21(e) states that "[w]henver it shall appear to the Commission that any person is engaged or is about to engage in acts or practices constituting a violation of any provision of this title, the rules or regulations thereunder ..., it may in its *688 discretion bring an action in the proper district court ... to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond." (Emphasis added). The language of 20(b) is substantially similar.

[1] Under the law of this district, a proper showing is "a justifiable basis for believing, derived from reasonable inquiry or other credible information, that such a state of facts probably existed as reasonably would lead the SEC to believe that the defendants were engaged in violations of the statutes involved." *SEC v. General Refractories Co.*, 400 F.Supp. 1248, 1254 (D.D.C.1975) (Pratt, J.). [FN10] In *SEC v. Vaskevitch*, 657 F.Supp. 312 (S.D.N.Y.1987), the court noted that the SEC is entitled to a preliminary injunction if "the evidence establishes a strong prima facie case of previous violations and a reasonable likelihood that the wrong will be repeated." *Id.* at 315. With respect to an asset freeze, the court noted that it "certainly has the ability to ensure that the defendants' assets are not secreted or dissipated before entry of final judgment concluding this action." *Id.*

FN10. To grant permanent injunctive relief, the standard in this circuit requires that the SEC prove statutory violations by a preponderance of the evidence. *SEC v. Savoy Industries*, 587 F.2d 1149 (D.C.Cir.1978), cert. denied, 440 U.S. 913, 99 S.Ct. 1227, 59 L.Ed.2d 462 (1979).

[2] A major difference between this preliminary injunction standard and the common law standard is that in SEC enforcement cases, the court is "guided by the primary objectives of the statute involved using public interest standards as opposed to private litigation requirements." *General Refractories*, 400 F.Supp. at 1254 (citations omitted). When in conflict, the public interest is paramount. *Id.* (citations omitted).

The threshold question this Court faces in determining the appropriateness of injunctive relief is whether any of ILN's programs involve the offer or sale of a "security" as defined by 2(1) of the 1933 Act and 3(a)(10) of the 1934 Act. If securities are involved, the Court will have to determine whether the SEC has made a prima facie case that defendants have violated and are likely to continue to violate 17(a) of the 1933 Act and 10(b) of the 1934 Act and rule 10b-5 thereunder by offering and selling securities based on misrepresentations and incomplete information.

I. ARE ILN'S PROGRAMS SECURITIES?

A. Statutory and Case Law

The statutory definitions of a security in 2(1) of the 1933 Act and 3(a)(10) of the 1934 Act are very broad, covering stocks, notes, and bonds as well as investment contracts and profit-sharing agreements. If the ILN programs at issue in this case are "securities," it will be because they fall into definition of "investment contracts" as defined in the relevant decisional law.

[3] The Supreme Court set forth the basic test regarding investment contracts in *SEC v. W.J. Howey Co.*, 328 U.S. 293, 66 S.Ct. 1100, 90 L.Ed. 1244 (1946): "The test is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of the promoter or a third party." *Id.* at 301. The test is meant to coincide with a broad construction of the 1933 and 1934 Acts, which, as remedial legislation, were "designed to protect the American public from speculative or fraudulent schemes of promoters." *SEC v. Glenn W. Turner Enterprises, Inc.*, 474 F.2d 476 (9th Cir.), cert. denied, 414 U.S. 821, 94 S.Ct. 117, 38 L.Ed.2d 53 (1973). Thus, the definition of a security "embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits." *Howey*, 328 U.S. at 299, 66 S.Ct. at 1103. Form should be disregarded in favor of substance and economic reality. *Tcherepnin v. Knight*, 389 U.S. 332, 336, 88 S.Ct. 548, 553, 19 L.Ed.2d 564 (1967).

Two landmark cases involving pyramid schemes are particularly relevant to the case now before the Court. In *SEC v. *689 Glenn W. Turner Enterprises, Inc.*, 474 F.2d 476 (9th Cir.), cert. denied, 414 U.S. 821, 94 S.Ct. 117, 38 L.Ed.2d 53 (1973), the Ninth Circuit held that a pyramid scheme involving the sale of certain "Adventures" and "Plans" constituted the sale of "investment contracts" within the meaning of the federal securities laws. The court affirmed the lower court's issuance of a preliminary injunction prohibiting the sale of these Adventures and Plans and freezing the defendants' assets except for those expended in the regular course of business.

In *Glenn W. Turner*, a subsidiary of the corporate defendant, Dare to Be Great (Dare), offered to prospective purchasers four different Adventures and a \$1,000 Plan. For Adventures I and II, at a cost of \$300 and \$700 respectively, purchasers received tapes, records, and other self-motivation material, as well as the right to attend group sessions. For Adventures III and IV and the \$1,000 Plan, purchasers received the same things received by the purchasers of Adventures I and II, plus the opportunity to sell the Adventures and the \$1,000 Plan to others in return for a commission correlating in amount to the type of Adventure sold. The court held that Adventures III and IV and the \$1,000 Plan were investment contracts because they met the test set forth in *Howey*. Obviously, the purchase of Adventures involved an investment of money. The *Glenn W. Turner* court found it just as obvious that the money was invested in a "common enterprise," which it defined as "one in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those seeking the investment or of third parties." 474 F.2d at 482 n. 7 (citations omitted). It was the final element, requiring profits "to come solely from the efforts of others," *Howey*, 328 U.S. at 301, 66 S.Ct. at 1104, that the Ninth Circuit had the most difficulty with. Because the income opportunities through Dare required individuals to sell Adventures and Plans to others, the income was not based "solely" on the efforts of others. The Ninth Circuit nevertheless held that the word "solely" "should not be read as a strict or literal limitation on the definition of an investment contract, but rather must be construed realistically, so as to include within the definition those schemes which involve in substance, if not form, securities." 474 F.2d at 482. The court then held that the Dare scheme was "no less an investment contract merely because [the investor] contributes some effort as well as money to get into it." *Id.*

The Ninth Circuit's approach was adopted and elaborated upon by the Fifth Circuit in *SEC*

v. Koscot Interplanetary, Inc., 497 F.2d 473 (5th Cir.1974). In that case, Koscot was, like Dare, a subsidiary of Glenn W. Turner Enterprises. Through Koscot, investors could make money by both selling cosmetics and by recruiting "supervisors" and "distributors" to sell cosmetics and recruit others. [FN11] To obtain the right to make money through the recruitment of others required an investment of at least \$1,000. Such an investment qualified a person as a "supervisor" who could then recruit other supervisors. For every supervisor recruited, the recruiting supervisor received \$600 of the \$1,000 paid by the new supervisor. For \$5,000, an investor could become a "distributor" who could then recruit both supervisors and distributors in return for a share of their investments.

FN11. The court's analysis of the existence of a security focused on the recruitment aspects of the Koscot scheme, not the sale of cosmetics.

In Koscot, the Fifth Circuit reversed the lower court's denial of a preliminary injunction motion brought by the SEC. Because it could not be disputed that the scheme involved an investment of money, the court focused on the second and third elements of Howey. In discussing the common enterprise element, the court recognized that "[t]he critical factor is not the similitude or coincidence of investor input, but rather the uniformity of impact of the promoter's efforts." 497 F.2d at 478. Citing Howey, it noted that the profits need not be pooled, but the "feasibility and success of the enterprise, in attracting individuals to invest" *690 must rely on the management of the enterprise. *Id.* (citing Howey, 328 U.S. at 300, 66 S.Ct. at 1103 ("A common enterprise managed by respondents or third parties with adequate personnel and equipment is therefore essential if the investors are to achieve their paramount aim of a return on their investments.")). Using this analysis, the Fifth Circuit held that "the requisite commonality is evidenced by the fact that the fortunes of all investors are inextricably tied to the efficacy of the Koscot meetings and guidelines on recruiting prospects and consummating a sale." 497 F.2d at 473.

Having determined that the first and second elements of Howey had been met, the Fifth Circuit moved on to adopt the Ninth Circuit's interpretation of "solely from the efforts of others." The court noted that a literal interpretation of the requirement would frustrate the remedial purposes of the 1933 and 1934 Acts. Thus, the court agreed with the Ninth Circuit that "the critical inquiry is 'whether the efforts made by those other than the investor are the undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise.'" *Id.* at 483 (citing Glenn W. Turner, 474 F.2d at 482).

It should be noted that within this district there is some variance from the law set forth in Glenn W. Turner and Koscot. In *Meredith v. Conticommodity Services, Inc.*, 1980 Fed.Sec.L.Rep. (CCH) 97,701 (D.D.C.1980) (Gasch, J.), the district court rejected the Fifth Circuit's commonality approach as impermissibly collapsing the second and third elements of Howey. It read Koscot and another Fifth Circuit case, *S.E.C. v. Continental Commodities Corp.*, 497 F.2d 516 (5th Cir.1974), to find commonality whenever the investors' success depended upon the skill of the promoter. In place of the Koscot approach it seemed to favor a definition of commonality requiring some correlation between the profits and losses of individual investors and the fortunes of the investors as a group (horizontal commonality) or with the enterprise itself (vertical commonality).

With respect to the third element of Howey, this circuit appears to be in relative agreement with the Glenn W. Turner and Koscot opinions. In *One-O-One Enterprises, Inc. v. Caruso*, 848 F.2d 1283 (D.C.Cir.1988), the court rejected the application of the Howey test to stock options, which it held were traditional securities instruments, but noted without disapproval that Howey requires profits to come significantly from the efforts of others although not solely from their efforts. See also *Baurer v. Planning Group, Inc.*, 669 F.2d 770 (D.C.Cir.1981) (recognizing that other courts of appeals had adopted the standard set forth in Glenn W. Turner and applying it to promissory notes at issue in the case).

B. Does ILN Offer or Sell Securities?

As a preliminary matter, defendants urge the Court to disregard the ILN's former PAC, PAC-List, and PRA programs because these programs are no longer in existence. Defendants argue that only the current PRA program, instituted in March 1991, is relevant to this litigation. Because one of ILN's own executives testified that purchasers of the original PRAs had the option of transferring into the new PRA program or continuing in the original program, it is clear that the PRA program as it has existed since May 1990 is relevant to the pending motion before the Court. Additionally, the Court may consider the PAC and PAC-List programs insofar as they assist the Court in determining whether the applicable preliminary injunction standard has been met, i.e., whether the SEC has made a prima facie case of past violations and a reasonable likelihood that the wrongs will be repeated. See SEC v. Vaskevitch, 657 F.Supp. 312, 313 (S.D.N.Y.1987); SEC v. General Refractories, 400 F.Supp. 1248, 1255 (D.D.C.1975). [FN12]

FN12. Additionally, the Court finds the former PAC, PAC-List, and PRA programs relevant under a doctrine typically used when mootness is an issue. The Supreme Court held as long ago as 1897 that "voluntary cessation of allegedly illegal conduct does not deprive the tribunal of power to hear and determine the case." *United States v. W.T. Grant Co.*, 345 U.S. 629, 73 S.Ct. 894, 97 L.Ed. 1303 (1953) (citing *United States v. Trans-Missouri Freight Ass'n*, 166 U.S. 290, 17 S.Ct. 540, 41 L.Ed. 1007 (1897)). Not only does the power to hear a case remain intact, so too does the court's power to grant injunctive relief. *W.T. Grant*, 345 U.S. at 633, 73 S.Ct. at 897. This is so because there may still be a dispute over the legality of the challenged practices and the defendant remains free to "return to his old ways." *Id.* at 632, 73 S.Ct. at 897. Additionally, "a public interest in having the legality of the practices settled, militates against a mootness conclusion." *Id.* Without commenting at this juncture about the legality of the ILN's former programs, the Court believes the rationale behind this mootness doctrine to be applicable to the case at bar.

*691 Accordingly, the Court will review ILN's various programs to determine whether any of them involves the offer or sale of investment contracts as defined by *Howey*, *Glenn W. Turner*, and *Koscot*.

1. The Basic Membership and Club Memberships

[4] With respect to the \$125 basic membership and the \$100, \$500, and \$1,000 club memberships, standing alone, it is clear to the Court that the *Howey* test cannot be met. Simple membership in any of these plans does not convey the opportunity to earn income separate from what may be earned through the Capital Fund Bonus System and the Maximum Consideration Program. Regardless of the value that the Court may place on the "benefits" and "services" offered by virtue of basic or club memberships, these memberships do not, in and of themselves, involve the offer or sale of securities.

2. The Capital Fund Bonus System

[5] The Capital Fund Bonus System is a pure pyramid scheme, virtually indistinguishable from that enjoined by the court in the *Glenn W. Turner* case. Independent Representatives earn income from the system solely through the recruitment of new members. As Melvin Ford said at the April 1991 President's Night, the recruitment of members by simply saying "you come in, then you bring in your wife and your kids," is what "makes ILN what it is." President's Night Transcript at 54. "And if a lot of people do that," says Ford, "it is thousands and thousands of people that are going to have an opportunity to change their life, to get that extra leg up in life." *Id.*

Defendants have carefully crafted the Capital Fund program so that it does not fit the *Howey* test precisely. The Independent Representative Agreement that must be signed to participate in the program specifically states that one need not be an ILN member in order to earn money through the program. If one need not be an ILN member, then the program does

not fit the first prong of the Howey test, requiring an "investment of money." *Howey*, 328 U.S. at 301, 66 S.Ct. at 1104. To the Court, the distinction is merely technical and appears to be a deliberate attempt to avoid the application of the test. A reading of the transcript of Melvin Ford's presentation at a recent President's Night, as well as the testimony of those who have repeatedly heard him speak, makes it clear that the intent is for a person to become a member first and then recruit new members. Thus, the oft-repeated slogan, "you come in, then you bring in your wife and your kids." President's Night Transcript, passim. [FN13] Looking to the substance, rather than the form, of the Capital Fund program, this Court holds that the first prong of the Howey test has been met.

FN13. Additionally, it is probable that many people are unaware that they can participate in the Capital Fund Bonus System without first becoming an ILN member. The Independent Representative Agreement is four pages long and contains 33 lengthy provisions in relatively small type. The provision stating that one need not be an ILN member to be an Independent Representative is buried amongst these other provisions. See Income Opportunity brochure at 8. To the extent that people sign up immediately following Ford's motivational speech, it is highly unlikely that they are aware of this totally unemphasized provision.

The second element of the Howey test requires the investment to be in a "common enterprise." *Howey*, 328 U.S. at 301, 66 S.Ct. at 1104. This test is met whether the Court looks to Glenn W. Turner, *Koscot*, or the opinion of my colleague on this court in *Meredith v. Conticommodity Services, Inc.*, 1980 Fed. Sec. L. Rep. (CCH) 97,701 *692 (D.D.C. 1980) (Gasch, J.). In *Meredith*, the court intimated that commonality requires a correlation between the profits and losses of individual investors and the fortunes of the investors as a group or with the enterprise itself. The profits of investors in the Capital Funds Bonus System are directly related to the fortunes of other investors: it is through the constant recruitment of new members in one's "downline" that income is earned. If the people directly recruited by an Independent Representative do not vigilantly spread the word "you come in, then you bring in your wife and your kids," then that Independent Representative will not earn much income through the program. Additionally, investors' profits are linked to the success or failure of ILN as a whole because it is the ability to proclaim the organization's success that is the central selling point of the program. The testimonials presented in the videotape "Common Ground" illustrate the crucial role that the organization plays in recruitment.

Just as the Capital Fund program meets the commonality element of *Howey*, so too does it meet the "solely from the efforts of others" element of *Howey*, 328 U.S. at 301, 66 S.Ct. at 1104. Without a doubt, to earn money through the Capital Fund program requires some effort on the part of the investor. If an investor does not recruit a single new ILN member, that person will receive absolutely no income through the program. However, only a minimal effort is needed in order to earn substantial income through the program. As Melvin Ford repeatedly says: "you come in, then you bring in your wife and your kids." If each of them recruits one person, who recruits one person, who recruits one person, an investor will already have a five-level "downline." Moreover, to be credited with recruiting a new member may involve as little as inviting someone to an ILN meeting or President's Night. If the ILN marketing representatives or Melvin Ford himself are successful in persuading the potential recruit to join, the person who extended the invitation, otherwise known as the "sponsor," will be credited as having made the recruitment and will earn income from it. Adopting the approach of the Ninth and Fifth Circuits, as well as that condoned by this circuit, this Court holds that "the efforts made by those other than the investor are the undeniably significant ones." Glenn W. Turner, 474 F.2d at 482. Thus, the Capital Fund Bonus System involves the offer or sale of an investment contract within the meaning of the 1933 and 1934 Acts. [FN14]

FN14. The Court has already held that the basic membership and club memberships, standing alone, are not investment contracts. It is important to note, however, that one

cannot become a club member without a sponsor, who earns income from the fees paid by all new club members he "brings in." Thus, the club memberships do not currently have an existence apart from the Capital Fund Bonus System.

3. The PAC, PAC-List, Original PRA, and Revised PRA programs

[6] The PAC and PAC-List programs, as well as the original PRA, fit relatively neatly into the Howey mold: Clearly, each involved an investment of money. Similarly, each involved a common enterprise in the Koscot sense that the fortunes of investors were inextricably tied to the efforts of ILN management and in the narrower sense that the fortunes of individual investors correlated to the fortunes of ILN itself. Purchasers of each of these programs relied entirely on ILN to provide them with the rights to acquire real estate or with straight cash. If ILN had gone bankrupt or been otherwise unable to make good on its obligations (as the evidence indicates may have been near), the fortunes of those awaiting large returns on their investments would have plummeted. As to the third element of Howey, it is clear from the evidence that purchasers of the PAC, PAC-List, and PRA relied solely on the efforts of others to obtain profit, whether through the assignments of property or the payment of cash. Accordingly, the Court holds that the PAC, PAC-List, and original PRA programs involved the offer or sale of investment contracts within the meaning of the 1933 and 1934 Acts.

*693 The PRA program initiated in March of this year appears to have been specifically tailored to avoid being deemed an investment contract. The program still involves an investment of money, but for that money, according to the written descriptions of the program, a purchaser is entitled only to real estate training courses, videotapes, and the opportunity to receive a list of property from which they may select to purchase real estate or tax lien certificates at their own expense. Not only does the written material fail to offer any kind of cash return, it fails to offer any assignment of property rights. Clearly, if ILN's written material were all the Court had to go on, the newly initiated PRA program would not be held to be an investment contract. If, however, the program continues to be orally marketed as providing five-to-one cash returns to investors, then the program would almost certainly be deemed an investment contract within the meaning of Howey. At this preliminary stage, the Court finds it unnecessary to conclusively determine this question. This is so because the Court will hold below that the Maximum Consideration Program, which is inextricably intertwined with the PRA program, constitutes the offer or sale of an investment contract within the meaning of the 1933 and 1934 Acts.

4. The Maximum Consideration Program

[7] To participate in this "special award opportunity" a person must purchase a PRA or have made a deposit on a real estate contract. This requirement, obviously, involves an investment of money. The money is placed into a "common enterprise" because, as is made clear in ILN's own brochures, the ability to obtain an award through the program is within the sole discretion of ILN and depends upon the availability of funds. Thus, the profits or losses of those investing correlate to the profits or losses of ILN as a whole. Additionally, Melvin Ford's explanation of the program as "increasing" the "velocity of money" and "expanding" the "ability to create wealth," almost mandates the conclusion that a common enterprise is involved. [FN15] Finally, the profit earned through the Maximum Consideration program is expected to come almost entirely from the efforts of others. The only effort a participant must expend is the effort to sell \$3,000 worth of PRAs. This can be done with minimal effort, Ford explains, by following the simple slogan, "you come in, then you bring in your wife and your kids." Although defendants have argued that there is no reason for either a purchaser of a PRA or a participant in the Maximum Consideration program to expect to profit, the evidence is to the contrary. The Court has already found that the oral representations of both ILN's representatives and Ford himself conveyed the message that for an investment of \$1,000, \$5,000, or \$10,000, a person could expect a five-to-one return within a relatively limited period of time. Repeatedly telling potential recruits that there are no guarantees, but "the system does work," is tantamount to making

promises of large cash returns, whether they be through "settlements" from the old PRA program or "awards" from the new Maximum Consideration program. Accordingly, the Court holds that the Maximum Consideration program involves the offer or sale of investment contracts within the meaning of the 1933 and 1934 Acts.

FN15. The Court continues to be puzzled about why neither defense counsel nor any of defendants' witnesses has been able to explain how the velocity of money creates wealth. The Court regrets that Melvin Ford did not take the stand to more fully explain his novel theory.

Because the Court has held that the Capital Fund Bonus System, the PAC, PAC- List, and PRA programs, and the Maximum Consideration program each involve the offer or sale of securities, defendants are in violation of 5 of the 1933 Act for failing to file registration statements for each of these securities with the SEC.

II. HAVE DEFENDANTS VIOLATED THE ANTIFRAUD STATUTES?

Section 17(a) of the 1933 Act and 10(b) of the 1934 Act and rule 10b-5 promulgated thereunder prohibit fraud or misrepresentation *694 in the offer or sale of securities. Rule 10b-5 provides that:

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange,

- (1) to employ any device, scheme, or artifice to defraud,
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading, or
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of any security.

Section 17(a) of the 1933 Act is substantially the same except that it applies only to fraud or misrepresentations in connection with the offer or sale of securities, not with the purchase or sale of securities. Despite their similarities, the rule and the statute have been interpreted differently by the Supreme Court. In *Aaron v. SEC*, 446 U.S. 680, 100 S.Ct. 1945, 64 L.Ed.2d 611 (1980), the Supreme Court held that scienter is a necessary element of a violation of 10(b), rule 10b-5, and 17(a)(1), see also *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 96 S.Ct. 1375, 47 L.Ed.2d 668 (1976), but that scienter need not be proven as an element of a violation of 17(a)(2) or (a)(3). [FN16] Nevertheless, the Supreme Court has acknowledged that scienter may be a factor to consider for 17(a)(2) and (a)(3). Both the SEC and the defendants agree that scienter may be proven by a showing of recklessness. See, e.g., *SEC v. Cariba Air, Inc.*, 681 F.2d 1318 (11th Cir.1982); *Coleco Indus., Inc. v. Berman*, 567 F.2d 569 (3d Cir.1977), cert. denied, 439 U.S. 830, 99 S.Ct. 106, 58 L.Ed.2d 124 (1978); *Sanders v. John Nuveen*, 554 F.2d 790 (7th Cir.1977).

FN16. The subsections (1), (2), and (3) are substantially the same in both the statute and the rule.

In addition to the scienter requirement, to the extent the alleged violations fall under subsection (2), involving a misrepresentation or omission, there is a materiality requirement. This simply means that the misrepresentations or omissions must have been such that a reasonable investor would consider them important. *Basic, Inc. v. Levinson*, 485 U.S. 224,

108 S.Ct. 973, 99 L.Ed.2d 194 (1988).

[8] With respect to whether misrepresentations have been made concerning ILN's programs, the evidence is clear that ILN is nothing more than a glorified chain letter, destined to collapse of its own weight. Despite the inevitability of this outcome, potential investors were, until the issuance of the temporary restraining order in this case, continuing to be promised great wealth through their participation in the ILN. The pyramid nature of the organization was never fully revealed to them.

Although defendants have not addressed materiality in either their brief or their oral argument, they have argued vigorously that there is no evidence of scienter. As the Court has already noted, ILN's written materials do not make false claims of huge cash returns on investments. Additionally, ILN's Independent Representatives and Marketing Representatives have been repeatedly instructed not to make false statements or veer from the official written descriptions of ILN's programs. ILN has frequently sent memos to its marketing employees instructing them not to use unauthorized materials to try to promote ILN. This seems to the Court to almost prove too much. It is a valiant effort to create a paper trail showing defendants' efforts to comply with the law. The problem is that the paper trail is contradicted by oral statements of Ford and others and by ILN's history and stated goals.

ILN's original Super-PAC program "guaranteed" regular monthly cash payments for life. No explanation was ever given for where the cash was to come from to make the promised payments. To the Court, the program appears to have been a deliberate attempt to induce unsophisticated *695 investors to invest \$10,000 or \$25,000 in an impossible dream. When this program was scrapped, the PAC-List and original PRA programs took its place and, although they looked better on paper, the evidence has revealed that the oral statements about these programs contained just as many unsupported promises as the PAC program. On paper, the programs offered the rights to property assessed at 10 times the amount invested within 180 days. ILN failed to inform investors that it did not have the property to make good on these promises. Orally, the programs were pitched as offering the option of a five-to-one cash payment within 180 days. No explanation has been given for where this money was to come from. When asked by the Court, one witness said she was told that ILN invested in real estate with the money from PRAs. No evidence of such investments was ever presented to the Court, however, except for Lee Steverson's statement that the real estate acquired by ILN was too valuable to assign to PRA purchasers. This statement was not corroborated by defendants' own counsel who, when asked by the Court how ILN made its money, responded that it was through the sale of basic memberships and PRAs. [FN17]

FN17. Illustrative of defendants' method of making money is the affidavit of William Watson, a former consultant to ILN who was responsible for designing computer software programs to manage the funds raised by the company. Watson testified that when asked to design the software for the PAC-List program (the predecessor to the original PRA), he had concerns about the program that he expressed in a meeting with Ford and Munday:

At this meeting, held during the Spring of 1990 in Ford's office, I compared the whole PAC idea to the medieval alchemists' idea that gold could be made from manure and to the similarly implausible notion of a perpetual motion machine. That brought laughter. That's what we have here: a "perpetual money machine," Ford or Munday said, insisting erroneously that the financial drag of the huge PAC list return rate could be overcome by the volume of dollars in the PAC list money pool.

Plaintiffs Exhibit 30 at 3 (Affidavit of William Watson).

With respect to the March 1991 version of the PRA program and the Maximum Consideration program, it is clear to the Court from the testimony presented and from the transcript of the April 18, 1991 President's Night that the oral presentations about these

programs are intended to induce purchasers by stopping just short of guaranteeing them large cash "awards." At the President's night, Melvin Ford slipped on his language three times in a row, stating at first that "you will receive" and correcting himself with "you will be eligible" to receive a lump-sum award. Ford even went so far as to explain to the audience that "I have to use the right words here--you know, we could intend to do a lot of things, but you only say it a certain way." President's Night Transcript at 53. The Court finds the repeated oral statements made in contradiction to ILN's written materials is strong evidence of defendants' scienter.

[9] The Court is further convinced that an ultimate finding of scienter is likely because of the failure of defendants Ford and Munday to testify in rebuttal to the claims against them. Neither defendant was called by his own counsel or the SEC at the preliminary injunction hearing, but each had previously asserted his fifth amendment rights during depositions. [FN18] The Supreme Court held in *Baxter v. Palmigiano*, 425 U.S. 308, 318, 96 S.Ct. 1551, 1557, 47 L.Ed.2d 810 (1976), that the fifth amendment does not prohibit drawing adverse inferences against parties to civil proceedings "when they refuse to testify in response to probative evidence offered against them." The Court implied, however, that a party's silence should be "given no more evidentiary value than [i]s warranted by the facts surrounding his case." *Id.* See also *Leikowitz v. Cunningham*, 431 U.S. 801, 808 n. 5, 97 S.Ct. 2132, 2137 n. 5, 53 L.Ed.2d 1 (1977) (Baxter permits consideration of silence as one of the factors to be considered). Defendants make elaborate arguments why the SEC's behavior in *696 this case, the fast track on which this litigation has been proceeding, and the preliminary nature of this proceeding do not warrant any adverse inference from the individual defendants' decisions not to testify. Nevertheless, in light of the probative evidence the SEC has gathered against defendants Ford and Munday, the Court will draw a limited adverse inference from their failure to testify in their own defense. That is, the Court will consider the defendants' failure to testify, in addition to all of the other probative evidence introduced, to support its conclusion that an ultimate finding of scienter is likely.

FN18. This fact is in the record by virtue of a brief submitted by counsel for Odell Munday. This brief argued that the Court should not draw an adverse inference from either defendant's failure to testify prior to the preliminary injunction hearing.

RELIEF

The Court has held that the Capital Fund Bonus System, the PAC, PAC- List, and original PRA programs, and the Maximum Consideration program all involve the offer or sale of investment contracts within the meaning of the 1933 and 1934 Acts. The Court has also held that defendants have violated 5 of the 1933 Act by offering and selling unregistered securities. Furthermore, the Court has held that the SEC has made a prima facie case of violations of the antifraud provisions of both Acts through the abundant evidence of misrepresentations and scienter. Defendants have given no indication that they will voluntarily cease offering or selling the programs this Court has held to be investment contracts. Rather, it is obvious to the Court from the testimony and argument during the preliminary injunction hearing, as well as from the deluge of letters and phone calls to Chambers, that there exists an organized and widespread effort to continue to build the pyramid upon which the organization rests. [FN19] Accordingly, a preliminary injunction is necessary to prevent further violations and to protect the investing public. The Court shall enjoin defendants and their officers, agents, and employees from offering or selling those programs that the Court has held to be investment contracts.

FN19. Several hundred letters, most of them form letters which were obviously widely distributed among ILN's members, have been sent to Chambers in support of ILN. The Court has made these letters part of the public record in this case. Although fewer in number, there have been some calls and letters from those who do not support ILN and seek a refund of their investments. In one such letter, a woman indicated that she had invested over \$38,000 in ILN from a loan secured by her house. She had requested a refund, but had

not received it and is currently facing foreclosure.

In addition to organizing a broad letter-writing campaign, ILN supporters made their presence known throughout the four days of the preliminary injunction hearing. This hearing, which was continued over the Fourth of July holiday, was attended by numerous spectators who crowded the Courtroom and filled the exterior hallway.

In addition to injunctive relief, the SEC seeks a continuation of the asset freeze and the appointment of a receiver. It is undisputed that the Court has the authority to enter an appropriate freeze order in an SEC enforcement action. See *S.E.C. v. American Board of Trade, Inc.*, 830 F.2d 431 (2d Cir.1987); *S.E.C. v. Glenn W. Turner Enterprises, Inc.*, 474 F.2d 476 (9th Cir.1973); *S.E.C. v. Manor Nursing Centers*, 458 F.2d 1082 (2d Cir.1972). As the Second Circuit has noted, in deciding whether to issue such an order, "the disadvantages and possible deleterious effect of a freeze must be weighed against the considerations indicating the need for such relief." *Manor Nursing Centers*, 458 F.2d at 1106.

[10] In this case, a continuation of the asset freeze virtually would put ILN out of business. If the case were ultimately resolved in defendants' favor, it would probably be too late to resurrect the company and build back its goodwill. Nevertheless, the Court has been presented with probative evidence that defendants took in over \$80 million dollars through a pyramid scheme that was bound to collapse once the market became saturated. The revenue earned by ILN was predominantly from the sale of new PRAs and the club memberships necessary to purchase PRAs. The small amount of revenue earned through ILN's legitimate businesses, such as the sale of basic memberships and the sale of services by ILN's various subsidiaries, would not have been enough to keep the *697 company afloat absent the revenues generated through the illegal sale of unregistered securities. According to the SEC's as-yet- undisputed allegations, the ILN has \$500 million worth of obligations to investors, but has only \$4 million in liquid assets, \$5 million in real property, and tax lien certificates for property worth \$75 million in assessed value. The Court is concerned that if the ILN's assets do not remain frozen, there may be little left for distribution to the investors if this case ultimately results in a permanent injunction and disgorgement. Accordingly, the Court will continue the asset freeze with respect to ILN's assets. The Court will, however, lift the freeze on the personal assets of defendants Ford and Munday. The Court has thus far been presented with no evidence of improper diversion of assets or secreting of assets by the individual defendants. Unless and until the SEC produces such evidence, defendants Ford and Munday shall be entitled to access to their personal assets.

Because of the draconian nature of the relief ordered in this case, the Court will refrain from appointing a receiver at this time. Instead, the Court will leave the disbursement agent in place for 30 days, or until further Order of this Court, so that defendants may review this ruling and exercise their rights to appeal, if they choose. The disbursement agent shall have the powers set forth in the temporary restraining order. In addition, he shall have the authority to make payments to legitimate creditors who are not part of the ILN family.

By accompanying Order, the SEC is directed to submit a proposed Order consistent with the terms outlined in this Memorandum Opinion. Defendants will then have the opportunity to comment on the proposed Order. Until the Court's final ruling on the Order, the temporary restraining order shall remain in effect, except with respect to the individual defendants' personal assets.

ORDER

In accordance with the Memorandum Opinion issued herewith and for the reasons stated therein, it is this 18th day of July, 1991,

ORDERED that the SEC shall, by 4:30 p.m., July 19, 1991, file with the Court and serve on defendants by hand, a proposed Order consistent with the terms set forth by the Court in the

Memorandum Opinion issued herewith; and it is

FURTHER ORDERED that defendants shall, by 4:30 p.m. July 22, 1991, file with the Court and serve on the SEC by hand, any objections or comments to the proposed Order; and it is

FURTHER ORDERED that counsel for all parties shall meet and propose, by July 23, 1991 a plan for a speedy resolution of this case by a trial on the merits within approximately 60 to 90 days; and it is

FURTHER ORDERED that there shall be a status conference in this case on July 24, 1991, at 1:30 p.m., in Courtroom 9, for the purpose of scheduling the final phase of this case; and it is

FURTHER ORDERED that, pending the issuance of a final Preliminary Injunction Order, the Temporary Restraining Order shall remain in effect in this case, except that the freeze shall be and hereby is lifted with respect to the individual defendants' personal assets.

END OF DOCUMENT

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16th January 2001

The Hon. Carl Levin
 Permanent Sub Committee on Investigations
 United States Senate
 193 Russell Senate Office Building
 Washington DC 20510
 U.S.A.

Sir,

Ref: Alleged Fraud – The Forum & Melvin J Ford

Firstly, I would like to introduce myself. My name is Andy Haughton and I am the Managing Director of International Debt Recovery Ltd. (IDR) based in the Republic of Ireland. IDR undertake cases of alleged fraud for clients worldwide and, if it is ascertained through investigation that defrauded funds can be reclaimed, we attempt – not always successfully – to repatriate said funds to their rightful owners.

One such case that we have been working on for over 18-months relates to an allegation of fraud by an organisation named The Forum, allegedly headed by one Melvin J. Ford – a U.S. citizen last know to be residing in Bowie, Maryland – and assisted by one Goldie Moody-Ford, also a U.S citizen.

IDR was brought into this case in May 1999 by several Forum investors and quite quickly thereafter the largesse of the alleged fraud became patently obvious. We now represent around 16,000 U.S. citizens – we believe this number equates to less than 20% of Forum clients – from virtually every state in the U.S.; all who claim they have been defrauded by The Forum/Mr. Ford, utilising Antigua-based International Business Corporations (IBC's). To give you some idea of the scale of the alleged fraud, the following summary is taken from our records, which are backed, in every case, by paperwork held by our lawyers, including irrefutable proof that the invested/defrauded funds were sent to the alleged fraudsters or organisations under their control:

Number of Forum-related IBC's claiming fraud:	1,603
Average number of individuals per IBC:	10
Number of individuals alleging fraud:	16,030
Total amount of funds invested/defrauded:	US \$ 52,391,087
Total funds promised/owed as a return on investment:	US \$ 271,214,897

During our investigations we have interviewed many people from both sides of this case and are satisfied that the two above-named alleged perpetrators disposed of at least US \$30 million on their own personal businesses and lifestyles over a three-year period from 1996 through 1999; largely utilising gold Visa cards backed by Forum assets and issued by an Antigua bank that has subsequently been forced into receivership.

/continued

I D R Ref: Alleged Fraud – The Forum & Melvin J Ford

During an 18-month period commencing some time in 1997, we believe that an amount in excess of US \$100 million flowed through Forum accounts in the Antigua bank to unknown accounts in Panama, under the control – either jointly or severally – of The Forum and one Mark Harris, a U.S citizen who has taken up residence in Panama and operates a company called the Mark Harris Organisation. It is also our belief – having been privy to a copy of their client list and having interviewed several past clients – that since its inception, the Mark Harris Organisation has received many hundreds of millions of dollars from numerous U.S. organisations/corporations/individuals; the majority of which funds came from illegal/grey-market sources. It is also rumoured – and as such cannot yet be corroborated – that the Mark Harris Organisation has/had links with certain Colombia-based drug cartels.

IDR's investigations are still ongoing in the Forum/Ford case and we have been regularly passing information to certain U.S. government agencies, including: SEC, FBI, USPIA and USAO since the summer of 1999; and more recently your own good offices, through Mr. Bob Roach. However, to date, no official action has been brought against the alleged perpetrators.

In our opinion, this case – although large and well publicised through such papers as The Washington Post – is only the tip of the proverbial iceberg so far as U.S. frauds are concerned. We receive requests on a weekly basis for assistance in similar alleged fraudulent acts in the U.S. – especially the Prime Bank Guarantee scam and smaller Ponzi schemes similar to those Mr. Ford was convicted of in the early 1990's – but in most cases we cannot help as the defrauded funds are long gone and the trail to them well covered or too cold to follow.

In our humble opinion and with the greatest respect, what is needed in the U.S. is a greater awareness by the general public of such illegal acts. Utilising local and national media organisations, backed up with useful and impartial advice from government agencies; and ensuring that a far more friendly and approachable demeanour were adopted by both state and federal government officials, would certainly be a good starting point. We found only 20 people from our 16,000 clients who were prepared to be interviewed by the government agencies we are currently assisting; the main reason given for not assisting being one of a deep mistrust of all things government! Even taking into account the fact that a goodly proportion of our clients may indeed have something to hide from bodies such as the IRS, this figure of 20 from 16,000 is frankly abysmal and makes our job – and no doubt your own government's job – even more difficult to accomplish. Additionally, and without taking a "Big Brother" approach, we believe that there must be a better way of monitoring the movement of U.S. funds both internally and externally. If a fraction of the funds mentioned above can be moved to such notorious havens as Antigua and Panama without attracting any attention whatsoever, then there must be an inherent problem somewhere in the current monitoring system. And although a new approach would probably mean more legislation for banks and financial institutions, it has to be borne in mind that without the help of these commercial organisations, frauds such as the one alleged herein would prove significantly more difficult to carry out.

In conclusion, I hope that your committee is successful in its goals and if there is anything further that we can do to assist your progress, then please do not hesitate to ask.

Sincerely,



Andy Haughton
Managing Director

Dec-07-98 01:31P BT Bank/Trust (767) 448-6477
Dec-04-98 03:24P M... Linda Burns1de



LMB ACCOUNTING SERVICES, LTD.

* 30 Montrose Avenue P. O. Box CB 12665 Nassau, Bahamas
E-Mail: lmbacct@bahamas.net.bs • Telephone: 242-328-6840 • Facsimile: 242-328-6843

December 4, 1998

Mr. George Betts, President
British Trade & Commerce Bank
Republic of Dominica

Dear Mr. Betts:

This letter is to explain LMB Accounting Services Ltd., (LMBASL) business activity and why LMBASL processes so many \$100.00 checks. LMBASL is a domestic Bahamian company which was incorporated on April 2, 1996, to provide accounting services for International Business Companies (IBC's).

I am Chief Executive Officer of the company, with additional shares held by Kim Strachan and Janrea Pitt both Bahamians. (Copy of Incorporation and Good Standing follows).

The source of LMBASL customers are Trust Companies in various Caribbean jurisdictions. These trust companies are primarily engaged in company formation and off-shore financial services. LMBASL provides accounting services for companies formed by Antigua Management and Trust in Antigua; Antigua Barbuda International Trust in Antigua; International Management & Trust in Dominica and upon referral other Trust Companies.

The number of IBC's formed by these companies number in the hundreds. Also each IBC could have three or more members. It is not unusual for some IBC's to

cont'd.../2

Dec-07-98 01:32P BT : Bank/Trust
Dec-04-98 03:24P Ms. Lorida Burnside

671 448-6477

Continuation
Page 2 of 2

have five to ten members. LMBASL charges each IBC member a \$100.00 annual fee for computer services. This fee compensates LMBASL for accounting services involving processing transactions which relate to individual IBC members.

Also IBC members send larger deposits for the account of the IBC. LMBASL has satisfied itself that the sources of these IBC funds are from savings accounts or other banks, or investment accounts of the IBC members and are not derived from any questionable sources. LMBASL has also taken steps to personally meet many of these IBC members and feel comfortable that they are solid citizens.

I hope that this letter addresses your questions. LMBASL and it's IBC customers look forward to building a strong relationship with British Trade & Commerce Bank.

Sincerely,



Lorida Burnside,
CEO

cc: Fernando Garcia, Security Bank

encl(2)

Additional material relating to Mr. Ford and the Forum have not been included in this section because of ongoing investigations. The material has been retained in the Subcommittee files.

Exhibit 56c.

Mark Harris bank documents

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No. 98-761-CIV-MOORE

MARC M. HARRIS et Cie, S.A., a foreign
Corporation; THE FIRM OF MARC M. HARRIS,
INC., a foreign Corporation; and MARC M.
HARRIS, LTD., a foreign Corporation,

Plaintiffs,

vs.

FINAL JUDGMENT

DAVID E. MARCHANT and OFFSHORE
BUSINESS NEWS & RESEARCH, INC.,

Defendants.

**CLOSED
CIVIL
CASE**

FILED
AUG 10 1999


THIS CAUSE came before the Court upon the claims of Plaintiffs Marc M. Harris et Cie, S.A., The Firm of Marc M. Harris, Inc., and Marc Harris Trust Company, Ltd. against Defendants David E. Marchant and Offshore Business News & Research, Inc. The Court having entered its findings of fact and conclusions of law upon trial without a jury, it is

ORDERED AND ADJUDGED that Final Judgment is entered in favor of Defendants David E. Marchant and Offshore Business News & Research, Inc. and against Plaintiffs Marc M. Harris et Cie, S.A., The Firm of Marc M. Harris, Inc., and Marc Harris Trust Company, Ltd. Plaintiffs shall take nothing.

LET EXECUTION ISSUE.

The Clerk of the Court is directed to mark this case as CLOSED. All pending motions not otherwise ruled upon are DENIED AS MOOT.

DONE AND ORDERED in Chambers at Miami, Florida, this 10th day of August, 1999.


K. MICHAEL MOORE
UNITED STATES DISTRICT JUDGE

cc: J.M. Guarch, Jr., Esq.
A.C. Strip, Esq.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No. 98-761-CIV-MOORE

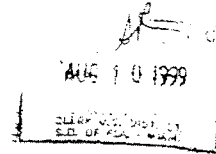
MARC M. HARRIS et Cie, S.A., a foreign
Corporation; THE FIRM OF MARC M. HARRIS,
INC., a foreign Corporation; and MARC M.
HARRIS, LTD., a foreign Corporation,

Plaintiffs,

vs.

DAVID E. MARCHANT and OFFSHORE
BUSINESS NEWS & RESEARCH, INC.,

Defendants.



FINDINGS OF FACT AND CONCLUSIONS OF LAW

THIS CAUSE came before the Court upon the claims of Plaintiffs Marc M. Harris et Cie, S.A., The Firm of Marc M. Harris, Inc., and Marc Harris Trust Company, Ltd. against Defendants David E. Marchant and Offshore Business News & Research, Inc. Plaintiffs seek damages, including punitive damages, for libel and negligence related to an article published by Defendants regarding Plaintiffs' business.

THIS MATTER was tried before the Court without a jury on July 6-8 and July 28-30, 1999. Upon due consideration of the arguments and evidence presented at trial, the Court enters the following Findings of Fact and Conclusions of Law pursuant to Rule 52(a) of the Federal Rules of Civil Procedure. To the extent that Findings of Fact may be deemed Conclusions of Law, they shall so be considered. Similarly, to the extent that Conclusions of Law may be deemed Findings of Fact, they shall so be considered.

ENDINGS OF FACT

1. Plaintiff Marc M. Harris et Cie, S.A., is organized and does business by virtue of the laws of the British Virgin Islands. It is administered in Panama by La Firma de Marc M. Harris, S.A., a wholly-owned subsidiary organized and doing business by virtue of the laws of Panama.

2. Plaintiff The Firm of Marc M. Harris, Inc., is organized and does business by virtue of the laws of the British Virgin Islands.

3. Plaintiff Marc M. Harris Trust Company, Ltd., is organized and does business by virtue of the laws of Nevis.

4. Plaintiff entities, as well as their numerous non-party subsidiaries and affiliated organizations, are collectively known as "The Harris Organization." Plaintiff Marc M. Harris et Cie, S.A., is the parent company of The Harris Organization.

5. Defendant David E. Marchant ("Marchant") is an individual non-citizen resident of the Southern District of Florida.

6. Defendant Offshore Business News & Research, Inc. ("OBN&R") is a corporation organized under the laws of Florida in 1996, with its place of business in Miami, Florida.

7. Marchant was and is the president and sole shareholder of OBN&R. OBN&R publishes two newsletters, one of which is known as "Offshore Alert." Offshore Alert is distributed to subscribers on a monthly basis via ordinary mail, e-mail, Internet, and facsimile.

8. Marchant is an investigative journalist, and for all intents and purposes is responsible for operating OBN&R, including the research, writing, and publishing of its articles.

9. In addition to his journalistic activities, Marchant hires himself out to persons or entities interested in obtaining information and research regarding so-called offshore businesses, investments, and operations.

10. On March 3, 1998, Marchant was hired by James Bennett, a Texas attorney, to conduct research on The Harris Organization and their offshore investment products. Marchant had no previous knowledge regarding The Harris Organization at the time of this engagement.

11. In the course of his research, Marchant spoke with John Shockey ("Shockey"), the former head of the United States Department of the Treasury's Comptroller of the Currency office in Florida.

12. Marchant learned from Shockey that Marc M. Harris ("Harris"), the founder and de facto head of The Harris Organization, had operated several offshore shell banks in Monserrat in the 1980s. These banks were subsequently closed down in 1983 by British banking authorities for conducting "illegal and fraudulent activities." According to Shockey, these banks exhibited numerous financial and fiduciary improprieties. One of the banks, the Fidelity Overseas Bank, took fees from clients even though it never performed any services for them. Another bank, the First City Bank, doctored its financial statements. Finally, a third bank, the Allied Reserve Bank, was issued cease-and-desist orders for operating in the United States without authorization.

13. In the course of conducting research on The Harris Organization, Marchant also spoke with several former officers and managers of The Harris Organization, including Carl Dille ("Dille").

14. Dille was nominally a "consultant" with The Harris Organization from approximately April 1996 to March 1997. For all intents and purposes, however, he was an employee of The Harris Organization, as the substitution of normal employee status with the

label of "consultant" was a common mechanism by which expatriates avoided Panamanian income taxes.

15. Dilley was hired to revamp the financial record-keeping system at The Harris Organization, as well as to oversee and monitor numerous special projects within the Organization, including the Infra-fit investment and the Latin American Real Estate ("L.A.R.E.") investment. Dilley was also the equivalent of the Chief Operating Officer of The Harris Organization. Dilley was therefore in a position to have intimate knowledge of the financial status of the Harris Organization, as well as its various operations and financial flows.

16. Dilley provided corroborative information to Marchant, including internal financial and management documentation.

17. Marchant learned from Dilley that financial record-keeping at The Harris Organization was in a state of extreme disorganization, and was not subject to any form of independent or objective oversight, such as through regular independent auditing of financial records. This conclusion was verified by internal memos provided by Dilley which described the accounting system at The Harris Organization as "completely chaotic."¹ Important documents went missing, and accounting procedures were haphazard, including arbitrary adjustments to financial records without any authorizing documentation. This state of affairs led one internal observer to remark as late as March 1997 that "[a] first-year accounting student from a US university would have known better than to make these entries," and "[c]learly the definition of 'CPA' does not carry the validity in [Panama] as it does in the USA."²

¹ Defs.' Impeach. Ex. A.

² Id.

18. Within The Harris Organization, this frolic and detour from accounting norms was rationalized by Harris in the following manner:

Rather than focusing on [a] strict legal concept of accounting, we have focused our accounting system on real economic processes and credit risks. Had we focused our accounting system by legal process, we would not be able to provide a clear identification of credit or liquidity risks.³

19. Despite such claims, Marchant was given additional evidence which revealed that the apparent chaos in the accounting system at The Harris Organization was deliberate, and not the innovative product of Harris's accounting genius, or even charitably, incompetence. Specifically, there was a serious on-going dispute within The Harris Organization between Harris and several officers and managers, including Dilley and Messrs. Derek Sambrook and Robin Bailey, the President and Vice President, respectively, of Trust Services, S.A., a Harris Organization entity. In numerous memos, they aired their concerns regarding the commingling and unauthorized use of clients' trust funds and the susceptibility of The Harris Organization's accounting system to abuse.⁴

20. Marchant learned from Dilley that according to financial records available to him, including The Harris Organization's "Consolidated Financial Statements"⁵ and the "Trustco Balance Sheet,"⁶ The Harris Organization had a net equity deficit of at least \$25 million as of November 1996.

³ Defs.' Ex. 38.

⁴ See Defs.' Ex. 5, 6.

⁵ Defs.' Ex. 2.

⁶ Defs.' Ex. 3.

21. Marchant learned from Dilley the mechanism by which The Harris Organization commingled the funds and assets in clients' trust accounts. Funds in client accounts were held in a common "pool account" called the Third World Trust Company ("Trustco"), along with funds from entities and persons affiliated with The Harris Organization, including Harris, the founder and majority shareholder of Marc M. Harris et Cie, S.A., and Larry Abraham ("Abraham"), a minority shareholder. It appeared to Marchant from an examination of the documents and discussions with Dilley that entities and persons affiliated with The Harris Organization were arbitrarily crediting amounts to their accounts within Trustco without disclosing these credits or transactions to clients. In sum, persons and entities affiliated with The Harris Organization were "borrowing" client funds that should have been kept in segregated accounts, using those funds without paying interest to the clients, and exposing those clients to the risk of illiquidity.

22. Marchant learned from Dilley that entities and persons affiliated with The Harris Organization were billing each other, and ultimately clients, so-called administrative and management fees that were not in fact correlated in any meaningful way with actual services rendered.

23. Marchant learned from Dilley that approximately \$500,000 in clients' money had been transferred to accounts in Chile belonging to Harris and Abraham. This was done by simply crediting Harris's and Abraham's accounts within Trustco, and then transferring the funds to bank accounts in Chile that were purportedly for investment in the "Infra-fit" project. The Infra-fit project was supposed to develop and produce exercise bicycles in Chile, but apparently failed without ever having produced a single bicycle. The funds were never recovered.

24. Marchant learned from Dilley that principals in The Harris Organization, including Harris and Abraham, purchased land in Argentina, and then promptly turned around and sold the land at an arbitrarily inflated price to the Latin American Real Estate ("L.A.R.E.") fund, an

Organization-affiliated entity, in an interested transaction without disclosing their prior interest to investors.

25. Marchant also learned from Dilley that the value of the land owned by L.A.R.E. was subsequently marked up on its financial statements, even though no substantial improvements had been made on the land, there were squatters on the properties who needed to be removed and otherwise presented a threat of possible claims on the property, and the land—essentially arid scrubland—had little apparent potential for generating positive returns.

26. Marchant learned from Dilley that The Harris Organization had issued \$20 million in preferred shares that were not supported by corresponding contributions of capital. Dilley's information was supported by internal memoranda which showed that managers within The Harris Organization had refused to cooperate in the issuance of these preferred shares because Organization-affiliated assets that were being transferred in exchange for the shares were overvalued.⁷

27. Marchant learned from Dilley that Messrs. Wallace Stull, James Sommerville, Joseph Vigna, and Bill Antos were either clients, shareholders, and/or directors of The Harris Organization. Marchant had previously learned from other sources that these individuals had been convicted of various criminal offenses, including drug trafficking.

28. Marchant learned from independent research that The Harris Organization maintained substantial links, either directly or indirectly, with persons and entities known variously as "PT Shamrock," "Peter Trevellian," and "Adam Starchild," that advocated in print and on the Internet offshore mechanisms for evading the payment of taxes, judgments, and other debts in the United States. That is, Marchant had reason to believe that The Harris Organization

⁷ See Defs.' Ex. 8.

was both directly and indirectly advertising its services for, in essence, tax evasion and fraudulent conveyance of funds to offshore locations.

29. Marchant also learned from internal materials provided by Dilley that The Harris Organization offered products and services that could reasonably be interpreted as mechanisms for tax evasion and fraudulent conveyances. Specifically, the so-called "Harris Matrix,"⁸ an internal document discussing the products offered by The Harris Organization, included numerous references to "black holes" in the context of strategies for avoiding payment of taxes to the IRS, or to judgments and other debts in the United States. Dilley told Marchant that a "black hole" was a term used within the Harris Organization to describe dummy offshore corporations that were set up to go out of business, permitting the shareholders to claim bogus capital losses to offset capital gains.

30. In March 1998, Marchant decided to write an article in *Offshore Alert* discussing the financial and fiduciary irregularities at The Harris Organization.

31. Before publishing the article, however, Marchant extended an opportunity for The Harris Organization to present its version of the situation. On March 22, 1998, Marchant delivered to Chris Davy, a member of the management within The Harris Organization, a detailed and specific list of the improprieties at issue.⁹ He further arranged to meet Harris and other senior officers of The Harris Organization in Nassau, the Bahamas, on March 25, 1998, to discuss these issues.

32. At the Bahamas meeting, the representatives of The Harris Organization denied the various allegations. They did not provide any evidence to support their denials. For an

⁸ Defs.' Ex. 9.

⁹ See Defs.' Ex. 31.

organization that claimed to administer over \$1 billion in assets, they provided no documentation or financial information to address the issues raised by Marchant.

33. On March 31, 1998, Marchant published an article in *Offshore Alert* titled "We Expose The Harris Organization's Multi-Million Dollar Ponzi Scheme."¹⁰

34. This article made a number of factual allegations, which substantively accused The Harris Organization of defrauding its clients and misappropriating clients' funds. Those allegations specifically at issue are:

- a. That The Harris Organization operates as a "Ponzi" scheme.
- b. That The Harris Organization was insolvent by \$25 million.
- c. That Harris used client funds to invest in the Infra-fit venture.
- d. That The Harris Organization inflated the land value of the LARE investment in their financial statements.
- e. That the properties held by the LARE investment were worthless.
- f. That LARE might not have proper and enforceable title to the land in question due to the presence of squatters.
- g. That The Harris Organization might be laundering the proceeds of crime.

¹⁰ Pls.' Ex. 1.

h. That The Harris Organization had issued \$20 million of worthless preference shares.

35. Marchant subsequently published additional articles regarding The Harris Organization, essentially repeating the allegations of the original March 1998 article.¹¹

36. The Harris Organization has demanded, and continues to demand, either a correction or retraction of the alleged inaccuracies printed in the articles. Defendants have to date refused the demand.

37. The Harris Organization did not provide any materials to rebut the allegations to Marchant until the institution of the present action and in the course of discovery.

38. Of the rebuttal materials generated to date, Plaintiffs have relied to a great extent on a letter of solvency and financial statements produced by Panamanian auditors for The Harris Organization for 1997 and 1998. Plaintiffs argue that in light of such evidence, Marchant should have corrected or retracted the alleged inaccuracies.

39. Luis Ovidio Rodriguez Brandao ("Rodriguez"), the head of this firm of auditors, Servicios Profesionales Asociadas, S.A. ("Servicios"), gave testimony to the effect that Servicios first began providing accounting services, including internal audits, to The Harris Organization in the early 1990s.

40. No record of such audits was ever produced by Plaintiffs to Marchant. Furthermore, if such accounting services were provided to The Harris Organization, they occurred at the same time that financial record-keeping at The Harris Organization was in a state of extreme disorganization.

¹¹ Pls.' Ex. 2.

41. Servicios was not engaged to conduct an independent consolidated audit of The Harris Organization until after Defendants published their Offshore Alert article in March 1998.

42. On August 26, 1998, Servicios issued a letter of solvency stating that upon a review of The Harris Organization's financial statements, the Organization was solvent as of March 31, 1998.

43. However, Servicios did not complete its consolidated audit of The Harris Organization and issue its consolidated financial statements for the year ended December 31, 1997 until November 12, 1998.

44. Plaintiffs argue that it is customary accounting practice for an accounting firm to issue letters of solvency without performing a prior audit. While that may be true and acceptable for companies that maintain adequate and acceptable financial records, it was a questionable practice in the context of The Harris Organization's notoriously poor financial record-keeping system.

45. The validity of the letter of solvency is further questionable in light of the fact that Servicios must have been aware of the unreliability of the information upon which the letter was based. Servicios had provided prior accounting services for The Harris Organization. At trial, Rodriguez himself gave testimony to the effect that until 1997, the financial record-keeping at The Harris Organization was "sloppy," and that Servicios had to "reconstruct" financial records for 1996.

46. The 1997 consolidated financial statements prepared by Servicios were also of questionable validity. They included an opinion letter whose language deviated substantially from the language normally used in an independent auditor's opinion letter. Servicios did not simply state that the financial statements were a fair and material representation of the financial

position of The Harris Organization, and that there was a reasonable basis for this opinion. Instead, Servicios opined rather unusually that the financial statements "present adequate solvency and equity that demonstrate the financial solidity" of The Harris Organization.¹²

45. In addition, the 1997 financial statements may not provide a completely accurate picture of the financial situation at The Harris Organization, since the audit did not include an audit of the numerous mutual funds and special projects managed by The Harris Organization. These mutual funds invest in The Harris Organization, and vice versa, in transactions that are not entirely transparent.

¹² See Pls.' Ex. 4.

CONCLUSIONS OF LAW

1. A plaintiff seeking recovery under a claim for libel must show that: (a) the defendant published a false statement; (b) the statement was communicated to a third party; and (c) the plaintiff suffered damages as a result.¹³

2. In addition to proving these traditional elements of a libel cause of action, the plaintiff must also prove actual malice on the part of the defendant if the plaintiff is a public figure or a limited public figure and the defendant is a member of the media.¹⁴

3. If the plaintiff is not a public figure or a limited public figure, the plaintiff need not prove actual malice. However, he must still prove negligence as a necessary element of the libel claim.¹⁵

4. The parties have stipulated that Defendants Marchant and OBN&R are members of the media.¹⁶

5. The Court has already determined as a matter of law that Plaintiffs are not limited-purpose public figures.¹⁷ They are private figures.

¹³ See Parsons v. Nationwide Mutual Ins. Co., 889 F. Supp. 465, 469 (M.D. Fla. 1995) (citing Axelrod v. Califano, 357 So. 2d 1048 (Fla. Dist. Ct. App. 1978)).

¹⁴ See Silvester v. American Broadcasting Cos., 839 F.2d 1491, 1493 (11th Cir. 1988) (citing New York Times Co. v. Sullivan, 376 U.S. 254 (1964)).

¹⁵ See Miami Herald Publ'g Co. v. Ane, 458 So. 2d 239, 242 (Fla. 1984).

¹⁶ See Notice of Filing Pretrial Stipulation ¶ 5(e) (DE # 64).

¹⁷ See Omnibus Order of May 19, 1999 (DE # 74).

6. Therefore, Plaintiffs must prove by a preponderance of the evidence that Defendants were negligent in publishing and failing to retract the disputed statements in their articles.

7. Negligence in the context of a libel claim has been defined as publishing the allegedly libelous statements "without reasonable care as to whether the alleged false and defamatory statements were actually true or false."¹⁸

8. From the time he published the initial article to the present, Marchant had evidence which provided persuasive support for the truth of each of the allegations at issue.¹⁹ He spoke with numerous inside sources, including Dilley, and outside sources such as Shockey, who appeared credible and knowledgeable about Harris, The Harris Organization, and the financial situation within The Organization. Marchant was privy to internal financial and management documentation which supported the information learned from his sources.

9. At the March 1998 meeting in the Bahamas, Marchant provided Harris and the other senior officers of The Harris Organization with a full and fair opportunity to address the issues raised in his articles. Plaintiffs' representatives failed to take advantage of this opportunity. Plaintiffs' representatives offered no substantive information or explanation to rebut the allegations, apart from unsupported denials and claims of innocence.

10. Marchant was justified in discounting those explanations that Plaintiffs did provide in light of the fact that: (a) Plaintiffs' finances were in a state of complete disorganization during the relevant period; (b) Plaintiffs, through and including the de facto head Marc M. Harris, had been implicated in fraudulent and criminal activity in the past, and had a continuing association with persons and entities that had been involved in or advocated criminal activity; (c) Plaintiffs

¹⁸ Miami Herald Publ'g Co., 423 So. 2d at 378.

¹⁹ See supra Findings of Fact ¶ 34.

advertised products and services that were euphemistically referred to as "asset protection," but which could reasonably be interpreted as vehicles for tax evasion and fraudulent conveyance of funds out of the United States; and (d) Plaintiffs never produced any documentation or evidence to support their denials.

11. Marchant was justified in continuing to discount the validity of the information subsequently provided by Plaintiffs, including the letter of solvency and the 1997 audited financial statement, due to circumstances which reasonably cast doubt on their independence, objectivity, and comprehensiveness.

12. Plaintiffs have failed to prove by a preponderance of the evidence that Defendant Marchant did not act with reasonable care in determining whether the statements made in the articles were true or false, in light of the information known to him at the time of the original publication in March 1998 to the present. Defendants were therefore not negligent in publishing the disputed statements, and subsequently refusing to correct or retract them.

13. Because Plaintiffs have been unable to demonstrate that Defendants were negligent in publishing the disputed statements, their claim for libel must fail, and it is unnecessary to address the other elements of the claim, i.e., that (1) defendant published a false statement; (2) the statement was communicated to a third party; and (3) the plaintiff suffered damages as a result.

14. As Plaintiffs have failed to prove the element of negligence in the context of their claim for libel, they have also failed to prove their claim for common law negligence.

15. As Plaintiffs are unable to prevail on their claims for libel and negligence, their claim for punitive damages is moot.

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CONCLUSION

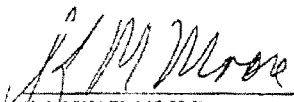
Accordingly, upon due consideration of the evidence presented at trial, the arguments of counsel, the pertinent portions of the record, and being otherwise fully advised in the premises, it is

ORDERED AND ADJUDGED as follows:

1. Final Judgment is entered in favor of Defendants David E. Marchant and Offshore Business News & Research, Inc. and against Plaintiffs Marc M. Harris et Cie., S.A., The Firm of Marc M. Harris, Inc., and Marc Harris Trust Company, Ltd. The Court will enter a separate final judgment in accordance with this Order.

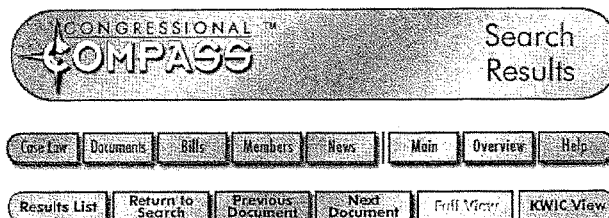
2. All pending motions not otherwise ruled on are DENIED AS MOOT.

DONE AND ORDERED in Chambers at Miami, Florida, this 10th day of August, 1999.


K. MICHAEL MOORE
UNITED STATES DISTRICT JUDGE

copies provided:

J.M. Guarch, Jr., Esq.
A.C. Strip, Esq.



Document 8 of 13.

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Business Week

[View Related Topics](#)

June 1, 1998

SECTION: FINANCE; INVESTIGATIONS; Number 3580; Pg. 136

LENGTH: 2419 words

HEADLINE: TAX-HAVEN WHIZ OR ROGUE BANKER?

BYLINE: By Leah Nathans Spiro in New York and Geri Smith in Panama City

HIGHLIGHT:

Marc Harris' doings in **Panama** are raising eyebrows

BODY:

Psst! Are you an American citizen? Want to take your hard-earned savings overseas, out of the reach of tax authorities, pesky ex-spouses, or malpractice lawsuits? Just open an offshore account with The Firm of Marc M. Harris. You can do it all by fax or the Internet, where Harris solicits high rollers through his elaborate Web sites (www.marc-harris.com and www.escapeartist.com). Or open your account in person, and you'll be met at the **Panama** City airport by a chauffeured Jaguar and swept downtown for a heady introduction to the exotic world of offshore trusts, foundations, and second passports from countries such as Argentina, which Harris will help you obtain.

Sitting in his fifth-floor offices in a Panama City high-rise, Harris, an immaculately groomed 33-year-old ex-American citizen, says that 80% of his "several thousand" clients are Americans or Canadians. Harris claims his firm has \$ 35 million in capital and \$ 1 billion under management in various trusts and investments. Although he's a minor player among offshore tax-service firms, Harris has been raising his profile. He says his clients want to protect their assets from America's "litigation nightmare" or have had run-ins with the Internal Revenue Service. He insists that he is just helping people legally avoid U.S. taxes.

In a three-hour interview with BUSINESS WEEK, however, Harris was reluctant to provide much information. Asked for performance data about his various investment opportunities, he declined. He considers them private offerings that are not usually made public. Why doesn't he use an international accounting firm, as most offshore operators do? He says he has a Panamanian accountant. And his firm has accounts with "major American international financial institutions," including one with Salomon Smith Barney.

A sophisticated marketeer, Harris has positioned himself at the intersection of two major trends. The huge popularity of the Internet is allowing aggressive offshore operators to reach a whole new universe of gullible U.S. investors. And the offshore world is booming: Philippe Gelin, who heads Shorex Ltd., a London organizer of offshore financial conferences, estimates that offshore holdings total some \$ 5 trillion and are growing 20% a year. Much of this activity is legitimate. Companies and individuals use offshore centers such as Bermuda and Ireland to reduce taxes and labor costs.

Yet "offshore" also refers to a shadowy world where geographic boundaries and regulations barely exist and few things are what they appear to be. "We've seen an increase in the use of foreign and domestic trusts as a method to evade taxes," says Dennis Crawford, IRS director of national operations for criminal investigation. "It's more and more of a problem."

In the past year, Harris has made quite a splash in the offshore world, appearing at major offshore conferences. But a close look at Harris raises questions about him and his companies: -- The key to the Harris organization, which includes at least 29 separate Harris companies, is its ability to operate virtually free of regulation. Although Harris firms set up banks and investment funds and provide trust services for American clients, they are not regulated by Panamanian officials, nor are they directly overseen by U.S. regulators. Many of Harris' financial entities are domiciled in such lightly regulated countries as Nevis, a Caribbean island with 10,000 people. -- Harris has had run-ins with some regulators. On Dec. 17, 1990, Florida suspended his certified public accountant license for various accounting "violations," according to a final order from the state's Professional Regulation Dept. That same year, two Harris banks in Montserrat were shut down by British regulators cleaning up a bank scandal on that island, say regulators from the U.S. and Britain. -- Former employees are critical of Harris and are involved in lawsuits with him. Three say Harris made unauthorized use of his clients' funds. "I could not get information on how much there was in assets or where those assets were held," says an ex-employee. -- On Apr. 6, Harris filed a \$ 30 million libel lawsuit in U.S. District Court in Miami against David Marchant, the publisher of the Miami-based Offshore Alert newsletter, who also does investigative research for clients. In the complaint, Harris claims Marchant's Mar. 31 article falsely stated that Harris' organization was an insolvent Ponzi scheme and that some clients are unable to withdraw their money. -- At least two international banks in Panama have closed a number of Harris company bank accounts, say Panama banking and legal sources. Harris confirms the accounts were closed, blaming negative publicity. -- Harris is now flouting U.S. law that prohibits U.S. citizens from making investments in Cuba: His Cuba Web site offers Americans just that.

In the BUSINESS WEEK interview, Harris, accompanied by a lawyer, security chief, and spokesman, insisted that he is a legitimate offshore investment manager who performs well for clients, offering customized solutions to protect their assets. Harris denies he misuses client funds. He says he is the target of a "massive smear campaign" by unidentified enemies and senior ex-employees. He says charges of insolvency are "absolute nonsense": Any delays clients may have had in receiving their money are due not to a cash shortfall but to the illiquid nature of their investments. Says Columbus (Ohio) attorney A.C. Strip, whom Harris just hired: "I am at this point relatively comfortable that he is not insolvent based on the in-house financial statements. I am awaiting audited statements."

Harris says he thoroughly researches clients to ensure they are not laundering profits from drug trafficking. And if Americans take his advice and form offshore corporations to invest in Cuba, that's "entirely their decision," he says. Yet a senior U.S. Treasury Dept. official says such moves are illegal: "Even if you interpose a third-country company, it's the same as going into Cuba directly."

Harris is dismissive of newsletter editor Marchant. "We doubt Mr. Marchant's journalistic credentials," he says. Marchant says he can prove everything he reported. "It is common for people I expose to attack my credentials," says Marchant, who brushes off the lawsuit. "Being savaged by Marc Harris is like being savaged by a dead sheep."

Marc Matthew Harris is one of the more flamboyant offshore operators around. He graduated from North Carolina Wesleyan College at 18, got his CPA, then earned an MBA from Columbia University in 1985. After a few months at a Florida accounting firm, he launched his current organization in Miami

with a \$ 5,000 advance on his Visa card in December, 1985, according to a self-published book in Spanish titled *The Intellectual Spirit of Marc M. Harris. TWO HATS*. His first bouts with authorities came after he issued an accounting compilation, similar to an audit, for MMH Equity Fund Inc. The compilation did not disclose that Harris was an officer and director of the fund, according to the Florida order. Harris "did not comply with applicable generally accepted auditing standards" and "failed to exercise professional competence," says a related complaint. He hasn't returned to the U.S. since then, so his CPA license remains suspended, says June Carol at Florida's Professional Regulation Dept. Harris says losing his license "hasn't affected my career."

Harris then obtained two bank licenses from the government of Montserrat. His intermediary was Jerome Schneider, another offshore promoter, who helped set up as many as 200 Montserrat banks in the 1980s, say two regulators. The banks collected deposits from Americans without dispensing promised loans. "Many of the victims were retired Americans or other people on low incomes," says a U.S. regulator.

British authorities who oversee Montserrat eventually shut down the banks, including Harris' Allied Reserve Bank and Fidelity Overseas Bank. The U.S. regulator says Harris "used these two bank names in generating customer accounts, and they weren't engaging in legitimate banking." But because of regulatory loopholes and the reluctance of victims to come forward, Harris and Schneider were not charged with wrongdoing. Harris says he was involved in the formation of various offshore banks but was not involved in their operation. This issue is part of Harris' suit against Marchant. Schneider says he only helped Harris fill out the application forms.

Harris left the U.S. in 1989 because, he says, he was so disgusted by what he calls IRS "abuses" and "persecution." He later renounced his U.S. citizenship and became a naturalized citizen of Panama, where he opened his business. Eager to associate with a local entity able to set up offshore trusts, Harris bought Trust Services from Briton Robin Baily in 1995. Baily, who is godfather to Harris' eldest child, and Derek Sambrook, a former British regulator, stayed on to work for Harris. **SECOND THOUGHTS**. But in January, 1997, the two sent Harris a memo saying he had disregarded basic rules of the trust business: segregating clients' money and getting clients' permission before using their assets as collateral for margin loans. "There are but two issues to be addressed, namely, commingling of client funds and unauthorized use of client funds," the memo said. "It is not recommended that you encourage loans of client monies to The Firm." When Harris disregarded them, they bought the company back. The two declined to comment for the record. Says Harris: "We 100% believe that we are in compliance with the rules."

Loss of the trust company hasn't slowed him, though. His 150 employees include a dozen well-compensated expatriates. Harris, who owns several Jaguars and wears gold cuff links and Hermes ties, says he pays himself \$ 1 million a year. Harris' wife and three children live in Chile, where he has a second home.

Harris has a knack for raising money on the Internet. For two years, his Web sites have generated half of his new account inquiries. Yet investors seem to ignore potential red flags, such as Harris' links to other sites that sell African passports, fake college diplomas, and a book called *Confessions of an Unrepentant Con Man*. Harris, who calls himself a right-wing libertarian, says he's merely giving people choices.

Harris insists he is not trying to help folks illegally evade taxes. But an attendee of two Harris seminars, Jay Adkisson, an Oklahoma City tax lawyer, says Harris explicitly promoted tax evasion. He says Harris "starts with the premise: We're going to evade taxes. No.2, we're going to make this so smooth that while we're evading taxes, we don't get caught." Adkisson sets up offshore trusts to protect clients from future creditors, not the IRS.

Harris' scheme, says Adkisson, is for clients to move assets offshore to avoid taxes yet still retain control over those assets. Harris recommends setting up what he refers to as "the octopus," says Adkisson. Its head is a Panamanian foundation, an amorphous legal entity where neither the owner of the assets nor his beneficiaries' names need be disclosed. The foundation creates a tangle of companies -- banks, leasing companies, insurance firms -- in other offshore havens that appear to be unrelated. They then bill

the client for various expenses. The client pays the invoices to offshore entities, then deducts the payments as business expenses on his tax return. To the IRS, it appears that the client has been billed by many unrelated third parties, says Adkisson. Under offshore secrecy laws, the IRS can't determine whether the entities the octopus controls are really controlled by the same person.

Harris clients, though, face big risks. If the foundation invests its money in one of Harris' investment funds, there is no regulatory oversight. And clients risk being hauled in for tax evasion. U.S. law requires its citizens to pay taxes on income wherever it is earned, including income from offshore trusts or foundations. Harris claims the octopus technique is "consistent with the same techniques" used by U.S. asset-protection professionals. Yet Barry S. Engel, an Englewood (Colo.) tax attorney and a former head of the Offshore Institute, a 500-member professional organization, says: "The one thing that structure does for sure is send somebody to jail if they get caught." TIGHTER LAW. Panama is now beefing up its regulations. A securities law, to be enacted later this year, would require all companies offering financial investment services in Panama, including Harris' firm, to register and be rigorously regulated. Finance & Treasury Minister Miguel Heras Castro says the government is determined to supervise closely groups such as Harris' to improve Panama's reputation as a legitimate offshore center. "If you want to run a fly-by-night operation, you can do that anywhere in the world," says Heras. "But it's not in our best interest to be used as a platform like this."

Harris says if regulation in Panama becomes too strict, he'll simply move to another tax haven: "If I have to get a [securities] license, I might decide these operations shouldn't be in Panama [any longer]." Going back to the U.S. isn't an option: Harris claims he's no longer eligible for a U.S. visa. But he says that "it's not my desire to go back. Plus, every day I travel in the U.S., I'm theoretically liable to pay tax." For this former American, that would be out of the question.

Harris' Rising Profile

1984 Harris graduates summa cum laude from North Carolina Wesleyan College at 18.

1985 Graduates from Columbia business school. Gets CPA license in Florida.

1985 Starts own business in Florida.

1989 Harris leaves the U.S. and launches his firm in Panama. Later renounces U.S. citizenship.

1990 Two banks owned by Harris in Montserrat are shut down by British regulators as part of a larger bank scandal.

1990 Florida suspends Harris' CPA license for violating accounting rules.

1995 Buys a Panamanian trust company. Former owner of company buys it back due to concerns about improper handling of client monies.

1997 Harris raises his profile, speaking at offshore fund conferences.

1998 Harris sues Miami newsletter publisher for stating Harris companies are insolvent.

DATA: BUSINESS WEEK

URL: <http://www.businessweek.com/index.html>

GRAPHIC: Photograph: "Being savaged by Marc Harris is like being savaged by a dead sheep" HARRIS IS SUING NEWSLETTER EDITOR DAVID MARCHANT RED MORGAN ; Photograph: The man who runs www.escapeartist.com says his tax-cutting gambits are all legit **MARC HARRIS IN HIS PANAMA CITY OFFICE** JOSE ANGEL MURILLO/SYGMA



Document 29 of 58.

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March 10, 2000, Tuesday THIRD EDITION

SECTION: NEWS; Pg. 1A

LENGTH: 1302 words

HEADLINE: Area fugitive living the good life in Panama

SOURCE: Latin America Bureau of The Dallas Morning News

BYLINE: Todd Robberson

DATELINE: PANAMA CITY

BODY:

PANAMA CITY - Former Dallas-area resident Brent A. Wagman leads the typical life of a well-to-do American executive in Panama, weekending on the Caribbean coast with prominent businessmen, mingling with high society, even attending a party or two at the U.S. ambassador's residence.

His wife, Mary Beth, is an active member of American social clubs. In fact, she is co-chair of the American Society's Easter egg hunt to be held April 8 at U.S. Ambassador Simon Ferro's residence in the posh hillside neighborhood of La Cresta.

Considering that Mr. Wagman is a fugitive from the United States and is accused in a lawsuit of fraudulently receiving more than \$ 30 million from would-be investors, there are few outward signs that he and his family are living on the lam.

Senior law enforcement officials say the Wagmans' presence promises to raise the stakes in a diplomatic tug-of-war between Panama and the United States over a growing group of international fugitives known to be living in the capital.

At least five men sought by the U.S. and Italian governments in connection with various criminal activities, including money laundering, murder and embezzlement, reside in Panama.

The FBI and international police agency Interpol are investigating links by several American fugitives to a network of organizations that allegedly use Panama as a base for fraudulent investment schemes and

the laundering of profits from drug-trafficking operations, senior law enforcement officials said.

Panama's attorney general, Jose A. Sossa, is under investigation by the Panamanian legislature and a special prosecutor for allegedly impeding investigations into two multinational financial organizations.

One of the organizations Mr. Sossa is accused of protecting is the **Marc Harris** Organization, which has had longstanding business ties and investments with Mr. Wagman. Mr. Wagman shares office facilities with the Harris Organization in Panama City.

Mr. Wagman said in a written statement that he would not agree to an interview with The Dallas Morning News "due to previous slanderous articles" that the newspaper printed about him last year. The Morning News has published three reports outlining allegations against Mr. Wagman by the U.S. Securities and Exchange Commission, as well as court rulings against him and interviews with elderly people who claimed to have been defrauded by him.

In his statement, Mr. Wagman asserted that the federal government has denied him legal representation in the United States. He did not address his current legal status as a fugitive.

Panama has no extradition treaty with the United States but has previously assisted in the capture and extradition of American fugitives. A U.S. Embassy official said the government was aware of Mr. Wagman's presence in Panama but declined to comment about any action it might take.

The Wagnmans disappeared from their residence in Celina, north of Dallas, last August after U.S. District Judge Robert Maloney ordered a freeze of their personal and business assets, demanded they repatriate millions of dollars in allegedly embezzled funds, and made Mr. Wagman surrender his passport so he could not flee the country. In November, he was charged with criminal contempt of court for failing to surrender his assets and records.

The SEC alleged in a civil lawsuit that Mr. Wagman defrauded more than 100 investors in a multimillion-dollar Ponzi scheme, which is a form of investment fraud that uses funds provided by new investors to pay high dividends promised to earlier investors. The SEC alleged that Mr. Wagman's scheme involved, among other aspects, sales of shares in oil ventures and placing investor assets in tax-free offshore accounts in Latin America and the Caribbean. The SEC alleged that the fraud targeted elderly people in at least 20 states.

"Without cause and only based upon prejudiced accusations by disgruntled employees, the SEC initiated a lawsuit against myself, several other individuals and companies that I had been associated with in the past," Mr. Wagman said in his statement.

Mrs. Wagman was named as a noncriminal "relief defendant" in the suit, deemed by federal investigators as having "allegedly received some of the bounty or proceeds of the fraud," said Spencer Barasch, assistant director of the SEC's regional office in Fort Worth.

Upscale lifestyles

The Wagnmans arrived in Panama last November, apparently having acquired second passports and other identification documents that allowed them to rent an apartment and enroll their two children in the private Oxford International School in Panama City, according to various American acquaintances of the family.

Revealing little about their pasts, the Wagnmans quickly established upscale lifestyles in Panama. They dined with diplomats at the annual Who's New formal Christmas dinner or drank margaritas on the lawn of the ambassador's residence during the annual American Society Dry Season Picnic last Jan. 29.

The U.S. Embassy official did not answer questions regarding the Wagnmans' presence at the ambassador's residence.

In Texas, federal investigators are seething at the lifestyle the Wagnans appear to be living in Panama.

"There are more than 100 victims of this fraud, many of them elderly, people who invested their life's savings, their retirement money," Mr. Barasch said.

The victims of Mr. Wagman's investment schemes "are people who were very unsophisticated and were led to believe this was essentially a risk-free investment. And they've suffered greatly from this scheme," Mr. Barasch added. "At this point, given that a lot of the money that he [Mr. Wagman] misappropriated is missing, the likelihood of them recovering even some portion of their investment is not high."

According to David Marchant, a private investigator and publisher of the newsletter Offshore Alert, Mr. Wagman currently works as director of sales for the **Marc Harris** Organization.

In an interview Thursday, Mr. Harris acknowledged longstanding friendship and business ties with Mr. Wagman. He said the Harris Organization holds "considerable" shares in some of Mr. Wagman's business ventures.

"We are creditors in a sense. We are clearly interested in Brent doing well," said Ken Darlington, an officer at the Harris Organization.

Mr. Harris denied that Mr. Wagman is employed by the Harris Organization or that the two maintain any formal business association.

However, secretaries at the Harris Organization offices answer phone calls and receive messages for Mr. Wagman. He was working at a Harris Organization office as recently as Thursday morning.

"Asset protection'

Mr. Harris, 33, is a U.S.-born certified public accountant who renounced his citizenship in 1997 to become a Panamanian. He asserts that his company is "the largest independent provider of quality international financial services in Latin America and the Caribbean."

Another **Marc Harris** firm, Privacy World, offers a range of products and services, including establishment of offshore tax havens, "ass and asset protection," a "complete 2nd identity kit," and an "insider's guide to instant citizenships and second passports."

Mr. Harris denied that he offers such services, despite the fact that they are advertised under his name at a company Web site, www.privacyworld.com.

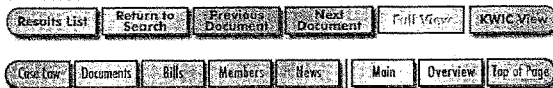
Mr. Harris said he does not know how Mr. Wagman was able to leave the United States and enter Panama, since Mr. Wagman's passport was surrendered to Judge Maloney.

In recent days, at least some of Mr. Wagman's American friends in Panama have helped to conceal his identity despite knowing of his background.

"That's all good fun, until you think that people's lives have been ruined by this guy," said Mr. Marchant, of Offshore Alert.

LANGUAGE: ENGLISH

LOAD-DATE: March 11, 2000



Big names sued, offshore providers accused of negligence over alleged fraud

(Continued from page 4)

Flatbush Extension, Landcieve Agts and Landcieve Agts and Landcieve Co. did not exist or that D'Orsvaldo to open accounts in the names of companies on whose behalf he had no right to act and whose money he had no right to take. Credit Suisse facilitated D'Orsvaldo's theft and essentially gave D'Orsvaldo the ability to convert any check made payable to those fictitious entities.

"On several occasions, employees of Credit Suisse actually signed for the cash withdrawn from these fictitious D'Orsvaldo accounts indicating kickbacks or bribes of Credit Suisse employees to allow D'Orsvaldo to operate with impunity."

UBS was likewise accused of allowing a "complete stranger" to open an account and receive and withdraw a payment of \$750,000 mainly in cash without obtaining references or otherwise verifying the authenticity of funds.

"Furthermore, despite D'Orsvaldo being a complete stranger and without references, UBS still allowed D'Orsvaldo to open a 'numbers' account in the full knowledge that such accounts are often used by criminals and money launderers," it was alleged.

KPMG was accused of entering into a contract to act as the shareholders' auditor of Pentium and then subsequently failing to carry out any audits, audits which

would have uncovered the alleged fraud, according to the plaintiffs.

It is interesting to note that the plaintiffs are claiming jurisdiction against the Bank of Bermuda partly on the grounds that the bank's "employees and representatives" allegedly met with the beneficiaries of the McCormick Family Trust in the state of Alabama.

A similar argument that the Bank of Bermuda conducted business meetings in the United States was also used to claim jurisdiction in a recent class action lawsuit filed in Florida by attorneys representing victims of the Cash 4 Titles alleged \$500 million Ponzi scheme.

Two more Harris clients deported to the US

Two more clients of The Harris Organization have been arrested in Panama and deported to their native United States to face trial on criminal charges.

Anthony Vigna, 68, and his son, Joseph, 35, were arrested on November 9, 2000 as they left their homes in Panama and immediately flown to Miami, where they are being held in custody.

Their arrest was effected 22 months after they were criminally indicted at the US District Court for the Southern District of Florida on multiple counts of money laundering and conspiracy to defraud the IRS.

It was similar to an incident eight months ago when another Harris client, Brent Wagman, was arrested and deported without any legal process.

Wagman later pleaded guilty to investment fraud at the US District Court for the Northern District of Texas and is due to be sentenced on December 20, 2000.

In each case, the arrests were made following a joint operation between the FBI, of the United States, and the Policia Técnica Judicial, which is the local police agency.

Like Wagman, the Vignas had fled to Panama before their indictment and sought refuge with The Harris Organization, which had set up the structures for which they were indicted.

The Harris Organization arranged visas for the Vignas so they could stay in Panama and even obtained a fake passport for Tony Vigna, although he told Offshore Alert last year that he had not used it.

In order to help him meet Panamanian

residency requirements, Joseph Vigna became a director of Panama-registered La Firma de Marc M. Harris in 1996. A fellow director was Wallace Stull, who was later sentenced to 46 months in prison in California for cocaine dealing.

In telephone conversations with Offshore Alert last year, Tony Vigna blamed Harris Organization boss Marc Harris for his legal problems, claiming he had been assured his business structures were legal.

Vigna is also one of many clients of The Harris Organization who claim the financial services group has refused to give them back their investments.

Vigna told Offshore Alert that he once punched Marc Harris in the face out of frustration at not having his funds returned.

His son, Joseph, meanwhile, once detained two staff at the Harris offices and said they would not be allowed to leave until the Vignas' funds had been returned, according to two sources in Panama.

Although no money was returned, the incident apparently ended peacefully, we were told.

Meanwhile, the Panama Supreme Court has yet to rule on the legality of an order by La Comisión Nacional de Valores (National Securities Commission) suspending the operations of The Harris Organization.

The order, which was issued in October, was itself suspended following an application by The Harris Organization and both parties are awaiting a ruling by the court.

Nevis regulatory changes

The Nevis government has separated its Marketing/Promotion division from its Regulation/Supervision division of its financial services sector in an attempt to improve its much-criticized level of regulation.

Thomas Peacock has been appointed as Regulator for Financial Services, while Agatha Jeffers-Gooden has been appointed as Director of Development and Marketing, both effective October 1, 2000.

Peacock is a Canadian lawyer who has "extensive experience in the liquidation of trust companies, management of trust, the securities industry and the offshore sector in general", stated to a press release.

He has been given a two-year contract to "assist the Nevis Island Administration in improving the regulatory infrastructure in order to comply with international standards".

Jeffers-Gooden, who was previously Director of Nevis Financial Services Department, will no longer be responsible for regulatory oversight of the offshore sector.

Instead, she will be responsible for promoting the sector and advising on the development of new products.

Nevis has suffered its fair share of offshore fiascos over the last few years, most notably Terry Neal's Exchange Bank & Trust being allowed to advertise its banking services in a government brochure even though it was not licensed as a bank in Nevis.

And it allowed Keith King to head the First Nevisian group even though there was an arrest warrant out for him.

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Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56d

Exhibit 56d.

Carribbean American Bank documents

LENGTH: 1617 words

HEADLINE: U.S. Customs and FBI Crack Huge Money Laundering Scam

DATELINE: WASHINGTON, May 7

BODY:

The **United States Customs Service** today announced the culmination of a three year and seven month investigation, with the assistance of the Federal Bureau of Investigation, which is the largest non-drug related **money laundering** investigation ever conducted by the **Customs Service**.

The investigation, code named OPERATION RISKY BUSINESS, began in October 1994, and was conducted by the **Customs** office in Tallahassee, Florida. The investigation centered on the illegal defrauding of money and **money laundering** activity of individuals involved in an international venture capital loan scheme.

On August 6, 1997, four suspects were **indicted** by a Federal grand jury in the Northern District of Florida with conspiracy to launder monetary instruments:

Lawrence G. Sangaree, Jr., 49, of Waldo, Florida
Terri L. Sangaree, 31, of Waldo, Florida
Peter A. Barnum, 42, of Gainesville, Florida
Maxime M. Barnum, 27, of Gainesville, Florida

All four defendants have pled guilty before District Court Judge Maurice Paul and are awaiting sentence.

Today the unsealing of an additional eight **indictments** was announced by P. Michael Patterson, the United States Attorney for the Northern District of Florida. These eight individuals were also **indicted** by the Federal grand jury in the Northern District on March 24, 1998 for conspiracy to launder monetary instruments:

RONALD ALLAN COHEN, 54, of Thomasville, Georgia
ROBERT IAN NEWMAN, 40, of Clearwater, Florida
ARTHUR W. HOUSEHOLDER, 50, of Norman, Oklahoma
DAVID W.V. ROGERS, 56, of Rutherford, New Jersey
ROBERT PETRIE, 56, of Key Largo, Florida
JERRELL A. BRESLIN, 45, of Miami, Florida
JESSICA JASMIN MAUN, 26, of West Palm Beach, Florida
and
BARRY LICHTMAN, 60, of Plantation, Florida

On May 5, **Customs** and FBI agents arrested ARTHUR HOUSEHOLDER in Oklahoma City, JESSICA JASMIN MAUN, in West Palm Beach, and DAVID W.V. ROGERS, in Newark, New Jersey. Yesterday, May 6, **Customs** and FBI agents arrested BARRY LICHTMAN in Ft. Lauderdale, Florida and RONALD ALLAN COHEN, 54, in Thomasville, Georgia. JERRELL A. BRESLIN, 45, is currently in federal custody. ROBERT IAN NEWMAN and ROBERT PETRIE have not been arrested at this time.

The charges carry a maximum term of imprisonment of 20 years.

The **indictment** is a charging document only and the defendants are presumed innocent until and unless proven guilty.

The investigation, code named Operation Risky Business, began in October 1994 and was conducted out of the **Custom** Service's Office of Investigation in Tallahassee, Florida in conjunction with the Federal Bureau of Investigation. The investigation centered on the illegal defrauding of money and **money laundering** activity of suspects involved in an international venture capital loan scam.

The Customs Service has been able to thus far identify a minimum estimate of millions of dollars that have been defrauded from hundreds of victims from at least 10 countries around the world.

Operation Risky Business centered on the efforts of a vast network of suspects to defraud victims through an international venture capital loan scam which was specifically designed never to provide a single dollar to victims seeking the loans.

THE SCHEME

The scam generally worked with seven steps:

1. A broad network of associates involved in the international venture capital loan scam, numbering as many as several hundred throughout the world, placed advertisements in newspapers like USA TODAY, The Wall Street Journal, Barons, The New York Times, The Robb Report, The International Herald Tribune and other newspapers, offering investment and venture capital loans.

2. Unknowing victims from throughout the United States as well as Singapore, Israel, Turkey, Australia, Greece, France, the British Virgin Islands, Canada and the United Kingdom would respond to these ads seeking legitimate investment and venture capital loans to start new businesses or expand existing ones.

3. The victims would often be screened and interviewed by first level "brokers" (members of the scamming network) to determine the needs of the victims, their accessibility to funds required to pay the scammers' "processing fee" and to put on the image of a legitimate business enterprise.

4. The victims then often speak with second level "brokers" (members of the scamming network) to determine the victims' ability to pay a "venture capital loan processing fee" necessary to initiate all activities involved in making the venture capital loan. This determination was accomplished by the victims providing photocopies of actual cashier's checks in the amount of the "fee," which the second level "brokers" would verify with the bank involved. The "fee" amount would vary from victim to victim. It would be determined by the "brokers" "sizing up" the victim and estimating the maximum amount of money the victim could pay as the "fee." This "fee" could range from \$40,000 to \$2 million.

5. The victims then often speak with a person known as a "syndicator" (a member of the scamming network). It was the "syndicator's" job to close the deal. They would discuss the needs of the victims and the requirements of the venture capital loan organization and its non-existent "board of investors" who purportedly provide the actual venture capital funds. The "syndicator" would ultimately provide a contract to the victims which purported to provide the victims with the venture capital they needed and also outlined the victims' need to pay in advance the "processing fee" associated with the transaction. The victims would then pay the "processing fee" and sign the contract. The contract included a critical element which made the entire scam possible, a clause which required the victim to obtain, generally within five to seven days, a letter of credit or bank payment guarantee of \$2 million to \$20 million or more, to act as a guarantee to the "board of investors" that the venture capital loan amount would eventually be repaid. The scam lies in the fact that no bank would ever provide such a letter of credit or bank payment guarantee without a matching amount of collateral -- which virtually none of the victims had. If they had that kind of money for purposes of collateral, they generally would have no need for a venture capital loan in

the first place.

6. The victims then return to their "syndicators" at the end of the five to seven days and inform the "syndicator" of their failure to get the required letter of credit or bank payment guarantee, in some case after contacting dozens of banks. The "syndicator" would explain how the victims had not upheld their end of the signed "legal" contract and that the "processing fee" would now be forfeited to the venture capital loan organization to cover their expenses.

7. Many victims were often then told by the "syndicator" that the "syndicator" could assist the victims in an effort to help them avoid losing their "processing fee." The "syndicator" would then introduce the victims to individuals known as "facilitators" and "underwriters" (members of the scamming network). The "facilitator" would purport to assist the victims in getting their necessary letter of credit or bank payment guarantee -- for an additional in advance fee -- often \$10,000 to \$35,000. The "underwriter" would work in concert with the "facilitators" and would purport to assist in the sale of off-shore stocks -- for yet another in advance fee -- often \$1,800 to \$10,000, to repay the venture capital loans in one year.

By the time this entire process was done, generally over a period of months, victims may have paid the scammers anywhere from one to as many as a half-dozen payments approaching as much as \$2 million. At the same time the scammers put the victims in a position where the scammers, and the victims themselves, viewed the victims as the people not upholding their portion of a "legal" contract. Thus, the victims were willing to pay additional fees in an attempt to not lose their original "processing fee."

Unknown to the victims, there was never any money to provide as venture capital. All the fees collected by the scammers were distributed in percentages to the participants involved with that particular victim.

The money scammed from the innocent victims went to two offshore banks on the Caribbean Island of Antigua. One of these banks is owned by the scammers themselves. Antigua was chosen by the scammers because of its reputation as a tax haven and bank secrecy country, as well as because of relationships the scammers had with the government officials in Antigua. The scammers' bank was chartered in September 1994 by several of the suspects.

With all the fees paid by the victims going to and through a foreign bank, it made it impossible for the victims to take any meaningful legal action to retrieve the funds in the event they even tried.

The fact that these same moneys were moved from the United States to a foreign bank, then returned to the United States for payment to the scammers, represents illegal **money laundering**.

SOURCE: U.S. Customs Service

CONTACT: Dick Weart of the U.S. Customs Service, 202-927-1974

LANGUAGE: ENGLISH

LOAD-DATE: May 8, 1998

04/04/00 TUE 13:22 FAX

RJW:ftc021097

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NORTHEASTERN DIVISION

FILED
U.S. DISTRICT COURT
MIDDLE DISTRICT OF TENN.

FEB 10 1997

BY *[Signature]*
DEPUTY CLERK

UNITED STATES OF AMERICA

DONALD RAY GAMBLE a/k/a
DONALD JAKE GAMBLE

NO. 2:97-00002
18 USC § 1957

Wiseman/Haynes

No longer sealed

SEALED

RECEIVED

FEB 13 1997

U.S. ATTORNEY'S OFFICE

INFORMATION

COUNT ONE

The United States Attorney charges:

I. At all times material to this information:

A. DONALD RAY GAMBLE, also known and hereinafter referred to as DONALD JAKE GAMBLE, was licensed to practice law in the State of Tennessee and maintained a law office in Crossville, Tennessee.

B. Larry Glynn Sangaree a/k/a Larry Sangaree a/k/a Mitchell Porter, was/is a resident of the Gainesville, Florida area who together with at least six other individuals, both known and unknown to the United States Attorney, devised and intended to devise a scheme and artifice to defraud and to obtain money from individuals and businessmen by means of false pretenses, representations and promises made to these individuals through and by utilizing the United States Postal Service as well as by utilizing interstate wire transmissions and communications in violation of Title 18, United States Code, Sections 1341, 1342, and 1343.

ATTEST AND CERTIFY
A TRUE COPY
Clerk
U.S. District Court
Middle District of Tennessee
By *[Signature]*
Deputy Clerk

04/04/00 TUE 15:22 FAX

C. It was part of the scheme and artifice to defraud that Larry Glynn Sangaree a/k/a Mitchell Porter and other members of the scheme who include, but are not limited to, Harry Alonso, Jr., Peter A. Barnum, Frank V. Dzwonkowski, Robert Forst, Barry Lichtman, Leslie Mersky, Robert Newman, Robert Petrie, and Kieron Thomson, would and did form numerous companies and corporations which purportedly could and did provide or assist in providing venture capital funds to individuals and businessmen who, for a variety of reasons, were in need of same.

D. The names of the alleged companies and corporations utilized by these individuals include, but are not limited to: American European Venture Capital, Inc.; B & L Syndicators; Bond Street Commercial Corporation; B.S.S. Capital, Limited; Commercial Probability; Curney & Associates; Drawbridge Capital International; International Interests, Ltd.; J & J Associates; Kendall Securities Limited; Nationwide Capital Corporation; Noble Securities & Investments Ltd; Island Financial Group S.A.; Oxford Resources, Limited; Phoenix Investment Group; Ratar Limited; Rharte Ltd; Sterling International Guarantee Limited; Tyadtocs; and Wallesley Group S.A.

E. In general, the above-referenced individuals would and did solicit their victims in a variety of ways which included running advertisements in magazines and trade journals that venture funds were available. Victims were/are always required to wire transfer funds in amounts ranging between \$50,000 to \$400,000 in order to ensure successful completion of the

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transaction to one or more of the escrow accounts set up at the direction of Larry Sangaree and controlled by DONALD JAKE GAMBLE or to Ronald Allan Cohen, an attorney from Coolidge, Georgia, who, at Larry Sangaree's direction, DONALD JAKE GAMBLE later designated as his substitute. After the funds were received, the victims were routinely informed by the individuals described in paragraph C that they had breached one or more of these conditions of the agreement and thus, their funds had been forfeited.

F. Southeastern Financial Acceptance Corporation (SEFAC) was a corporation formed by DONALD JAKE GAMBLE and operated by him initially to collect outstanding and delinquent account receivables of other companies. SEFAC would also be utilized to receive money and funds derived from the result of specified criminal activity set forth in this information and defined in Title 18, United States Code, Section 1956(c)(7). SEFAC was co-located and its activities were conducted from the law office of DONALD JAKE GAMBLE.

G. Larry Glynn Sangaree utilized the services of DONALD JAKE GAMBLE in order to promote and conduct his multi-million dollar, international in scope, wire and mail fraud advance fee swindle scheme.

These services utilized by Larry Glynn Sangaree and his associates included:

1. To act as the "escrow agent" for the purpose of receiving hundreds of thousands of dollars each

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from dozens of individuals and businessmen, hereinafter "victims," throughout the United States and internationally who were in need of venture capital funds for a variety of purposes;

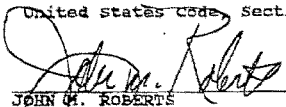
2. To open, establish and utilize attorney escrow accounts with banks, both domestic and foreign, to receive, transmit and launder the funds received from the victims;
3. To assist in the formation of an off-shore bank known as the Caribbean American Bank (CAB), St. John's Island, Antigua, for the purpose of promoting and conducting the activities of the scheme. DONALD JAKE GAMBLE would and did serve as a director and general counsel for CAB and would and did establish or caused to be established escrow and other accounts wherein CAB would be utilized to receive the funds derived from the scheme as well as to promote the scheme itself;
4. To assist in the formation of foreign off-shore corporations in Antigua for use by other members of the scheme, that is, DONALD JAKE GAMBLE would wire transfer funds received from the victims to an account which he had established for and on behalf of CAB at American International Bank (AIB), an Antiquan bank, which in turn had

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established accounts with American and Canadian banks.

II. On or about November 16, 1994, in the Middle District of Tennessee, and elsewhere, DONALD JAKE GAMBLE knowingly and willfully engaged and attempted to engage in a monetary transaction, affecting interstate commerce, in criminally derived property of a value greater than \$10,000 which was derived from a specified unlawful activity, that is, the scheme and artifice to defraud individuals and businessmen of money, as set forth in paragraph I, in that DONALD JAKE GAMBLE engaged in a monetary transaction, that is the wire transfer of \$169,900 from an account which CAB maintained with American International Bank, Antigua, through an account at Bank of America, New York, for final credit to an account at Bank of Roane County, Kingston, Tennessee.

In violation of Title 18 United States Code, Section 1957.


JOHN M. ROBERTS
UNITED STATES ATTORNEY

04/01/00 TUE 15:25 FAX

RJWmftc042897 UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NORTHEASTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.) No. 2:97-00002
) Judge Wiseman
DONALD RAY GAMBLE a/k/a)
DONALD JAKE GAMBLE)

STATEMENT OF FACTS

Donald Ray Gamble a/k/a Donald Jake Gamble is a resident of Kingston, Tennessee, and has his law office in Crossville, Tennessee, where, among other things, he has engaged in the general practice of law. He was born in 1942, and graduated from the YHCA Night Law School, now the Nashville School of Law in 1977.

In 1987, Mr. Gamble, along with another individual, formed the Southeastern Financial Acceptance Corporation (SEFAC) to purchase the account receivables of Cumberland Loan and Thrift which was in bankruptcy. SEFAC is co-located at Gamble's law office and its primary legitimate source of income comes from the collection of delinquent accounts of various companies and businesses located in the Cumberland Plateau region of Tennessee.

In 1993, Gamble was introduced to Lawrence Glynn Sangaree a/k/a Larry Sangaree and Frank Dzwonkowski by a third party who in the past had had dealings with both Gamble and Sangaree.

Larry Sangaree and Frank Dzwonkowski are both residents of Florida and were initially represented to Gamble as being legitimate businessmen who wanted to establish an offshore bank in Antigua, West Indies. In truth and in fact, Larry Sangaree was

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convicted in Florida of first degree murder in 1970, and although sentenced to life imprisonment, was released from prison in the late 80's and remained on supervision until 1995. Sangaree has no known and confirmed legitimate source of income or employment although he has asserted to Gamble that he owns some shrimp boats that are titled in the names of third parties. Frank Dzwonkowski also is a convicted felon having been convicted in federal court for the possession of a controlled substance and conspiracy to distribute same in the Southern District (Miami Division) of Florida in the 1980's. He likewise has no known legitimate source of employment and his income is believed to be derived solely from the funds received from the fraudulent scheme set forth in the information. The information regarding Sangaree's and Dzwonkowski's criminal past was not something which Gamble knew from the outset of his association with these men, but was learned over the course of his association with them.

Dzwonkowski informed Gamble that he had contacts with the prime minister of Antigua who would assist in chartering the bank. In mid 1993, Gamble accompanied Sangaree and Dzwonkowski on a chartered flight to Antigua where they were met by members of the prime minister's family. According to Gamble, no bank was formed during this visit due to the fact that the prime minister's family would not allow a bank to be formed unless they received an ownership interest and were paid a large sum of money, that is, a bribe to do so. Sangaree and Dzwonkowski refused to pay the bribe and the men left the island.

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During this time period, Sangaree informed Gamble that he, along with others, was involved in a business that was engaged in assisting businessmen in securing venture capital funds and that he (Sangaree) needed an attorney who would act as the escrow agent whose responsibility would be to accept, receive and distribute money which the businessmen were required to post in order to obtain the assistance in obtaining the venture capital.

In truth and in fact, no legitimate capital venture company ever existed which ever provided or assisted in providing or obtaining venture capital for any businessman.

Instead, Sangaree and Dzwonkowski were associated with and directed the actions of those individuals identified in paragraph C and those companies identified in paragraph D of the information as being individuals and companies who purportedly could and did syndicate assets of third party investors which in turn could, upon payment of an advance fee ranging from \$50,000 to \$400,000, be utilized by the businessmen seeking such venture capital. In truth, no syndicator had control of funds and assets for such a purpose. In this regard, each businessman was required to enter into a syndication agreement which purposely contained vague, confusing, and misleading language which, once the businessmen/victims paid the advance fee, would be utilized by the con-artists to assert that the victims had breached one or more conditions of the syndication agreement.

In order to give the appearance of legitimacy to this scheme, Sangaree, through his associates, that is, these alleged

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syndicators would inform the victims that they (the victims) would be required to deposit the advance fee into the legal trust account of Gamble who was touted to the victims and others as being a well respected attorney and former judge from Tennessee. After the funds were received into Gamble's trust account, the syndicator would inform Gamble that the victim had breached a condition of the syndication agreement, whereupon Gamble would wire transfer the funds to a trust account which, at Sangaree's direction, he had established at American International Bank located in Antigua.

American International Bank was established by William Cooper, an American and an attorney, who is residing in Antigua and who is considered to be a willing participant in this scheme as well as other schemes unrelated to Gamble activities which involve laundering money for the Russian nationals and selling them foreign passports. Cooper is the Director of American International Bank which has correspondent accounts with a few on-shore American banks and at least one Canadian bank. Cooper also assisted Gamble in establishing the Caribbean American Bank which was set up in September 1994. Gamble is one of the directors of this bank as well as its general counsel. Cooper is the other director. Initially, Sangaree was listed as the bank's vice-president. Caribbean American Bank has no direct correspondent accounts with any on-shore bank. As a result, Caribbean American Bank opened an account with American International Bank to funnel the proceeds of the fraud to Antigua and thereafter, back to America for the personal use and benefit of the scheme members.

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Examination of Gamble's trust account records reflects that approximately 3.4 million dollars derived from this scheme was wire-transferred to Antigua. Starting in 1994 and increasing in 1995, numerous complaints were lodged with Gamble by businessmen who claimed they had been swindled and who demanded their money back. Similarly, numerous complaints were lodged by the victims to federal agents throughout the United States. Of those interviewed, all victims have informed the F.B.I. that they never received any funds and despite their complaints and demands being made, their funds were never returned. Similarly, to the F.B.I.'s knowledge, no refunds or successful deals have ever been made. To the contrary, on each and every occasion, the victims were uniformly advised that they had breached their agreement and their funds were kept.

After the summer of 1995, Gamble, at Sangaree's direction, appointed a Georgia attorney, Ronald Allan Cohen, to act as the substitute trustee in this scheme. Cohen maintains a law office in Thomasville, Georgia, and a second office in Coolidge, Georgia, which is believed to be nothing more than a store front address utilized for purposes of this scheme. Cohen also purports to act as general counsel for Caribbean American Bank. Since that time, Gamble continued to advise Sangaree in an inconspicuous capacity.

Gamble produced a letter which reflected that in December of 1993, he "sold" SEFAC, which by his own acknowledgment, had a worth not exceeding \$50,000 to Sangaree and Dzwonkowski, for 15

04/04/00 TUE 15:27 FAX

million dollars. However, Gamble stated he was never paid any thing for the corporation. Gamble continues to operate this corporation and all of his employees were paid from a SEFAC account.

On various dates, Gamble caused the wire-transfer of funds from Caribbean American Bank that had been derived from the scheme for his own personal use and benefit. On November 13, 1994, Gamble caused a wire-transfer of \$169,900 in funds derived from this scheme to the Bank of Roane County, Kingston, Tennessee. These funds were utilized for his own personal use and benefit. Over the course of this scheme, Gamble made or caused to be made additional transfers which the government estimates to be over \$600,000.00, but less than a million dollars, that likewise were utilized for his personal or the personal benefit of his immediate family. Examination of bank records reflect that in excess of \$125,000 was transferred to Hilliard & Lyons, a stock brokerage firm where Gamble opened an account. Additional funds were transferred to several automobile dealerships for the purchase of a 1995 BMW 750 IL, a 1997 Jeep Grand Cherokee and a 1995 Toyota Celica.

Gamble was informed in September of 1995 that the Middle District of Tennessee considered him to be one of its targets. During interviews conducted in 1996 to present, Gamble advised me that initially he believed Sangaree was a legitimate businessman, but eventually came to the realization that he had become involved in a major criminal fraud. Despite such realization, Gamble continued to receive and enjoy the fruits of it well into 1996.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

UNITED STATES OF AMERICA

Vs.

1:97CR27 MMP

LAWRENCE SANGAREE,
TERRI SANGAREE,
MAXINE BARNUM and
PETER BARNUM

STATEMENT OF FACTS IN SUPPORT OF GUILTY PLEA

COMES NOW, the United States of America, by and through the undersigned Assistant United States Attorney, and states that if this case were to proceed to trial, the United States would be able to show the following:

In general, this investigation has identified a group of individuals, including the defendant, who were involved in a highly organized scheme which had the objective of identifying and recruiting clients who needed multi-million dollar amounts of capital for a variety of business and personal projects and investments. To initiate the transaction, clients would be required to transmit initiation fees of from \$50,000.00 to \$2,000,000.00 to an attorney or bank "escrow account", usually at an offshore bank, for the process of "syndicating" investors. These funds were ostensibly to be held in escrow until the terms of the contract were

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met. The contract then required that the client provide the group with a strictly bank payment guarantee or irrevocable letter of credit for the group's profit on the transaction, usually 20% of the total capital and amounting to several million dollars on most deals. This guarantee was to be produced within five to seven days on most transactions and was required prior to any funds being provided to the client. If the client could not produce the required guarantee within the stated time frame, the initiation fee would be forfeited.

Initially, prospective clients would be screened and referred by members of the group identified as "brokers". These "brokers" were responsible for obtaining proof that the prospective client had the ability to pay the initial fee prior to introducing them to anyone else in the group. This verification was done by requiring the client to produce a photocopy of a cashier's check in the amount of the fee. The broker would then contact the bank to ensure that the check was genuine. At this point, the client would be introduced to the next level of the group, identified as "syndicators." These individuals were responsible for communicating with the client directly and "closing" the transaction. Syndicators, after coordination with the group's management and attorneys, provided the contracts, correspondence, and conducted actual negotiations with clients.

After an initial review of documents, the syndicator advised the client that, in order to proceed, the initial fee must be transferred to a designated "escrow account". Once the funds are transferred, the syndicator then provides the client with documents which purport to verify that investors have "blocked" the funds necessary to finance the client's transaction and are awaiting the required payment guarantee to proceed. During this process, the client is also introduced to two additional segments of the organization identified as "facilitators" and "underwriters".

"Facilitators" are identified to clients as business entities which will assist the client in obtaining the required payment guarantee from a financial institution in exchange for an additional fee. One of the group's internal memorandums seized during the execution of a search warrant on the residence of **Lawrence Sangaree** specifically identifies how a facilitator should discuss the payment guarantee with the client when it states "The payment guarantee must be collateralized, that means it must be cash backed or no bank will issue it. But you do not call any attention to that until you have been paid. Period. No exceptions."

Another item contained in the group's contract involves a requirement that the client obtain the services of an "underwriter". This individual, also a group member, is ostensibly responsible for packaging the client's transaction and arranging for the sale of offshore stock in order to guarantee the repayment of the original capital within one year. As part of the original deal, clients were issued "preliminary pre-commitments" by individuals acting in the underwriter role for another additional fee.

In reality, the group did not have access to the capital required to fund any of these transactions and the group's operations were specifically designed to go through the process in order to forfeit the original fee, which was then split up between members of the group according to an agreed upon schedule. In addition, many times the funds were not held in the escrow account until the client technically "defaulted", but were disbursed to members of the group when it was delivered. No clients ever received any funds.

Initially, **Peter and Maxine Barnum** were recruited by the group to perform courier services which involved the personal transportation of a briefcase containing large amounts of cash and/or documents associated with the group's operations from Gainesville, Florida, to

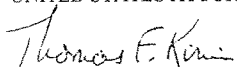
Donald Jake Gamble in Crossville, Tennessee. Both **Peter and Maxine Barnum** performed this service on several occasions, beginning in January or February of 1994. Subsequently, **Peter Barnum** was recruited by an individual identified as Frank Dzwonkowski to assist with Dzwonkowski's role as a "facilitator" to the group's transactions. Eventually, **Barnum** and his wife, **Maxine** replaced Dzwonkowski as a facilitator. **Peter and Maxine Barnum** utilized a number of Antiguan corporations, including Curney and Associates, Ltd., Anvil S.A., J.C. Limited, Pomeroy and Fairchild, Whitfield & Associates, and Barlow Enterprises, Ltd., to perform the role of facilitator and, later, underwriter, for at least 30 individual transactions. During the course of their participation in these transactions, **Peter and Maxine Barnum** faxed related documents and correspondence from the Gainesville, Florida, area to clients and other members of the organization which were located throughout the United States and several foreign countries. These transmissions included specific instructions to the Caribbean American Bank concerning the transfer of funds by clients. Throughout this period, they utilized a variety of aliases or "desk names" in order to protect their real identity from clients. In this role as facilitators and/or underwriters, **Peter and Maxine Barnum** received payment of approximately \$599,715.00 from clients for their role in the transactions from 1994 through 1997. These payments were transferred by the clients to accounts controlled by **Peter and Maxine Barnum** at the Caribbean American Bank in St. Johns, Antigua W.I., and were subsequently utilized to purchase vehicles, real estate, and other items/services in the United States.

Specifically, on April 16, 1996, **Peter and Maxine Barnum**, utilizing Barlow Enterprises, Ltd. as the purchaser, obtained a parcel of real estate located at 23507 East County Road 1474 in Alachua County, Florida, in exchange for approximately \$213,000.00. The funds for this purchase were transferred from a Barlow Enterprises, Ltd., account at the Caribbean

American Bank in Antigua, W.I. to Gainesville, Florida, and had been obtained from clients in the above described transactions. After the execution of the February 14, 1997, search warrant on the residence of co-defendants **Larry and Terri Sangaree, Peter and Maxine Barnum** utilized the offices of Attorney Ronald Allan Cohen to execute a quit claim deed for this property to another Antiguan corporation identified as Melnic Investments, Ltd. This deed was dated February 4, 1997, but was not filed until March 7, 1997. Melnic Investments, Ltd. is also controlled by **Peter and Maxine Barnum**.

Respectfully submitted,

P. MICHAEL PATTERSON
UNITED STATES ATTORNEY



LYNDIA F. PADGETT
Assistant United States Attorney
315 South Calhoun St., Suite 510
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(904) 942-8430
Florida Bar Number 264121



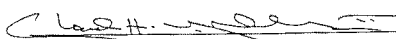
Peter Barnum, Defendant



Maxine Barnum, Defendant

11/25/97
Date

11/25/97
Date



Cloud N. Miller, Attorney for Defendants,
Peter Barnum and Maxine Barnum


11/25/97
Date

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

UNITED STATES OF AMERICA

Vs.

1:97CR27 MMP

LAWRENCE SANGAREE,


STATEMENT OF FACTS IN SUPPORT OF GUILTY PLEA

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U.S. DISTRICT COURT
GAINESVILLE, FLORIDA
DEC 10 1997

capital and amounting to several million dollars on most deals. This guarantee was to be produced within five to seven days on most transactions and was required prior to any funds being provided to the client. If the client could not produce the required guarantee within the stated time frame, the initiation fee would be forfeited.

Initially, prospective clients would be screened and referred by members of the group identified as "brokers". These "brokers" were responsible for obtaining proof that the prospective client had the ability to pay the initial fee prior to introducing them to anyone else in the group. This verification was done by requiring the client to produce a photocopy of a cashier's check in the amount of the fee. The broker would then contact the bank to ensure that the check was genuine. At this point, the client would be introduced to the next level of the group, identified as "syndicators." These individuals were responsible for communicating with the client directly and "closing" the transaction. Syndicators, after coordination with the group's management and attorneys, provided the contracts, correspondence, and conducted actual negotiations with clients.

After an initial review of documents, the syndicator advised the client that, in order to proceed, the initial fee must be transferred to a designated "escrow account". Once the funds are transferred, the syndicator then provides the client with documents which purport to verify that investors have "blocked" the funds necessary to finance the client's transaction and are awaiting the required payment guarantee to proceed. During this process, the client is also introduced to two additional segments of the organization identified as "facilitators" and "underwriters".

"Facilitators" are identified to clients as business entities which will assist the client in obtaining the required payment guarantee from a financial institution in exchange for an additional fee. One of the group's internal memorandums seized during the execution of a search

warrant on the residence of Lawrence Sangaree specifically identifies how a facilitator should discuss the payment guarantee with the client when it states "The payment guarantee must be collateralized, that means it must be cash backed or no bank will issue it. But you do not call any attention to that until you have been paid. Period. No exceptions."

Another item contained in the group's contract involves a requirement that the client obtain the services of an "underwriter". This individual, also a group member, is ostensibly responsible for packaging the client's transaction and arranging for the sale of offshore stock in order to guarantee the repayment of the original capital within one year. As part of the original deal, clients were issued "preliminary pre-commitments" by individuals acting in the underwriter role for another additional fee.

In reality, the group did not have access to the capital required to fund any of these transactions and the group's operations were specifically designed to go through the process in order to forfeit the original fee, which was then split up between members of the group according to an agreed upon schedule. In addition, many times the funds were not held in the escrow account until the client technically "defaulted", but were disbursed to members of the group when it was delivered. No clients ever received any funds.

Initially, Larry Sangaree began work with this group as a "broker" for Harry Alonso. In this capacity, Sangaree was responsible for making initial contacts with potential clients and introducing them to Alonso once they were qualified. During this period, Alonso utilized another form of financial transaction known as "financial guarantee bonds" as well as capital syndication. These transactions, although somewhat different in nature, still involved the payment of initial fees which were forfeited. Alonso introduced Sangaree to Les Mersky and Jerrell Breslin.

Subsequently, Sangaree moved on to become a broker for another member of the group identified as Joseph Bremont, who also worked with Mersky and Breslin. The funds which allegedly backed the transactions conducted by the group during this time were represented by Miami attorney Jerrell Breslin. Breslin utilized a relationship with the president of Guardian Bank and Trust in the Cayman Islands, John Mathewson, to provide potential clients with verifications that millions of dollars existed to cover these deals.

In 1993, Jerrell Breslin elected to "retire" as the group's attorney due to the large number of complaints which had been generated by the business. Breslin was subsequently replaced by Tennessee attorney, Donald Jake Gamble. Gamble had been introduced to the group by Ed Neal and operated a company identified as Southeastern Financial Acceptance Corporation (SFAC). Gamble and SFAC's assets, which included a fraudulent Japanese yen bond, were utilized as the financial backing for transactions which were conducted by the group for a period of time.

Because of a number of factors, a decision was made by the group to attempt to establish an offshore bank in a tax haven or bank secrecy country to be utilized in the organization's transactions. At that time, Antigua was selected because of group member Frank Dzwonkowski's relationship with government officials and bankers in that country.

After a series of discussions, the initial owners of the bank were to be **Larry Sangaree**, Ed Neal, Joe Bremont, Frank Dzwonkowski, and Donald Jake Gamble. Discussions and negotiations with the government of Antigua continued from August of 1993 until September of 1994 when the Caribbean American Bank was chartered. Stock in this bank was represented by two holding companies, Rharte Ltd. (**Larry Sangaree**) and BSS Capital Ltd. (Jake Gamble). Bremont, Neal, and Dzwonkowski were not included at the time of chartering.

After Gamble became the group's attorney, **Sangaree** moved from the job of broker and took over the role of "field operations manager". In this capacity, **Larry Sangaree** ensured that procedures were followed, documents were processed properly and that payments were made to organization members in accordance with agreements. The majority of this business including contracts, wire transfer requests, banking, and correspondence was handled via fax from Gainesville, Florida, to various locations throughout the United States, Antigua, and other countries. **Sangaree** also utilized the alias or "desk name" of Mitchell Porter during any required communications with actual or potential clients.

Eventually, Gamble also began receiving a large number of complaints from clients who had lost their money and desired to take a less public role in the group. Consequently, **Larry Sangaree** suggested Ronald A. Cohen as a replacement. In September, 1995, Cohen, **Sangaree**, and Dzwonkowski traveled to Antigua where they met with Donald Jake Gamble to handle the transition to operations by Cohen. Subsequently, the day-to-day communications with clients and members of the group were handled by Cohen and his secretary, Kathy Spurling. Gamble continued to represent the Caribbean American Bank and its alleged investors who ostensibly had funds sufficient to back transactions negotiated by the group. **Larry Sangaree** continued to function as field operations manager until his arrest in February of 1997.

Throughout the period of his involvement with the group, **Larry Sangaree** participated in at least 50 transactions in which clients lost funds. The total funds involved in these transactions is estimated, through analysis of records, to be at least \$5,950,000.00. Normally, proceeds associated with these transactions were wire transferred to the Caribbean American Bank in St. Johns, Antigua, W.I. where they were subsequently deposited in Antiguan corporate bank accounts operated by the various members of the organization. These individuals,

including Larry Sangaree then directed via fax that their funds be wire transferred back into the United States to purchase assets including real estate, vehicles, vessels, and other items.

Specific transfers directed by Larry Sangaree include an August 10, 1994, \$20,000.00 transfer from Antigua to a Merrill Lynch Investment Account at the Mellon Bank of Pittsburgh, Pennsylvania; a August 10, 1994, \$15,000.00 transfer from Antigua to his wife, Terri Sangaree; a December 12, 1994, \$10,000.00 transfer from Antigua to co-defendant Maxine Wolf (Barnum) at the Florida Credit Union in Gainesville, Florida; a December 14, 1994, \$260,436.00 transfer from Antigua to Gainesville, Florida, for the purchase of real estate in Alachua County, Florida; and a March 18, 1995, \$300,000.00 transfer from Antigua to Collins Realty, St. George Island, Florida, for the purchase of real estate in Franklin County, Florida. Each of these transfers involved funds which had been obtained from clients in the above described transactions.

Respectfully submitted,

P. MICHAEL PATTERSON
UNITED STATES ATTORNEY
Lyndia F. Padgett
LYNDIA F. PADGETT
Assistant United States Attorney
315 South Calhoun St., Suite 510
Tallahassee, Florida 32301
(904) 942-8430
Florida Bar Number 264121

[Signature]

Lawrence Sangaree, Defendant

12/18/97

Date

[Signature]

Marcia G. Shein, Attorney for
Lawrence Sangaree

12/8/97

Date

[Signature]

Lloyd Viperman, Attorney for
Lawrence Sangaree

12/18/97

Date

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

UNITED STATES OF AMERICA

vs.

~~SEALED~~ *UNSealed*
SUPERSEDING
INDICTMENT

1:98-CR-19 MMP

WILLIAM W. COOPER,
FRANK V. DZWONKOWSKI,
ROBERT IAN NEWMAN,
KIERON JOHN THOMSON,
a/k/a K. J. THOMSON,
MICHELE SCHNEIDER NEWMAN,
a/k/a MICHELE LYNN SCHNEIDER,
WILLIAM L. ATTEBERRY,
JUDITH GIGLIO,
a/k/a JUDIE GIGLIO
HARRY ALONSO,
ARTHUR HOUSEHOLDER,
a/k/a ORIN UTTERBACH,
ROBERT RAY PETRIE,
RAKESH CHOUHAN,
a/k/a ROCKY CHOUHAN,
and
KALYN NAGEL

THE GRAND JURY CHARGES:

COUNT ONE

That from on or about January 1, 1991, and continuing to the date of this Indictment, in
the Northern District of Florida and elsewhere, the defendants,

225

1:98cr19 #225

U.S. DISTRICT COURT
GAINESVILLE, FLORIDA
99 APR 20, 11:02:02
FILED

WILLIAM W. COOPER,
FRANK V. DZWONKOWSKI,
ROBERT IAN NEWMAN,
KIERON JOHN THOMSON,
a/k/a K. J. THOMSON,
MICHELE SCHNEIDER NEWMAN,
a/k/a MICHELE LYNN SCHNEIDER,
WILLIAM L. ATTEBERRY,
JUDITH GIGLIO,
a/k/a JUDIE GIGLIO
HARRY ALONSO,
ARTHUR HOUSEHOLDER,
a/k/a ORIN UTTERBACH,
ROBERT RAY PETRIE,
RAKESH CHOUHAN,
a/k/a ROCKY CHOUHAN,
and
KALYN NAGEL

did knowingly and willfully combine, conspire, confederate, and agree with each other and with others, known and unknown to the Grand Jury, to conduct and to attempt to conduct financial transactions, knowing that the funds and monetary instruments involved in the transactions represented the proceeds of a specified unlawful activity, that is: wire fraud, in violation of Title 18, United States Code, Section 1343, and knowing that the financial transactions were carried out with the intent to promote the carrying on of a specified unlawful activity, in violation of title 18, United States Code, Section 1956(a)(1)(A)(i).

OVERT ACTS

In furtherance of this conspiracy, the following overt acts, among others, were committed:

1. On or about February 1, 1994, Harry Alonso signed and faxed to Larry Sangaree in Waldo, Florida, a document entitled "Authorization to Disburse Trust Account Funds"

relating to \$135,000.00 held by Donald Jake Gamble for a transaction identified as BVI Shipping Inc., in St. Johns, Antigua.

2. On or about February 15, 1994, a wire transfer in the amount of \$20,000.00 was sent at the direction of Donald Jake Gamble from the First National Bank of Crossville, Tennessee, to **Robert Ray Petrie** at the bank of Nova Scotia, Philipsburg, Netherlands Antilles.

3. On or about February 16, 1994, **Frank Vincent Dzwonkowski** withdrew \$40,000.00 in cash from the International Interests Ltd. Account at Barnett Bank, 2627 NW 43rd Street in Gainesville, Florida.

4. On or about August 25, 1994, two wire transfers identified by Bank of America totaling approximately \$200,000.00 were sent from the American International Bank, St. Johns Antigua, to **Robert Ray Petrie**.

5. On or about September 1, 1994, **Harry Alonso** caused Art Wilson to transmit a bank check numbered 1695566 and drawn on First Interstate Bank in Reno, Nevada, in the amount of \$200,000.00 to Donald Jake Gamble in Crossville, Tennessee.

6. On or about September 13, 1994, **William W. Cooper** established and incorporated the Caribbean American Bank in St. Johns, Antigua, on behalf of Donald Jake Gamble, Larry Sangaree, and others, and transmitted a fax message to Donald Jake Gamble in Crossville, Tennessee, advising Gamble that the Caribbean American Bank had been licensed by the Antiguan government.

7. On or about September 28, 1994, **Rakesh Chouhan**, d/b/a U. S. & European Corporation faxed to Craig Stevens in Australia a letter indicating that **Rakesh Chouhan** was in a position to syndicate \$4,650,000.00 in funding for a business project if Stevens would place \$60,000.00 in escrow.

8. On or about November 15, 1994, a wire transfer in the amount of \$12,500.00 was made at the direction of **Robert Ian Newman** and **Michele Lynn Schneider** to Capital Bank of North Ft. Lauderdale from the American International Bank of St. Johns, Antigua.

9. On or about December 14, 1994, at the direction of Larry Sangaree, Jake Gamble ordered the transfer of \$260,436.00 from the American International Bank Ltd., St. Johns, Antigua to the trust account of William K. Gordon of Gainesville, Florida, for the purchase of real estate in the name of Rharte Ltd. and Terri Morris.

10. On or about December 18, 1995, **Robert Ian Newman** and **Kieron John Thomson, a/k/a K. J. Thomson** caused Roger A. Lammers to wire transfer approximately \$650,000.00 from NationsBank in Texas, through the Privat Kredit Bank in Lugano, Switzerland, to an account at the Caribbean American Bank in St. Johns, Antigua.

11. On or about March 15, 1996, at the direction of Peter Barnum and Maxine Barnum \$16,552.00 was wire transferred from the Caribbean American Bank Ltd. account of Curney and Associates Ltd., to the account of Ronsonet Buick at the Columbia County Bank, lake City, Florida, as a payment for the purchase of an automobile.

12. On or about March 18, 1995, at the direction of Larry Sangaree, \$300,000.00 was wire transferred from the American International Bank Ltd., St. Johns, Antigua to Century 21, Collins Realty on St. George Island, Florida, for the purchase of real estate in the name of Sirrom, Ltd.

13. On or about March 20, 1996, at the direction of Peter Barnum and Maxine Barnum, \$9,600.00 was wire transferred from the Caribbean American Bank Ltd. account of Barlow Enterprises Ltd., to the account of Ronsonet Buick at the Columbia County Bank, lake City, Florida, as a payment for the purchase of an automobile.

14. On or about April 9, 1996, at the direction of Peter Barnum and Maxine Barnum, \$209,000.00 was wire transferred from the Caribbean American Bank Ltd. account of Barlow Enterprises Ltd. to the trust account of William K. Gordon of Gainesville, Florida, for the purchase of real estate in the name of Barlow Enterprises Ltd.

15. On or about June 26, 1996, Arthur Householder caused Dirck Hecking to wire transfer \$250,000.00 from SunTrust Bank in Atlanta, Georgia, through the Privat Kredit Bank in Lugano, Switzerland, to an account at the Caribbean American Bank.

16. On or about July 5, 1996, Arthur Householder caused Dirck Hecking to wire transfer \$150,000.00 from SunTrust Bank in Atlanta, Georgia, through the Privat Kredit Bank in Lugano, Switzerland, to an account at the Caribbean American Bank.

17. On or about July 9, 1996, Arthur Householder caused Thomas Fleeger to wire transfer \$125,000.00 from BancOne in Dallas, Texas, through the Privat Kredit Bank in Lugano, Switzerland to an account at the Caribbean American Bank in St. Johns, Antigua.

18. On or about December 16, 1996, Kalyn Nagel caused Bill Austin to wire transfer \$880,000.00 from Shawnee, Oklahoma, to the Caribbean American Bank in St. Johns, Antigua.

19. On or about January 23, 1997, William L. Atteberry faxed to Ron Spence, Vice President of Young Living Essential Oils, a letter which outlined the requirements necessary for Young Living Essential Oils to secure funding from Sterling International Guarantee Limited.

20. On or about February 9, 1997, Robert Ian Newman caused Dr. Gary Young to wire transfer approximately \$240,000.00 from the First Utah Bank in Salt Lake City, Utah, through the American International Bank in St. Johns, Antigua, to an account at the Caribbean American Bank in St. Johns, Antigua.

21. On or about February 11, 1997, Kalyn Nagel caused Robert Meersman to wire transfer \$197,500.00 from Ontario, Canada, to the escrow account of the Caribbean American Bank in St. Johns, Antigua.

22. On or about March 12, 1997, Judie Giglio sent a fax message to R. Allan Cohen requesting that her corporation, J. P. Williams, Ltd., be changed to Southworth Investments, Ltd., and that the authorized signatories should be changed to Renee Murray and Jack Murray.

All in violation of Title 18, United States Code, Sections 1956(h) and 2.

COUNT TWO

The allegation contained in Count One of this Indictment is realleged and fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to Title 18, United States Code, Section 982(a)(1).

As a result of the offense alleged in Count I of this Indictment, defendants,

**WILLIAM W. COOPER,
FRANK V. DZWONKOWSKI,
ROBERT IAN NEWMAN,
KIERON JOHN THOMSON,
a/k/a K. J. THOMSON,
MICHELE SCHNEIDER NEWMAN,
a/k/a MICHELE LYNN SCHNEIDER,
WILLIAM L. ATTEBERRY,**

JUDITH GIGLIO,
a/k/a JUDIE GIGLIO
HARRY ALONSO,
ARTHUR HOUSEHOLDER,
a/k/a ORIN UTTERBACH,
ROBERT RAY PETRIE,
RAKESH CHOUHAN,
a/k/a ROCKY CHOUHAN,
and
KALYN NAGEL

shall forfeit to the United States all property involved in such offense and any property traceable to such property, including but not limited to the following property:

a. All right, title, and interest in the funds and other assets remaining in and owned by the Caribbean American Bank, located at St. Johns, Antigua;

b. If the property described above as being subject to the forfeiture, as a result of any act or omission of the defendants:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be

subdivided without difficulty.

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It is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1) to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 982.

A TRUE BILL:

Karen J. Hellock
FOREPERSON

4/27/99
DATE

P. Michael Patterson

P. MICHAEL PATTERSON
United States Attorney

Lyndia F. Padgett
LYNDIA F. PADGETT
Assistant United States Attorney

United States District Court

NORTHERN DISTRICT OF FLORIDA

In the Matter of the Search of

(Name, address or brief description of person or property to be searched)

The residence and outbuildings of Peter and Maxine Barnum located at 23507 E. CR 1474 in Alachua County, Florida, and further described in Attachment A

APPLICATION AND AFFIDAVIT FOR SEARCH WARRANT

CASE NUMBER:

Mag. #! 1199 in 109RB

I, SS/A Mickey L. Pledger, U.S. Customs being duly sworn depose and say:

I am a(n) Senior Special Agent, U.S. Customs Service and have reason to believe

that on the person of or on the premises known as (name, description and/or location)

The residence and outbuildings of Peter and Maxine Barnum located at 23507 E. CR 1474 in Alachua County, Florida, and further described in Attachment A

in the NORTHERN District of FLORIDA there is now concealed a certain person or property, namely (describe the person or property)

Documents, records, and electronic devices further described in Attachment B

which is (give alleged grounds for search and seizure under Rule 41(b) of the Federal Rules of Criminal Procedure)

Evidence

in violation of Title 18 United States Code, Section(s) 1956, 1343, 1957 The facts to support the issuance of a Search Warrant are as follows:

See attached affidavit

FILED 8/14/97
NORTHERN DISTRICT FLORIDA
US MAGISTRATE JUDGE (Initials)

Continued on the attached sheet and made a part hereof. Yes No
Signature of Affiant

Sworn to before me, and subscribed in my presence
Date August 14, 1997 at Gainesville, Florida
Richard P. Pledge

SECURITIES AND INVESTMENTS have had the sending facsimile machine's identification either erased or over typed with all zeros. Your affiant, through experience with a number of facsimile machines, is aware that each machine normally has an operator-programmed identification number which is sent on the top of any fax transmission. This number is usually the sending facsimile telephone number and is normally, in your affiant's experience, used to assist the recipient of the fax in identifying the sender and responding to the information, if necessary. The memo from Larry SANGAREE did have, however, a printed "JESSICA" on the top right of the fax transmission. In your affiant's experience, this name is located in the position where the destination telephone number would normally be printed on the fax transmission and denotes that the sending machine had a "speed dial" setting with an internal memory which automatically dialed a telephone number which had been programmed to correspond to the name "JESSICA." It should also be noted that the top page of this memo also had the notation "This page sent SECURE."

On November 6, 1996, your affiant interviewed Donald Jake GAMBLE concerning his knowledge of Larry SANGAREE and other members of the financial fraud organization. GAMBLE, according to information available to your affiant, has provided detailed information to agents of the Federal Bureau of Investigation for at least five (5) years concerning the source's contact with individuals who have been alleged to be involved in criminal conduct, including NEWMAN, COHEN, SANGAREE, MERSKY, ALONSO, and others. Your affiant has reviewed extensive and detailed FBI reports relating to information provided by GAMBLE during this period. The significant information regarding the activities of NEWMAN, GAMBLE, COHEN, SANGAREE, MERSKY, ALONSO, and other associates which is contained in these reports has been corroborated by independent investigation by both your affiant and other law enforcement personnel involved in this investigation. These reports indicate that GAMBLE did not, however, report significant income received from the group to the FBI. Consequently, on May 5, 1997, GAMBLE pled guilty to an information filed by the

Middle District of Tennessee, Nashville Division, charging him with a violation of Title 18, United States Code, Section 1957.

During this interview, GAMBLE stated that he has participated in a venture capital syndication organization which is operated by Larry SANGAREE of Gainesville, Florida since at least 1993. Additionally, according to GAMBLE, the group utilized Les MERSKY, Robert NEWMAN, Robert PETRIE, and Harry ALONSO as "syndicators" in the group's venture capital transactions. GAMBLE stated that he acted as the "escrow attorney" for the group's transactions from approximately July 1993 until approximately October of 1995. GAMBLE stated that he was then replaced as the "escrow attorney" in approximately October of 1995 by R. Allan COHEN, however, GAMBLE continued to be involved in the operations of the violator group. This information from GAMBLE is corroborated by documents received by your affiant from various victims of the group, including Ivan Kerr. These documents reflect GAMBLE's role as escrow attorney in transactions up until the September-October 1995 timeframe. Documents involving the group after this period are generated by R. Allan COHEN as the group's trust attorney.

On December 2, 1996, your affiant and other agents interviewed Peter Albert BARNUM at his residence in Gainesville, Florida. During this interview, BARNUM agreed to talk to your affiant and the other agents present voluntarily. Your affiant then advised BARNUM that an individual identified as Ivan Kerr had made allegations that he (Kerr) was the victim of a fraudulent venture capital scheme involving individuals identified as Dennis MCGREGOR, CURNEY AND ASSOCIATES LTD, and Robert NEWMAN. Specifically, BARNUM was then asked directly if he was, in fact, Dennis MCGREGOR. BARNUM denied this allegation and stated that he knew an individual with that name from the Atlanta, Georgia area but could not provide your affiant with any means to contact MCGREGOR. BARNUM was also asked whether or not he was associated with a company identified as CURNEY AND ASSOCIATES LTD. BARNUM again denied this allegation. Subsequent to these questions, your affiant showed

BARNUM a document on the letterhead of Donald Jake GAMBLE in which GAMBLE instructs the AMERICAN INTERNATIONAL BANK in Antigua to establish a bank account and corporation in the name of CURNEY AND ASSOCIATES LTD. GAMBLE further instructs the bank that the signatories for this account will be Pete BARNUM and M.M. WOLF. It should be noted that Maxine Wolf BARNUM is the wife of Peter BARNUM. BARNUM was also showed a bank statement page from an AMERICAN INTERNATIONAL BANK account which listed a \$22,000 wire transfer to "P. Barnum" on October 20, 1995. After reviewing these documents, BARNUM still contended that he knew nothing about the company and indicated that the wire transfer may be "something his wife was into."

As the interview continued, your affiant asked BARNUM where his wife was and he replied that she was at school. BARNUM also stated that she worked for a friend of his in the local area doing "yard work" at this individual's ranch. When your affiant asked BARNUM to identify this individual, BARNUM advised that it was Larry SANGAREE. BARNUM further stated that he (BARNUM) also worked part-time for SANGAREE.

Your affiant also asked BARNUM if he knew an individual identified as Robert NEWMAN and BARNUM stated that he did, in fact, know NEWMAN. Your affiant advised BARNUM that it was the desire of the investigating agents in this case to talk to NEWMAN or another individual who could explain the contracts and other documents provided by Ivan Kerr. BARNUM stated that he would attempt to contact someone and have them contact your affiant. To that end, your affiant provided BARNUM with a business card listing telephone contact numbers.

On December 10, 1996, your affiant received a fax from an unknown source addressed to "Mickey Pledger FAX Number : 904-942-8807." This fax consisted of a single page letter which was unsigned in which the author repeatedly states that Ivan Kerr is a liar and that he committed fraud against STERLING INTERNATIONAL GUARANTEE. The fax also includes correspondence on the letterhead of STERLING

INTERNATIONAL GUARANTEE LTD which is signed by "R. NEWMAN." This letter by NEWMAN again states that Ivan Kerr is a liar and a fraud. Additionally, NEWMAN states emphatically that Kerr still owes STERLING \$1,030,000 which he states was "lost" in the transaction.

On January 28, 1997, GAMBLE advised S/A Jim Bolton, IRS-CID/Nashville (TN), that Larry SANGAREE had contacted him on an almost daily basis up to and including January 28, 1997. Specifically, SANGAREE advised GAMBLE on January 28, 1997, that he (SANGAREE) was replacing the computer encryption systems on the equipment located at his (SANGAREE's) residence. SANGAREE also told GAMBLE that the encryption equipment on Ronald Allan COHEN's computer would also be replaced within the next few days and that the equipment would also be installed on his (GAMBLE's) system soon. In previous conversations, SANGAREE had advised GAMBLE that they would be "doing the biggest thing they had ever done" in the near future, possibly early February 1997. Additionally, according to GAMBLE, he and SANGAREE also discussed potential problems with an ongoing venture capital transaction involving an individual identified as Edward Herrman. Your affiant is in possession of documents which reveal that Edward Herrman from Maple Valley, Washington, had transferred \$880,000 to the SANGAREE organization during the course of pursuing a funding transaction. These documents also indicate that Herrman was attempting to get his money back and was complaining various individuals and agencies about the alleged transaction. Additionally, the documents in the possession of your affiant include a fax transmittal to Herrman from R. Allan COHEN advising him that he had defaulted on his agreements and that no funds would be returned to him.

On February 13 and 14, 1997, U.S. Customs and FBI personnel executed a search warrant on the residence and office of Larry SANGAREE which is located at 12020 East County Road 225 near Waldo, Florida. Information, previously provided by GAMBLE, indicated that there were documents, computers, and firearms at this

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location. Additionally, your affiant traced a wire transfer from the Bank of America account in the name of the AMERICAN INTERNATIONAL BANK of Antigua, W.I. which has been identified as a payment for this property on behalf of Larry and Terri SANGAREE. As a result of this search, a large number of documents and records were seized which substantiate the allegations made by Ivan Kerr and other victims. Additionally, at least three computer systems, secure telephone devices, and a secure fax machine were also seized. The fax machine had a number of "speed dial" settings including listings for R. Allan COHEN, Jake GAMBLE, Les MERSKY, Robert NEWMAN, and several others. Further, a large number of firearms were also located and seized.

Subsequent to the execution of this search warrant, SANGAREE was arrested on February 25, 1997, as a result of a Northern District of Florida indictment charging him as a felon in possession of ammunition. A superseding indictment was later returned charging SANGAREE as a felon in possession of a firearm. He was subsequently convicted of this charge in July 1997.

In addition to the documents and records which were seized from the residence and office of the SANGAREE residence, further documents and computer records were recovered from a 1996 Jeep Cherokee registered to an Antiguan corporation identified as BARLOW ENTERPRISES LTD.

One of the sets of documents recovered from this vehicle was titled "CURNEY 96" and contained numerous faxed documents relating to wire transfers to and from account #010-000-012 at the CARIBBEAN AMERICAN BANK. Most of these documents contain the signature of BARNUM's wife using her maiden name, Maxine WOLF. These documents also reflect transfers within the CARIBBEAN AMERICAN BANK from CURNEY AND ASSOCIATES LTD to BARLOW ENTERPRISES LTD.

Extensive computerized records were also recovered from the vehicle which include

documents identifying over thirty victims who were involved in transactions with CURNEY AND ASSOCIATES LTD and ANVIL S.A. These computer disks also contain copies of faxed correspondence, blank forms, and other documents related to the operation of the transactions. Another document found in these records is a fax transmittal from Maxine WOLF to the CARIBBEAN AMERICAN BANK which directs "As per the letter from Larry Sangaree regards NEW corporations please transfer the following amounts from Curney and Associates Ltd, 010-000-012 and form these corporations." The document directs that \$22,500 be transferred to form BARLOW ENTERPRISES LTD and \$2,500 to form ANVIL S.A. The telephone numbers indicated on the faxed documents for Maxine WOLF are (352) 338-8419 and (352) 375-2394 FAX. Most of these faxed documents contain the notation at the top of the page "This Page Sent SECURE."

A telephone notebook found in the briefcase belonging to Larry SANGAREE list 375-2394 as the home fax number listed to "Pete" which is located in the "B" section of the document. Another document found during this search is a contract proposal from Griffis Gas concerning the installation of natural gas equipment which states "Proposal submitted to: Peter Barnum/Barlow Enterprises, 23507 East County Road 1474, Alachua County, Florida Telephone 352-338-8419." Both of these numbers are the same as the telephone numbers listed on the seized documents identified in the previous paragraph.

Another of the documents seized during the execution of the search warrant was apparently an internal document generated to inform members of details concerning the fraudulent financial transactions which were not to be released to clients or the public. This document, which carried the header "CONFIDENTIAL", also bore a handwritten admonishment which stated "Nobody but you ever sees these 2 pages." Specifically, the document discusses payments which are to be made by the "client" under the terms of the contracts and states "You have to make the client think you are really working to get to the second payment and the third payment. This draws his

attention away from the first payment - which is the only payment you will see but he doesn't know that." Additionally, the document states "FOR YOUR INFORMATION the 2nd and 3rd payments will never come. You all are in it for the first payment. However, you act like you are after all 3 payments."

Further, the same document also states "What all the clients refuse to see, just plain do not understand is that in Section 3 the Syndication Agreement demands that the Payment Guarantee be COLLATERALIZED. That means it must be cash backed or no bank will issue it. It is the clients responsibility to do that. However, you do not call any attention to that UNTIL you have been paid. Period. No exceptions." Later on, the document also makes another comment about the "client" by stating "He is right where you want him. He is desperate."

On March 21, 1997, Peter BARNUM was interviewed at the Main Post Office in Gainesville, Florida by Postal Inspectors Lou Keith and John Sternberg. During the course of this interview, BARNUM was shown documents which indicated that he was a "facilitator" for the group which included SANGAREE. BARNUM advised the inspectors that he had been involved in this for approximately two years and that he believed that it was legal. Mr. BARNUM also advised the Postal Inspectors that the 1996 Jeep Cherokee seized at the SANGAREE residence belongs to BARLOW ENTERPRISES. BARNUM also told the inspectors that he and his wife, Maxine, were "BARLOW ENTERPRISES."

On August 6, 1997, a federal grand jury in Tallahassee, Florida, indicted Larry SANGAREE, AKA Mitchell PORTER, Terri SANGAREE, Peter Albert BARNUM, AKA Dennis MCGREGOR, and Maxine BARNUM, AKA Maxine WOLF, on money laundering conspiracy charges arising out of the operation of the fraudulent venture capital scheme. Further, Count II of this indictment provides for the criminal forfeiture of certain real property including a parcel purchased by the BARNUM's in the name of

BARLOW ENTERPRISES LTD located on Northeast County Road 1474 in Alachua County, Florida. This indictment was sealed by order of the court at that time.

According to information provided to your affiant by IRS-CID S/A Mary Clark, S/A Clark and another IRS-CID agent went to the previously identified Gainesville, Florida residence of Peter and Maxine BARNUM located at 5325 SW 77th Terrace on August 6, 1997, for the purpose of conducting an interview concerning income tax issues. At that time, S/A Clark was informed by the individuals occupying the residence that the BARNUM's had sold the residence and moved. S/A Clark and the other agent subsequently went to the property located at 23507 East County Road 1474 in Alachua County, Florida. At this location, S/A Clark advised that she knocked on the door and was met by Peter BARNUM and Maxine BARNUM. S/A Clark also advised that she observed several vehicles parked at this location including a white GMC pickup truck, a green GMC Jimmy, and an older blue Jeep. Your affiant is aware through Florida registration records that the white GMC pickup truck is registered to Peter BARNUM, the green GMC Jimmy is registered to Maxine BARNUM, and the older blue Jeep is registered to BARLOW ENTERPRISES LTD. S/A Clark advised your affiant that Pete BARNUM told her that he had consulted an attorney and did not wish to talk to the agents. At this point, S/A Clark indicated that she and the other agent left the property.

On August 14, 1997, your affiant traveled to the BARNUM residence located at 23507 East County Road 1474 in Alachua County, Florida for the purpose of serving a federal arrest warrant on Maxine Marie BARNUM. Your affiant was assisted by other law enforcement officers including a uniformed Alachua County Deputy Sheriff who was operating a marked Sheriff's Department vehicle. When agents arrived at the residence, Maxine BARNUM was observed looking out of a window adjacent to the garage door. At the time of her observation out this window, the Alachua County Sheriff's vehicle was parked in plain view within twenty-five feet of this window. Your affiant then went to the front door of the residence, knocked several times, and announced that agents had a warrant for Maxine BARNUM's arrest. Over a period of

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several minutes, no response was received from BARNUM. Subsequently, your affiant, who was standing on the other side of the entrance door, heard what appeared to be the sound of the action of a pump shotgun being operated. Officers then retreated and directed BARNUM to drop her weapon and exit the residence. Subsequently, BARNUM was observed to open the door with a pistol grip shotgun in her hand. BARNUM was again directed to drop the weapon. BARNUM then went back inside the residence for a short period and reappeared at the doorway without the weapon being visible. Agents then took BARNUM into custody.

Your affiant and other officers then entered the residence and briefly looked inside each room to determine if Terri SANGAREE or other persons who might present a threat were present. During this protective sweep, your affiant observed a computer installation, file cabinet, fax machine, and a large number of files located in the garage area. The files observed by your affiant were similar to other files recovered from the BARNUM's vehicle during the February search of the SANGAREE residence. Subsequently, your affiant secured the residence and directed supporting agents to maintain this condition until directed otherwise.

Based on the foregoing facts and circumstances, your affiant believes that Larry SANGAREE, Terri SANGAREE, Peter Albert BARNUM, Maxine BARNUM, and others are involved in the continuing perpetration of a sophisticated venture capital scheme which is designed specifically to ensure that prospective "clients" can not comply with the contracts and other documents, thereby forfeiting to the violators the required "up-front" fee or fees. The violators also make extensive use of offshore corporations, principally in Antigua, W. I., to shield themselves from investigation and lend credibility to their assertion that they have access to funds from unidentified offshore investors. Additionally, fees received from victims are, at the direction of the violators, transferred offshore through AMERICAN INTERNATIONAL BANK accounts in Canada, Switzerland, Germany, and elsewhere, ultimately ending up in the CARIBBEAN AMERICAN BANK in St. Johns, Antigua. As indicated in previous paragraphs, funds

have already been traced from victims to AMERICAN INTERNATIONAL BANK correspondent accounts in the U.S. and CARIBBEAN AMERICAN BANK Accounts in Antigua, W.I. These funds have also been traced as they are returned to the violators to purchase a variety of assets, including the residences of Larry SANGAREE in both Alachua and Franklin counties, a residence for Donald Jake GAMBLE, as well as BMW and Lexus automobiles for GAMBLE.

The group of violators makes extensive use of a variety of documents, including contracts, escrow agreements, wire transfer coordinates, underwriting agreements, and other written instruments to accomplish their "transactions." This observation is supported by your affiant's review of documents from a number of violators, records obtained during the search warrant executed on SANGAREE's residence, and those instruments recovered from Jessica MAUN. This review by your affiant indicates that the group makes extensive use of facsimile machines for the transmittal of these and other internal documents. Further, computer files found during the search of SANGAREE's residence and BARNUM's vehicle, coupled with instructions found in documents obtained from Jessica MAUN, indicates that the group also makes extensive use of computers, both laptops and other systems, to generate and store these documents. The seizure of a secure fax machine, secure telephone system, three (3) computers, a satellite telephone communications system, and numerous documents from the residence and office of SANGAREE support this indication.

Based on the above and the observation on August 14, 1997, during the arrest of Maxine BARNUM, there exists, in your affiant's opinion, probable cause to believe that Larry SANGAREE, Terri SANGAREE, Peter Albert BARNUM, Maxine BARNUM, and their associates have been involved in violations of Title 18, United States Code, Section 1343 (Fraud by Wire), Title 18 United States Code, Section 1956 (Money Laundering), and Conspiracy to violate the above. Additionally, your affiant believes that there is probable cause to believe that certain documentary evidence, further described in Exhibit B, of these violations will be found in a search of the residence of

United States District Court

MIDDLE DISTRICT OF GEORGIA

In the Matter of the Search of (Name, address or brief description of person or property to be searched)

SEE ATTACHMENT "A"

SEARCH WARRANT

CASE NUMBER: 1:98-MC-14-2

TO: SA JAMES C. GRADY and any Authorized Officer of the United States

Affidavit(s) having been made before me by SA JAMES C. GRADY who has reason to believe that on the person of or on the premises known as

SEE ATTACHMENT "B"

in the MIDDLE District of GEORGIA there is now concealed a certain person or property, namely

See Above Description

I am satisfied that the affidavit(s) and any recorded testimony establish probable cause to believe that the person or property so described is now concealed on the person or premises above-described and establish grounds for the issuance of this warrant.

YOU ARE HEREBY COMMANDED to search on or before 9 May 1998

(not to exceed 10 days) the person or place named above for the person or property specified, serving this warrant and making the search (in the daytime -- 6:00 A.M. to 10:00 P.M.) (at any time in the day or night as I find reasonable cause has been established) and if the person or property be found there to seize same, leaving a copy of this warrant and receipt for the person or property taken, and prepare a written inventory of the person or property seized and promptly return this warrant to the undersigned U.S. Judge or Magistrate

30 April 1998 @ 5:15 P.M. at ALBANY, GEORGIA RICHARD L. HODGE, US MAGISTRATE JUDGE

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United States District Court

MIDDLE DISTRICT OF GEORGIA

In the Matter of the Search of
(Name, address or brief description of person, property or premises to be searched)
SEE ATTACHMENT "A"

APPLICATION AND AFFIDAVIT
FOR SEARCH WARRANT

CASE NUMBER:

I SA JAMES C. GRADY being duly sworn depose and say:

I am a(n) SPECIAL AGENT FBI and have reason to believe

that on the person of or on the property or premises known as

SEE ATTACHMENT "A"

in the MIDDLE District of GEORGIA
there is now concealed a certain person or property, namely

See Attachment "B" incorporated herein by reference as if fully restated herein.

which is (state one or more bases for search and seizure set forth under Rule 41(b) of the Federal Rules of Criminal Procedure)

Property that constitutes the fruits, evidence, and instrumentalities of crimes against the United States
concerning a violation of Title 18 United States Code, Section(s) 1956
The facts to support a finding of Probable Cause are as follows:

See Attached Affidavit hereby incorporated by reference as if fully restated herein.

Continued on the attached sheet and made a part hereof. Yes No

Signature of Affiant

Special Agent
Federal Bureau of Investigation

Sworn to before me, and subscribed in my presence

30 April 1998
Date

at ALBANY, GEORGIA
City and State

RICHARD L. HODGE US MAGISTRATE JUDGE
and Title of Judicial Officer

Signature of Judicial Officer

Name

21. On May 3, 1996, Newman forwarded to Kerr a demand for an additional 75 thousand dollars to proceed with the transaction. These documents, (also provided to SA Pledger and your Affiant), indicate that Newman and Sterling Guarantee, LTD. would be paid forty five thousand dollars "up front", and an additional thirty thousand dollars at the conclusion of the transaction. The wire coordinates provided by Newman for the transfer of these funds identified Privat Kredit Bank, via Pretorio 22, Casella Postale, Ch-6901 Lugano, Switzerland, for credit to American International Bank account number 1.4.91574, for further credit to Caribbean American Bank escrow account 010-000-216. According to Kerr, the initial sum of forty five thousand dollars was transferred all according to Newman's instructions. Kerr advised that he was not, (under the conditions imposed by Newman), able to obtain the required letter from a financial institution, guaranteeing the one million dollar profit payment which Newman insisted on.

22. On July 9, 1996, Kerr in the presence SA Pledger and your Affiant, made a consensually recorded telephone call to Robert Newman. During this conversation, Newman advised Kerr that he (Kerr) still owed him (Newman) thirty thousand dollars. Newman also told Kerr that another transaction could be arranged if Kerr provided Newman with an additional seventy five thousand dollars.

23. On July 29, 1996, the Bank of America

International in New York responded to a Grand Jury subpoena issued by the Northern District of Florida requesting details of transactions conducted by and through account number 298-52-014 from January 1994 through July 1996. This account is the account utilized by Donald Ray "Jake" Gamble, or R. Allan Cohen and Dennis McGregor "a.k.a." Peter Albert Barnum in correspondence with Kerr. Documents received as a result of this subpoena revealed that this account is identified as belonging to the American International Bank, LTD, address 10 Redcliff Quay, Box 1673, Saint John's, Antigua, West Indies. Analysis of these records by SA Pledger and your Affiant indicated that during the period of June, 1994 through the account closing in April, 1996, Robert Newman and persons associated with his corporations received payments totaling approximately \$256,270.00. During this same period associates K. J. Thompson and Larry Sangaree received payments (or had payments made on their behalf) totaling approximately \$280,073.00 and \$698,950.00 respectively. The records received (pursuant to the Grand Jury subpoena) also confirmed the wire transfer of a hundred thousand dollars, ten thousand dollars, and three thousand, five hundred dollars by Kerr to this account. The records also indicated that subsequent to these transfers by Kerr, thirty thousand dollars was paid to the Centurion Group and fifteen thousand dollars was transferred to Dennis McGregor (true name: Peter Albert Barnum). Transaction records also indicated that Barnum had previously received an additional twenty two thousand dollars from this account. Account records revealed that payments were made to Jessica

Santos (true name: Jessica Maun) in the amount of \$12,100.00 during the subpoenaed period.

24. Bank records also indicate that both trust attorneys identified by Kerr, (and identified in subsequent correspondence provided by Kerr to SA Pledger and your Affiant), have participated in multiple transactions involving this account. During the period of June, 1994 through April, 1996, Donald Ray "Jake" Gamble had made a total of \$1,416,000.00 in deposits to this account. Ronald Allan Cohen had made an additional two deposits totaling \$354,230.00.

25. SA Pledger has advised your Affiant that he (Pledger) was contacted on August 7, 1996 by U.S. Customs Inspector Steve Gilbert of the Nassau Bahamas Pre-Clearance Station. Inspector Gilbert advised SA Pledger that Jessica Maun had presented herself for customs clearance into the United States. Inspector Gilbert asked Maun how she was employed and she answered that she sold cellular phones. When Inspector Gilbert opened Maun's suitcase, he observed what appeared to be a large number of documents including copies of bank checks in amounts over one hundred thousand dollars, contracts, business records, and other items related to opening bank accounts and the establishment of corporations in Antigua, West Indies. When Inspector Gilbert questioned Maun about these documents she replied that she only sold cellular telephones part-time and that she "qualified investors" for a company identified as

International Interests. Inspector Gilbert noted that many of the documents were addressed to Jessica Santos. When Inspector Gilbert questioned Maun about this, she stated that she utilized the name Santos when she worked for International Interests. At this point, Inspector Gilbert advised SA Pledger that he allowed Maun to proceed to the departure lounge. Maun's luggage was placed in the area for international departure loading which is still within the U.S. Custom's exclusion area. SA Pledger advised your affiant that he advised Gilbert that it was his (Pledger's) belief that probable cause existed that the documents in Maun's possession constituted evidence of a violation of Title 18, USC, Section 1956 and Title 18, USC, Section 1341 and 1343. SA Pledger advised your affiant that he directed Inspector Gilbert to re-inspect Maun's luggage which was still within the international departure area and constructively seize the documents by covertly photocopying them and forwarding the results to SA Pledger at the U.S. Customs Office, Tallahassee, Florida. This process, according to information provided to your affiant by SA Pledger, was conducted in accordance with U.S. Customs Border Search Authority as found in Title 18, USC, Section 1581 and related U.S. Custom Agency policy. That section states in part, "any officer of the Customs may at any time go on board of any vessel or vehicle at any place in the United States or within the Customs waters, or as he may be authorized, within a Customs enforcement area established under Anti-Smuggling Act (19, USC, 1701 et seq) or at any other authorized place, without as well as within his district and examine the manifest and other

documents and papers and examine, inspect, and search the vessel or vehicle and every part thereof and any person, trunk, package, or cargo on board." U.S. Custom policy as explained to your affiant by SA Pledger further states that if an officer during the course of a border search, develops probable cause to believe that a document or paper is subject to seizure because it is prohibited, or a fruit, instrumentality, or evidence of a crime, or criminally possessed, or evidence of a violation of any law enforced by Customs, or is otherwise subject to forfeiture, it may be seized. Additionally, if an officer has probable cause to believe a document or paper is subject to seizure, it may also be copied and referred to the U.S. Customs Service Office of Investigations as it was in this instance, being referred to the U.S. Customs Office of Investigations at Tallahassee, Florida.

26. Documents obtained from Maun during this seizure were photocopied and forward to SA Pledger at Tallahassee, Florida. Your Affiant, along with SA Pledger, have reviewed these documents. The documents include a telephone log indicating numerous contacts with potential victims and ongoing clients. Documents included a memo from Larry Sangaree stating, "I am tired, Gamble is tired, and the Board is now tired of hearing excuses, complaints, and finger pointing from some sectors as to why a deal does not close. Therefore, for the record, here, again, is the way the Board, Gamble, Cohen, and myself prefer it to be done." The memo goes on in detail to explain how to qualify clients for the organization. Other

documents include a memo from Robert Newman advising Maun that he had moved to other offices, giving her the address with the admonition that the address and telephone numbers, "are for your information only and at no time should the address be given to our clients." Another document found and reviewed was a memo to a subordinate broker in which Maun details the compensation for bringing clients to the organization. The document refers to compensation for the first ten projects as being 1.25 percent of the gross amount in arrears and five percent of the work payment obligation. For the eleventh through the twentieth projects, these figures reflect a ten percent share of the clients work payment obligation. By reference to the amount "in arrears", and referring only to the work payment obligation, Maun indicates no further details concerning compensation for any transaction which is successfully concluded.

27. Maun also had a document in her possession which was photocopied. This document has been reviewed by your affiant, and is entitled APPLICATION FOR FORMATION OF ANTIGUAN CORPORATE ENTITY. This document specifies nine steps which are to be completed by an individual seeking the formation of an Antiguan corporation. Step number four indicates that an unspecified amount of U.S. dollars must be wire transferred to CARIBBEAN AMERICAN BANK at the following coordinates to initiate the procedure: Privat Kredit Bank via Pretorio 22 Casella Postal Ch-6901 Lugano Switzerland for further credit to American International Bank, account number 1.4. 91574 USA, for further

credit to CARIBBEAN AMERICAN BANK, account number 010-000-216. Step five of this document states: "Once your wire transfer has been verified as received by CARIBBEAN AMERICAN BANK we will process a name reservation for one of three choices given by you herein. Once that has been perfected we will advise you of and forward to you signature cards for your account in CARIBBEAN AMERICAN BANK and advised you as to the account number therein." Section six advises: "Please fax this completed request to CARIBBEAN AMERICAN BANK attorney, R. Allan Cohen, at (912) 346-9433". Your Affiant through this investigation knows that (912) 346-9433 is a telephone number utilized at SALLY'S SERVICES located in Coolidge, Georgia. Step number seven states: "Please fax a copy of the wire transfer to attorney R. Allan Cohen at the fax number above (912-346-9433). No processing will commence without this document."

28. Also reviewed by your affiant is a document acquired from Maun entitled BUSINESS DEVELOPMENT SYNDICATIONS PROGRAM DESCRIPTION. This two page document states in part: "You must be an Antiguan offshore business corporation to enter our programs. To guarantee this is done before a DBA (Business Development Agreement-Equity Purchase) is entered into such incorporation will be handled for you by your syndicator. We will not accept any other method of incorporation. Neither your syndicator nor the investors wish to become familiar with any laws, corporate or otherwise, other than those of Antigua. All transactions will be done between chartered Antiguan corporations

only. No exceptions."

29. Your affiant has also reviewed a document obtained from Maun by Inspector Gilbert entitled, REQUEST TO CARIBBEAN AMERICAN BANK LEGAL COUNSEL TO FORM AN ANTIGUAN INTERNATIONAL BUSINESS CORPORATION. This document is to the attention of R. Allan Cohen and was initiated by Mike A. Morrison. Attached to this document was a copy of a Nations Bank check, number 3004720, in the amount of \$125,000.00, dated July 29, 1996. A notation on this document indicated "verified good 07/29/1996". An attached letter dated July 29, 1996 to Jessica Santos from Mike Morrison, President of Atlantic Funding Corporation, in part states: "Please accept this as notification that this check was issued against our account solely as a means of verification to Jessica Santos and Caribbean American Bank that we have sufficient funds on account as requested in order to begin the process towards an investment relationship with Jessica Santos and affiliates."

30. SA Pledger has advised your Affiant that on October 6, 1996, he contacted Mike Morrison, Doing Business As (DBA) Atlantic Funding Corporation, and his attorney, Robert Natal. Pledger contacted Morrison and Natal as a result of reviewing a telephone log acquired from Jessica Maun, also known as Jessica Santos, during the previously detailed border inspection of Maun. SA Pledger advised your affiant that Morrison advised as follows: Morrison contacted Jessica Santos

concerning the acquisition of capital for his business. Santos initially placed him in touch with Les Mersky, DBA Commercial Probabilities Corporation, as a "syndicator" for a venture capital arrangement. Morrison stated that Santos later contacted him and "switched" him to another syndicator, Robert Newman, DBA Sterling International Guarantee, LTD. Both Morrison and Natale stated that Newman appeared to be genuinely concerned with insuring that the capital transaction took place in a timely and successful manner. Newman advised Morrison and Natale that the Bank Trading Program or BTP, which was initially to be used as a vehicle for the development of venture capital was a problem. According to Morrison and Natale, Newman stated that he had used the program in the past and that he "had never seen it work".

31. According to information provided to your Affiant by SA Pledger, Newman told the men that he did not want to take their money with this program. Subsequently, Newman told Morrison and Natale that he would place his own money in the amount of approximately 25 million dollars into a joint venture partnership which would be used to provide venture capital funding for Morrison's business. Morrison would be required to put up approximately one hundred and twenty five thousand dollars. Morrison received instructions via facsimile which required him to initiate a business corporation in Antigua and a corresponding bank account at the Caribbean American Bank in order to proceed with the agreement with Newman. Morrison complied with this request and established Global Financial

Concepts, Incorporated and account number 010-000-421 at the Caribbean American Bank. These transactions took place in July, 1996. Wire transfer instructions provided to Morrison by Newman specified that funds be transmitted to the Privat Kredit Bank for credit to the American International Bank, for further credit to the Caribbean American bank escrow account number 010-00-216. The attorney utilized by Newman to facilitate the transactions with Morrison was identified as R. Allan Cohen in Coolidge, Georgia. Morrison wired transferred \$62,500.00 to the account in Antigua as a fifty percent escrow payment pending the completion of additional work by Newman.

32. On October 10, 1996, a conference call involving SA Pledger, your affiant, Morrison, and Morrison's attorney, Robert Natale, occurred. Morrison advised your affiant that he would be directing a facsimile to the Caribbean American Bank instructing them to return the \$62,500.00 currently held in their escrow account to his institution in the United States. This facsimile was sent. The facsimile was directed to (268) 462-9215 and was to the attention of bank employee, Sharon A. Weeks. The communications as sent to Caribbean American Bank by Morrison were copied and a copy was provided to your Affiant and SA Pledger. Morrison's \$62,500.00 has not been returned.

33. SA Pledger has advised your Affiant that he reviewed other documents obtained from Jessica Maun at the Nassau Bahamas, U.S. Customs Pre-clearance facility. Copies of all

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF FLORIDA
 GAINESVILLE DIVISION

UNITED STATES OF AMERICA,)
) Case No.: 1:98cr19
 Plaintiff,)
) Tallahassee, Florida
 vs.) May 7, 1998
) 3:35 P.M.
 RONALD ALLAN COHEN,)
 a/k/a R. Allan Cohen,)
)
 Defendant.)
)

TRANSCRIPT OF ARRAIGNMENT AND DETENTION PROCEEDINGS
 BEFORE THE HONORABLE WILLIAM C. SHERRILL
 UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For the Plaintiff: P. Michael Patterson
 United States Attorney
 By: LYNDIA F. PADGETT
 Assistant U.S. Attorney
 315 South Calhoun Street, Suite 510
 Tallahassee, Florida 32301-1841

For the Defendant: Bruce P. Anderson, P.A.
 By: BRUCE P. ANDERSON
 Attorney at Law
 522 North Adams Street
 Tallahassee, Florida 32301
 -and-
 J. CONVERSE BRIGHT
 Attorney at Law
 101 East Central Avenue
 Post Office Box 5889
 Valdosta, Georgia 31603

Court Reporter: Judy A. Ellan, RPR
 Official U.S. Court Reporter



Judy A. Ellan
 Official United States Court Reporter

P R O C E E D I N G S

(Call to Order of the Court.)

(Defendant present.)

THE COURT: Be seated, please. Good afternoon.

MS. PADGETT: Good afternoon.

MR. ANDERSON: Good afternoon.

THE COURT: This is the first appearance in an indictment of the United States versus Ronald Allan Cohen. It's Case Number 98cr19, Case Number 1, in Gainesville Division.

I'm a United States Magistrate Judge.

Who is Mr. Cohen?

THE DEFENDANT: (Indicating.)

THE COURT: Okay. And the purpose of this -- can you hear me okay?

THE DEFENDANT: Yes, sir.

THE COURT: -- is at first appearance to advise you of the nature of the charges against you, to consider the question of release and conditions of release, and to be sure you have a lawyer to represent you.

No, you can remain -- I've got to go through a litany of things, and no point in standing on formality at this point.

Do you have a copy of the indictment?

THE DEFENDANT: Yes, sir.

1 THE COURT: Okay. The indictment charges, in Count
2 I, that from January 1st, 1991, and continuing through the
3 date of the indictment, that you conspired with other people
4 who are named there -- I'm not going to read it out loud.

5 MR. ANDERSON: Okay. We waive it.

6 THE COURT: I have to --

7 MR. ANDERSON: That's fine.

8 THE COURT: -- generally describe the nature of the
9 charges, and we'll get to the arraignment in just a second.

10 THE COURT: -- to conduct or caused to be conducted
11 a financial transaction, knowing that the transactions
12 represented proceeds from an alleged unlawful activity --
13 that is, wire fraud -- and that the financial transactions
14 were carried out with the intent to promote the carrying on
15 of that specified unlawful activity.

16 The maximum potential penalty, should you be found
17 guilty, is a sentence of 20 years' imprisonment; a fine of
18 \$500,000, or twice the amount that the government is able to
19 prove, if they are able to prove an amount; and three years
20 of supervised release.

21 At first appearance it's my job to tell you of your
22 constitutional rights, and I'll do that.

23 Your first is your Fifth Amendment right to remain
24 silent. You do not have to say anything about what you are
25 alleged to have done. The government has the burden of

1 proving your guilt of what they have charged and every
2 element of it beyond a reasonable doubt; they cannot ask
3 questions of you, and they cannot argue that you're guilty
4 by pointing to you and saying you're guilty because you
5 remained silent.

6 If at any point you wish to answer questions about
7 what has been alleged here, you have a right to have your
8 lawyer present with you when you do it. You don't have to
9 do that alone.

10 You have a right to stop talking and go talk
11 privately with your lawyer, and at any point you carry the
12 ability to fall silent and not say anything.

13 If, before you came in here today, you have spoken
14 to anyone other than your attorney about what is alleged
15 here, and you now want to be silent, you, of course, have
16 that right to do that.

17 Mr. Anderson is retained as counsel; is that
18 correct?

19 MR. ANDERSON: Your Honor, for purposes of the
20 hearing today, myself and Mr. Converse Bright, an attorney
21 out of Valdosta, who is licensed in the Northern District,
22 are appearing on behalf of Mr. Cohen.

23 THE COURT: Okay. With regard to right of counsel,
24 you've got the right, of course, to hire an attorney. If at
25 any point you cannot afford an attorney, you have the right

1 to have a free one appointed.

2 As I do when counsel appears temporarily, you must
3 select permanent counsel within seven days of today, and
4 either -- I need to have an appearance of permanent counsel
5 within seven days.

6 Are you in the case, Mr. Anderson, for arraignment?
7 Is that acceptable for you?

8 MR. ANDERSON: Arraignment and first appearance --
9 first appearance and detention considerations.

10 THE COURT: Okay. Would you and Mr. Cohen then
11 rise, and I'll conduct the arraignment.

12 You have the right for me to read the indictment
13 out loud to you, and you have, of course, the right to say,
14 "No, thanks, I don't need you to read it."

15 THE DEFENDANT: We'll waive reading, Your Honor.

16 THE COURT: Okay. And how does the defendant plea?

17 MR. ANDERSON: Pleas not guilty.

18 THE COURT: I neglected to point out, there is a
19 forfeiture count in Count II which I didn't describe.

20 A not guilty plea is entered. Trial is set for
21 June 22nd, 1998, at 9:00. Please be seated.

22 Okay. The issue of release and conditions of
23 release is the next thing to take up.

24 Is the government seeking detention?

25 MS. PADGETT: Yes, we are, Your Honor.

1 THE COURT: Did the parties want to proceed now?
2 Are you ready to go?

3 MR. ANDERSON: The defendant is ready to proceed.

4 THE COURT: Is the government ready?

5 MS. PADGETT: We're ready, Your Honor.

6 THE COURT: Okay. You may proceed. I have the
7 pretrial services report. Do you got a copy of that?

8 MR. ANDERSON: Yes, sir.

9 THE COURT: Okay.

10 MS. PADGETT: Your Honor, first, I would like to
11 submit a copy of the search warrant that was executed on
12 Mr. Cohen's property in Georgia. I don't believe that
13 search warrant is probably in the court file yet. That is a
14 copy I received from the assistant in the Middle District of
15 Georgia.

16 And I would like to call Agent Fledger to the
17 stand, Your Honor.

18 THE COURT: All right.

19 DEPUTY CLERK: Raise your right hand. Do you
20 solemnly swear that the testimony you give in the cause now
21 pending will be the truth, the whole truth, and nothing but
22 the truth, so help you God?

23 THE WITNESS: I do.

24 DEPUTY CLERK: If you would have a seat.

25 State your full name and spell your last name for

1 the record.

2 THE WITNESS: My name is Mickey Pledger; the last
3 name is spelled P-L-E-D-G-E-R.

4 DIRECT EXAMINATION

5 BY MS. PADGETT:

6 Q. And for the record, would you say how you are employed
7 please?

8 A. I'm a senior special agent with the United States
9 Customs Service.

10 Q. And are you one of the case agents in the case of United
11 States of America versus Ronald Allan Cohen?

12 A. Yes, ma'am, I am.

13 Q. Are you familiar with the indictment that has been
14 returned in this case; specifically at this point, Count I
15 of the indictment alleging a money laundering conspiracy on
16 behalf of Mr. Cohen?

17 A. Yes, ma'am, I am.

18 Q. If you would, in terms of background information, the
19 specified unlawful activity alleged in the indictment is
20 wire fraud; is that correct?

21 A. Yes, ma'am, it is.

22 Q. And would you explain to the Court how -- well, let me
23 ask you this first:

24 In your investigation of this case, which has been
25 conducted over what time frame?

1 A. The case was opened, I believe, in 1994.

2 Q. And during that time, did you develop through your
3 investigation a knowledge of how an advanced fee scheme
4 worked as charged in this indictment?

5 A. Yes, ma'am.

6 Q. And, if you would, explain to the Court how the scheme
7 worked.

8 A. The group consisted of several levels. The lowest level
9 of the group which conducted business are called "brokers."
10 They are people who put ads in various magazines -- Wall
11 Street Journal and other publications -- seeking individuals
12 who wanted funding for investments or business expansion or
13 other services. Their job was, basically, to screen those
14 people, to determine their ability to pay a retainer or an
15 initial fee.

16 And the way they did that, they required those
17 individuals to produce a copy, a photocopy, of a cashier's
18 check, which they then checked with the bank that it was on
19 to determine if it was genuine. Once they established the
20 person had the capability of paying the fee, which ranged
21 from a low of perhaps 40,000 to as high as two million, they
22 then turned the individual or business over to the next
23 level of the group, which was called the "syndicator."

24 It was those individuals' responsibility to basically
25 get the guy to or the business to the point of signing the

1 contract. They required them to establish an offshore
2 Antiguan corporation, at least in the later stages; and then
3 have them sign the contract and transfer the initial
4 retainer from the United States, or wherever they happen to
5 be, to an account in the Caribbean American Bank in
6 St. Johns, Antigua.

7 Once the person signed the contract, there were
8 provisions -- there was a provision in the contract which
9 required that that individual produce a bank payment
10 guaranty or letter of credit in the amount of 20 percent of
11 the funding they were seeking. For example, if they were
12 seeking five million, it would be a payment guaranty of one
13 million, which was required to be collateralized or
14 cash-backed. They had usually five to seven days to produce
15 that.

16 When they could not produce it, the funds were forfeited
17 and split among the group.

18 Q. And you indicate, "when they could not produce the
19 letter of credit from the bank," were there, in your
20 investigation, discovered things that prevented them from
21 complying with that term of the agreement?

22 A. Well, in discussions with various clients that were part
23 of this group, the time frame required, but mainly the
24 requirement that the payment guaranty be collateralized.
25 Many times the people had borrowed the initial retainer of

1 200,000 or \$300,000, and they certainly had no means to
2 borrow the remainder, which would have been one million, two
3 million, whatever 20 percent of the funding would be.

4 Q. Were there any criteria for determining which people who
5 applied for these loans would be accepted by the group?

6 A. Well, essentially, if they had the capability to fund
7 the retainer, conversations with cooperating defendants,
8 including Larry Sangaree, indicated that the group
9 specifically sought people who had borrowed the initial
10 retainer, because they felt that anyone who had borrowed the
11 initial retainer would not be able to borrow or otherwise
12 obtain the money for the payment guaranty.

13 Q. Now, you indicated that -- you spoke of certain victims.
14 Have you been able to identify how many victims there are in
15 this case?

16 A. No, ma'am, not with any certainty. We've spoken to a
17 fairly large number of them. Probably, definitively
18 identified, between us and the FBI, it's still a
19 guesstimate, between 60 and a hundred people that we've
20 talked to. We certainly have identified, by way of names
21 and some addresses, many more than that.

22 But we have looked at documents that were taken from a
23 number of people, including Mr. Mersky, Les Mersky, who was
24 one of the syndicators of the group, we were able to examine
25 his client list which he turned over to us on computer disk.

1 That client list contained slightly in excess of 3,500
2 names.

3 Q. At this point, is it possible to determine how many
4 victims there were worldwide?

5 A. No, ma'am. We are still in the process of contacting
6 people as we go to determine how many of those people that
7 we have names and identification data for actually provided
8 money to the group, how many were just contacts and never
9 went forward.

10 Q. Have you been able to identify how much money might have
11 been made by this group?

12 A. During interviews with a number of people, including one
13 of the people named in the indictment, Robert Newman,
14 Mr. Newman told me that he believed the group was making
15 approximately \$30 million a year.

16 Mr. Sangaree, his statement of facts associated with his
17 guilty plea, was approximately \$6 million that was
18 attributed to him at that time.

19 Mr. Mersky provided us with documents covering a very
20 limited portion of his activity, just during '96 and '97,
21 covering roll programs or investment programs only -- it's a
22 very small type -- small portion of the group's business --
23 and his was eight million.

24 Q. Now, have you examined any bank records showing funds
25 from the Caribbean, showing funds flowing from the Caribbean

1 into the United States?

2 A. Yes, ma'am. In order for the bank that is established
3 by this group, the Caribbean American Bank, in order for
4 that bank to transfer funds in the United States, they have
5 to use an international correspondent bank that does
6 business internationally. That bank at that time was the
7 American International Bank.

8 The American International Bank maintained correspondent
9 accounts initially with the Bank of America, later with
10 Chase Manhattan. We have those two sets of records.

11 In analyzing the transaction volumes for the period we
12 have, the transaction volumes range up to \$63 million a
13 month for those bank accounts.

14 We still have to track down exactly how much of that
15 money belongs to this group or other groups, or whatever,
16 but it is up to \$63 million a month.

17 Q. Now, you indicated an individual -- you referred to an
18 individual by the name of "Sangaree." Has there been a
19 previous indictment in this case --

20 A. Yes, ma'am.

21 Q. -- in this investigation?

22 Who were the individuals indicted in that indictment?

23 A. Lawrence Sangaree, Jr., Larry Sangaree; his wife, Terri
24 Sangaree; Peter Albert Barnum and his wife, Maxine Barnum.

25 Q. And have you had a chance to discuss their role and what

1 information they had concerning this group?

2 A. Yes, ma'am, I have.

3 Q. What is the status of their case?

4 A. All four of those individuals have pled guilty, signed
5 Plea and Cooperation Agreements, and are cooperating. Their
6 sentencing is pending at this time.

7 Q. In addition to the individuals you just named, have you
8 interviewed an individual by the name of Donald Jake Gamble?

9 A. Yes, ma'am, at some length.

10 Q. And what is Mr. Gamble's status?

11 A. Mr. Gamble pled guilty to an information charging him
12 with money laundering. He is currently pending sentencing.
13 I believe his sentencing is scheduled at the moment for May
14 21st.

15 Q. Have you had a chance to interview an individual
16 involved in this operation by the name of Leslie Mersky?

17 A. Yes, ma'am, also at some length.

18 Q. And how long was he involved with this group?

19 A. Mr. Mersky has been involved with the group basically
20 from its inception.

21 Q. Now, if you would, turning to the role of Mr. Cohen in
22 this investigation, if you could, tell the magistrate what
23 role Mr. Cohen played.

24 A. Mr. Cohen was hired as or brought on board as the
25 group's attorney in August of 1995, when he traveled to the

1 Island of Antigua and met with Mr. Sangaree, Mr. Gamble,
2 another guy named Frank Dzwonkowski, and officials of the
3 American International Bank, which included William Cooper.

4 Q. Now, what was Mr. Gamble's role at that time?

5 A. Mr. Gamble initially played the role of -- he
6 represented what he -- what was alleged to be the pool of
7 investors or the board of investors who had the money which
8 was to be loaned out or provided to clients.

9 He also performed the role of escrow attorney and
10 general up-front attorney, the person who answered all of
11 the questions for the clients at that time.

12 Q. And where was he located? Where did he work from?

13 A. His offices were located in Crossville, Tennessee, which
14 is about halfway between Knoxville and Nashville, Tennessee.

15 Q. In addition to -- and he was an attorney in that area?

16 A. Yes, ma'am. He was an attorney and part-time judge.

17 Q. What was the purpose of this trip to Antigua in August
18 of 1995?

19 A. It was to bring Mr. Cohen on board as the up-front
20 attorney, the escrow attorney. Mr. Gamble had been
21 receiving a large number of complaints, which included
22 several Bar complaints, filed against him by clients in this
23 particular business; and he desired to take a less public
24 role, and they wanted to bring on another attorney.

25 Mr. Cohen was known to Mr. Sangaree, because at that

1 time Mr. Cohen was dating Mr. Sangaree's wife's sister; and
2 Mr. Sangaree suggested that Mr. Cohen would be a good
3 choice. And Mr. Cohen was brought to Antigua for the
4 purpose of meeting with these people to become a part of the
5 organization.

6 Q. And what was the bank that was set up in Antigua to
7 handle the accounts of this group?

8 A. The bank was the Caribbean American Bank. It was
9 actually chartered in Antigua in September of 1994.

10 Q. Now, while Mr. Cohen was in Antigua on this trip, do you
11 know if he was able to set up a bank account?

12 A. Yes, ma'am.

13 Q. An account with this bank?

14 A. Mr. Gamble and Mr. Sangaree both relayed that Mr. Cohen
15 was provided with a credit card and an offshore bank account
16 during this visit.

17 Q. Now, following this trip, what does your information
18 reveal Mr. Cohen did?

19 A. Subsequently, I believe Mr. Cohen's involvement, on an
20 official level, began in the following month of September of
21 1995. He set up an office in Coolidge, Georgia, for the
22 purpose of handling this business.

23 Q. And when you say for the purpose of handling this
24 business, what leads you to believe that it was for the
25 purpose of handling this business?

1 A. Mr. Cohen is a member of the law firm in Thomasville
2 with several other people -- Mr. Blackburn and
3 Mr. Whitehurst -- and it's a named firm, and I believe their
4 offices are located on Broad Street in Thomasville.

5 This particular office was located in a room belonging
6 to Sally's Services on Main Street in Coolidge, Georgia, a
7 fairly small building.

8 Q. And did the name used at this law firm differ from the
9 name used in the Thomasville, Georgia, law firm?

10 A. Only slightly. On the name board outside the
11 Thomasville firm, it's Ronald A. Cohen. On the letterhead
12 for the Georgia firm, it's -- for the Coolidge firm, it's
13 R. Allan Cohen.

14 Q. What function did Mr. Cohen perform for this group?

15 A. Mr. Cohen took over as what I would term the up-front
16 attorney, the attorney that all of the clients would see on
17 the paperwork. He served the role of the escrow attorney.
18 The money was sent to an account controlled by him in
19 Antigua, an escrow account or bank account.

20 When default was made, the disbursements were directed
21 out of his office.

22 Q. Was this the same disbursements to and from in the
23 Caribbean bank?

24 A. Yes, ma'am. When a client defaulted, the disbursements
25 of, say, a hundred thousand dollars were to be divided

1 according to a specific schedule. His office would direct
2 the Caribbean American Bank to make those disbursements to
3 Mr. Mersky or Mr. Newman or Mr. Sangaree, or whoever was to
4 get that money.

5 Q. And when would those disbursements be made to members of
6 the organization?

7 A. Most of the time when the technical default occurred,
8 after five or seven days, or whatever the contract stated.
9 On some occasions they occurred earlier, but most of the
10 time during that particular period.

11 Q. If someone applied for a capital funding through this
12 group, and they were unable to meet the requirements after
13 the time frame of five or seven days, disbursements would be
14 made to those individuals involved in that transaction -- to
15 the members of the organization?

16 A. Yes, ma'am. A part would be provided to Mr. Sangaree.
17 Mr. Gamble still received a part. The syndicator, whoever
18 that might be, and the broker would receive a share.
19 Mr. Cohen was paid as well.

20 Q. Was Mr. Cohen involved in forming an Antigua corporation
21 or setting up any bank accounts in Antigua?

22 A. Yes, ma'am.

23 Q. And tell the Court about that.

24 A. Mr. Cohen was provided with a bank account identified as
25 NILNOR S.A., which was a bank account at the Caribbean

1 American Bank.

2 THE COURT: What was that name again?

3 THE WITNESS: NILNOR, N-I-L-N-O-R. It's, according
4 to Mr. Sangaree, it's the first three letters of Mr. Cohen's
5 name and Linda Luke, Mr. Sangaree's sister-in-law, first
6 name. Ron Lin, it's backwards.

7 BY MS. PADGETT:

8 Q. All right. And that is the bank account?

9 A. Yes, ma'am.

10 Q. And what about the corporation?

11 A. That's the corporation that supports the bank account,
12 yes, ma'am.

13 Q. Funds in that account were actually monies owned by
14 Mr. Cohen -- received by Mr. Cohen?

15 A. They were funds under his control, yes, ma'am.

16 Q. Now, what role did Mr. Sangaree play in Mr. Cohen's law
17 firm?

18 A. Well, Mr. Sangaree, using the alias Mitchell Porter and
19 a couple of others, when complaints would come in, many
20 times they would not be able to reach Mr. Cohen, because
21 Mr. Cohen would not be present at that particular firm.
22 Mr. Cohen spent most of his time at the other firm, was only
23 present in Coolidge on an irregular basis. If a client
24 wanted a question answered or a complaint discussed,
25 Mr. Cohen's secretary, Kathy Spurlin, would refer the matter

1 to Mr. Sangaree, who would contact the client, most often
2 using the phrase that he was a troubleshooter out of Ron
3 Cohen's office and his name was Mitchell Porter.

4 Q. Kathy Spurlin, was she the same secretary that he used
5 in the Thomasville office?

6 A. No, ma'am.

7 Q. She only worked in the Coolidge, Georgia, office?

8 A. Yes, ma'am.

9 Q. Did Mr. Cohen handle setting up foreign corporations for
10 these various people who became victims of this
11 organization?

12 A. Yes, ma'am. One of the requirements for doing business,
13 at least in the later stages of the operation, was that the
14 client must form an Antiguan International Business
15 Corporation, IBC, in order to do business with the group.

16 The desire was that the group could do business from one
17 Antiguan corporation to another. And that was done through
18 Mr. Cohen's office. Ms. Spurlin handled most of those
19 duties for him.

20 Q. Do you know what Ms. Spurlin's background was?

21 A. She has a high-school education, as far as I know. I
22 don't know if she has any specialized training in
23 secretarial things. We have talked to her.

24 Q. And do you know how much money she was paid?

25 A. We have the records on that. She was making, it seems

1 to me the estimate was about \$15,000 a year. It was a few
2 hundred dollars a week.

3 Q. Can you tell us how much money Mr. Cohen disbursed
4 through these accounts in the Caribbean?

5 A. No, ma'am, not a total, not at this point, anyway.

6 Q. Would it be in the millions of dollars?

7 A. Yes, ma'am.

8 Q. And did he receive a portion of almost every
9 disbursement that came out of that bank?

10 A. Yes, ma'am. Generally speaking, Mr. Cohen was paid --
11 it varied from, I think, the smallest I saw in the records
12 that we have is about \$3,000. The highest I've seen, most
13 recent transfers, there was one for \$105,000 and one for
14 20-some-odd thousand. It's in that range.

15 Q. Okay. And these disbursements were over what time
16 period?

17 A. Well, Mr. Cohen, as I stated, began his involvement in
18 September of '95; and, basically, the accounts in the
19 Caribbean American Bank were ostensibly frozen by the
20 Antiguan government in, I believe, the early summer of last
21 year. They allegedly have been transferred to a receiver,
22 although efforts by my agency, the United States Customs
23 Service and the United States Government, we've been unable
24 to establish that it definitely has been done.

25 Q. You received information that they're frozen, but at

1 this point have not been able to get any money out of the
2 account; is that correct?

3 A. We received nothing official from the Antigua
4 government. I have spoken to the firm of Price Waterhouse
5 in St. Johns, Antigua, who, according to the documents, is
6 the receiver for the monies that remained in the account,
7 but I still have nothing official.

8 Q. Do you know why St. Johns, Antigua, was chosen as a
9 place to set up offshore accounts and this bank to conduct
10 business for this group?

11 A. Well, Mr. Sangaree and others, as part of the group,
12 have advised me that they chose it because of its tax
13 status, the fact that it has bank secrecy laws, and
14 confidentiality is much tighter than it would be inside the
15 United States.

16 Q. Does your investigation reveal any legitimate use for
17 that bank that was established by the group, other than to
18 launder funds collected from victims in this case?

19 A. Not for the Caribbean American Bank, no, ma'am.

20 Q. And are you aware of any person who engaged in
21 transactions with this group who were ever able to meet the
22 requirements to be funded by this group?

23 A. Yes, ma'am. We've actually discovered, through our
24 discussions with clients, at least two who have actually
25 come up with the payment guaranty, or a form of payment

1 guaranty. One was back, I believe, in 1992 or so; and one
2 was a little more recently. Neither one of them were
3 funded.

4 Q. Even though they were able to come up with the payment
5 guaranty, they were not funded by this group?

6 A. Well, in one case, they were told, as I recall, they
7 were told that the form of payment guaranty was not exactly
8 as the group wanted it to be; and I believe in the other
9 case the payment guaranty came after the expiration of the
10 five-to-seven-day time frame.

11 Q. And do you have any information -- did your
12 investigation reveal that this group ever funded any
13 venture?

14 A. No, ma'am, they have not.

15 Q. And did they have the money to fund any of these
16 ventures?

17 A. No, ma'am.

18 Q. And do you have information that Mr. Cohen was aware
19 that funds were not available?

20 A. Yes, ma'am.

21 Q. And what information -- give the Court an idea of what
22 some of that information is.

23 A. We have specifically spoken with the cooperating
24 defendants in the case; and one of them in particular, at
25 least, Pete Barnum, was present during a conversation which

1 was held during a function at Mr. Sangaree's place in
2 Gainesville, in which Mr. Cohen was overheard in a
3 conversation where he indicated that he was aware there was
4 no money down there, but didn't care.

5 Q. Were all of the -- Mr. Sangaree, Mr. Gamble,
6 Mr. Mersky -- have they all indicated to you that they were
7 aware that there were not funds available to finance these
8 deals that they were offering to individuals?

9 A. Yes, ma'am. At various times in their -- Mr. Sangaree
10 indicated that, when he first became a broker for the group,
11 which is how he started, he thought potentially there might
12 be money, but he came to know that there wasn't.

13 Mr. Mersky makes no bones about it that he knew there
14 was no money.

15 Q. Do you have information indicating that Mr. Cohen
16 traveled outside of the United States on several occasions?

17 A. Yes, ma'am. We have examined his passport, and I've
18 also previously looked at Customs in-bound records.

19 Q. And can you tell us what countries you're aware that he
20 traveled to?

21 A. Most commonly Argentina, which I believe was probably a
22 hunting trip. He also traveled to Antigua and also to
23 Greece.

24 Q. And did he go to Antigua more than this initial trip?
25 You indicated before that he went on one initial trip.

1 A. No, ma'am, not in his passport. There was some
2 indication in the Customs clearance records that there was a
3 second trip, but it could have been a paperwork problem.
4 Q. Okay. Now, are you aware of an individual by the name
5 of Vere Bird, Sr.?
6 A. Yes, ma'am. There are two. Vere Bird, Sr., who is a
7 fairly older gentleman; and Vere Bird, Jr., who is his son,
8 both of them are Antiguan citizens.
9 Q. And Vere Bird, Jr., is he the brother of the current
10 Prime Minister?
11 A. Yes, ma'am. Vere Bird, Jr.'s brother, Lester Bird, is
12 the current Prime Minister of Antigua. Vere Bird, Jr., is
13 also a government official of Antigua.
14 Q. Do you have any information that Mr. Cohen has any
15 contact with Vere Bird, Jr.?
16 A. Yes, ma'am, we do.
17 Q. And tell the Court what that is.
18 A. We have another -- a number of contacts that indicate
19 that Mr. Cohen hired Vere Bird, Jr., who is also an attorney
20 in Antigua, to assist him to recover what monies remained in
21 the Caribbean American Bank from the receivership imposed by
22 the Antiguan government.
23 Q. And when, approximately, would that have happened?
24 A. Well, the first contact was -- I don't recall exactly.
25 I know there was at least one document that we found in

1 August 15th of '97, I believe. I know there was one contact
2 where he's directing Mr. Bird to attempt to recover ten
3 specific accounts.

4 Q. Do you know why Mr. Cohen went to Vere Bird, Jr.?

5 A. Yes, ma'am. We asked Mr. Sangaree how Mr. Cohen would
6 know Mr. Bird, who is, again, a government official.
7 Mr. Sangaree advised that Mr. Cohen was introduced to
8 Mr. Bird by another gentlemen named Julian Gero. Mr. Gero
9 is a Dominican citizen, who also is very influential in the
10 Antigua government.

11 Mr. Gero was the man that Mr. Sangaree went to to obtain
12 a Dominican passport after his house was searched in
13 February of 1997.

14 Q. And how much did Mr. Sangaree pay for that Dominican
15 passport?

16 A. He wire transferred \$13,500 to Mr. Gero for the
17 passport.

18 Q. During the search of Mr. Sangaree's home, had his
19 passport been seized?

20 A. Yes, ma'am.

21 Q. Now, how could he get a passport in another country
22 without having his U.S. passport?

23 MR. ANDERSON: Your Honor, objection, relevancy to
24 this line of questioning.

25 THE COURT: Overruled. You may proceed.

1 THE WITNESS: Repeat the question, please.

2 BY MS. PADGETT:

3 Q. How would an individual be able to get a passport in
4 another country if his U.S. passport had been seized?

5 A. Many of the countries in the Caribbean, Dominica
6 included, maintain what they refer to as an economic
7 citizenship program, in that, if you maintain or acquire an
8 economic interest in their country, financial, a purchase of
9 property, bank account, or just a payment in some cases,
10 they will provide you with a passport, basically making you
11 a citizen of that country.

12 Q. And, in fact, that's what Mr. Sangaree did or --

13 A. Yes, that's what he attempted to do, yes, ma'am.

14 Q. He was arrested and has been in custody since the time
15 of his arrest; is that correct?

16 A. He was arrested on February 25th, 1997. Mr. Cohen was
17 with him.

18 Q. Mr. Cohen was with him at the time he was arrested?

19 A. Yes, ma'am.

20 Q. When did he attempt to get this passport, Mr. Sangaree?

21 A. He attempted to acquire the passport between the time we
22 executed the search warrant on his premises on February 14th
23 and the time we finally arrested him on February 25th.

24 Q. And how long did you look for Mr. Sangaree before you
25 found him?

1 MR. ANDERSON: No, Your Honor.

2 THE COURT: All right. It's in evidence, then.

3 (GOVERNMENT EXHIBIT NO. 6: Received in evidence.)

4 BY MS. PADGETT:

5 Q. The funds in those accounts, do any of the people

6 cooperating or any of your investigation indicated that

7 there are any legitimate funds in any of those accounts?

8 A. No, ma'am.

9 Q. Are those all funds taken from victims in this advanced

10 fee scheme?

11 A. Yes, ma'am.

12 MS. PADGETT: Your Honor, if I might approach with

13 Government's Exhibits 7(a) and 7(b)?

14 THE COURT: Okay.

15 BY MS. PADGETT:

16 Q. Do you recognize those exhibits?

17 A. Yes, ma'am, I do.

18 Q. And what are they?

19 A. Both are debit advices from the Caribbean American Bank

20 in Antigua, basically stating that the Caribbean American

21 Bank escrow account had been debited, first, on May 15th in

22 the amount of \$105,000, and then on May 16th, 1997, in the

23 amount of \$28,796, by order of, it says, "your

24 instructions." And both delineate a transfer to NILNOR

25 S.A.

09 SEP 1994



2732
Pub# 14

GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION FOR INTERNATIONAL BUSINESS CORPORATION CHARTER

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS
MINISTRY OF FINANCE

1. Proposed Name: **CARIBBEAN AMERICAN BANK, LTD.**
2. Registered Office and Name and Address of Resident Agent:
**Antigua Management & Trust Ltd.
10 Redcliffe Quay
St. John's, Antigua**
3. Authorized Number of Shares by Class:
1,000 common shares of US \$1,000 par value
4. Transferability Restrictions -- mark if applicable
5. Number of Directors -- Maximum **(5) FIVE** Minimum **(2) Two**
6. Restrictions to Corporate Purpose Clause:
**The company is restricted to carrying on
an international banking business.**
7. Securities Regulations Documents -- attached if applicable
8. Licence Applications -- Banking , Trust , Insurance
9. Unanimous Shareholder Agreement -- attached if applicable
10. Incorporators: **Joan H. Fung
8, Long Street, St. John's, Antigua**

**William W. Cooper
10 Redcliffe Quay**

PLEASE SUBMIT THE FOLLOWING COPIES OF DOCUMENTS, IF APPLICABLE:

Application for International Business Corporation Charter (1)
Articles of Incorporation (3) (One certified copy returned)
Licence Applications (2)
Unanimous Shareholders Agreement (2)

#2732
Pub # 30



GOVERNMENT OF ANTIGUA AND BARBUDA

CERTIFICATE OF INCORPORATION
AND GOOD STANDING

Pursuant to Section 9 of the International Business Corporations Act,
1982, No. 28 of 1982, the undersigned hereby certifies that:

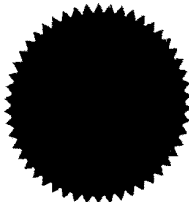
CARIBBEAN AMERICAN BANK, LTD.

was incorporated under the laws of Antigua and Barbuda on the 9th day of
~~SEPTENBER~~ 1994 in good standing and enjoys all the rights, powers
and privileges conferred by law consistent with the attached Articles of
Incorporation.

REGISTERED



Director,
International Business Corporations



Registered at St. John's, Antigua,
this 9th of ~~SEPTIE~~ NUMBER 1994

1110



71473:
Pub# 11

GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION

TO: Supervisor of International Banks and Trust Corporations - Ministry of Finance

FOR AUTHORITY TO ORGANIZE AND OPERATE UNDER AN

International Banking Licence International Trust Licence

PURSUANT TO SECTION 230 OF THE INTERNATIONAL BUSINESS CORPORATIONS ACT 1982,
No. 28 OF 1982.

CARIBBEAN AMERICAN BANK, LTD.
(Name of Proposed Licensee)

10 Redcliffe Quay, St. John's, Antigua
(Address of Proposed Licensee)

Date submitted: _____

PLEASE SUBMIT THIS APPLICATION AND ALL SUPPORTING DOCUMENTATION IN DUPLICATE ORIGINALS.

FOR OFFICIAL USE ONLY -

Received: _____

Tentative Licence Granted: _____

Ordinary Licence Granted: _____

Denial: _____

Donald Jake Gamble _____

(Names of Organizer(s))

(hereinafter referred to as Applicant(s)), hereby apply to the Supervisor of International Banks and Trust Corporations, Ministry of Finance (hereinafter referred to as the Supervisor), pursuant to Section 230, International Business Corporations Act, 1982, No. 28 of 1982, for authority to organize and operate

Pub # 11

CARIBBEAN AMERICAN BANK LTD.

(Name of Proposed International Business Corporation)

hereinafter referred to as "the IBC," under the following:

- International Bank Corporation Licence
- International Trust Corporation Licence

CERTIFICATE

The Applicants hereby certify that the information contained in this application is true and complete to the best of their knowledge and belief; further, the Applicants accept the responsibility of informing the Supervisor promptly of any changes in the information presented herein.

Executed this _____ day of _____, 19 _____.

(Name)

DONALD JAKE GAMBLE

(Signature)

Donald Jake Gamble

If the IBC is to be controlled by a holding company, submit the signature and title of the holding company representative.

W. Logan *W. Logan* PRESIDENT/PRESIDENT
(Signature) (Title)

BSS CAPITAL LTD./RHARTE LTD
(Holding Company)

NOTE: All organizers must sign the Certificate

1. Proposed name of IBC: CARIBBEAN AMERICAN BANK LTD.
2. Proposed Address of IBC: 10 Redcliffe Quay, St. John's, Antigua
3. Proposed capitalization of IBC:

Capital: US \$1,000,000	No. of Preferred Shares: --
Surplus: --	Par Value: --
	No. of Common Shares: 1,000
	Par Value: US \$1,000

Print # 11

4 Proposed directors of IBC (All organizers must be proposed directors of IBC):

(Name - Occupation)	(Address: City & State)
<u>DONALD JAKE GAMBLE, ATTORNEY AT LAW</u>	<u>P.O. Box 849, Crossville, TN 38557</u>
<u>WILLIAM W. COOPER, BANKER</u>	<u>10 Redcliffe Quay, P.O. Box 1673</u> <u>St. John's, Antigua, West Indies</u>
_____	_____
_____	_____

5. Name, address and telephone number of person authorized by Applicants to receive correspondence for them:

William W. Cooper
10 Redcliffe Quay, P.O. Box 1673
St. John's, Antigua, West Indies

6. Attach a list of all the subscribers to the capital stock of the IBC, showing name, place of residence, and number of shares subscribed to. Any changes in proposed subscribers shall be reported promptly to the Supervisor, and in any event, within 30 days prior to opening, whichever occurs first.

BSS Capital Ltd. - 500 Shares, Rharte Ltd.-500 shares.

7. Are any of the proposed stockholders of five percent or more of the IBC's stock, other than directors and officers, connected with any other banking or trust institution by way of employment, directorship or ownership? If so, describe such relationship.

No

8. Submit biographical information for each proposed director, officer and subscriber to five percent or more of IBC's stock.

See attached

9. List the qualifications of the proposed directors and officers to operate an international or trust corporation successfully.

See attached

10. Are any of the proposed directors or officers of the IBC connected with any other bank or trust institution by way of employment, directorship or ownership? If so, describe such relationship.

W.W. Cooper, President, American International Bank

11. Have any of the proposed directors, officers or proposed stockholders of five percent or more of the IBC's stock ever been charged with or convicted of any criminal offense? If so, give details, including status of case.

No

732
Pub# 13



GOVERNMENT OF ANTIGUA AND BARBUDA

LICENSE TO CONDUCT AN INTERNATIONAL BANKING, TRUST OR INSURANCE BUSINESS

Pursuant to Section 230 of the International Business Corporations Act, 1982, No. 28 of 1982, the undersigned hereby grants a license to conduct an international banking business to **CARIBBEAN AMERICAN BANK, LTD.**

subject to all the terms and conditions of said Act.

WITNESSED:

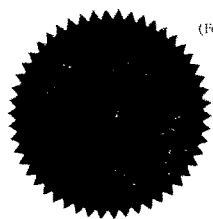
(For bank/trust)

Supervisor,
International Banks and Trust
Corporations

(For insurance)

Superintendent,
International Insurance Corporations

Issued at St. John's, Antigua,
this 9th day of **SEPTEMBER, 1994**



1114

INTERNATIONAL BUSINESS CORPORATIONS ACT, 1982
FORM 5
NOTICE OF DIRECTORS
OR
NOTICE OF CHANGE OF DIRECTORS
(SECTION 67 (7) & 129)

Pub # 2



NAME OF CORPORATION CARIBBEAN AMERICAN BANK, LTD. 2. Corporation 2732

The following persons became directors of this Corporation: Effective Date:

Name Residential Address Occupation Citizenship

The following person ceased to be directors of this Corporation: Effective Date:

Name Residential Address Occupation Citizenship

William W. Cooper **Antigua** **Banker** **Antiguan** **May 6, 1997**

The directors of this corporation now are: Effective Date:

Name Residential Address Occupation Citizenship

Donald Jake Gamble **USA** **Lawyer** **USA** **Sep 9, 1994**

Date May 6, 1997 Signature *William W. Cooper* Description of Office Director/Registered Agent

William W. Cooper

09 JUN 14 1994 04:03PM TRADE FINANCE BOFA NY



AMERICAN INTERNATIONAL BANK LTD.

6/15/94
1) We put do it
2) Item not correct

F A X T R A N S M I S S I O N

TO: LeRoy King DATE: June 14, 1994
Bank of America
FROM: W.W. Cooper FAX NO'S: (809) 462-6675
President (809) 462-1262

SUBJECT:

TOTAL NO. OF PAGES

IN CASE OF ANY DIFFICULTIES WITH THIS TRANSMISSION, PLEASE CONTACT US BY PHONE AT (809) 462-6701

Following are two Irrevocable Payment Guarantees we have been requested to issue by two separate customers.

We require your confirmation as indicated on the payment guarantee and would appreciate you advising us the terms and conditions of such confirmation.

We look forward to hearing from you by return fax.

Best regards,

Bill
W.W. Cooper
President

Tom
This was given to me
by LeRoy. Unfortunately
this type of transaction
is not done at B.I.N. of
any of the Caribbean
Please review & advise Bill

1116

00 JUN 14 1994 04:05PM TRADE FINANCE BOFA NY



AMERICAN INTERNATIONAL BANK LTD.

IRREVOCABLE CONFIRMED PAYMENT GUARANTEE

FROM: AMERICAN INTERNATIONAL BANK LTD.
10 REDCLIFFE QUAY
ST. JOHN'S, ANTIGUA

TO: BANK OF AMERICA
ONE WORLD TRADE CENTER
NEW YORK, NY 10048-1101

BENEFICIARY: AMERICAN EUROPEAN VENTURE CAPITAL, INC.

DATE OF ISSUANCE: JUNE 15, 1994

EXPIRY DATE: JULY 15, 1994

PLEASE ADVISE BENEFICIARY THAT WE, AMERICAN INTERNATIONAL BANK LTD. HEREBY ISSUE THIS IRREVOCABLE PAYMENT GUARANTEE, TO BE CONFIRMED BY BANK OF AMERICA AT OUR COST AND OUR RESPONSIBILITY TO PAY TO AEVC THE AMOUNT OF FIVE HUNDRED FORTY THOUSAND U.S. DOLLARS (US \$540,000) UPON RECEIPT AND VERIFICATION BY US OF A PAYMENT TO OUR ACCOUNT #52014 WITH BANK OF AMERICA IN THE PRINCIPAL AMOUNT OF THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (US \$3,600,000).

THIS IRREVOCABLE PAYMENT GUARANTEE IS AVAILABLE BY DRAFTS DRAWN ON BANK OF AMERICA AT SIGHT.

WE UNDERTAKE AND AGREE THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS GUARANTEE WILL BE HONORED UPON PRESENTATION OF THE FOLLOWING DOCUMENTS AT OUR COUNTERS ON OR BEFORE THE EXPIRY DATE.

1. YOUR DRAFT DRAWN ON BANK OF AMERICA AT SIGHT.
2. THE ORIGINAL OF THIS INSTRUMENT.

REIMBURSEMENT INSTRUCTIONS: REIMBURSEMENT WILL BE EFFECTED BY FEDWIRE ON THE FOLLOWING BUSINESS DAY CREDITING YOUR ACCOUNT UPON RECEIPT BY COURIER MAIL TO AMERICAN INTERNATIONAL BANK LTD. OF THE FOLLOWING DOCUMENTS: THE ORIGINAL PAYMENT GUARANTEE, AND A COPY OF THE DRAFT DRAWN ON BANK OF AMERICA BY BENEFICIARY.

1

10 Redcliffe Quay, Box 1673, St. John's, Antigua, W.I.

TEL: (809) 482-6701 / 462-3243 Fax: (809) 482-6675 Telex: 2051 AMIBANK

1117

00 JUN 14 7 54 04:08PM TRADE FINANCE BOFA NY

001201



AMERICAN INTERNATIONAL BANK LTD.

IRREVOCABLE CONFIRMED PAYMENT GUARANTEE

FROM: AMERICAN INTERNATIONAL BANK LTD.
10 REDCLIFFE QUAY
ST. JOHN'S, ANTIGUA

TO: BANK OF AMERICA
ONE WORLD TRADE CENTER
NEW YORK, NY 10048-1101

BENEFICIARY: BOND STREET COMMERCIAL CORP.
20801 BISCAYNE BLVD., SUITE 204
AVENTURA, FLORIDA 33180

DATE OF ISSUANCE: JUNE 15, 1994

EXPIRY DATE: JULY 15, 1994

PLEASE ADVISE BENEFICIARY THAT WE, AMERICAN INTERNATIONAL BANK LTD. HEREBY ISSUE THIS IRREVOCABLE PAYMENT GUARANTEE, TO BE CONFIRMED BY BANK OF AMERICA AT OUR COST AND OUR RESPONSIBILITY TO PAY TO BOND STREET COMMERCIAL CORP. THE AMOUNT OF ONE MILLION U.S. DOLLARS (US \$1,000,000) UPON RECEIPT AND VERIFICATION BY US OF A PAYMENT TO OUR ACCOUNT #52014 WITH BANK OF AMERICA IN THE PRINCIPAL AMOUNT OF TWELVE MILLION U.S. DOLLARS (US \$12,000,000).

THIS IRREVOCABLE PAYMENT GUARANTEE IS AVAILABLE BY DRAFTS DRAWN ON BANK OF AMERICA AT SIGHT.

WE UNDERTAKE AND AGREE THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS GUARANTEE WILL BE HONORED UPON PRESENTATION OF THE FOLLOWING DOCUMENTS AT OUR COUNTERS ON OR BEFORE THE EXPIRY DATE.

1. YOUR DRAFT DRAWN ON BANK OF AMERICA AT SIGHT.
2. THE ORIGINAL OF THIS INSTRUMENT.

REIMBURSEMENT INSTRUCTIONS: REIMBURSEMENT WILL BE EFFECTED BY FEDWIRE ON THE FOLLOWING BUSINESS DAY CREDITING YOUR ACCOUNT UPON RECEIPT BY COURIER MAIL TO AMERICAN INTERNATIONAL BANK LTD. OF THE FOLLOWING DOCUMENTS: THE ORIGINAL PAYMENT GUARANTEE, AND A COPY OF THE DRAFT DRAWN ON BANK OF AMERICA BY BENEFICIARY.

10 Redcliffe Quay, Box 1673, St. John's, Antigua, W.I.

29/1994 16:36 0894626575

AMER INTER BAN



AMERICAN INTERNATIONAL BANK LTD.

Aib

F A X T R A N S M I S S I O N

TO: William R. Mitchum
1 904 332 0942

DATE: April 29, 1994

FROM: William W. Cooper

FAX NO: (809) 462-1262
462-6675

*5/4/94
Refused to honor CD*

SUBJECT: PENINSULA BOOKS INTERNATIONAL INC.

TOTAL NO. OF PAGES: 1

IN CASE OF ANY DIFFICULTIES WITH THIS TRANSMISSION, PLEASE CONTACT US BY PHONE AT (809) 462-6701

After a discussion with Bank of America yesterday, it will be necessary to proceed as follows:

"AEVC purchases a 1-year \$3.6 Million Euro Dollar CD / Yankee CD from BA Securities Inc., a Bank of America wholly owned securities company in Atlanta, at 5% p. a. Bank of American New York or Miami lends to American International Bank (AIB) at 5 1/2% p.a. for the same amount and same term using the CD as security. The 1/2% cost is for the account of Peninsula Books International Ltd. (PBI). AIB credits the proceeds of the loan to PBI's account with AIB and proceeds to make payments for PBI".

Please advise if this is acceptable to Robert Newman of AEVC.

Best regards,

William W. Cooper
President

04/29/1994 15:35 8094526575

AMER INTER BAN

10:08 904 032 0942

THE FORMAT AND TEXT OF THIS LETTER OF CREDIT HAS BEEN REVIEWED AND ACCEPTED.

~~PENINSULA BOOKS, INC.~~

~~EXHIBIT C~~

~~(of Applicable Jurisdiction)~~

IRREVOCABLE CONFIRMED PAYMENT GUARANTEE

Bank of America International, New York

THE FORMAT OF THIS PAYMENT GUARANTEE IS ACCEPTABLE TO AEVC BUT IS SUBJECT TO REVIEW AND APPROVAL OF BOTH THE OPENING AND ISSUING BANK AND THE CONFIRMING AND ADVISING BANK. ANY MODIFICATIONS OR AMENDMENTS REQUESTED BY EITHER THE ISSUING OR CONFIRMING BANK MUST BE SUBMITTED DIRECTLY TO THE AEVC BY THE REQUESTING BANK AND APPROVED PRIOR TO ADVICE OF THE CREDIT TO AEVC.

DATE:

FROM: (P.B.I.'s BANK) *American International Bank, St. John's*

TO: CONFIRMING BANK *Bank of America International, New York*

BENEFICIARY: AMERICAN EUROPEAN VENTURE CAPITAL, INC. (AEVC) *NY*

DATE OF ISSUANCE: *May 3, 1994*

EXPIRY DATE: ~~(90 DAYS AFTER DATE OF ISSUANCE)~~ *June 3, 1994*

PLEASE ADVISE BENEFICIARY THAT WE, ~~(P.B.I.'s FIDUCIARY BANK)~~ *American International Bank, St. John's*, HEREBY ~~ISSUE~~ *CONFIRM* THIS IRREVOCABLE PAYMENT GUARANTEE, TO BE CONFIRMED BY ~~(CONFIRMING BANK)~~ *Bank of America International, New York*, AT OUR COST AND OUR RESPONSIBILITY PAY TO AEVC. THE AMOUNT OF FIVE HUNDRED FORTY THOUSAND U.S. DOLLARS (\$540,000), UPON RECEIPT AND VERIFICATION BY US OF ~~(CERTIFICATION OF DEPOSIT)~~ *receipt by B.A. International* THE PRINCIPAL AMOUNT OF THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$3,600,000). *Atlantic, NY*

THIS IRREVOCABLE PAYMENT GUARANTEE IS AVAILABLE BY DRAFTS DRAWN ON ~~(CONFIRMING BANK)~~ AT SIGHT. *Bank of America International, N.Y.*

WE UNDERTAKE AND AGREE THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS GUARANTEE WILL BE HONORED UPON PRESENTATION OF THE FOLLOWING DOCUMENTS AT OUR

1120

94/29/1994 16:36 8094525675

AMER INTER BANK

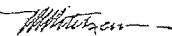
94/19/94 13:37 904 332 0812

1. YOUR DRAFT DRAWN ON US AT SIGHT.
2. THE ORIGINAL OF THIS INSTRUMENT.

REIMBURSEMENT INSTRUCTIONS: REIMBURSEMENT WILL BE EFFECTED BY FEDWIRE ON THE FOLLOWING BUSINESS DAY CREDITING YOUR ACCOUNT UPON RECEIPT BY COURIER MAIL TO (P.B.I.'S BANK) OF THE FOLLOWING DOCUMENTS: THE ORIGINAL PAYMENT GUARANTEE, AND A COPY OF THE DRAFT DRAWN ON (CONFIRMING BANK) BY BENEFICIARY

UNQUOTE.

THE FORMAT AND TEXT OF THIS IRREVOCABLE PAYMENT GUARANTEE HAS BEEN REVIEWED AND ACCEPTED.



PENINSULA BOOKS, INC.

04/29/1994 16:36 0934625675

AMER INTER BAN

94 13:37 0904 332 0942

by beneficiary

Bank of America International, New York

1. YOUR DRAFT DRAWN ON US AT SIGHT.

2. THE ORIGINAL OF THIS INSTRUMENT.

Bank of America International, New York

REIMBURSEMENT INSTRUCTIONS: REIMBURSEMENT WILL BE EFFECTED BY FEDWIRE ON THE FOLLOWING BUSINESS DAY CREDITING YOUR ACCOUNT UPON RECEIPT BY COURIER MAIL TO ~~P.B.I.'S BANK~~ OF THE FOLLOWING DOCUMENTS: THE ORIGINAL PAYMENT GUARANTEE, AND A COPY OF THE DRAFT DRAWN ON ~~(CONFIRMING BANK)~~ BY BENEFICIARY

Bank of America International, New York

~~NOTE~~

THE FORMAT AND TEXT OF THIS IRREVOCABLE PAYMENT GUARANTEE HAS BEEN REVIEWED AND ACCEPTED.

[Signature]
PENINSULA BOOKS, INC.

*American International Bank Ltd
19 Redcliffe Quay
St John's, Antigua*

SYNDICATION AGREEMENT

THEREFORE, it being understood that AMERICAN EUROPEAN VENTURE CAPITAL, INC., (hereinafter referred to as "AEVC") at the request and inducement of MR. WILLIAM MITCHEM, representing Peninsula Books, Inc., (an off shore corporate entity to be formed or its non U.S. assignees), (hereinafter referred to as "P.B.I."), after negotiations and counsel, and fully understanding and intending to be bound to the following terms, conditions, restrictions and obligations hereby enter into the following irrevocable Agreement.

WITNESSETH:

WHEREAS, AEVC has been retained by P.B.I. in consideration of the refundable Reimbursement Deposit and Equity Participation defined herein to arrange for the purchase of all the Class A Preferred stock of P.B.I.'s project by the syndication of venture capital cash or equivalents which will be forwarded in the form of cash or cash equivalents (such cash or cash equivalents hereinafter referred to as "Certification of Deposit") to an acceptable Fiduciary Bank to be drawn down as agreed by and between P.B.I., AEVC. and said Fiduciary Bank. Therefore, in consideration of the mutual covenants, time, effort, and expenses expended by AEVC and P.B.I. and the Reimbursement, Equity Participation, Liquidated Damages, Payment Guarantee and Investment Banking Assurance clearly defined in this Agreement, AEVC and P.B.I. hereby irrevocably agree to and warrant that the following terms and conditions shall be strictly complied with:

1. The Syndication

AEVC hereby warrants that, upon P.B.I.'s compliance with the terms and conditions herein, it has the wherewithal to syndicate venture capital cash or equivalents, (Certifications of Deposit) that can be transferred to P.B.I.'s Fiduciary Bank in the principal amount of THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$3,600,000) to perfect the described transaction per the mutually agreed terms and obligations of this Agreement. Said Certifications of Deposit will be provided to P.B.I.'s Fiduciary Bank at coordinates to be supplied to AEVC in P.B.I.'s written request for delivery of the Certifications of Deposit to P.B.I.'s Fiduciary Bank pursuant to Paragraph 6 (*Request for Certifications of Deposit*)

2. Guaranteed Equity Participation

P.B.I. hereby acknowledges that P.B.I. is obligated to further compensate AEVC within fifteen (15) days of receipt of the Certifications of Deposit at P.B.I.'s Fiduciary Bank the sum of FIVE HUNDRED FORTY THOUSAND U.S. DOLLARS (\$540,000), which represents the Equity Participation guaranteed by P.B.I. to AEVC for syndicating the venture capital investors underwriting the purchase. P.B.I. hereby warrants that AEVC'S Equity Participation must and will be timely guaranteed by P.B.I.'s Fiduciary Bank by the collateralized Bank Instrument depicted in either Exhibit B or Exhibit C, at P.B.I.'s option. If, for any reason, AEVC is unable to collect on, or draw down on, P.B.I.'s Fiduciary Bank's guarantee of AEVC'S Equity Participation then P.B.I. warrants that it shall pay AEVC the guaranteed Equity Participation defined herein by FEDWIRE transfer to Bank coordinates to be supplied to P.B.I. within three (3) days of written request for payment.

3. Refundable Syndication Reimbursement Deposit

AEVC hereby acknowledges the payment of SIXTY THOUSAND U.S. DOLLARS (\$60,000), (hereinafter referred to as Reimbursement) received from P.B.I. to evidence P.B.I.'s irrevocable commitment to comply with the terms, conditions and obligations defined in this Agreement and to retain and to compensate AEVC after the fact for undertaking the advance syndication of venture capital cash or equivalents required to be deposited at an acceptable Fiduciary Bank as a prerequisite to the purchase and delivery of the Certifications of Deposit to P.B.I.'s Fiduciary Bank as well as to compensate AEVC and the necessary banking/financial institution, accounting, legal, tax, and security personnel already retained by AEVC. Said refundable Syndication Reimbursement is assessable upon compliance by AEVC with its Syndication obligations under Paragraph 4 herein (*Authorization Notice*).

4. Authorization Notice

Within five (5) day(s) of receipt of this executed agreement and receipt of the Reimbursement, AEVC is obligated to issue to P.B.I. its Authorization Notice, (via TELECOPIER if necessary), that AEVC has verified that there are sufficient funds syndicated and currently available to AEVC for transfer to an acceptable securities firm or directly to P.B.I.'s Fiduciary Bank to complete the transaction. Receipt (via TELECOPIER if necessary) of the Authorization Notice shall obligate P.B.I. to comply with all further terms, conditions and obligations of this Agreement. Should AEVC fail to issue the Authorization Notice within the above time parameters, AEVC shall be in default and Reimbursement paid to and received by AEVC shall be immediately refunded, plus \$5,000.00 Liquidated Damages by FEDWIRE transfer to Bank coordinates of P.B.I.'s choosing.

5. Obligations of P.B.I.

P.B.I. hereby agrees and warrants that upon receipt (via TELECOPIER if necessary) of the aforementioned Authorization Notice, P.B.I. must provide from P.B.I.'s Fiduciary Bank that shall act as the Fiduciary bank, at P.B.I.'s choosing, one of the following confirmed guarantees of AEVC'S Equity Participation within twenty (20) days of receipt (via TELECOPIER if necessary) of the Authorization Notice as follows:

A. An Irrevocable Confirmed Letter of Credit for payment in the form attached hereto and incorporated herein as Exhibit B in favor of AEVC as Beneficiary in the amount of FIVE HUNDRED FORTY THOUSAND U.S. DOLLARS (\$540,000).

B. An Irrevocable Confirmed Payment Guarantee naming AEVC as Beneficiary in appropriate form or in the form attached hereto and incorporated herein as Exhibit C in the amount of FIVE HUNDRED FORTY THOUSAND U.S. DOLLARS (\$540,000).

P.B.I. warrants that it has the financial wherewithal and the existing banking relationship and will arrange to have P.B.I.'s Fiduciary Bank have the above described payment guarantee of AEVC'S Equity Participation (Exhibit B or Exhibit C) opened and issued by P.B.I.'s Fiduciary Bank, and further be confirmed by a United States based money center banking institution ranked in the top 50 of United States based Banks, according to asset size, by Polk's 1992 Bank Directory (hereinafter referred to as Confirming Bank) and advised to AEVC as Beneficiary by Confirming Bank within ten (10) days of receipt (via TELECOPIER if necessary) of the Authorization Notice.

P.B.I. acknowledges and agrees that should P.B.I. fail to comply with its strict obligation to have the Bank Guarantee of AEVC'S Equity Participation opened and issued by P.B.I.'s Fiduciary Bank and confirmed by Confirming Bank and advised to AEVC by an acceptable, as above defined, Confirming Bank strictly within ten (10) days of receipt (via TELECOPIER if necessary) of the Authorization Notice, P.B.I. shall be in default and AEVC shall have no further obligation to P.B.I. under this Agreement, and the Reimbursement described in paragraph 3 herein and Equity Participation defined in paragraph 2 herein shall be deemed earned, due and owing and the Reimbursement shall not be refunded. P.B.I. acknowledges that P.B.I.'s final qualification for financial assistance and all final syndication and funds transfer obligations of AEVC under this Agreement are conditional upon P.B.I.'s timely compliance with this Paragraph.

6. Request for Certification of Deposit

P.B.I. shall have the right to request the purchase and delivery of the Certifications of Deposit at any time within thirty (30) days of compliance with Paragraph Five (*Obligations of P.B.I.*). P.B.I. further warrants that P.B.I. shall deliver to

P.B.I.'s Fiduciary Bank all Class A Preferred stock prior to P.B.I.'s request for delivery of Certifications of Deposit Infra this Paragraph.

7. Certification of Sufficient Assurance

AEVC hereby acknowledges receipt from P.B.I. or other third party of sufficient representations of P.B.I.'s ability to repay the sum of THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$3,600,000), in the event that AEVC is not compensated as agreed and the Certifications of Deposit are hypothecated, lended, restricted or in anyway made unavailable to AEVC. AEVC hereby acknowledges that P.B.I. has proffered a standby Investment Banking Commitment from NORTHGATE INTERNATIONAL CORPORATION committing a Preferred Class "A" Stock purchase for the sum of THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$3,600,000) at AEVC'S option, 365 days from the date of execution of this Agreement. P.B.I. acknowledges that P.B.I. has preliminarily offered AEVC buy-out assurance with a certifiable value for this transaction in the form of an acceptable, assignable, Bank confirmed, investment banking commitment guaranteeing at least THREE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$3,600,000), cash infusion irrevocably committed to a Class A Preferred buy-out at AEVC'S option. P.B.I. warrants that P.B.I. shall verify and certify the value of the Class A Preferred Stock preliminarily offered AEVC and perfect AEVC'S ownership or option thereon simultaneous with the delivery and transfer of the Certifications of Deposit. P.B.I. agrees that it will provide AEVC with all requested documents to facilitate the perfection of AEVC'S ownership and/or option. P.B.I. agrees that it will further provide AEVC with a sufficiently perfected security interest (to be negotiated if and when necessary) in the proceeds of the prospective entrepreneurial venture proposed by P.B.I. upon written request by AEVC. AEVC hereby acknowledges that P.B.I.'s failure to comply with the obligations outlined in Paragraph 7 (Certification of Sufficient Security) shall not be deemed a default by P.B.I. if P.B.I. has timely complied with P.B.I.'s obligations defined in Paragraph 5 (Obligations of P.B.I.). Therefore, AEVC acknowledges that the only manner in which P.B.I. can default and incur the Liquidated Damages defined in this Agreement is by P.B.I.'s failure to timely comply with the obligations defined in Paragraph Five (Obligations of P.B.I.).

8. Obligations of AEVC

Within thirty (30) days of receipt, (via TELECOPIER if necessary), of written notice from P.B.I. that P.B.I. has complied with Paragraphs Five (Obligations of P.B.I.), Paragraph Seven (Certification of Sufficient Assurance) and verification thereof and Paragraph Six (Request for Certifications of Deposit) AEVC shall, either cause the final syndication and transfer of funds directly to P.B.I.'s Fiduciary Bank or Certifications of Deposit to be delivered to P.B.I.'s Fiduciary Bank or notify P.B.I. that AEVC opts to withdraw and default under the Agreement as defined in Paragraph Eleven (Withdrawal and Default) and incur the Liquidated Damages defined in Paragraph Twelve (Failure

to Perform; Liquidated Damages). P.B.I. hereby agrees that AEVC shall have no other obligation either expressed or implied under this Agreement other than those that are clearly defined herein. AEVC shall not be obligated to consult with or make representations, warranties or verifications of any kind to any third party or Bank at P.B.I.'s request. AEVC shall not be obligated to prepare any security agreements or documents prior to P.B.I.'s compliance with Paragraph Five (Obligations of P.B.I.). P.B.I. acknowledges that the confirmation and advise process are exclusively Bank to Bank accommodations and AEVC cannot and shall not be obligated to attempt to effect either process at P.B.I.'s request.

9. Restrictions on Syndicated Funds Use

P.B.I. hereby warrants that neither P.B.I. nor P.B.I.'s Fiduciary Bank, shall permit any debt to be senior to the prioritized asset liquidation value (as verified) represented by P.B.I.'s Class A Preferred stock. P.B.I. warrants that P.B.I. shall provide verification of the Syndicated Funds use restriction from P.B.I.'s Fiduciary Bank simultaneous with P.B.I.'s request for Certifications of Deposit, Paragraph 6, (*Request for Certification of Deposit*).

10. Withdrawal and Default

P.B.I. agrees that AEVC can opt to withdraw and default under this Agreement at any time for lack of creditworthiness, material misrepresentation or any other reason prior to the purchase and delivery of the Certification of Deposit. However, should AEVC opt to withdraw for any reason, then AEVC shall be in default and subject to the Liquidated Damages clearly defined herein Paragraph Twelve (*Failure to Perform; Liquidated Damages*).

11. Failure to Perform; Liquidated Damages

In the event that P.B.I. fails to comply with Paragraph Five (Obligations of P.B.I.) strictly within the defined time period, P.B.I. shall be in default and shall forfeit all claims, rights, and/or causes of action, or defenses to any claim or cause of action brought by AEVC, to the Reimbursement and Equity Participation clearly defined in this Agreement. In the event that AEVC exercises its option to withdraw and default, pursuant to Paragraph Eleven (*Withdrawal and Default*) AEVC shall be in default and shall be obligated to pay to P.B.I. one of the following defined amounts as Liquidated Damages:

A. If AEVC opts to withdraw and default prior to P.B.I. complying with Paragraph Five (Obligations of P.B.I.) AEVC shall refund to P.B.I. the amount of the Reimbursement paid and received by AEVC plus FIVE THOUSAND U.S. DOLLARS (\$5,000).

5. If AEVC opts to withdraw and default after P.B.I. complies with Paragraph Five (Obligations of P.B.I.) and Paragraph Six (Request for Certifications of Deposit) but prior to the purchase and delivery of the Certifications of Deposit AEVC shall refund to P.B.I. the amount of the Reimbursement paid and received by AEVC plus TWENTY FIVE THOUSAND U.S. DOLLARS (\$25,000).

AEVC hereby agrees that all payments under this paragraph shall be made by AEVC by FEDWIRE transfer to a Bank of P.B.I.'s choosing.

12. Exclusive Option of AEVC

In the event that P.B.I. fails to timely and strictly comply with Paragraph Five (Obligations of P.B.I.'s), and therefore is in default, P.B.I. hereby agrees that AEVC shall have the exclusive option to restructure P.B.I.'s financial assistance applications and seek financing in a different structure and format for P.B.I.'s project, provided that the alternative financing will provide P.B.I. with the requested dollar amount at the agreed aggregate one year cost of the syndicated funds (the sum of the Syndication Fee, Equity Participation and Fiduciary Bank discount rate), if applicable. AEVC shall have one hundred eighty (180) days to perfect this exclusive option by tender of Two Thousand U.S. Dollars to P.B.I.. P.B.I.'s refusal to accept tender of this sum shall not negate this option. Upon tender of the option fee P.B.I. must exclusively permit AEVC for a period of (180) days to attempt to either procure alternate financing or an alternative syndication program, provided that the amount requested can be arranged at the same or better aggregate cost as above defined. P.B.I. agrees that the structure of the optional financing is at the sole and exclusive discretion of AEVC. However, AEVC acknowledges and agrees that any option financing package must be approved and agreed to by P.B.I.. P.B.I. warrants that P.B.I. shall not attempt to circumvent, effect or interfere with the exclusive option of AEVC once perfected. In the event that AEVC offers alternative financing within the above cost calculations to P.B.I. within (180) days of the perfection of AEVC'S option and P.B.I. fails to accept said option financing, P.B.I. shall pay to AEVC twenty percent of the requested capital as Liquidated Damages.

13. Disclosure Obligation

P.B.I. hereby acknowledges that AEVC has verified the availability of the funds preliminarily syndicated for this transaction and has fulfilled in advance of receipt of any compensation from P.B.I. all obligations of the reimbursement defined herein. P.B.I. hereby agrees that AEVC shall have no further disclosure obligations and shall neither reveal any information about other P.B.I.'s or proposed transactions or the existence of any relationship with any Bank, financial institution, entity or individual that facilitates AEVC'S ability to syndicate the venture capital investors represented herein nor cause any of the Banks, financial institutions, entities or individuals to provide

either verification, documentation, factual information or exhibits prior to P.B.I.'s compliance with Paragraph Five (Obligations of P.B.I.).

14. P.B.I. Warranty and Disclaimer

P.B.I. acknowledges that P.B.I. was clearly instructed by AEVC to consult with both legal counsel and Bank counsel prior to the execution of this Agreement and has done so. P.B.I. warrants that the decision to enter into this Agreement and undertake and accept all obligations and warranties of P.B.I. as well as the clearly defined obligations of P.B.I.'s Fiduciary Bank was made solely and exclusively by P.B.I. after consultation with, and review of this contract with both Legal Counsel and Bank Counsel prior to its execution and payment of the Reimbursement defined herein and is not based on any inducement, representation, counsel or legal counsel whatsoever by AEVC, its principals or agents. P.B.I. warrants that the necessary Banking relationship and arrangements have been made by P.B.I. at P.B.I.'s Fiduciary Bank and at Confirming Bank to provide the payment guarantee to be opened and issued by P.B.I.'s Fiduciary Bank and further be confirmed by Confirming Bank prior to the execution of this Agreement. P.B.I. acknowledges that arrangements for confirmation and advice of Exhibit B or Exhibit C can only be requested by P.B.I.'s Fiduciary Bank and is the sole and exclusive obligation of P.B.I. and/or P.B.I.'s Fiduciary Bank. P.B.I. acknowledges that AEVC has neither input nor control over the advice process or confirmation process which is exclusively a Bank to Bank accommodation and is the sole and exclusive obligations of P.B.I.'s Fiduciary Bank. P.B.I. acknowledges that the funds syndicated for this transaction are not those of AEVC but of independent third parties or entities in which a contractual arrangement will be entered into for this transaction. P.B.I. acknowledges that any determination of creditworthiness of P.B.I. is solely within the province and discretion of those independent third party financial sources. However, AEVC is liable to incur the Liquidated Damages defined herein in the event that any independent third party financial source fails to perform for any reason. P.B.I. agrees that this written agreement encompasses and integrates the entire agreement by and between P.B.I. and AEVC and supersedes all other agreements or past or future representations or communications of any kind inconsistent with it regardless of the source of the representation. No oral representations or statements or communications of any kind shall have any force or effect on the terms, timeframes and obligations agreed to herein. P.B.I. acknowledges that AEVC has not offered or promised a loan to P.B.I. and that AEVC is not acting as a Loan Broker and has not represented itself as such at any time. P.B.I. warrants that AEVC has not requested nor been paid any advance compensation of any kind by P.B.I. and that AEVC satisfactorily and fully performed prior to payment of the Reimbursement described herein. P.B.I. acknowledges that AEVC'S singular role is to syndicate venture capital investors willing to provide one year funds against the Payment Guarantee and Investment Banking Assurance provided by P.B.I.. P.B.I. acknowledges that although Exhibit B and/or Exhibit C are acceptable to AEVC in their present format, Exhibit B and/or Exhibit C are subject to both issuing Bank and Confirming Bank review and

approval. Any request for amendment in the format of either Exhibit B and/or Exhibit C by the issuing Bank or Confirming Bank must be submitted direct to the AEVC by the Bank requesting amendment.

15. Hold Harmless

In the event of P.B.I.'s default by failure to timely comply with Paragraph Five (Obligations of P.B.I.), or in the event of AEVC'S default by opting to withdraw and default and pay the Liquidated Damages clearly defined herein, P.B.I. agrees to hold harmless AEVC from all claims in law or equity arising from any action or inaction on the part of AEVC. In the event that AEVC opts to withdraw and default and incur the Liquidated Damages defined in Paragraph Twelve (Failure to Perform; Liquidated Damages), AEVC agrees to hold P.B.I. harmless against all claims including from any third party retained by AEVC to facilitate this transaction. P.B.I. agrees that any claims for any reason against AEVC shall not be more than the amount of the Reimbursement paid and received by AEVC plus Two Thousand U.S. Dollars and shall not include a claim for attorney's fees, costs of litigation, punitive damages, compensatory damages, lost business opportunity or money for any other reason other than the Liquidated Damages defined herein. P.B.I. agrees Liquidated Damages for any claim for any reason shall be the amount of the Reimbursement paid and received by AEVC plus Two Thousand U.S. Dollars.

16. Jurisdiction and Venue

The parties agree that the sole and exclusive jurisdiction and venue for the resolution of any controversies, claims or causes of action shall be in Antigua. The parties further agree that the sole and exclusive remedy for resolving any controversy, claim or cause of action arising out of, or relating to this contract, or the breach thereof, shall be arbitration, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The parties further agree, that each will bear their own legal costs and expenses, including attorney's fees. Judgment upon any award of the arbitrator(s) shall be final, binding, and conclusive, and that judgment may be entered upon such award in any court having jurisdiction thereof.

17. Amendment

P.B.I. hereby agrees that neither this Agreement nor the incorporated exhibits can be amended without expressed written consent of AEVC. such written consent must be executed by P.B.I. and AEVC and be clearly defined as "Amendment To EQUITY PURCHASE AGREEMENT".

18. Definitions and Interpretation

P.B.I. and AEVC agree that the terms and time periods be strictly enforced and the terms and exhibits of this Agreement be strictly interpreted according to standard Bank language interpretation in accord with Uniform Customs and Practice, I.C.C. Publication 400, 1983 Revision. Failure to strictly comply with any time period herein shall be a default and shall subject the defaulting party to the penalties clearly defined herein. The time periods herein established shall be calculated by calendar days. In the event a time period expires on a Sunday or a federal Bank holiday the time period shall then expire the following day. All time periods shall expire at 5:00 PM (EST) on the defined date. Any time period herein stated cannot be extended for any reason.

19. Notice

P.B.I. and AEVC agree that no notice shall be required by either party in the event of default of either party by failure to perform within the agreed time parameters prior to demanding funds or instruments under this Agreement.

All correspondence to AEVC shall be sent to:

American European Venture Capital, Inc.
110 S.E. 8th Street
Suite # 1536
Fort Lauderdale, Florida 33301

All correspondence to P.B.I. shall be sent to:

Peninsula Books, Inc.
3550 N.W. 97th Blvd.
Gainesville, Florida 32606

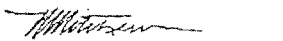
THE SUBSCRIBING PARTIES HEREBY REPRESENT THAT THEY HAVE READ THE AFOREMENTIONED AGREEMENT, HAVE THE AUTHORITY TO BIND THEIR RESPECTIVE CORPORATIONS, P.B.I. HAS REVIEWED ALL THE AFOREMENTIONED TERMS AND CONDITIONS WITH LEGAL COUNSEL AND BANK COUNSEL, UNDERSTANDS ITS CONTENTS, AND IRREVOCABLY AGREES TO BE BOUND THEREBY.

AGREED AND ENTERED into this 14th day of April, 1994

AMERICAN EUROPEAN
VENTURE CAPITAL, INC.:



PENINSULA BOOKS, INC.:


CHAIRMAN

WITNESS: B. Newman

1132

THE FORMAT AND TEXT OF THIS LETTER OF CREDIT HAS BEEN REVIEWED
AND ACCEPTED.

PENINSULA BOOKS, INC.

EXHIBIT C
(If Applicable Jurisdiction)
IRREVOCABLE CONFIRMED PAYMENT GUARANTEE

1133

**R. Allan Cohen
Attorney At Law
P.O. Box 509
Coolidge, Georgia 31738
(912) 346-3480**

DATE: February 22, 1996

TO: Ms. Cora Felix

FAX # (809) 462-9215

FROM: R. Allan Cohen

FAX # (912)346-9433

SUBJECT: *Caribbean American Bank Escrow Account*

TOTAL NUMBER OF PAGES INCLUDING COVER PAGE 3.

COMMENTS:

Dear Cora:

Please see the following documentation on requested transfers.

Thank you

The information contained in this facsimile communication is legally privileged and confidential and is intended only for the use of the individual or entity named above. If you have received this facsimile in error, please notify us immediately by telephone (collect) and return the message to us by mail. Thank you.

7

1134

MON 17:01

CUSTOMS RAC/TALLAHASSEE

FAX NO. 8509428807

P. 06

Allan Cohen
/RNEY AT LAW

P.O. BOX 509
1043 SOUTH PINE STREET
COOLIDGE, GA 31738

TELEPHONE: (912) 346-3480
FACSIMILE: (912) 346-9433

February 22, 1996

Caribbean American Bank Ltd.
ATTN: Cora Felix
Woods Centre
Friars Hill Road
St. Johns, Antigua

RE: TRANSFERS FROM CARIBBEAN AMERICAN BANK ESCROW ACCOUNT

Dear Ms. Felix:

Please make the following transfers from the Caribbean American Bank Escrow Account:

(1) \$2,500.00 to Caribbean American Bank to form the following corporation.

LERROB -ADSCOTT S.A.
Bearer Stock
Joni Anes, Power of Attorney
Les Mersky & Joni will advise CAB of CAB account names once corporation is formed

Forward all documents via Fed Ex to: Les Mersky
3000 Island Blvd
Suite 2801
Williams Island, Florida 33160

(2) \$3,500.00 to Caribbean American Bank to form the following corporation:

Independent Physicians Management Ltd.
Bearer Stock
Michael S. Cleveland, President
Will advise CAB of CAB account names once corporation is formed.

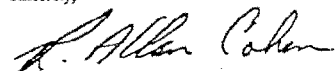
Forward all documents via Fed Ex to: Les Mersky
3000 Island Blvd
Suite 2801
Williams Island, Florida 33160

NOV-03-97 MON 17:02 CUSTOMS RAC/TALLAHASSEE FAX NO. 8509428807 P. 07
Page 2 of 2
Ms. Cora Felis
Caribbean American Bank

- (3) \$4,000.00 USD Nilnor S.A. Account # 010-000-192 *COR*
- (4) \$2,700.00 USD Nolz Ltd. Account # 010-000-114 *Not Notation*
- (5) \$9,060.00 USD Sterling International Guarantee Account # 010-000-034 *Notation*
- (6) \$39,100.00 USD Tyadttoes Account # 010-000-078 *Notation*
- (7) \$15,700.00 USD BSS Capital Account # 010-000-023 *Notation*
- (8) \$18,700.00 USD Rharte Account # 010-000-089 *Notation*
- (9) \$36,240.00 USD Goodhead S.A. Account # 010-000-158 *Notation*
- (10) \$20,000.00 USD Sirrom Ltd. Account # 010-000-205 *Notation*
- (11) \$25,000.00 USD Rhonat Ltd. A.I.B. Account # 61-58-45 *Notation*

Please confirm this transfer by return fax.

Sincerely,



R. Allan Cohen
Attorney at Law

RC/ks

1136

NOV-03-97 MON 17:03

CUSTOMS RAC/TALLAHASSEE

FAX NO. 8509428807

P.10

**R. Allan Cohen
Attorney At Law
P.O. Box 509
Coolidge, Georgia 31738
(912) 346-3480**

DATE: February 6, 1996

TO: Ms. Cora Felix

FAX # (809) 462-9215

FROM: R. Allan Cohen

FAX # (912)346-3441

SUBJECT: Caribbean American Bank Escrow Account

TOTAL NUMBER OF PAGES INCLUDING COVER PAGE 3.

COMMENTS:

Dear Cora:

Please see the following documentation on requested transfers.

Thank you

The information contained in this facsimile communication is legally privileged and confidential and is intended only for the use of the individual or entity named above. If you have received this facsimile in error, please notify us immediately by telephone (collect) and return the message to us by mail. Thank you.

12

1137

NOV-03-97 MON 17:04

CUSTOMS RAC/TALLAHASSEE

FAX NO. 8509428807

P.11

R. Allan Cohen

ATTORNEY AT LAW

P.O. BOX 509
1043 SOUTH PINE STREET
COOLIDGE, GA 31738

TELEPHONE: (912) 346-3480
FACSIMILE: (912) 346-3441

February 6, 1996

Caribbean American Bank Ltd.
ATTN: Cora Felix
Woods Centre
Friars Hill Road
St. Johns, Antigua

RE: TRANSFERS FROM CARIBBEAN AMERICAN BANK ESCROW ACCOUNT

Dear Ms. Felix:

Please form the following corporations immediately:

- (1) Island Financial Group S.A.
Les Mersky with Power of Attorney
Bearer Stock
Account in CAB - Les Mersky with Power of Attorney
The fee will be deducted from the CAB Escrow Account per Mr. Cohen's instructions
forthcoming to you.
UPS Overnight (Bill to UPS Shipper # 6006105337) all documents to:

Les Mersky
3000 Island Boulevard, Suite #2301
Williams Island, FL 33160
- (2) Dionne Warwick Design Group Ltd.
Dionne Warwick, President
Bearer Stock
Account in CAB - Dionne Warwick with Power of Attorney
\$3,500.00USD will be transferred to CAB by order of Mr. Cohen from the CAB Escrow
Account.
Forward all documents to Les Mersky - address herein.

13

Page 2 of 2
 Cora Felix
 Caribbean American Bank Ltd.

The following wires have recently been transferred into the Caribbean American Bank Escrow Account and verified by you.

\$40,000 USD	Jan 29, 1996
\$10,000 USD	Jan 30, 1996
\$100,000 USD	Feb 01, 1996
\$75,000 USD	Feb 02, 1996
<u>\$70,000 USD</u>	Feb 02, 1996

Total: \$295,000 USD

Please make the following transfers from the Caribbean American Bank Escrow Account.

(A) \$54,500 USD to Island Financial Group S.A. an Antiguan Corporation to be formed by CAB this date per this memo. Please advise this office of the CAB Account Number.

(B) \$35,100 USD Nola Ltd CAB Account # 010-000-114

(C) \$15,990 USD Sterling International Guarantee CAB Account # 010-000-034

(D) \$33,975 USD Rharte Ltd. CAB Account # 010-000-089

(E) \$63,960 USD Goodhead S.A. CAB Account # 010-000-158

(F) \$33,975 USD BSS Capital Ltd. CAB Account # 010-000-023

(G) \$5,500 USD For formation of Dionne Warwick Design Group Ltd and Island Financial Group S.A. per this memo. Credit this to CAB.

(H) \$9,000 USD Nilnor S.A. CAB Account # 010-000-192

(I) \$36,000 USD Rhonat Ltd AIB Account # 61-58-45

(J) \$4,000 USD Barlow Ltd CAB Account # 010-000-169

(K) \$3,000 USD Bianchi S.A. CAB Account # 010-000-103

Please confirm these transfers by return fax.

Sincerely,



R. Allan Cohen
 Attorney at Law

RC/ks

1139

THE CENTURION GROUP
INVESTMENT BANKING/CAPITAL SYNDICATE

196

June 27, 1996

Dear Cora:

We have a remaining concern about anyone being able to track anything by way of the Visa card issued through Praetorian. It's existence was known by my wife. She never saw me use it and the particulars of the card were a mystery to her but we're concerned it could be a starting point for any witchhunt.

- (1) Can you revoke the card *immediately*? *YES immediately*
- (2) Has the card been reported to any credit bureau? If so, how was it reported? *No.*
- (3) Is there any way for someone to find out the actual date of the revocation? *VISA*
- (4) If someone called the bank to verify the card's authenticity, date of issuance, date of revocation, etc. what information would they receive? Would that still be true on the small chance that the person doing the questioning had a copy of the card and knew the card number? *of all the*
merchant uses - cash does in way. *water*
- (5) What do you recommend we do about the deposit? If the card is truly untraceable (I hope!), then just get me another card under a new number and hold on to it for me until I ask for it. However, if the card is traceable through Visa, etc. then I need to forgo a card at this time and do my best to contain the damage.

I just don't want the @#5%& card to be the hole in the dike that can lead to all kinds of other questions. Obviously we don't want any connection being drawn between the card and Antigua.

I can't tell you how much I appreciate all your help. I'd call you but I'm reluctant to have Antigua calls showing up on our phone bills. Any incoming faxes to my private fax line at (405) 573-4065 are no problem. The faxes we are sending to you aren't coming over our phone lines and that's why everything is being done in writing. If you really need me to call you, just fax me and I'll go someplace else to make the call.

Again, thank you so much!

APL

1140

199-52

193

CARIBBEAN AMERICAN BANK
International Banking Centre
P.O. Box 2480, St John's
Antigua, West Indies

ART HOUSEHOLDER

Fax : (405-573-4065)

ART,

YOUR FAX 27.6.96 REGARDING CONCERNS ABOUT YOUR VISA CREDIT CARD. HEREWITH ANSWERS TO YOUR QUERIES

1. YES YOUR CARD CAN BE REVOKED IMMEDIATELY. THIS CAN BE DONE BY OURSELVES DIRECT.
2. WE DO NOT REPORT INFORMATION TO ANY AGENCIES OR BUREAU. CARDS ARE SECURED BY INITIAL CASH COLLATERAL WHICH IS HELD BY OURSELVES.
3. ONLY VISA WILL BE AWARE THAT A CARD HAS BEEN REVOKED.
4. ANY MERCHANT INQUIRY WILL BE MADE DIRECT TO VISA. THIS SHOULD ONLY OCCUR WHEN A CUSTOMER ATTEMPTS TO USE A CARD WHICH HAS BEEN REVOKED. ALL OTHER INQUIRIES ARE MADE TO OUR CREDIT CARD SECTION IN WRITING.
5. AT PRESENT YOUR DEPOSIT IS HELD WITH CARIBBEAN AMERICAN BANK UNTIL SUCH TIME YOUR CARD IS CANCELLED. SHOULD YOU WISH TO CANCEL YOUR CREDIT CARD CONTRACT YOUR DEPOSIT WILL BE REFUNDED TO YOU VIA PRETORIAN ACCOUNT.

I HOPE THIS INFORMATION WILL BE BENEFICIAL TO YOU. PLEASE DO NOT HESITATE TO CONTACT ME SHOULD YOU HAVE ANY FURTHER QUESTIONS.



1141

JUL-11-96 THU 14:07

16

791

July 11, 1996

Sharon:

Please revoke my Visa card number 4513 5102 2200 1653 issued through Practorian.

IT IS VERY IMPORTANT THAT:

(A) *THIS CARD NEVER EXISTED.*

(B) THE DATE OF REVOCATION NEVER BE DISCLOSED.

Thank you for your help.

Arthurs House

*New card requested in the
name of Nola Limited.*

1142

17
A-11-96 THU 14:08

2

1-99-0792

July 11, 1996

Sharon:

Please immediately dissolve Centurion Capital, Ltd. and incorporate Pavo Capital, Ltd. Please hold the shares of Pavo Capital, Ltd. in your safe-keeping.

Any charges should be debited against Nola, Ltd.

Thank you.

As Householder

1143

14

1-99-~~087~~789

CARIBBEAN AMERICAN BANK
International Banking Centre
P.O. Box 2480, St John's
Antigua, West Indies

JULY 11, 1996

TO: ART HOUSEHOLDER
FAX: 1-405-573-4065

FROM: SHARON A.M. WEEKS
FAX: 1-268-462-9215

Dear Mr. Householder,

I understand your concerns on the name Centurion Capital Ltd. I would like to advise that only ourselves and Antigua Management Trust who does the company formation are knowledgeable of this corporation. We have advised them that after the name change to Pavo Capital Ltd., the name Centurion Capital should be "erased" from their files as if it never existed. We will do like-wise.

I have already spoken to the Visa department at AIB and they have agreed to "kill" your existing Visa Card. Please let me know what name you would like the new Visa Card to be issued in, and we will apply for it immediately.

Kindest regards,

Sharon

Telecon 11.7.96

Further advised that in order for the name Centurion Capital Ltd not to appear on any documents that Company would have to be dissolved and new one formed. A simple name change is not sufficient.

/s.

10

1-9A 294



GOVERNMENT OF ANTIGUA AND BARBUDA

CERTIFICATE OF INCORPORATION AND GOOD STANDING

Pursuant to Section 9 of the International Business Corporations Act, 1982, No. 28 of 1982, the undersigned hereby certifies that:

PAVO CAPITAL LTD.

was incorporated under the laws of Antigua and Barbuda on the 16th day of July, 1996; is in good standing and enjoys all the rights, powers and privileges conferred by law consistent with the attached Articles of Incorporation.

REGISTERED

[Handwritten signature]

Director,
International Business Corporations

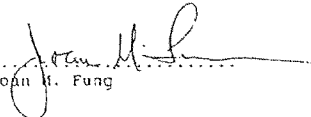



Registered at St. John's, Antigua,
this 16th of July 1996.

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1-99-812

RESOLVED, that the signing of these Minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.
There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.


.....
Joan H. Fung


.....
William W. Cooper

Antigua Management & Trust Ltd.

By: 
.....
W. W. Cooper, President


.....
Ilse Cooper, Secretary

A true copy of each of the following papers referred to in the foregoing Minutes is appended hereto:

- Certificate of Incorporation and Good Standing
- Articles of Incorporation
- By-Laws
- Specimen Certificate of Shares

1146

1-44-525

197

NDLA

July 25, 1996

Attention: Sharon Weeks
From: Art Householder

Dear Sharon:

Yes, please close the Praetorian bank account. If I need another bank account for Praetorian someday we can always open a new account for the company at that time.

Also, I understand that Centurion Group, Inc./Centurion Capital, Ltd. is now cleaned from your records. Does this mean that any reference to "Centurion" is also non-existent in any government records that an investigator may have access to? And could I now deny the credit card even existed?

Please excuse my paranoia. However, I am in the horrible situation of having to contend with the emotional devastation of an adulterous wife I loved very much coldly abandoning me coupled with the worries of trying to keep her and her two lovers from finding out the truth in so many financial areas and it is wearing on me. This is a nightmare of the worst proportions. I served two tours of heavy combat in Vietnam as a Marine in Force Recon and I never suffered the emotional stress I'm under right now. Death is one thing; betrayal is something else. I'm also going to have a !@#% of a lot of cash in accounts at your institution by the time the divorce war is finished so please try to understand all my questions. I've got every reason to believe that she and her lovers are going to focus 90% of their energies on Antigua as the place to crack open the whole story of how much I've got and where it is. If they exhaust themselves in Antigua, everything else will remain safe.

You and Cora are the greatest. I'll make it up to you someday. I promise.

Art

Cora
kept original

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MEMO

TO: Sharon Weeks, 3 pages

Sharou,

Here's the letter I spoke with you about. The correct information is that:

- (1) CAB is chosen as the Escrow bank by the investors represented by Mr. Gamble their attorney.
- (2) CAB does not require any deposit. The investors represented by Mr. Gamble require the deposit. CAB simply agrees to serve as the Escrow Agent.
- (3) CAB's sole & exclusive responsibility in any transaction is limited to CAB carrying out the terms and conditions of the Escrow Agreement. The client signs the escrow agreement representing UNDER PENALTY OF PERJURY that he has reviewed it with his own legal counsel; that he fully understands it; that it is irrevocable; that CAB is to ignore any communications that are inconsistent or contrary with the terms of the escrow agreement. The client then irrevocably directs CAB to verify 4 things before releasing the escrowed funds. 3 of the 4 things are verified by written documents which bear the client's own signature. The 4th thing is verification that the deposit has been received at CAB.

The escrow agreement has been used for 10 years or more. It is very precise, clear and has no "gray areas".

Insofar as the syndication program is concerned, the syndicators (Commercial Probability, Tyadtoos, Island Financial, Sterling, Phoenix, Curney, Pavo, ETC, ETC) who operate through the investors Mr. Gamble represents, acquire these clients by means of advertisements in newspapers and other publications. That in itself tells you to "beware" because very few entirely legitimate people seek financial assistance through the classified ads in newspapers. On the contrary, entirely legitimate people simple go to their bank and if they have a good bank history and a valid transaction they get the help they need from their own bank. The clients the syndicators deal with might come in driving a Mercedes or a Porsche, wearing a \$3,000 suit with a gold Rolex - looking damn good & fine. But none of them minds committing perjury just to try to get to the money Gamble's clients have.

No syndicator will enter into any Business Development Agreement (BDA) with any potential client UNLESS the client represents under penalty of perjury, that he ALREADY has perfected ALL of his obligations under the BDA, has reviewed the BDA with his own legal counsel, has reviewed it with his bank counsel and fully understands the BDA in his own Native tongue. Against those overwhelming attestations & representations from a client the syndicator has every reason to enter into a BDA with the client and wait for the BDA to expose him as a liar.

There has never been a successful lawsuit filed against any syndicator. There can't be. The ONLY reason the syndicator goes to contract with any client is because of the many representations the client makes under penalty of perjury. No syndicator has ever failed or been found guilty of ever failing to have performed exactly as agreed in the BDA.

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The only time any syndicator (Mersky w/ Com Probability) has ever been indicted in 15 years in this business by a Federal Grand Jury the indictment was dismissed by the U. S. Federal Judge who presided over the case. The syndicator does not violate any laws and he always performs as agreed. The client commits numerous perjury and fails to perform. However, some clients have "connections" enough to get certain Federal agencies in the U.S. to act as the client's puppets, stooges. But it is difficult to overcome the written agreements. They are strict. They are tough.

When the lying client knows he is caught lying he also knows he can't hardly file suit against the syndicator because of all the perjury he committed and the fact his failure to perform will be easily documented. However, since most of the liars have borrowed the deposit money from third parties by also lying to those third parties they have to keep on lying so the only avenue left is to claim the syndicator stole his deposit. That leaves him the final option of running to any Federal Agency who will listen to his story if the story is salted with catch terms like "loans", "front fees" (nothing like that is even a part of the deal. No syndicator is involved in any client loan. And there are no front fees because the escrow deposit is not even released until after the client has failed to deliver upon his agreed obligations defined in the BDA) and Antigua is involved. And anything the U.S. can do to make Antigua look bad it seems to like to do.

A handwritten signature in black ink, appearing to be 'Antigua', written in a cursive style.

--- This page sent CLEAR ---
 FEB-03-97 WED 03:02 AM

Cohen

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February 3, 1997

ATTN: JOHN WARD, ATTORNEY
 RALLEN COHEN, ASSOCIATES

FROM:
 Jaquiline James, Attorney
 Simon Justin & Associates
 St. Johns, Antigua

KALYN NAGEL, MANAGING DIR.
 PHOENIX INVESTMENT GROUP

TO:
 KAMCHATKOMAGROPROMBANK
 KH&M L.L.C. Joint Venture

RE: CARIBBEAN AMERICAN BANK ESCROW
 Due Diligence Report
 KH&M L.L.C. Investment Loan

DIRECT TRANSCRIPT
 Retyped to be legible

Dear Sir,

Further to your facsimile request for confirmation of security of your escrow transaction we are able to report the following:

The last coordinate indicated in your escrow agreement was very recently the subject of a similar inquiry made to us by another foreign investor; similarly the transaction involved in the request required the deposit of a substantial amount of money to be held in escrow by Caribbean American Bank.

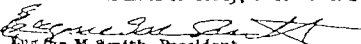
Caribbean American Bank has two shareholders both of which are non-banking offshore companies and were incorporated by Mr. William Cooper, one of Caribbean American Bank's two Directors, who is known to be an active figure in Antigua's offshore banking industry. Non-banking offshore companies are not required to disclose details of their shareholders or show financial statements.

The company files disclosed that inquiries similar to yours have been addressed to the director of International Banking & Trust Corporations in respect of Caribbean American Bank involving foreign investors who have been required to deposit funds into escrow accounts to be held by Caribbean American Bank. In one such instance Barclays Bank of Antigua made inquiries of the Director of International Banking & Trust Corporations and in light of the information received about Caribbean American Bank advised their customers not to proceed with the transaction.

Further it may be of interest to you to learn that the share issue of Caribbean American Bank apparently consists of bearer shares only and Caribbean American Bank's filed annual returns disclose No Activity, in terms of movement of funds, whatsoever.

We hope that the information we have uncovered will be of use to you in determining whether to proceed with the transaction. If we may be of further help to you, we will be pleased to assist. END OF REPORT.

NOTE: The previous report from De Orchis Law Partners of New York, N.Y., retained by Kamchatkomagroprombank, was similar in content to this and created the original problem. The negative reports from US Bank and Bank of America fueled this further. This erupted 12/13/96 without my prior knowledge and disclosed only in the last two weeks. We must in some way be able to generate confidence in this transaction or it will continue to decay, to it's own demise.


 Eugene M. Smith, President
 KH&M L.L.C. Joint Venture

24

jamestown investments ltd., st. johns, antigua, w.i

Fax Cover This is a confidential message, intended solely for the person to whom it is addressed. If you receive this message in error, please forward it to the correct person, or mail it back to us. Thank you.

To ANNE MARIE ATHILL, CARIBBEAN AMERICAN BANK
Fax No. 268 462 9215
From RACHEL JAMES, DIRECTOR
Date/Time APRIL 7, 1997
Subject
Pages 1, including this one

PLEASE SEND CASHIERS CHECK FROM ACCOUNT NUMBER

010 001 013

AMOUNT OF CHECK USD \$1,500.

MAKE CHECK PAYABLE TO : J. GIGLIO

PLEASE SEND VIA UPS OVERNIGHT , CHARGE TO ACCOUNT # 8200044177

ADDRESS: J. GIGLIO

6860 GULFPORT BLVD. #301

ST. PETERSBURG , FLORIDA 33707

PLEASE GIVE ACCOUNT BALANCE.

THANKYOU.

BY Rachel James
RACHEL JAMES, AUTHORIZED SIGNATORY

010 001 013
112100
8.4.97
1874

26 AMERICAN INTERNATIONAL BANK LTD. ST. JOHN'S ANTIGUA, WI. 2815

DATE April 8, 1997 15/21/97

PAY TO THE ORDER OF J. Giglio***** J \$ 1,500.00*

USD 1500.00 DOLLARS

CHASE The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, NY 10081

FOR Caribbean America Bank *[Signature]*

#002915# 4021000021# 00# 623188#

14

jamestown investments ltd., st. johns, antigua, w.i.

Fax Cover This is a confidential message, intended solely for the person to whom it is addressed. If you receive this message in error, please forward it to the correct person, or mail it back to us. Thank you.

To ANNE MARIE ATHILL CARIBBEAN AMERICAN BANK
Fax No. 268 462 9215
From RACHEL JAMES, DIRECTOR
Date/Time APRIL 10, 1997
Subject
Pages 1, including this one

DR ACCT: <u>DID 001 DIE</u>	INPUT
CR ACCT: <u>115105</u>	Signature
VAL DATE: <u>11.4.97</u>	CHECKED
BATCH NO: <u>1911</u>	Signature

PLEASE SEND CASHIERS CHECK FROM ACCOUNT NUMBER

010 001 013

AMOUNT OF CHECK USD \$5,000.

AMOUNT OF CHECK USD \$7,500.

MAKE CHECK PAYABLE TO : J. GIGLIO

PLEASE SEND VIA UPS OVERNIGHT , CHARGE TO ACCOUNT # 8200044177

ADDRESS: J. GIGLIO

6860 GULFPORT BLVD. #301

ST. PETERSBURG , FLORIDA 33707

PLEASE GIVE ACCOUNT BALANCE.

THANKYOU.

BY Rachel James
RACHEL JAMES, AUTHORIZED SIGNATORY

1153

17.

CARIBBEAN AMERICAN BANK
International Banking Centre
P.O Box 2480, St John's
Antigua, West Indies

April 11, 1997

Jamestown Investments Ltd

Fax: 813-345-2476

Debit Advice

We confirm Debiting your account as follows:

Account Number: 010-001-013

Amount: USD \$12,500.00

Value Date: 11/04/97

By Order of: Your instructions

Narrative: AIB cheques #2940 # 2939 f/o J.Giglio

1154

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AMERICAN INTERNATIONAL MANAGEMENT
SERVICES LTD.

April 11, 1997

To: American International Bank

Attn: Pat Diedrick

Re: Caribbean American Bank a/c #629145

Kindly debit the captioned account USDS12,500.00 and make two (2) cheques payable as follows:-

Judith Giglio - \$5,000.00

Judith Giglio - \$7,500.00

Thank you.

16 AMERICAN INTERNATIONAL BANK LTD.
ST. JOHN'S ANTIGUA, WI

DATE April 11, 1997

PAY TO THE ORDER OF Judith Giglio***** S 7,500.00*

USD 7500.00

DOLLARS SEVEN

CHASE The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, NY 10038

FOR CAB

⑆002940⑆ ⑆021000021⑆ 001 1 623186⑆

James Matthews

2539

AMERICAN INTERNATIONAL BANK LTD.
ST. JOHN'S ANTIGUA, WI

DATE April 11, 1997

PAY TO THE ORDER OF Judith Giglio***** S 5,000.00*

USD 5000.00

DOLLARS FIVE

CHASE The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, NY 10038

FOR CAB

⑆002939⑆ ⑆021000021⑆ 001 1 623186⑆

James Matthews

1156

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CARIBBEAN AMERICAN BANK
International Banking Centre
P.O Box 2480, St John's
Antigua, West Indies

April 14, 1997

Jamestown Investments Ltd

Fax

Debit Advice

We confirm Debiting your account as follows:

Account Number: 010-001-013

Amount: USD \$1,500.00

Value Date: 14/04/97

By Order of: Your instructions dated 11/04/97

Narrative: AIB cheque #2963 f/o J.Giglio

12

1-99-878

AMERICAN INTERNATIONAL BANK LTD.
30 BROADWAY, NEW YORK, N.Y.

✓ 2983

DATE APRIL 14, 1957

PAY TO THE ORDER OF J. Gignion ***** \$ 1,500.00*

USD 0015000000

DOLLARS ONE

CHASE The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, NY 10041

FOR CAB

Arthur F. Kelly

⑆00296⑆ ⑆02300003⑆ 001 ⑆ 023100⑆

169

*** This page sent SECURE ***

1-99-1036
✓

jamestown investments Ltd., st. johns, antigua, w.i

Fax Cover This is a confidential message, intended solely for the person to whom it is addressed. If you receive this message in error, please forward it to the correct person, or mail it back to us. Thank you.

To ANNE MARIE ATHILL, CARIBBEAN AMERICAN BANK
Fax No. 268 462 9215
From RACHEL JAMES, DIRECTOR
Date/Time Wednesday, May 07, 1997
Subject
Pages 1, including this one

bal: 404.00

PLEASE SEND CASHIERS CHECK FROM ACCOUNT NUMBER

010 001 013

AMOUNT OF CHECK USD \$500.

MAKE CHECK PAYABLE TO : J. GIGLIO

PLEASE SEND VIA UPS OVERNIGHT . CHARGE TO ACCOUNT # 8200044177

ADDRESS: J. GIGLIO

6860 GULFPORT BLVD. #301

ST. PETERSBURG , FLORIDA 33707

THANK YOU.

BY Rachel James
RACHEL JAMES, AUTHORIZED SIGNATORY

170

1-99-03

AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

May 7, 1997

To: American International Bank

Attn: Pat Diehrick

Re: Caribbean American Bank a/c #529145

Kindly debit the captioned account US\$5907.00 and issue one (1) cheque payable to Sudio Giglio

Thank you

\$450.00 \$500.00

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">DR ACCT: <u>010-001-013</u></td> <td style="width: 30%;">INSTR</td> </tr> <tr> <td>CR ACCT: <u>112102</u></td> <td>Signature: <u>[Signature]</u></td> </tr> <tr> <td>VAL DATE: <u>7-5-97</u></td> <td>CHECKED</td> </tr> <tr> <td>BATCH NO: <u>3035</u></td> <td>Signature: <u>[Signature]</u></td> </tr> </table>	DR ACCT: <u>010-001-013</u>	INSTR	CR ACCT: <u>112102</u>	Signature: <u>[Signature]</u>	VAL DATE: <u>7-5-97</u>	CHECKED	BATCH NO: <u>3035</u>	Signature: <u>[Signature]</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">DR ACCT: <u>010-001-998</u></td> <td style="width: 30%;">INSTR</td> </tr> <tr> <td>CR ACCT: <u>112102</u></td> <td>Signature: <u>[Signature]</u></td> </tr> <tr> <td>VAL DATE: <u>7-5-97</u></td> <td>CHECKED</td> </tr> <tr> <td>BATCH NO: <u>3035</u></td> <td>Signature: <u>[Signature]</u></td> </tr> </table>	DR ACCT: <u>010-001-998</u>	INSTR	CR ACCT: <u>112102</u>	Signature: <u>[Signature]</u>	VAL DATE: <u>7-5-97</u>	CHECKED	BATCH NO: <u>3035</u>	Signature: <u>[Signature]</u>
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VAL DATE: <u>7-5-97</u>	CHECKED																
BATCH NO: <u>3035</u>	Signature: <u>[Signature]</u>																

P.O. Box 1407, Suite 5, Woods Centre, St John's, Antigua, W.I.
 Phone: (869) 467-8714 Fax: (869) 462-9213 Telex: 2062 AIMS AK

1160

AMERICAN INTERNATIONAL BANK, LTD.

171

AMERICAN INTERNATIONAL BANK, LTD.
ST. JOHN'S, ANTIQUA, W.I.

1-99-10381091

MAY 7, 1992

PAY TO THE ORDER OF JUDIE GIGLIO ***** \$ 907.00*

NINE HUNDRED SEVEN *****00/100 DOLLARS



POPULAR BANK OF FLORIDA 030
848 BRICKELL AVENUE
MIAMI, FLORIDA 33131

F110

⑈00109⑈ ⑈067009044⑈ ⑈030 880060⑈

Matth
Dene

1161

04/14/97 MGN 11:19 FAX

R. Allan Cohen

ATTORNEY AT LAW

P.O. BOX 496
1043 SOUTH PINE STREET
COOLIDGE, GA 31738

TELEPHONE: (912) 346-9414
FACSIMILE: (912) 346-9433

PRIORITY MEMO

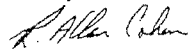
DATE: April 14, 1997
TO: ALL SYNDICATORS
RE: LETTER TO THIS OFFICE

Please read the following and prepare a reply similar to this and return to this office via facsimile on your letterhead and signed. Keep it simple and do not go over one page. This is top priority.

Dear Mr. Cohen,

Please be advised that the Syndication Program have been based upon the representations of Mr. Donald Jake Gamble in which he represented that he had \$650,000,000.00 USD in assets under his control. As you know the Syndication Program relies on those assets and without them I could not offer a contract to any client. No one other than Mr. Gamble has represented to me that they have these assets. Moreover, Mr. Gamble has periodically updated the contracts that I offer and they have been passed down line through Mr. Gamble's organization by his instruction. Mr. Gamble notified me by memorandum in late 1995 that you were retained to issue verifications based on Mr. Gamble's assets. I have operated under that premise since that time.

Sincerely,



R. Allan Cohen
Attorney at Law

RC/ks

NAGEL-EX-11

1162

R. Allan Cohen

ATTORNEY AT LAW

P.O. BOX 496
1043 SOUTH PINE STREET
COOLIDGE, GA 31738

TELEPHONE: (912) 346-9414
FACSIMILE: (912) 346-9433

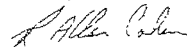
Priority Memo

DATE April 28, 1997
TO JOHN GREAVES AND BILL COOPER
ALL SYNDICATORS
RE DONALD JAKE GAMBLE

For your own information, Donald Jake Gamble has been identified by Federal Agents in court documents as having been an informant for the FBI for over 5 years. He has used this informer status to have Larry arrested on a frivolous weapons charge. He is attempting to disavow any involvement in Syndication Program. You should beware of Mr. Gamble. He has attempted to contact some people by telephone so that he can make self-serving tape recordings of conversations with them. He will probably attempt to do this with you. Gamble began his Syndication Program long before he met Larry or myself. As recently as March 27, 1997, he verified in writing that he controlled \$650 Million in USD assets. This office has demanded that Gamble allow an independent attorney and accountant to verify those assets. Each and every one of us under Gamble were recruited into his organization after it was on going. Each and everyone of us have conducted ourselves on the belief that Gamble, who is an attorney and who represented himself as a judge in Tennessee, had the assets that he has repeatedly verified to this writer to having in his control.

If there is any further information needed, please contact this office.

Sincerely,



R. Allan Cohen
Attorney at Law

RC/ks

NAGEL EX-14

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

Case No. 1:98cr119-MMP

RONALD COHEN,

Defendant.

COPY

EXCERPT OF HEARING ON ALL PENDING MOTIONS
TESTIMONY OF WITNESSES

The above-entitled matter came on to be heard before the Honorable MAURICE M. PAUL, Senior United States District Judge, in the United States Courthouse, Gainesville, Florida, on the 2nd day of July, 1998, commencing at 9:01 a.m.

APPEARANCES:

For the Government: LYNDIA F. PADGETT and
R. JEROME SANFORD
Assistants United States Attorney
315 S. Calhoun St., Suite 510
Tallahassee, FL 32301-1841

For the Defendant: SAMUEL S. JACOBSON and
CHARLES B. LEMBCKE
Attorneys at Law
Datz, Jacobson, Lembcke & Wright
One Independent Drive, Suite 2902
Jacksonville, FL 32202-5023

W. PAUL RAYBORN

UNITED STATES COURT REPORTER

245 U.S. COURTHOUSE

ONE NORTH PALAFOX STREET

PENSACOLA, FLORIDA 32501-5625

PH. (850) 432-1808 • FAX (850) 432-1809

1 Q You knew he transferred funds?

2 A Yes, ma'am.

3 Q Now, at this trial you previously testified at you
4 indicated that you lied about this paperwork. In what respect
5 did you lie?

6 A Well, I was basically trying to cover my job saying that I
7 had legitimate legal business to take care of.

8 Q You were protecting your job by saying that the letter was
9 true?

10 A Yes, ma'am.

11 Q Did you at any time say that anyone other than Cohen
12 prepared that letter or had it prepared?

13 A No, ma'am.

14 MS. PADGETT: Thank you. Nothing further.

15 THE COURT: You may step down.
16 Your next witness?

17 MS. PADGETT: Agent Pledger.

18 (Pause)

19 MICKEY PLEDGER, GOVERNMENT WITNESS, SWORN

20 DIRECT EXAMINATION

21 BY MS. PADGETT:

22 Q Agent Pledger, you are the case agent in this case, is
23 that correct?

24 A The Customs case agent, yes, ma'am.

25 Q And can you tell the court, did you receive certain

1 records that were turned over to you -- to you that came from
2 Cohen's office?

3 A Yes, ma'am.

4 Q And how did you get those records?

5 A They were turned over to us by Terry Sangaree.

6 Q And in those records did you find any indication that
7 the -- that there was interest in forming a corporation in
8 countries other than Antigua?

9 A There was some sample paperwork from the country of
10 Dominica in referrence to forming international business
11 corporations.

12 MR. JACOBSON: Judge, those records would speak for
13 themselves, if they are there. We would object to Mr. Pledger
14 characterizing these until we see the records.

15 MS. PADGETT: Your Honor, he can testify about what
16 he found.

17 THE COURT: Go ahead.

18 BY MS. PADGETT:

19 Q If you would. I'm sorry. What were the records?

20 A Basically they were sample corporation paperwork on how to
21 set up what corporations would look like. The corporate
22 formation paperwork from the country of Dominica, it's
23 somewhat different than Antigua.

24 Q And let me ask you, did you have -- did you recently go to

1 A Yes, ma'am.

2 Q And did you have a meeting with an individual by the name
3 of Giraud?

4 A Yes, ma'am.

5 Q And what was the purpose of that meeting?

6 A Well, the meeting had been arranged via a recorded
7 telephone call from Larry Sangaree to Mr. Giraud in which he
8 asked Mr. Giraud to meet with us and basically tell us the
9 truth. In this conversation we had with Mr. Giraud, we did
10 not advise Mr. Giraud who we were.

11 Q And who is Mr. Giraud?

12 A Julian Giraud is a citizen of Dominica. He's a very close
13 friend of Mr. Gamble and Mr. Sangaree and was their means of
14 introduction into banking officials in the islands. Mr.
15 Giraud is also an official, a bank official, of Overseas
16 Development Bank which is the bank that took over for the
17 American International Bank, the previous correspondent of
18 Caribbean American Bank.

19 Q And do you know whether or not Mr. Giraud knew Mr. Cohen?

20 A Yes, ma'am.

21 Q And how do you know that?

22 A During the course of the conversation that I had with him,
23 one of the things that I asked him was basically how did
24 Mr. Cohen come to be introduced to Vera Byrd, Jr., the
25 attorney who was seeking to determine the records, and

1 Mr. Giraud stated, you know, that I introduced him, it was
2 through me, is basically what he said.

3 Q Mr. Giraud indicated that he introduced Mr. Cohen to Vera
4 Byrd, Jr.?

5 A Not introduced. We asked how did they get to Mr. Vera
6 Byrd. He said, through me.

7 Q And who is Vera Byrd, Jr.?

8 A Vera Byrd, Jr. is an attorney in Antigua. He is the
9 brother of the current Prime Minister, Lester Byrd.

10 Q And did you have any conversations with him concerning how
11 much money there might be remaining in Antigua that would be
12 owned by this syndication group?

13 A Yes, ma'am. I asked him that question directly, because
14 he had made the statement on the tape with Mr. Sangaree that
15 \$2.5 million was made. And I asked them that question
16 directly again, how much money is left out there? And he said
17 \$2.5 million.

18 Q Now, in the letter introduced in the last trial,
19 Government's Exhibit 6, concerning frozen accounts in Antigua,
20 are you familiar with that exhibit?

21 A Yes, ma'am, I am.

22 Q That exhibit, it mentions the amount of \$800,000,
23 approximately?

24 A Yes, ma'am.

25 Q Other -- that is frozen in Antigua?

1 A It's currently in custody of Price Waterhouse as receiver,
2 yes, ma'am.

3 Q But Mr. Giraud says there is two and a half million, not
4 800,000 down there?

5 A That was his statement to me.

6 Q And did he indicate where that was?

7 A No, ma'am, he didn't indicate where it was nor did he
8 indicate the source of his information.

9 Q And do you know how the government could get to that
10 money?

11 A No, ma'am.

12 Q Do you know any way the government could get to that
13 money?

14 A No, ma'am.

15 MS. PADGETT: Thank you. Nothing further.

16 THE COURT: Cross?

17 CROSS-EXAMINATION

18 BY MR. JACOBSON:

19 Q Do you know any way Ronnie Cohen can get to that money?

20 A No, sir.

21 Q That money is out of -- beyond his reach?

22 A I don't know that for certain. I have no idea whether it
23 exists, or if it does, where it is.

24 Q And you know that the bank in question is now in
25 receivership, Caribbean American Bank?

15/12 '00 15:26 FAX 1 268 461 0422 INTL. BUSN. CORPS

IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA
(MISC.)



Suit No. 169 of 1997.

Between

In The Matter of CARIBBEAN AMERICAN BANK LIMITED (In Liquidation)

In the Matter of the INTERNATIONAL BUSINESS CORPORATIONS ACT,
Cap. 222

- and -

In the Matter of the presentation of an Interim Report by the Joint Receiver-
Managers of Caribbean American Bank (In Liquidation)

This is the exhibit marked "CW 1" referred to in the AFFIDAVIT IN SUPPORT
of CHARLES WALWYN.

SWORN to this *18th* day of *August*, 2000.

[Signature]
REGISTRAR FOR OATH
ANTIGUA & BARBUDA

In the HIGH COURT OF JUSTICE OF
Antigua and Barbuda

IN THE MATTER OF THE LIQUIDATION OF
CARIBBEAN AMERICAN BANK LIMITED

On August 7, 1997 and August 20, 1997 Mr. Donald B. Ward and Mr. Charles Walwyn respectively were appointed Joint Receiver/Managers of Caribbean American Bank Limited by the Supervisor of International Banks and Trust Corporations.

On November 19, 1997 the Receiver/Managers were ordered to wind up Caribbean American Bank Limited (CAB) by Order of the High Court of Antigua and Barbuda.

1. STATEMENT OF AFFAIRS

Appendix 1 to this report sets out the Statement of Affairs of the Bank at June 30, 2000.

Appendix II is a Statement of Receipts and Disbursements for the period August 7, 1997 to June 30, 2000.

A summary of the Financial position of the Bank at June 30, 2000 is as follows:

Assets	US\$
Liquid assets	837,923
Fixed deposit with AIB (In Receivership)	56,631
Funds seized by United States Customs Service	<u>50,000</u>
	<u>944,554</u>
 Liabilities and Capital	
Amounts due to customers and creditors	1,156,108
Shareholders deficiency	<u>(211,554)</u>
	<u>944,554</u>

2. POSSESSION OF ASSETS

At the time of our appointment as Receiver/Managers of CAB, we took possession of its books and records and we compiled statements of the Banks' financial position. We notified other institutions of our appointment and took control of all known liquid funds totaling US\$911,886 belonging to the Bank.

As required by the International Business Corporations Act, we opened an account in the names of the Joint Receivers/Managers. The account is in United States dollars and it is held at Barclays Bank Plc, High Street, St. John's, Antigua.

There is an amount receivable of \$50,000 representing funds being held by the United States Customs Service Department as a result of a seizure order issued by the United States District Court of Northern Florida. Recovery of this money is doubtful in light of charges being brought by the United States Government against the Bank and its directors in respect of money laundering.

The Bank has a certificate of deposit in the amount of \$56,631 with American International Bank (In Receivership). Recovery of this amount is very uncertain as the likely outcome of the receivership is unknown.

Fixed assets with a value of \$934 could not be identified nor located.

3. SOLVENCY

Currently the Bank has assets totaling \$944,554 of which \$50,000 has been seized by the United States Customs Service Department and \$56,631 is due from American International Bank (In Receivership). Liquid assets amount to \$837,923.

The Bank's records report amounts due to depositors of \$980,516 with interest payable of \$175,592 on depositor balances. Claims received from the Bank's principal customers amount to US\$1,132,000.45 which exceed recorded balances by \$595,759.80. The variance between the claims received from its principal depositors and the Bank's records of amounts owing is in respect of claims received from lawyers on behalf of the specific depositors. We have not at this stage been provided with any evidence to support the claims beyond the recorded balances in the Bank's records.

Given the financial position we do not have sufficient funds to pay depositors in full.

4. LOANS AND ADVANCES

There are two shareholder loans of record, both of which are for \$500,000. The loans appear to have been granted by the Bank to enable the shareholders to finance the capitalization of the Bank. The funds were never deposited into the Bank. The two shareholders are holding companies, which have issued bearer shares, and we do not know who is in possession of the shares. Collectibility of these loans is unlikely and the amounts have been written-off in the books of the Bank.

The shareholders of the Bank are under investigation for money laundering (See 7 below).

5. AMOUNTS DUE TO CREDITORS

Total liabilities amount to \$1,156,107.89 comprised of \$980,516 due to depositors and \$175,592 being accrued interest on customer deposits.

Claims amounting to \$1,132,000.45 were received from lawyers acting on behalf of specific depositors. The claims exceed the balances in the Bank's records by a total of \$595,759.80 and the claimants have not provided any evidence to support the additional amounts claimed.

We advised the claimant's lawyers that they would have to present us with the appropriate powers of attorney from each of the depositors prior to our being able to provide information related to the specific balances in each account or to effect a distribution. No further communication has been received from the lawyers.

The other depositors have not come forward to claim their funds.

All depositors of the Bank are under investigation for money laundering (see item 7 below)

6. INVESTING OF FUNDS

Banking arrangements have been established with Barclays Bank Plc, High Street, St. John's, Antigua.

We have placed \$700,000 in a US dollar Certificate of Deposit which is now paying interest at the rate of 6% per annum. To date we have realised \$105,111.79 in interest income.

7. **ASSISTANCE TO THE OFFICE OF NATIONAL MONEY LAUNDERING
DRUG CONTROL POLICY (ONDCP)**

The Supervisory Authority of the ONDCP is investigating the affairs of the Bank, its shareholders and its principals for being in violation of the Money Laundering (Prevention) Act (MLPA), No. 9 of 1996 as amended.

After receiving written notice from the Supervisory Authority in compliance with the provisions of MLPA, we provided the Supervisory Authority with access to the Bank's records for their review.

The ONDCP's review concluded that there were reasonable grounds to believe that a money laundering offence had been committed.

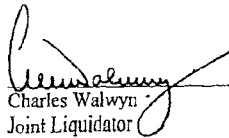
On March 31, 1999, (Suit No. 86 of 1999) the High Court of Justice of Antigua and Barbuda ordered that the Money Laundering Supervisory Authority be allowed to share information in its possession with United States Customs officials and Federal Bureau of Investigation agents (see attached Appendix 3). We have fully complied with the said Order when requested.

CONCLUSION

We are satisfied that we have identified all assets of the Bank as reported at the date of our appointment and taken control of these assets. The list of customers with deposits in the Bank can now be considered final as sufficient notice has been given for claims to be made.

The affairs of the Bank and its principals continue to be investigated by both the United States and Antigua and Barbuda Authorities in respect of money laundering.

We intend to await the outcome of the investigations pending before seeking the Court's direction with respect to the distribution of the funds being held.


Charles Walwyn
Joint Liquidator

Caribbean American Bank (In Receivership)
Statement of Affairs
June 30, 2000

	Date of Appointment August 7, 1997	% of Total Assets	June 30, 2000	% of Total Assets
Assets				
Barclays US\$ A/C	911,886.38	89.87%	32,810.56	3.47%
Barclays Fixed Deposit		0.00%	805,111.79	85.24%
Total Liquid Assets	911,886.38	89.87%	837,922.35	88.71%
American International Bank (Fixed Deposit)	51,817.37	5.11%	56,631.27	6.00%
Accounts receivable	50,000.00	4.93%	50,000.00	5.29%
Fixed Assets	934.00	0.09%		0.00%
Total Assets	1,014,637.75		944,553.62	
Liabilities and Shareholders' Equity				
Liabilities				
Customers' deposits	980,516.00	96.64%	980,516.00	103.81%
Estimated accrued interest payable	175,591.89	17.31%	175,591.89	18.59%
Total Liabilities	1,156,107.89	113.94%	1,156,107.89	122.40%
Shareholders' Equity				
Share Capital	1,000,000.00	98.56%	1,000,000.00	105.67%
Net Adjustments required	(1,141,470.14)	(1.13)	(1,211,554.27)	(1.28)
Total Liabilities and Shareholders Equity	1,014,537.75	113.94%	944,553.62	122.40%

Caribbean American Bank (In Receivership)
Summary Statement of Receipts and Disbursements
For the period August 7, 1997 to June 30, 2000
(amounts expressed in United States dollars)

Appendix 2

RECEIPTS	US\$
Cash collected	\$ 911,886.38
Interest income	<u>105,111.79</u>
Total receipts	<u>1,016,998.17</u>
DISBURSEMENTS	
Liquidators fees and expenses	171,118.26
Bank charges	4,419.49
Legal fees	2,675.00
Advertising	575.00
Photocopying/postage	<u>288.07</u>
Total disbursements	<u>179,075.82</u>
Balance of Funds available at June 30, 2000	<u>\$ 837,922.35</u>

1176

PASSWORD PROTECTED

WIRE CODES

Citibank
28050 US Highway 19 North
Clearwater, Florida 34621
ABA # 266-086-554
For Credit To: **Melvin Engelke II, d.b.a.**
Account Number: 3200-127-168

BANK OF AMERICA
335 MADISON AVENUE
NEW YORK, N.Y. 10017
ROUTING NUMBER 026-009-593
FOR CREDIT TO ACCOUNT NUMBER 298-52-014
FOR FURTHER CREDIT TO:
DONALD JAKE GAMBLE ATTORNEY AT LAW TRUST ACCOUNT
ACCOUNT NUMBER: 44-62-45
B.S.S. CAPITAL LTD.
ACCOUNT NUMBER: 44-10-45
RHARTE LIMITED
ACCOUNT NUMBER: 45-45-45
DWV SECURITIES LIMITED
ACCOUNT NUMBER: 44-24-45
TYADTTOCS LTD.
ACCOUNT NUMBER: 45-66-45
KENDALL SECURITIES LTD.
ACCOUNT NUMBER: 44-94-45
STERLING INTERNATIONAL GUARANTEE LTD.
ACCOUNT NUMBER: 60-76-45
OXFORD RESOURCES LTD
ACCOUNT NUMBER: 45-25-45
CARIBBEAN AMERICAN BANK LTD
60-81-45



1177

MELLON BANK
PITTSBURGH, PA
ABA # 043-000-261
CREDIT: MERRILL LYNCH
ACCT. # 101-1730
FOR FURTHER CREDIT TO:
ARRRHOSAN ASSOCIATES, INC.
ACCOUNT NUMBER 733-07A23

BARNETT BANK OF JACKSONVILLE, FLORIDA
ABA # 063-000-047
FOR CREDIT TO BARNETT BANK OF ALACHUA CO.
FOR FURTHER CREDIT TO:
INTERNATIONAL INTERESTS LTD.
ACCOUNT NUMBER 1500-05-9020

SUNBANK, N.A.
200 S. ORANGE AVENUE
ORLANDO, FLORIDA 32801
ABA # 063-102-152
FOR FURTHER CREDIT TO:
SUNBANK OF GAINESVILLE
ABA # 063-100-507
FOR FINAL TO CREDIT TO: **INTERNATIONAL INTERESTS, LTD.**
ACCOUNT NUMBER: 0054-0060-03154.

BANK OF AMERICA INTERNATIONAL
335 MADISON AVENUE
NEW YORK, NY 10017 USA
ABA # 026-009-593
SWISS AMERICAN BANK LTD
298-52-209
FOR CREDIT TO: **INTERNATIONAL INTERESTS LIMITED**
ACCOUNT NUMBER: 127-5-701

FIRST NATIONAL BANK
812 N. MAIN

1178

CROSSVILLE, TENNESSEE 38555
ROUTING NUMBER 064-103-574
WITH FURTHER CREDIT TO:
DONALD JAKE GAMBLE ATTORNEY AT LAW TRUST ACCOUNT
ACCOUNT NUMBER: 00-546-15

FIRST AMERICAN
NASHVILLE, TENNESSEE
ABA 064-000-017
CREDIT CROSSVILLE BRANCH
FINAL CREDIT TO:
DONALD JAKE GAMBLE ATTORNEY AT LAW TRUST ACCOUNT
ACCOUNT NUMBER: 200-0022-497

MEGABANK
18999 BISCAYNE BLVD.
N. MIAMI BEACH, FL
CREDIT: **BOND STREET COMMERCIAL CORP.**
ABA #: 067-011-980
ACCCT #: 060-000-174-010

UNITED NATIONAL BANK
18201 NORTH BISCAYNE BLVD.
NORTH MIAMI BEACH, FLORIDA 33160
CREDIT: **TYADTTOCS LTD., INC.**
ABA #: 067-009-646
ACCT #: 002-112-6917

CITIBANK NEW YORK
111 GREAT NECK ROAD
GREAT NECK, N. Y. 11021
ABA #: 021-000-089
FURTHER CREDIT TO: **David & Nancy Mersky**
ACCOUNT #: 217-21-069

CAPITAL BANK
BOCA RATON OFFICE
4800 N. FEDERAL HIGHWAY
BOCA RATON, FLORIDA

1179

CREDIT: **K.J. THOMSON**
ABA #: 067-008-414
ACCT #: 332-400-9510

MELLON BANK
PITTSBURGH, PA
ABA # 043-000-261
FOR CREDIT TO: MERRILL LYNCH.
ACCOUNT NUMBER: 101-1730
FOR FINAL CREDIT TO:
AMERICAN EUROPEAN VENTURE CAPITAL, INC.
ACCOUNT #: 733-07A89
CONTROLLED RISK, INC.
ACCOUNT NUMBER: 733-07A90

BOCA BANK
302 PLAZA REAL
BOCA RATON, FLORIDA 33432
ABA #: 067-011-618
ON LINE MEMBER
FOR FURTHER CREDIT: **OXFORD FINANCIAL GROUP, INC.**
ACCT #: 030-151-2201
ACCT #: 013-245-2701 TRUST ACCOUNT

NATIONAL WESTMINSTER BANK
NOTTING HILL GATE BRANCH
46 NOTTING HILL GATE
LONDON, ENGLAND W11 3ZP
SORT CODE: 60-15-33
FOR FURTHER CREDIT:
NORTHGATE INTERNATIONAL CORPORATION
ACCOUNT NUMBER: 140-003-799-786 USD
THE OXFORD FINANCIAL GROUP, INC.
ACCOUNT NUMBER: 509-45-971

BOCA BANK
302 PLAZA REAL
BOCA RATON, FLORIDA 33432
ABA #: 067-011-618
ON LINE MEMBER

1180

FOR FURTHER CREDIT: **MONETARY DEVELOPMENT, INC.**
ACCT #: 301-511-401

NATIONS BANK, DALLAS (ART HOUSEHOLDER)
ABA # 111-000-025
FOR CREDIT TO: **MULTIBANC**
ACCOUNT NUMBER 129-2488-641

FIRST UNION NATIONAL BANK OF FLORIDA
MIAMI SPRINGS, FLORIDA
ABA # 063-000-021
FOR CREDIT TO: **JALCO HOME PRODUCTS**
ACCOUNT # 209-00000-34152

BANK OF MONTREAL
MAIN BRANCH
595 BURNARD STREET
VANCOUVER, B.C. CANADA
TRANSIT NUMBER: 000-40-001
ACCOUNT HOLDER: **LEVITT GREEN FINANCIAL GROUP**
ACCOUNT NUMBER: 46-33-976

COUNTY NATIONAL BANK
20801 BISCAYNE BLVD
AVENTURA, FL 33180
ABA # 067-007-240
FOR CREDIT TO: **DAVID ROGERS & L. WAUGH**
ACCOUNT NUMBER: 093-101-231-506

BANK OF NOVA SCOTIA
#1 LIBERTY PLACE
NEW YORK, N.Y. 10006
FOR FURTHER CREDIT TO:
THE BANK OF NOVA SCOTIA
P.O. BOX 303
PHILIPSBURG, SINT MAARTEN
NETHERLANDS ANTILLES

1181

ABA #: 926-002-532
IN FAVOR OF: **LISA A. PETRIE**
CREDIT ACCOUNT NUMBER: 350-455
IN FAVOR OF: **ROBERT PETRIE**
CREDIT ACCOUNT NUMBER: 882-608
IN FAVOR OF: **DAVID ROGERS**
CREDIT ACCOUNT NUMBER: 350-448

WINDWARD ISLANDS BANK LTD.
SIMPSON BAY, AIRPORT ROAD
POB 220
ST. MAARTEN, NETHERLANDS ANTILLES
TELEX # 8016-WIBAN N.A.
IN FAVOR OF: **ROBERT & LISA PETRIE**
CREDIT ACCOUNT NUMBER: 071-487

AEROMECH INTERNATIONAL LTD.
NATIONAL CITY BANK
LOUISVILLE KENTUCKY
ABA # 083-000-056
ACCOUNT NUMBER 262-28-131

UNION NATIONAL BANK
WICHITA, KANSAS
ROUTING NUMBER: 101-100-540
FOR CREDIT TO: **KANSIANA CONSULTANTS, INC.**
ACCOUNT NUMBER: 010-69-63

BARNETT BANK OF BROWARD COUNTY
ABA NUMBER: 067-014-026
FOR FURTHER CREDIT TO: **ANNE J. BARNETT & EUGENE P.
BARNETT**
ACCOUNT NUMBER: 362-476-7696

CAPITAL BANK OF NORTH FORT LAUDERDALE
2400 NORTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA
ABA NUMBER: 067-008-414

FOR CREDIT TO:
ROBERT IAN NEWMAN & MICHELE LYNN SCHNEIDER
ACCOUNT NUMBER: 352-400-7988

1182

Filename: WIREC2
Directory: C:\TL02BR95TL0001\disk4\LAPTOP
Template: C:\Program Files\Microsoft Office\Templates\Normal.dot
Title: WIRE CODES FRO FUNDS TRANSFERS
Subject:
Author: Larry G. Sangaree
Keywords:
Comments:
Creation Date: 07/05/94 10:59 AM
Change Number: 32
Last Saved On: 12/12/94 2:05 PM
Last Saved By: Larry G. Sangaree
Total Editing Time: 196 Minutes
Last Printed On: 10/27/99 10:31 AM
As of Last Complete Printing
Number of Pages: 7
Number of Words: 736 (approx.)
Number of Characters: 4,197 (approx.)



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JUDD GREGG, NEW HAMPSHIRE	

HANNAH S. SISTARE, STAFF DIRECTOR AND COUNSEL
 JOYCE A. RECHTSCHAFFEN, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 WASHINGTON, DC 20510-6250

December 20, 2000

Nicholas A. Fuller
 Attorney at Law
 Goodrick House, P.O. Box W121
 Redcliffe Street, St. John's
 Antigua, West Indies

via facsimile: 268-562-1706

Dear Mr. Fuller:

I have received your letter of December 7. In it, you wrote:

"Unfortunately, my clients have been unable to directly provide a copy of their liquidator's report and the information requested, as the laws of the State of Antigua and Barbuda do not so allow."

You also wrote:

"It is my belief that your committee would not wish my clients to knowingly violate the laws in Antigua, in order provide the information requested."

The Subcommittee staff provided your client, Mr. Ward, and his associate with an information and materials request list related to Caribbean American Bank. The staff did not ask or expect that Mr. Ward would violate the laws of Antigua and Barbuda to provide the information requested. The staff did hope that Mr. Ward would cooperate with the investigation to the extent allowed under the laws of Antigua and Barbuda.

It is my understanding that the laws of Antigua and Barbuda do not preclude Mr. Ward from providing a public document to the Subcommittee staff.

I have obtained a copy of the liquidator's report on Caribbean American Bank that was written by Mr. Ward and presented to the High Court of Justice. It appears as if the report was part of a larger package presented to the Court.

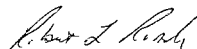
Officials of the government of Antigua and Barbuda have informed me that it is a document available to the public. It was not necessary to utilize any international treaty or bilateral agreement to obtain the report.

Nicholas A. Fuller
Attorney-at-Law
December 20, 2000
page 2

The Subcommittee staff has repeatedly asked Mr. Ward to provide the liquidator's report, as well as all other court filings and orders related to Caribbean American Bank that are available to the public. There are other pieces of information that the Subcommittee staff requested of Mr. Ward that also appear to be public in nature. Yet, Mr. Ward has refused to provide any of the material even though, as liquidator, he obviously has possession of, or access to, all Caribbean American Bank documents, including those that are available to the public.

In light of these facts and the information provided in my letter of November 30, I stand by the observations made in that letter.

Sincerely,



Robert L. Roach
Minority Counsel
Permanent Subcommittee
On Investigations

RLR:br
attachment

cc: The Honorable Susan Collins
Chairman, Permanent Subcommittee on Investigations

The Honorable Carl Levin
Ranking Minority Member
Permanent Subcommittee on Investigations

The Honorable Althea Crick, Executive Director
International Financial Sector Regulatory Authority

The Honorable Wrenford D. Ferrance
Special Advisor
Office of National Drugs and Money Laundering Control Policy

Mr. Don Ward
Price Waterhouse Coopers

NICHOLAS A. FULLER
ATTORNEY-AT-LAW

*Goodrick House, P.O. Box W121
Redcliffe Street, St. John's
Antigua, West Indies
Telephone: 562-2412/3
Fax: 562-1706
E-mail: naf@candw.ag*

December 7th, 2000.

Mr. Robert Roach
Minority Counsel
Permanent Subcommittee on Investigations
Committee on Governmental Affairs
United States Senate
193 Russell Senate Office Building
Washington D.C. 20510-6250
USA.

Dear Mr. Roach,

Re: Caribbean American Bank Ltd. (In Liquidation)

I act for Mr. Donald Ward and Mr. Charles Walwyn, joint liquidators of the above-named bank.

My clients have, within the last few months, received requests from your office for them to provide information concerning the above-named bank, its depositors and shareholders, and a copy of a liquidator's report on the state of the liquidation, which was submitted to the High Court of Justice.

Further, three (3) attorneys visited my clients' offices in order to question them and extract the information stated above. Unfortunately, my clients have been unable to directly provide a copy of their liquidator's report and the information requested, as the laws of the State of Antigua and Barbuda do not so allow. They understand your need for the relevant documents and information, but as court appointed liquidators, they are under a duty to comply with the laws of Antigua and Barbuda relevant to the liquidation.

My clients have requested that I provide you with a brief explanation as to why they are unable to directly provide the information and documentation requested. I will herein attempt to do so.


Caribbean American Bank Limited is a bank incorporated under the International Business Corporations Act of Antigua and Barbuda. This Act has certain clauses which deal with confidentiality of customer and institution information. In a nutshell, the Act does not allow for employees, attorneys, auditors, receivers, liquidators, etc., to disclose information relating to the affairs of customers of the bank. This information can only be disclosed in accordance with a request by an examiner/inspector authorised by the appropriate Antiguan authority, under an order of the courts of this jurisdiction, or in accordance with the Money Laundering Act of Antigua and Barbuda. To release information otherwise, would be a breach of the laws of the State.

The Money Laundering Act of Antigua and Barbuda does allow for the sharing of certain information through international cooperation, and it clearly sets out the proper course through which this information is to travel. Information may only be shared with foreign entities either under court order or through the "competent authority" as defined by the Money Laundering Act. The liquidators are not the competent authority and are given no authority whatsoever to disclose information to any overseas body.

My clients are aware that you perceive them to be uncooperative, but, as liquidators, they are bound by the laws of this jurisdiction. It is my belief that your committee would not wish my clients to knowingly violate the laws of Antigua, in order to provide the information requested. There exists in the law, proper channels and procedures as outlined in the Money Laundering Act of Antigua and Barbuda, through which the desired information can be obtained. It is my suggestion that you contact the Office of National Drug and Money Laundering Control Policy for their assistance. If these procedures are followed, then there should be no problems whatsoever.

Once again, I wish to reiterate that it was never the intention of my clients to appear to be uncooperative. I thank you for your due consideration.

Yours faithfully,



Nicholas A. Fuller

cc. The Hon. Susan Collins
Chairman, Permanent Subcommittee on Investigations, US Senate

The Hon. Carl Levin
Ranking Minority Member

Althea Crick, Executive Director
International Financial Sector Regulatory Authority

Wrenford Ferrance, Director
Office of National Drug and Money Laundering Control Policy.

Donald Ward, Partner
PricewaterhouseCoopers.

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 JOYCE A. RECHTSCHAFFEN, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 WASHINGTON, DC 20510-6250

November 30, 2000

Mr. Donald Ward
 Partner
 Price Waterhouse Coopers
 11 Old Parham Road
 Box 1531
 St. John's
 Antigua, West Indies

via facsimile: 268-462-1902

Dear Mr. Ward:

I am in receipt of a copy of your November 22, 2000, letter to my colleague, Ms. Elise Bean. The representations in your letter are incorrect.

In the November 22 letter you wrote: "It is regrettable that my request for our meeting to be deferred to 11:00 a.m. was not communicated to you." Apparently it was not communicated to anyone, including Mr. Wrenford Ferrance, the head of the ODNCP and the government official who had arranged the meeting. When Ms. Bean, Ms. Barnard and I arrived at your office at the time scheduled for the meeting (9 AM), your staff informed us that you were not in the office because the meeting was scheduled for 11 AM, not 9 AM. When I contacted Mr. Ferrance to resolve the apparent discrepancy, he did not mention any request by you to defer the meeting, and maintained that the scheduled time was 9 AM. It was only a week later, when you finally returned my phone calls on October 18, that you stated that you requested that the meeting time be changed.

In your November 22 letter you wrote: "Nevertheless, I hope Mr. Wilkinson was able to assist you." Mr. Wilkinson met with us and informed us that he had not handled the CAB case for a number of years. He was unable to clarify many points. However, he did show us a report that we had been requesting and indicated that it had been filed with the court. He said that he assumed that because it had been filed with the court he could give us a copy, but wanted to double check with you first. Our meeting concluded with us jointly listing questions and requests for materials that Mr. Wilkinson promised to address with you. At the end of the meeting, we requested that you try to set up another time to meet with us while we were in Antigua and Barbuda. We also requested that Mr. Wilkinson or you make an effort to provide us with as much of the information and materials on the list as possible before we left Antigua and Barbuda. We requested and expected that we would receive a follow-up message from either you or Mr. Wilkinson while we were in the country.

Mr. Donald Ward
November 30, 2000
page 2

We never heard from either of you, nor did either of you respond to the initial calls that I made to you upon returning to the U.S. When Mr. Wilkinson finally took my call on October 18, he explained that he had passed everything on to you. He was unable to make any commitments about providing us with any material or information, despite that fact that some of the material requested is public information produced by the receiver. He said he could only advise me that you wanted to discuss our request with counsel and could only promise to encourage you to return my call.

In your November 22 letter to Ms. Bean you wrote: "Also, I did speak to your colleague and offer to provide you with a response to any questions you may have. I have not received anything."

The conversation to which you refer took place on October 18 when you finally returned my call, after I had the above-referenced phone conversation with Mr. Wilkinson. At that time Ms. Bean joined in the phone conversation. We discussed the information regarding Caribbean American Bank that we had requested of your colleague, Mr. Wilkinson, on October 11. We asked you to provide us with the material responsive to our request. You gave no indication that you were unaware of the information request list that we had developed during our conversation with Mr. Wilkinson. We noted that at least the material filed with the court should be public and asked you to provide that material as soon as possible. You left us with the impression that you had no problem with sending us the court documents and asked that we put the request in writing. You promised to call us back in the afternoon after you spoke with your attorney.

Immediately after the phone conversation, I faxed you the letter you requested. However, you never called back, as you indicated you would do. Instead, you faxed me a letter which made it clear that you had no intention of providing any material - even if it was available to the public. In that letter, you acknowledged receiving my letter and said, "I have spoken to our lawyer who advises me that I should not deal with you directly on this matter." I believe the events recounted here along with the documentation memorializing them directly conflict with your assertion that you "offered to provide responses to any questions..." and that you "have not received anything."

My letter to you and your response are attached. In addition, I am including a copy of the information request list from our meeting with Mr. Wilkinson.

Finally, in your communication to me on October 18, you wrote: "I have also spoken to the ONDCP who confirm our lawyer's advice." Subsequent to the receipt of your letter, I alerted Mr. Ferrance to what you said and sent him copies of the correspondence. I understand Mr. Ferrance disagrees with your representation.

You are the only person in Antigua and Barbuda who failed to participate in the meetings

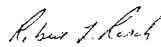
1190

Mr. Donald Ward
November 30, 2000
page 3

set up by officials of the Antigua and Barbuda government at our request. In addition you have failed to respond to our request for information and assistance, even though that request has been repeated on a number of occasions.

The lack of cooperation by you and Price Waterhouse Coopers has significantly hindered the Subcommittee's minority-led investigation into Caribbean American Bank.

Sincerely,


Robert L. Roach
Minority Counsel
Permanent Subcommittee
On Investigations

RLR:br
attachments

cc: The Honorable Susan Collins
Chairman, Permanent Subcommittee on Investigations

The Honorable Carl Levin
Ranking Minority Member
Permanent Subcommittee on Investigations

The Honorable Althea Crick, Executive Director
International Financial Sector Regulatory Authority

The Honorable Wrenford D. Ferrance
Special Advisor
Office of National Drugs and Money Laundering Control Policy

Materials/Information Requested From Price Waterhouse Coopers
Regarding Caribbean American Bank (CAB)

1. All court filings and orders related to Caribbean American Bank that are public

Including, but not limited to:

Application to liquidate
Court order for liquidation
Interim report to the Court
Recent receiver's report filed with the court, approximately late September
Court order for liquidation.

2. All audited financial statements for CAB.
3. A list of correspondent accounts maintained at other banks by CAB
4. Any information on whether CAB had the \$1 million in capital required to open a bank and any information on the source and disposition of that capital.
5. How many claims on deposits have been received ?
6. Any information/communications or court filings related to the claim filed to release the 10 accounts identified in the attached letter from Mr. R. Allan Cohen to Mr. Vere Bird, Jr. (attached).
7. A total of the aggregate amount of deposits and the aggregate amount of withdrawals that went through the CAB account at American International Bank.
8. The date of when the last transaction occurred in any accounts at CAB and at the CAB account at American International Bank, and a list of any transactions after April 97.
9. Did the bank have accounts/loans that involved individuals/entities other than those individuals/entities associated with the advance fee for loan fraud?



PricewaterhouseCoopers
11 Old Parham Road
P.O. Box 1531
St. John's
Antigua, W.I.
Telephone: (268) 462-3000
Facsimile: (268) 462-1902

November 22, 2000

Ms. Elise Bean
Deputy Chief Counsel to the Minority
Permanent Subcommittee on Investigations
193 Russell Senate Office Building
Washington, D.C. 20510
U.S.A.

Dear Ms. Bean

I am sorry to learn that you were disenchanted with the co-operation you received from this office.

It is regrettable that my request for our meeting to be deferred to 11:00 a.m. was not communicated to you. Nevertheless, I hope Mr. Wilkinson was able to assist you.

Also, I did speak to your colleague and offer to provide you with a response to any questions you may have. I have not received anything.

It is not our wish to appear unco-operative and I do apologise for any offence that may have been caused.

Yours truly,

D. B. Ward

Antigua Donald B. Ward Charles W. A. Walkyn Robert I. Wilkinson
Barbados Anthony G. Ellis Wayne H. Fields William S.C. Hutchinson Marcus A. Haich Philip St. E. Atkinson Michael R. Boyce (Principal) R. Michael Bynoe
Joyce E. Dear Maurice A. Franklin Geoffrey R. Gregory Stephen A. Jardine Graham A. Kirby J. Andrew Mairryshow Lindell E. Nurse
Brian D. Robinson Maria E. Evelyn-Robinson Christopher S. Sambano Paul Todoros R. Charles D. Tibbitts

1193

OCT 18 00 15:38 FROM: PRICEWATERHOUSECOOPERS

Caribbean American Bank Ltd

(In Receivership)
c/o PricewaterhouseCoopers
11 Old Parham Road
St. John's
Antigua

Tel: (268)-462-3000: Fax: (268)-462-1902

October 18, 2000

By Fax (1-202-224-1972)

Mr. Robert L. Roach
Minority Counsel
Permanent Subcommittee on Investigations
193 Russell Senate Office Building
Washington, D.C. 20510
U.S.A.

Dear Mr. Roach,

Thank you for your fax.

I have spoken to our lawyer who advises me that I should not deal with you directly on this matter.

There are procedures through MLAT and through our money laundering legislation for you to obtain information.

I have also spoken to the ONDCP who confirm our lawyer's advice.

Please be assured that I have no reason nor desire to be unco-operative but I cannot ignore the advice given to me that the proper procedures should be followed.

Yours truly,



D. B. Ward

FRED THOMPSON, TENNESSEE, CHAIRMAN
WILLIAM V. ROTH, JR., DELAWARE
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JOYCE A. ZECHTSCHAFER, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

October 18, 2000

Mr. Donald Ward
Partner
Price Waterhouse Coopers
11 Old Parham Road
Box 1531
St. John's
Antigua, West Indies

via facsimile: 268-462-1902

Dear Mr. Ward:

Thank you for taking the time to speak with Elise Bean and me this morning. As we discussed, this letter is being sent to formally request that you, as receiver for Caribbean American Bank ("CAB"), supply the Subcommittee with information and materials related to CAB. As we are trying to wrap up the CAB phase of our investigation, it would be most helpful if you could send to us today three particular items that have been filed with the court: an interim report by the receiver; the application and order for liquidation; and the receiver's report filed in late September of 2000. It is our understanding that all of these documents are now public materials.

In addition, our meeting with Mr. Wilkinson last week resulted in a list of information and materials (in addition to the items identified above) related to CAB that we would also like to receive. We reviewed that list with Mr. Wilkinson at the conclusion of our meeting. Anything you can do to facilitate the production of that material will also be extremely helpful to our investigative efforts.

Material can be sent to us via facsimile at 202-224-1972.

The Subcommittee address for overnight packages is:

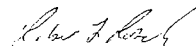
U. S. Senate Permanent Subcommittee on Investigations
193 Russell Senate Office Building
First and C Streets, N.E.
Washington, D.C. 20510
U.S.A.

1195

Mr. Donald Ward
October 18, 2000
Page 2

Elise and I can be reached by phone at 202-224-9505. Thank you for your assistance on this matter. We look forward to hearing from you this afternoon.

Sincerely,



Robert L. Roach
Minority Counsel
Permanent Subcommittee
On Investigations

RLR:br

cc: The Honorable Susan Collins
Chairman, Permanent Subcommittee on Investigations

The Honorable Carl Levin
Ranking Minority Member
Permanent Subcommittee on Investigations

1196

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56e

Exhibit 56e.

Bank of America documents

1197



antigua management and trust ltd.

Registered Office: High Street, St. John's, Antigua, W. I.
Mailing Address: Redcliffe Quay, Box 1673 or 1407, St. John's, Antigua, W. I.

Mr. Thomas Wulff
Vice President
Bank of America
Miami Center, 28th Floor
201 South Biscayne Blvd.
Miami, FL 33131
USA

Avil Allen 6-16-93

June 7, 1993

*- GC# is 90000335
- please give me an account #, 58014
- conditions in wait.*

RE: AMERICAN INTERNATIONAL BANK LTD

Dear Tom:

As we discussed by telephone, I have established the above bank with a joint venture partner.

We are operating on a limited basis at the moment but will start full international banking operations in the next couple of months.

Enclosed is the documentation you requested as well as a signature list.

We look forward to working with Bank of America and receiving further advice from you.

Best regards,

Bill

W. W. Cooper
President

Enclosures

Telephone: (809) 462-6701

Fax: (809) 462-6675 or 462-1262

MSG FROM: TWULFF --ABACIS2 TO: NADFO --ABACIS 07/23/93 14:00:28
To: NADFO --ABACIS <-ABACIS(JROSENBE)

*** Reply to note of 07/21/93 07:37

From: Tom Wulff
Vice President
Central America/Caribbean Region #5415
Subject: B OF A T&B CAYMAN
John - I have talked to Charlie Farrington on this issue and understand he
will be talking to you. Lets revert after that. Thanks.

MSG FROM: TWULFF --ABACIS2 TO: TKIRK --ABACIS 07/23/93 15:02:28
To: TKIRK --ABACIS

From: Tom Wulff
Vice President
Central America/Caribbean Region #5415
Subject: American International Bank Limited, Antigua



Per our conversation, these are both commercial banks in process of formation for which I have articles of incorporation, bylaws, signature lists, licences, etc. Also, I know the Directors/major stockholders of each having worked with them in their previous banks, Antigua Barbuda for the former, [redacted] for the latter. Both have opened accounts at BINY, signed up for Bamtrac/Microwire and want to initiate operations also with Global Ck. - both will be balance based. / I need your concurrence as to customer selection. Thanks.

1199



001001

AMERICAN INTERNATIONAL BANK LTD.

May 17, 1994

Mr. Thomas Wulff
Vice President
Bank of America
Miami Center, 28th Floor
201 S. Biscayne Blvd.
Miami, Florida 33131

Dear Mr. Wulff:

We are pleased to enclose our audited financial statements for the eight month period ending December 31, 1993.

Should you have any questions regarding the financial information submitted, please contact me.

Also enclosed for your information and better understanding of our banking group is the following:

1. Bank Operating & International Procedures
2. Marketing Brochure
3. Personnel Diagram
4. Banking Group Structure

We look forward to a continuing good working relationship with you and your colleagues.

Regards,

A handwritten signature in cursive script, appearing to read 'W.W. Cooper'. The signature is written in dark ink and is positioned above the typed name.

W.W. Cooper
President

American International Bank Ltd. (Antigua)

INDEX

1. Introduction to Antigua
2. The American International Banking Group
3. Commercial Activities and Objectives of the Bank
4. Type and Source of Business for the Bank
5. Bank Operating Procedures
6. Bank Internal Procedures
7. Bank Management & Resumes
8. Audited Financial Statements of the Bank

January, 1994

AN INTRODUCTION TO ANTIGUA

001088

Location and History

Antigua is an island of 108 square miles set in the Caribbean Sea, lying within the Eastern Caribbean archipelago. The island's population today is 65,000 with approximately 30,000 living in St. John's, the capital.

Antigua was discovered in 1493 by Christopher Columbus, who named it Santa Maria de la Antigua. The island was occupied by the French for six months in 1652, but remained British thereafter until its independence on November 1, 1981.

Lying to the north of Antigua and covering 75 square miles, the island of Barbados was a dependency of Antigua until the latter's independence. Together the two islands now form the nation of Antigua and Barbuda. Barbuda's population of 1,500 is concentrated in the Village of Codrington, its only settlement.

Government

Antigua has a long history of political stability. It was a British colony from 1653 until 1967, when it achieved the political status of a self governing island under Associated Statehood. Antigua became fully independent from the United Kingdom on November 1, 1981 but has continued its membership in the British Commonwealth of Nations.

Since 1967 Antigua has had free and fair democratic elections. The current governing party has been in power since 1967 except for a 5-year period following the 1971 elections. The structure of government is patterned after the British parliamentary system.

Only the two major parties are represented in Parliament. Both parties have a deep regard for free enterprise and private investment. At the conference which settled the country's Constitution, it was unanimously agreed that property cannot be nationalized except in exceptional circumstances, and even in such circumstances, fair compensation must be determined by an independent authority and paid promptly. This principle is entrenched as a clause in the Constitution.

Infrastructure and Communications

The infrastructure of the island is well developed. Good roads link the major productive sectors and residential areas with the capital and also the airport and Deep Water Harbour. Six major airlines serve the country with regularly scheduled flights to Europe, North American and the Caribbean. American Airlines has daily flights to New York and Miami; British Airways, four weekly flights to London; Lufthansa, two weekly flights to Frankfurt; and Air Canada, two weekly flights to Toronto. There are two regional carriers - British West Indian Airways, which has flights to New York, Canada, Miami, Puerto Rico, London, Frankfurt and Zurich; Leeward Islands Air Transport (LIAT); with a network of connecting flights throughout the Caribbean. Antigua is 3 1/2 hours from New York, 2 1/2 hours from Miami, 4 1/2 hours from Toronto and 8 hours from London.

Some of the world's largest cruise ships now dock at the Deep Water Harbour or at the Heritage Quay Pier in St. John's, allowing their passengers to enjoy shipping services to North America, Europe, the Caribbean and Central America.

The internal telephone system is as good as any in North America. It is accessible by direct dialing under the (809) area code. Overseas telephone, fax, cable and telex services are provided 24 hours a day. Express courier service is readily available to and from Antigua.

Economy and Monetary System

Antigua has the highest per capita income in the Eastern Caribbean. The lack of a personal income tax results in a higher level of disposable income than in most Caribbean territories.

The Antiguan economy is based on tourism, light manufacturing and the offshore industry. The island has an industrial estate, which provides fully services factory space. Attractive fiscal incentives are offered to investors in the manufacturing area.

Tourism, development and government revenues are derived for the most part by various indirect taxes which include duties on imported goods, tourist related taxes and licensing fees.

Currency is the East Caribbean dollar which is pegged to the U.S. dollar at EC \$2.70 = US \$1.00. Both currencies circulate freely on the island.

001057

THE BANKING GROUP
AMERICAN INTERNATIONAL BANK LTD.

The Bank was incorporated under the International Business Corporations Act of 1982. This offshore and private banking institution is managed by a team of experienced international bankers and was formed to supply international services for the groups private banking customers. The bank provides a full range of banking services with accounts to suit the needs of all its customers.

Current and savings accounts can be maintained in U.S. dollars, Deutsche Marks, Swiss Francs and Sterling, for both personal and business purposes. Customers managing larger amounts of U.S. dollar or other foreign currency balances can obtain competitive rates for fixed term Euro deposits.

Foreign currency transactions via cable transfer or fireign drafts are managed through an established network of correspondent banks. The bank's principal correspondents are Bank of American, New York; Midland Bank, London and Toronto Dominion Bank, Toronto and Jamaica Citizens Bank-Miami Agency, Miami.

Commercial loans, Letters of Credit, International Management and Custody Services for securities are provided for customers. these services are complemented by the provision of customs and other bonds, guarantees and international collection services.

ANTIGUA MANAGEMENT & TRUST LTD.

This Trust Company was established in 1984 to provide full corporate and trust services to both private and corporate investors using Antigua's Offshore Legislation. these services include:

- Registration & maintenance of corporate charters for offshore companies;
- Receiving, managing and disbursing the assets of offshore companies;
- Providing a registered office for the company and maintaining it during its life;
- Maintaining the company's records and statutory register;
- Preparing all returns and reports to the government ministry;
- Providing directors and officers upon request.

AMT MANAGEMENT LTD.

This BVI Corporation was established to provide the group with management services for Antiguan offshore insurance companies and banks.

SHIP REGISTRY SERVICES LTD.

This BVI Corporation was established to provide the group with ship registration and management under the Antigua & Barbuda Merchant Shipping Act of 1985. We can provide a full range of ship registration services in conjunction with the Department of Marine Services and Merchant Shipping in Antigua.

OPERATING PROCEDURES

001829

American International Bank Ltd. mainly raises funds in the form of current accounts, money market accounts and time deposits from individuals and corporations who have US\$ and other major currency funds.

Each new client is screened by the account officer of American International Bank Ltd. before being accepted. In each individual case, the origin of the funds have to be known. No cash deposits are accepted. Any and all deposits with the bank are to be done through wire transfer or by check.

The bank manages portfolios for customers. In each such case the bank holds in the account all cash, securities, notes, debentures and other financial assets that are acceptable to both parties. The investment policy and risk profile is agreed upon before hand with each customer.

The bank engages in lending only under certain conditions. Loans must be either cash collateralized or properly backed up by valuables or other guarantees to the satisfaction of and under the control of the bank. Loans are given only to the best of clients. A credit analysis is made, and the sources for payback must be clearly identifiable. A reserve for loan losses will be established, if required, but the bank will not take significant commercial lending risks.

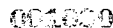
Every loan is approved by at least two officers, and every loan agreement is signed by at least two directors of the bank. Every loan is reviewed at least on an annual basis. Monitoring accounts occurs on a daily basis.

The Bank does not engage in any trade financing unless backed by cash collateral or similar forms of collateral. Bank Guarantees are given on the same basis as loans.

The bank does open current accounts but will not issue private checkbooks. Customers will be required to maintain sufficient minimum balances in their accounts.

Money market accounts and time deposits have no check writing rights. These can be in any major currency, but it is anticipated the great majority will be US dollars.

For its own account, the bank engages in the international currency markets, invests in equities and bonds and performs other general banking business. In those areas where American International Bank Ltd. does not have sufficient market knowledge, agreements have been entered into with international asset managers and specialized companies such as Reich & Co., New York; Paine Webber, Coral Gables and Oppenheimer & Co., London.

INTERNAL PROCEDURES

The bank operates under policies and procedures that are designed by the Board of Directors and are submitted for scrutiny to the auditors before being implemented. The chart of accounts and the bookkeeping system are in accordance with international standards.

The accounts department has sufficient resources to guarantee accurate accounting records and timely recording of various debits and credits charged to customer accounts. The internal audit department must check on a regular basis that compliance with internal and external financial reporting requirements is being followed and that valid signatures are according to authorization limits, that periodic cash control is done and that adherence to accounting principles is being followed.

The banks records will be audited by Pannell Kerr Forster in Antigua who will issue an annual audit statement in accordance with international accounting standards.

On a monthly basis complete financial reports are produced both for internal purposes and for purposes of quarterly reporting to the Superintendent of Banks. All reports that are made available to sources outside the bank are checked, approved and signed by two directors.

All internal procedures containing responsibilities and authorities are laid down in an internal procedures manual. The manual describes the internal controls, the reporting formats and the bookkeeping entries to be made for each category of transaction. Responsibilities are segregated to the extent possible with limited staffing.

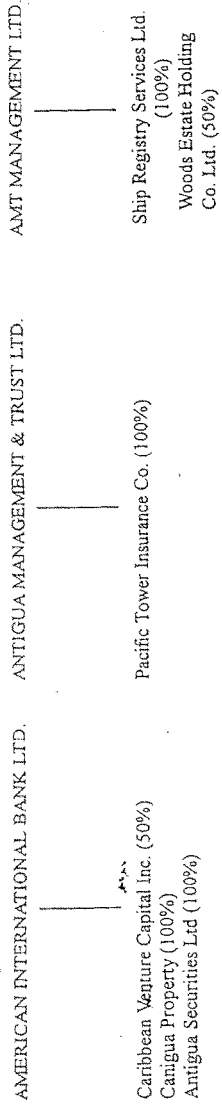
The directors have established fee schedules and operating procedures for each type of transaction. From time to time, both fees and procedures are reviewed. All directors and commercial employees of the bank are required to sign a form confirming their adherence to the internationally accepted know-your-customer rules and secrecy laws. Employees are encouraged to report any transaction that out of the normal pattern. In training programs for employees, special emphasis is put on these aspects.

MANAGEMENT AND RESUMES

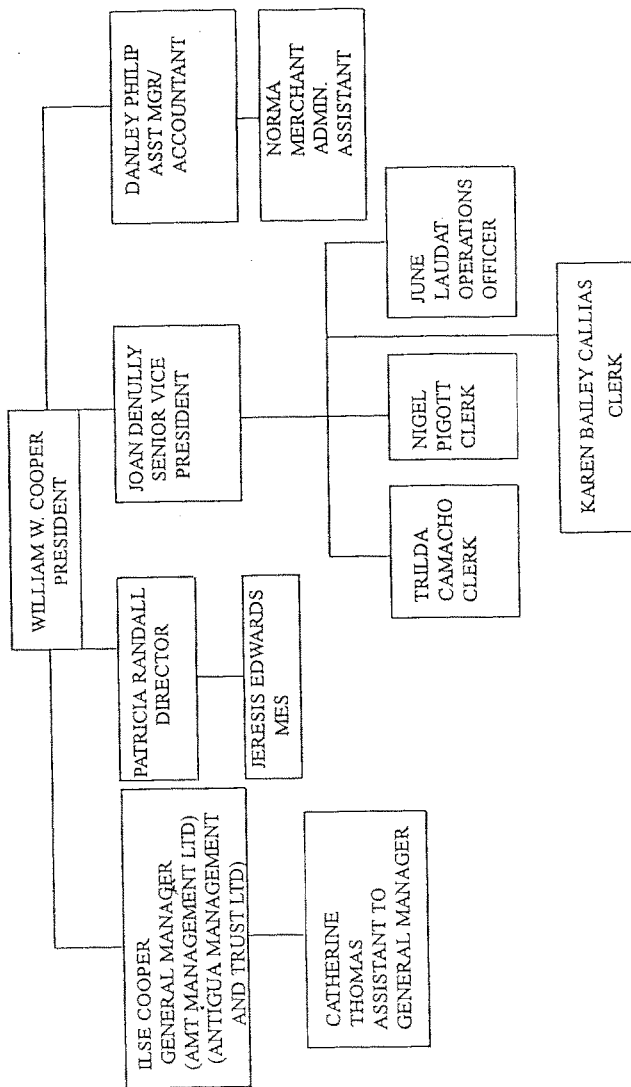
The management of the bank is made up of the persons listed below. As evidenced by the enclosed resumes, the Directors have ample management, banking and international experience:

William Cooper	President
Joan deNully	Senior Vice President
Patricia Randall	Corporate Secretary and Director

AMERICAN INTERNATIONAL BANKING GROUP



AMERICAN INTERNATIONAL BANKING GROUP



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THE AMERICAN INTERNATIONAL BANKING GROUP
PRIVATE INTERNATIONAL BANK & TRUSTSERVICES

BANKING & TRUST SERVICES

10 REDCLIFFE QUAY, P. O. BOX 1673, ST. JOHN'S, ANTIGUA
TEL: 809-462-6701 - FAX: 809-462-6675

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Organizing an Offshore Company

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AN INTRODUCTION TO ANTIGUA & BARBUDA

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Professional Services

Individuals and businessmen can choose from a roster of experienced and capable attorneys and accountants established in Antigua. A comprehensive listing of attorneys is available upon request. The major accounting firms within Antigua are: Coopers & Lybrand, Pannell Kerr Forster and Price Waterhouse.

In addition to American International Bank, other banks with offices in Antigua are Antigua Barbuda Investment Bank, Antigua Overseas Bank, Royal Bank of Canada, Barclays Bank International, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Swiss American National Bank of Antigua, Swiss American Bank, Antigua Commercial Bank, Bank of Antigua, Guardian International Bank, Brysons Bank International, and Caribbean Banking Corporation.

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A more detailed description of the services of the Banking Group are contained in the following pages.

PRIVATE BANKING

Private Banking is a specialized arrangement between you, the Private Banking Customer and your banking group in Antigua and Barbuda.

Private Banking brings together all of the skills, experience and resources of Antigua's foremost financial group. You have all the Bank's services available to you through a one on one relationship with a seasoned Private Banker who is responsible and accountable to you for every detail of your financial service requirements.

In addition, the facilities and staff of the Private Banking Section are always ready to give you, an extra measure of service and convenience in the handling of routine but often time consuming financial transactions.

Your Private Banker's goals are identical with your own: to help your assets grow; to make the most of new financial and investment opportunities.

Your private Banker has a responsibility to be accessible and available to handle routine transactions for you, answer questions and resolve problems and can also meet with you at your home to review and discuss your needs.

If any member of your family needs help in opening a bank account or establishing credit, your Private Banker is ready to handle it. To transfer funds from one account to another; make a loan payment, order currency - all it takes is a phone call to handle these and many other routine banking "errands".

If you're ready to move up to Private Banking we're ready to meet with you at the time and place most convenient for you to discuss how we can best serve your needs.

You must feel secure when investing your hard-earned funds with any financial institution. Our Banking Group provides you with that security.

The Banking Group is owned by a prominent local businessman. The President of the Banking Group is of one of the most experienced managers in the Caribbean, with over 38 years of international banking experience.

INVESTMENT BANKING SERVICES

Investment objectives vary and your own goals may change over time. At one point you may choose to be aggressive in your investment strategy to leverage your assets for greater growth, and to seek tax sheltering opportunities. As your circumstances change, you may come to attach greater value to income, liquidity and conservation of assets.

Your Private Banker may recommend the use of an Antiguan Offshore company to protect your investments. This modern and flexible corporate code allows: the issuance of bearer shares; a minimum of only one officer, director and shareholder; the ability to hold telephonic meeting of directors; name flexibility and a fifty year tax exemption from income, estate, inheritance and capital gains for the corporation and its shareholder(s).

Your Private Banker is able to recommend and execute a creative investment program designed precisely to match your unique needs and wishes.

Money market accounts, certificates of deposit, managed portfolio accounts, real estate investments, foreign exchange investments are but a few of the investment services your Private Banker can offer you.

Successful investment management most often involves a "mix" of different investment media. Your Private Banker has all of the appropriate investment alternatives readily available and is influenced only by your best interests in recommending specific actions.

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ORGANIZING AN ANTIGUAN OFFSHORE COMPANY

NAME:

The name of the corporation may be in any language, but must include at the end a word or an abbreviation which indicates that it is a corporation, such as "Ltd", "Limited", "Corporation", "S.A.", "Inc.", "Incorporated". The use of the words "Trust", "Bank", "Insurance", "Fiduciary", "Reinsurance" or any of their derivatives is restricted by law, unless duly licensed as such.

CAPITAL:

There is complete choice concerning the amount of Authorized Capital and the number and par value (or no par value) of the shares into which it is divided. Also, the number of shares in each class, their voting or non-voting rights, or other features (ie., convertible) is flexible.

DIRECTORS:

Only one Director is required. Directors need not be shareholders.

OFFICERS:

The full names and addresses of the Officers of the corporation may be the same persons that are appointed as Directors. Please specify their positions, to wit: President, Vice President (if any), Treasurer and Secretary. One person can hold more than one office and Officers need not be shareholders.

EXPENSES:

Cost of Incorporation	US \$1,225.00
Annual Maintenance Fee (includes Government Fee) and Resident Agent Fee)	US \$ 725.00

The following page can be copied, completed and sent to AMT via airmail or fax when an offshore corporation is required.

We look forward to hearing from you.

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ANTIGUA MANAGEMENT & TRUST LTD.

INSTRUCTIONS TO FORM AN IBC

REQUESTED BY:

DOCUMENTS TO BE SENT TO:

VIA COURIER ... AIR MAIL ...

1. PROPOSED COMPANY (S):

2. NAME(S) OF DIRECTOR(S):

3. SHARE ISSUANCE

(10,000 @ \$1.00 unless otherwise requested)

a) Number of shares authorized

b) Number of shares to be issued

4. SHARE REGISTRATION

a) Bearer Share ...

Power(s) of Attorney:

b) Registered Shares ...

Name(s) of Shareholder(s) & Number of Shares:

COMMENTS:

1

BANKING FEES, INTEREST RATES & COMMISSIONS**LOANS & ADVANCES**

Interest Rates	
US \$ Overdrafts	12% p.a.
US \$ Loans	12% p.a.
Loan Financing Fee	1%

CURRENT ACCOUNTS

Unauthorized O/D	12% p.a.
Returned Check Commission	US \$20
Stop Payment Instructions	US \$10

MONEY MARKET ACCOUNTS & SAVINGS ACCOUNTS

US \$ Money Market Accounts	5% p.a.
US \$ Savings Accounts	5% p.a.

CERTIFICATES OF DEPOSIT

US \$ Certificates	
1 Month	5.5%
3 Months	6.0%
6 Months	6.5%
1 Year	7.0%

FOREIGN TRADE

Purchase of US \$ and other currency drafts or checks	1/4% Commission
Wire Transfers	1/4% Commission
Travellers Checks	1% Commission

LETTERS OF CREDIT

Outward Credits	1% Commission
Amendments	1/4% Commission
Increases	1/4% Commission
Inward Credits	1% Commission
Advising Fee	US \$50
Acceptance	1/4% Commission
Negotiation	1/4% Commission

TRUST & MANAGEMENT COMPANY FEES**FORMATION COSTS AND FIRST YEAR MAINTENANCE:**

Offshore Companies	\$ 1,225.00
Shipping Companies	\$ 1,225.00
Offshore Insurance Companies	\$ 6,250.00
Offshore Banks	\$16,500.00

ANNUAL MAINTENANCE (SUBSEQUENT YEARS):

Offshore Companies	\$ 725.00
Offshore Shipping Companies	\$ 725.00
Offshore Insurance Companies	\$ 6,100.00
Offshore Banks	\$12,500.00

ANNUAL DIRECTORS FEES:

Offshore Companies	N/A
Offshore Shipping Companies	\$ 1,000.00
Offshore Insurance Companies	\$ 3,000.00
Offshore Banks	\$ 5,000.00

Insurance Company and Bank Management

Fees subject to individual negotiations

MISCELLANEOUS COSTS

Issuance of Certificates	\$ 100.00
Duplicate Originals	\$ 50.00
Change of Name	\$ 275.00
Restated Articles (Fundamental changes)	\$ 850.00
Power of Attorney	\$ 50.00

All fees are quoted in U.S. dollars and are exclusive of telephone, fax, telex, courier expenses and out of pocket expenses.
All fees are inclusive of government fees.

1218

CALL MEMO

FROM: T. WULFF
TO: R. ANGUIZOLA L. KING
CC: K. PARKER H. BRAUTIGAM
E. SALLES

DATE: 5-24-94

SUBJECT: AMERICAN INTERNATIONAL BANK, ANTIGUA

Bill Cooper, President

DATE OF VISIT: 5-18-94

LAST VISIT: 5-11-93

Formed just a year ago by a former general manager of Antigua Barbuda Bank, American Int'l. is already profitable with a balance sheet of USD 30MM, has Bamtrac/Microwire, nice quarters and a very slick operation. The group includes the bank (offshore/private), a management and trust Co. (offshore records and registration), asset management and even a ship registry Co. While probably never a user of any volume corbank services, this is already a nice relationship with \$700M ADBs, 50 payments and monthly CPP profitability of \$3M. Cooper is also a big supporter of BofA as the result of his experiences at Antigua Barbuda, and provided a new lead during the visit.

1219

Documents relating to the American European Venture Capital and Bank Street Commercial Corporation Letters of Credit are included with the documents relating to Caribbean American Bank.

OCT 27 2000 14:13 FR COMPLIANCE STRATEGIES410 727 3871 TO 12022241972 P.04/05
10/26 OCT 26 '94 12:12 PM TRADE FINANCE BOFA NY AMER INTER BANK P.121E 01

10/26
Check: For Mr. Lee
Lee
AMERICAN INTERNATIONAL BANK LTD.

FAX TRANSMISSION

TO: Lee Roy King DATE: Oct. 26, 1994
FROM: W.W. Cooper President FAX NO's: (809) 462-6675
SUBJECT: English Sports Betting Network

TOTAL NO. OF PAGES

IN CASE OF ANY DIFFICULTIES WITH THIS TRANSMISSION, PLEASE CONTACT US BY PHONE AT (809) 462-6701

As discussed with you, we are closing the account of the above company effective October 27, 1994.

The outstanding balance in the account will be put in suspense until such time as checks submitted to us for clearing have been credited to our account.

We hope you appreciate that we cannot take the risk of closing the account and paying the total balance immediately as we would then potentially be subject to a loss as the company could easily put stop payments on the individual checks.

It is clearly not our policy to deal with such companies and we are pursuing as quickly as possible to terminate the entire relationship.

The company was advised on October 21, 1994 that they should not use Bank of America or American International Bank for wire transfers. Without our authority, the company unfortunately sent out approximately 8,000 leaflets. You may therefore be receiving some wire transfers which you can either return or credit to the account and we will clear the balance with the company here.

We appreciate your assistance in this matter.

Regards,
Bill
W.W. Cooper
President

1221

DEC 04 '96 04:13PM BANK AMERICA

P.2

MEMO TO: RICH TOMPKINS, VP
ACCOUNT ADMINISTRATION

FROM: JOSEPH MIRABELLA, VP
INTERNATIONAL DEPOSIT SERVICES

SUBJECT: AMERICAN INTERNATIONAL BANK LTD.
ACCOUNT 6550-8-52014

DATE: OCTOBER 10, 1995

CONFIDENTIAL

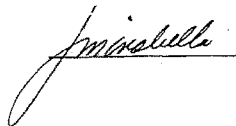
The above mentioned account has recently seen a number of returned items for large dollar amounts. The returns were for forged checks, the makers seem to be television networks while the payees are listed as Limited companies. I have received a call from MTV Networks, one of the companies who had a forged draft cashed against its account, and they are perusing legal proceedings against the American International Bank.

It would seem to me that our customer is dealing with clients on their side that are unknown to them. The area in which they are located, St John's Antigua W.I., is already well known to us and has caused us substantial problems in the past. Therefore, based on our limited knowledge of the customers practices I would suggest the following:

1. Contact Tom Wolff and request a background check on this account.
2. Increase the availability given to this customer from 5 business days to 10 in order to avoid a potential overdraft situation that will not be covered.
3. Upon review of the background make a logical decision as to why we should NOT disengage from this customer.

I would appreciate your comments on this matter by October 13, 1995. I have also attached three of the return items that we have received recently for your review.

cc: J. Mulhern
S. Clerico
E. Lomonaco
A. Allen





Thomas Wulff
Vice President
Central America/Caribbean Region

10-19-95
10-19-95 telcom with Rich Tompkins. If you or anyone in the group has a problem with this let me know and I will act accordingly.

TO: AVIL ALLEN #6755
JOE MIRABELLA #7627
RICHARD TOMPKINS #7655
FROM: T. WULFF #5423
SUBJECT: American International Bank Ltd., Antigua W. I.
Bank Kometa, S. A., Antigua, W. I.

October 18, 1995

Reference our conversations of yesterday, I today contacted William Cooper, President and CEO respectively of the above two banks, to inform him of our request that he find a new correspondent through which to channel the international activities of the two banks. As a reason, I reiterated the several transactions as below which had recently passed through his account and which we considered unacceptable and although he felt he had complied in our requests to eliminate the customers in question and that we were overreacting, he readily agreed to conclude all activities within 60 days. I did not bring up the issue of extending availability on his checks to 10 days, preferring to re-visit this on Nov. 1 when we can see what progress is being made.

In addition to DDA accounts at BINY for each of the banks, American International also utilizes Microwire, Bamtrac, Global Cheque, maintains a CD and clears cash letters at BINY. All activities should be flagged accordingly.

For the record, some of the unacceptable transactions relating to the American International account have included:

- 10/94 English sports betting - apparent gambling proceeds, advertising leaflets.
- 4/95 Top Turf - clearing high volumes of small money orders, apparent gambling or money laundering.
- 10/95 MTV Networks - clearing large denomination forged checks.

CC: R. Anquizola
K. Parker

1223

From: INESROMO--ABACIS
To: TWULFF --ABACIS2

Date and time 08/05/96 16:59:00

From: Ines C Romo
LACCH #5043

Classification: Internal Use

Subject: ~~AMERICAN INT'L BANK ST. JOHNS~~
THIS IS TO INFORM YOU THAT SUBJECT BANK ACCOUNT #62907-25012 HAS BEEN
INACTIVE SINCE MAR 95. PLEASE LET ME KNOW IF WE SHOULD CLOSE THIS ACCOUNT
OR SHOULD WE CONTINUE TO LEAVE IT OPEN.

THANKS YOUR REPLY WOULD BE GREATLY APPRECIATED
INES ROMO
BANET 666-3136

1224

MEMO TO: LORRAINE DETOMMASO
I.D.S. #7627

FROM: JOSEPH MIRABELLA, VP
INTERNATIONAL DEPOSIT SERVICES

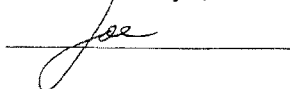
SUBJECT: AMERICAN INTERNATIONAL BANK LTD.
ACCOUNT 6550-8-52014

CONFIDENTIAL

DATE: OCTOBER 19, 1995

Please be advised that I have been in contact with Thomas Wolff, VP and Global officer for this account. We have discussed the merits of disengagement with this account as a result of recent activities we have experienced. Tom has spoken with the customer and has informed them that we would like to discontinue cash letter business activities within 60 days. There was an agreement that the customer would scrutinize their deposits more closely at their end in hopes that the situation could be rectified. As a result of this agreement please continue to monitor this account for an additional 60 days. Maintain hard copies of all return items and the reasons for the returns. I would like to receive weekly updates as to the status of this relationship.

Thank you,



A handwritten signature, likely "Joe", is written over a horizontal line.

cc: R. Tompkins
S. Clerico
E. Lomonaco
Allen

1225

Senate Permanent Subcommitt
On Investigations
EXHIBIT # 56f

Exhibit 56f.

Toronto Dominion Bank (New York) documents

01/10/1996 11:11 9886029863
01/09/96 10:12 418 982 7638

MARIANNE FAX
INTL BNKG SERV

Anda
Don't!! Please do this TODAY
Marianne Faruqi
TO NEW YORK
Marianne,
Pls arrange to

GPO2 5975001A001 (

FROM: AITDHANK
RE: INBOUND TELEEX
TORBADM TOR

A

open the account
and advise the
account number.

TO: TORONTO DOMINION BANK
FR: AMERICAN INTERNATIONAL BANK, WOOD CENTRE, ANTIGUA
DD: JAN 8, 96
TEXT: -05-4634

Can you also
arrange for a
supply of encoded
drafts to be
printed

ATTN: STEPHEN N. CULLLEN

PLEASE ACCEPT THIS AS A REQUEST TO OPEN A CORRESPONDENCE A/C AT
TORONTO DOMINION BANK NEW YORK AND TO SUPPLY US WITH ENCODED DRAFTS
DRAWN ON TORONTO DOMINION BANK NEW YORK.

REGARDS
DANLEY PHILIP
TORBADM TOR

JH

MNG ID: SK19475 USERID: PERCOR
TYPE: Tested (A TORONTO) RESULT: Successful
AMOUNT: 0.00 CURRENCY:
REFERENCE: 90,197
DEPARTMENT: S. N. CULLLEN
DATE: 01/08/1996 TIME: 15:14:12

9-1-96

Acct 2218224

067306

Acct 0647306

open 1/10/96

Anda

1227

THE TORONTO-DOMINION BANK
NEW YORK BRANCH
42 WALL STREET, NEW YORK, N.Y. 10005

MEMORANDUM

TO: MONEY TRANSFER DEPARTMENT
Investigation & Com

DATE: *1/11/96*

FROM: CORRESPONDENT ACCOUNTS


RE: NAME: AMER. INT'L BANK
ACCOUNT #: 2218324

The above-mentioned account will be:

OPENED CLOSED

AS OF: 1/10/96

Please update your systems accordingly.


Doris St. Rose
Supervisor, Correspondent Account

:FMOC

1228

92] From: Doris St. Rose 1/11/96 12:07PM (229 bytes: 3 ln)
o: Aida Alvarez
ubject: Re:

----- Message Contents -----

AMERICAN INTERNATIONAL BANK LTD #0324-2218324

CONFIRMING ACCOUNT IS NOW OPEN

1229

01/19/96 FRI 12:10 FAX 418 862 7835

INTL BNRG SERV

facsimile
TRANSMITTAL

to: American International Bank - St. John's, Antigua
Mr. Danley Philips, Assistant Manager
fax #: (809) 462-6675
re: Account Opening
date: January 19, 1996
pages: 1, including cover sheet.

Dear Mr. Philips,

Further to our conversation of yesterday and the message received January 15th confirming your intention to open an account at our New York office, I am pleased to advise that the account has been opened with the following account number:

0324-01-2218324

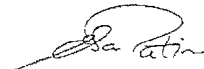
The account will become operative upon receipt of your initial deposit. With regards to the exchange of control documents, our Communications Department will be sending you documents to complete the formalities.

We are also arranging to order drafts, as requested. Please provide us with a list of authorized signatories for the purpose of drawing drafts on this account as soon as possible. The official cheques will be available in about 2-3 weeks, however, our New York office will be sending you some cheques to use in the meantime.

We thank you for opening this account with us and look forward to a continued good working relationship.

c.c. Ms. Aida Alvarez, TD N.Y.

From the desk of...



ELSA FATINO
CORRESPONDENT RELATIONS
OFFICER
THE TORONTO-DOMINION BANK
55 KING ST. W. & BAY ST. T.D.T. 9TH
FLR
TORONTO, ONTARIO
M5K 1A2

(416) 982-2489
Fax: (416) 982-7838

1230

[840] From: Aida Alvarez at lusany 11/1/96 12:29PM (1839 bytes: 1 ln)
To: PATINO ELSA at LCIBTD9A
Cc: Marianne Vitale, Doris St. Rose, STEPHEN N. CULLEN at LCIBTD9A, JOHN A. HOLT
at LCIBTD9A
Subject: Re[2]: American International Bank Ltd, Antigua
----- Message Contents -----

Text item 1: Text_1

Agree!

Reply Separator

Subject: Re: American International Bank Ltd, Antigua
Author: PATINO ELSA at LCIBTD9A
Date: 11/1/96 10:53 AM

Aida, further to our telephone conversation today, I would like to confirm what we have agreed on regarding the closure of this account:

I will notify the customer today via fax, advising AIB that we will give them 1 week to make alternative arrangements. In the meantime we will accept drafts drawn against this account up until Nov.8,1996, Any cheques dated after Nov. 8 will not be honoured.

The account will then be frozen, however, kept open until Nov.30,1996 to process any outstanding drafts.

Reply Separator

Subject: American International Bank Ltd, Barbados
Author: Aida Alvarez at lusany
Date: 11/1/96 8:52 AM

To accommodate your request, we opened above account last January. However, this is a heavy volume account and we are not set up for this accommodation. We have therefore, decided to close the account. Since they made their opening arrangements through Corresponding Banking in Toronto, we now request that you notify the customer. Please do not hesitate to call me if you have any questions.

1231



THE TORONTO-DOMINION BANK

Head Office
P.O. Box 1, Toronto Dominion Centre
Toronto, Ontario M5K 1A2

Telephone No. (416) 982-2489
FAX (416) 982-7838

November 1, 1996

Mr. Bill Cooper
President
American International Bank
Wood Centre
P.O. Box 1673, St. John's
Antigua W.I.

Dear Mr. Cooper:

RE: Account No. 0324-01-221832

This is in reference to the subject account at our New York office. As you are aware, this account was opened to accommodate your request to have a US dollar account in the United States. Because of the high volume activity on this account (approx. 2000 per month), special arrangements had to be made with our Toronto office to have regular transfers made to the subject account to cover any overdrafts. This account has since had to be monitored on a daily basis to ensure coverage of funds.

Clearly this has become a high cost account for us and it is no longer economically feasible for us to retain this or any other such accounts. It is, therefore, with regret, that I must inform you that we will have to close the subject account at our New York office.

In order to allow you some time to make alternative arrangements we have agreed with our New York office that:

- You may continue to write cheques drawn against this account up until and including Friday November 8, 1996. Any cheques written after this date will not be honoured.
- The account will remain open until November 30, 1996 in order to process any outstanding cheques.
- Any funds in the account at time of closure will be transferred to your International Centre Toronto account no.0360-01-2180003, unless otherwise specified via telex.

Should you have any questions, please do not hesitate to contact Stephen Cullen or myself.

Yours truly,

Elsa Patino
Correspondent Relations Officer
Latin America & Caribbean

Stephen N. Cullen
Regional Managing Director
Latin America & Caribbean

1232

(416) 982-2130
Fax (416) 982-7838

4 December 1996

Mr. Danley Philip,
American International Bank,
St. Johns,
Antigua, W.I.

Dear Mr. Philip:

As per our discussion today, this is formally to advise you that effective January 1, 1997 we will be unable to offer you continued account services in our New York branch and we therefore suggest you make arrangements to close out the account by that date.

At the same time, due to cost considerations, we have decided to terminate offering US cash letter services to our correspondent banks for US dollar items drawn on United States locations, also effective January 1, 1997. We will continue to accept cash letters from you for Canadian dollar and US dollar items drawn on Canadian points. We understand from our discussion that as you already have US correspondent banks, you will not be inconvenienced by this decision.

We thank you for your past and present business and trust that you will understand that these decisions have been made for practical business reasons.

Yours sincerely,



Stephen N. Cullen,
Regional Managing Director,
Latin America & Caribbean

bcc Aida Alvarez
Terry Watt
George Tabet
Vic Kerr
Marc Baum

1233

[157] From: Doris St. Rose at lusany 1/16/97 1:26PM (504 bytes: 10 ln)
To: STEPHEN N. CULLEN at LCIBTD9a, PATINO ELSA at LCIBTD9a
cc: Aida Alvarez, Marianne Vitale, Jasmine Charles
Subject: AMERICAN INTERNATIONAL BK LIT.

----- Message Contents -----

RE: ACCOUNT # 324-2218324 "AMERICAN INTERNATIONAL BK. LTD"

FURTHER TO INSTRUCTION LETTER RECEIVED DECEMBER 4, 1996
FROM STEVE CULLEN'S.
WE CONFIRME BALANCE OF \$39,674.13 WAS TFR TO THEIR ACCOUNT
IN TORONTO ON 1/8. ON 1/9 WE PROCEED TO CLOSED THE ACCOUNT.

D. ST.ROSE

1234

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56g

Exhibit 56g.

Chase Manhattan Bank documents


**GTM Client Tracking
New Business**

Company: 0019409608 - AMERICAN INTERNATIONAL BANK
 Deal Number: AK960405140850 Applies to this entity only.
 Current Relationship:
 Report Date: 02/25/97
 Origination Date: 01/23/96
 Proposal Date: 03/25/96
 Close Date: 04/05/96 Calls to Win: 1
 Initial Rev. Flow Date: 08/01/96
 Full Rev. Flow Date: 11/01/96
 Win Reason:
 Deal Status: Win Reject Reason:
 Pipeline Review Criteria: None Revenue Flow Status: Full
 Pipeline Review Freq: None Pipeline Review Date:
 Prioritization:
 Relationship Priority:
 Customer Urgency:
 Customer Readiness:

	Name	Team	Region	%Resp
Primary Sales:	Ante Kijuce	Latin America	Western Hemisphere	
Other Sales:				

Sales Support:
 Summary: \$70M multi-product win from Dos-based Micro access customer
 Descriptive Comments:

1/23/96 Kijuce calls on John Greaves, Director, and identifies multiproduct needs.

3/25/96 Upon obtention and review of financial statements and 3rd party references, Ken Brown and Kijuce place call to Greaves to engage in final prospect pre-qualification discussion. We obtain additional information on ownership and KYC procedures AIB follows. Brown concurs with potentially engaging this as a new customer. Kijuce follows up with payments proposal and gives lead to the Private Banking unit for them to forward a safekeeping and investment management bid.

1236

To: Ante Kijuce
cc:
From: **Kenneth M. Brown** InfoServ - Internat'l Institutional 212 552-6743 Fax Number: 212 552-1623
Date: Monday March 25, 1996 04:38 PM
Subject: **AIB - Approved for Opening DDA**



GPTS Institutional Client Tracking
Call Report

Company: W19960212A - AMERICAN INTERNATIONAL BANK LTD.
Call Date: 03/25/96 Monday
Client Attendees: John Graeves
Chase Attendees: Kenneth M. Brown, Ante Kijuce
Other Chase Attendees:
Location of Meeting: Other

Memo By: Kenneth M. Brown - 352-6743

Team: E Carib Svc Prod (H93)
Area: Western Hemisphere
Purpose: Phone Follow-Up Outcome:
Summary: Approved for Opening DDA
Product(s): USD Deposits All Products
Cross-Sell Effort: No
With:

Discussion:

Ante Kijuce and I jointly placed a phone call to John Graeves to clarify three specific points before approving this customer for establishment of a DDA. Favorable references had already been obtained from Toronto Dominion and Midland (the latter also favorably commenting on William Cooper, President).

OWNERSHIP OF AIB

Graeves stated that Cooper and his family owned all the shares of AIB, but that Graeves owned 50% of the management services company (along with Cooper).

AIB'S OWN DUE DILIGENCE, KNOW-YOUR-CUSTOMER POLICIES

Graeves stated that AIB exceeds the U.S. Treasury's guidelines in this area. AIB takes this issue so seriously that Graeves himself was unable to "free up" any time to see Kijuce in Miami last month while attending a local Treasury-sponsored Anti Money Laundering Seminar.

A 12-page instructional document is sent to, and acknowledged by, all AIB staffers who handle accounts. A Training Officer ensures that appropriate staff are "educated". AIB emphasizes knowing the customer AND his business activity. At least one reference must be from a banker or lawyer. "To Whom It May Concern" references received from the account applicant himself are NOT

acceptable. Telephone "call-backs" to the Account holder's domicile AND the reference providers are undertaken. Positive identification (passport or driver's license) is required. Any joint account party or holder of a Power-of-Attorney is subjected to the same scrutiny as the primary account party. Account activity is reviewed periodically to identify any suspicious activity. Cash deposits are limited to \$3M.

~~CMB EXPECTATIONS RE CASH LETTER ITEMS~~

I advised Greaves that we would be unwilling to accept deposit items such as large quantities of sequentially-numbered TC's, Money Orders, or the like, nor items where a crime (including tax evasion) was the only logical conclusion (e.g., a check from a retailer in Boston to a wholesaler in New York --- why would anyone incur the expense and delay of depositing this item at AIB unless he was doing it "off the books" to avoid U.S. taxes???)

SUMMARY

Surprisingly, Greaves did not resent the "interrogation" (as I semi-facetiously put it) but commented that he was happy to be speaking to a Bank of such high standards and would NOT have wanted us as a correspondent if we we had taken an "anything goes" philosophy.

~~Follow-up:~~

~~Date: 03/25/96 Monday Completed: Yes
Action: Kljuce sending complete formal proposal via courier.
Comments:~~

Created By: Kenneth M. Brown Date Created: 03/25/96 04:56 PM

Audit History:
Editor: Edit Date:

(* Audit History displays the last 5 on-line edits, top-down most recent first)

1238

April 22, 1996

American International Bank Ltd.
Attn: John Greaves
Suite 5, Woods Centre
St. John's Antigua, W.I.

Dear Mr. Greaves:

It is a distinct pleasure to advise you that in accordance with your request, we have established your account on our books on April 19, 1996 bearing an account no. 001-1-623188 and we are delighted to welcome your fine institution as one of our correspondents.


At Chase we are committed to providing our international demand deposit account customers with the best service possible. Please find enclosed a copy of our revised and updated account condition which contains valuable information about how we maintain your account and provide account related services.

Our telegraphic services department have already sent via FED EX your test key authentication package. Please acknowledge upon receipt of these documentations to enable us to activate your test key.

We are looking forward to a long and mutually satisfying relationship as business grows between our institutions.

Please do not hesitate to contact us if your assistance is needed.

With warmest regards,



Geirgina Mendez
Account Administration
GPTS/Latin America Serv. Center

1239



GTM Client Tracking
Call Report

Company: 0019409608 - AMERICAN INTERNATIONAL BANK
Current Relationship: Yes
Call Date: 09/25/96 Wednesday

Client Attendees: John Greaves, Director

Chase Attendees: Josefita L. Robinson

Other Chase Attendees:

Location of Meeting: Client Location

Memo By: Josefita Robinson

Team: E Caribbean Svc Prod
Area: Emerging Markets
Purpose: General Discussion **Outcome:** Identify Opportunity
Summary: Self introduction as the new GPTS rep, Background info on AIB provided, refer interest to open a London multicurrency account and contact for short term investment transactions
Product(s): Chase & MD Sass Partners
Cross-Sell Effort: No
With:

Discussion:

Met with John Greaves and was introduced later on to Mr. William Cooper, President/founder of AIB. AIB recently started working with Chase and overall happy. They use to work with BOA but felt that BOA was not interested in supporting their needs. They would like to use our Chase London to explore opening a multicurrency account. They now have Swiss Francs and DM and plan to consolidate these currencies with the pound sterling and U.S. \$. They plan to find other investment opportunities outside the U.S., perhaps an international portfolio, may explore to do broker relationship in London. Writer notified Marie Bidwell, GPTS London to contact Mr. Greaves and also informed the latter that he would be hearing from Ms. Bidwell.

Furthermore, writer contacted Michael Summey, Chase's short term investment desk to speak to Mr. Greaves regarding a \$12 million security portfolio. AIB wanted to speak to a rep/broker regarding the buying and selling of their securities (active investment). Mr. Greaves was also informed that Mr. Summey would be touching base with him.

Chase & MD Sass and Vista Funds were discussed also as alternatives for ST investments. Mr. Greaves indicated no interest on MD Sass but perhaps on Vista Funds in the future.

Background on AIB:

For my edification, Mr. Greaves was kind enough to give me some background on AIB. The entity was established four years ago and now has a Net Asset Value of \$63 million. They manage three to four thousand offshore customers (trust private banking) and they are not allowed to operate locally in

Antigua. A subsidiary, American International Management Services (AIMS) provides head office services for other banks. They manage twelve banks, have dedicated systems, preparing statements (outsourcing) that have physical presence in Venezuela, Canada, Australia, St. Petersburg, Brazil, England, Antigua due to offshore nature. They are purely international and wholesale in nature... involved in project financing, non discretionary funds only (have branches in Dominica, St. Kitts).

The Caribbean plans to federate (total population of around 8 million people), probably align with NAFTA rather than individual countries. Barbados has pulled out of the three country Caribbean alliance (Trinidad, Jamaica, Barbados) so the it can join the Federation.

Mr. Greaves indicated that prior to AIB, he was with Swiss American Bank (works with Chase also) for eight years (then using BONY) and then retired. One of his earlier jobs was with Barclays NY in the FX area.

Follow-up:

Date: 12/03/96 **Tuesday** **Completed:** Yes
Action: Call to see if AIB would like to pursue Vista Offshore funds.



AMERICAN INTERNATIONAL BANK LTD.

13th March, 1997

Ms. Josefita L. Robinson
Vice President
Global Payment and Treasury Services
The Chase Manhattan Bank
One Chase Manhattan Plaza, 18th Floor
New York, NY 10081

Dear Ms. Robinson:

I am in receipt of your letter dated 12th March which has just been faxed to me and confess that I am amazed at its contents.

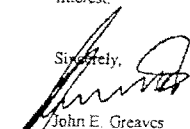
As you are aware it was you that approached us to establish a correspondent banking relationship through your Miami office and subsequently I was invited to your Conference in Vienna and given the impression that our relationship was considered to be of value to you. I equally do not understand your comment regarding strategic fit and the market effort.

I can only assume therefore that there are other reasons for your arbitrary decision and feel that an organization the size of Chase would at least have shown us the courtesy of discussing this with us so that if there were any matters which were causing you concern we could have had the opportunity of rectifying them.

From the time it took us to establish an account relationship with you, you must realize that thirty days is far too short a period and that the total disruption of the international service which we provide to our clients through you will have a radical effect on our business. I am requesting therefore that the decision is reconsidered, at the very least I would hope that I would have the opportunity of meeting your senior people so that I could be told face to face why such a decision was made. I am prepared to make myself available in New York or Miami next week and as I met and established a personal relationship with your private banking senior executives when I was in Vienna such as Michael Holden, Kenneth Russell, Jr. and Mark Abrahams, I do not feel that my request for a personal meeting is unreasonable.

Please treat this letter with the urgency that you yourself imposed on us and I await your reply with interest.

Sincerely,



John E. Greaves
President


AMERICAN INTERNATIONAL BANK LTD.

14th March, 1997

Ms. Josefita L. Robinson
 Vice President
 Global Payment and Treasury Services
 The Chase Manhattan Bank
 One Chase Manhattan Plaza, 18th Floor
 New York, NY 10081

Dear Ms. Robinson:

Further to my fax dated 13th March to which I have not yet received a reply or telephone acknowledgment, I wish to make the following points for consideration by your senior management:

1. The account of the American International Bank with yourselves as of this morning is US\$1,526,000 in credit and has grown every day this week. This alone should be evidence that the short term problems which were experienced some two or three weeks ago are now over.
2. As a result of those problems management here has installed new treasury control system which would ensure that you are not again placed in a position to have to monitor our account.
3. All of our international trading and worldwide client base are aware of our correspondent banking relationship with you and it would cause considerable dislocation and expense if we had to change this.
4. We have just been accepted by Western Union as one of their first Caribbean Quick Collect customers and settlement on a daily basis is being routed to you. This in itself will reduce the number of small wire transfers and the amount of checks sent for clearance which may possibly have proved onerous to you.
5. After my meeting with your senior officials last year and the reaction I obtained from them regarding the business relationship I was extremely satisfied to feel that we had found a major international bank that would enhance our business.

With all of the above I am not prepared to accept an arbitrary decision such as you advised to me and if you and your credit reference department are unable or unwilling to change the decision regarding acting as our bankers then in the interest of preserving our business I feel free to appeal to the highest level of your management including if necessary your President.

This is in no way a threat but more a feeling that we have the right to defend our situation and to discuss rationally any terms you wish to impose on the account operation to satisfy yourselves before a decision is taken by you without reference to us that so drastically affect our business. In my previous letter of

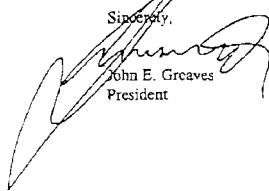
Woods Centre, Friars Hill Road, Box 1673, St. John's, Antigua, W. I.

1243

yesterday I asked whether I could meet with the people concerned and you promised that you would get back to me. Having heard nothing from you I can only presume that either they are not interested in discussing the situation with me or they feel that such a meeting would have no value, a point of view of course in which I disagree.

I will be in the office all day today and would be more than happy to discuss this situation with anyone who feels himself involved in your decision making. I would however request that any such conference call is with people who are able to make a decision.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Greaves", written over a horizontal line.

John E. Greaves
President

1244



CHASE

The Chase Manhattan Bank
One Chase Manhattan Plaza, 18th Floor
New York, NY 10081
Tel 212-552-4913
Fax 212-552-1623

Josefita L. Robinson
Vice President
Global Payment
and Treasury Services

March 17, 1997

Mr. John Greaves
Director
American International Bank Ltd.
Suite 5, Woods Center
St. Johns, Antigua, W.I.

Dear Mr. Greaves:

I presented both your letters of March 13th and March 14th to management, and they have been considered. We do not believe that a meeting or further discussion of the matter would be fruitful. However, to accommodate the concern that you had raised relative to the closing period of your account, we agree to extend the closing date to sixty days from the date of this letter. This extension shall apply as well to the termination date of the various cash management services that you are using with Chase.

Sincerely,

A handwritten signature in cursive script that reads "Josefita L. Robinson".

Josefita L. Robinson

CC: Aida Strub, AT-Chase Miami
Deanna Spearin, Account Adm.-Chase NY

*where are
referred letter*

1245

Chase Manhattan
2 South Biscayne Boulevard
Miami, Florida 33131



CHASE

March 20, 1997

Messrs.
American International Bank
Suite 5, Woods Center
St. John's, Antigua, W.I.

Attention: Mr. Danley Philip
Operations

This one is to confirm our telephone conversation of yesterday March 19, whereby you were advised that for the purpose of smoothing the closing of the account, we will accept your cash letters until May 2, 1997 inclusively.

Please take this date into consideration since it is important to minimize the impact of problems like returned items.

Yours Truly,

A handwritten signature in cursive script, appearing to read "Aida I. Strub".

Aida I. Strub, AT
cc: J. Rosinson, VP-Chase NY

To: Lola Riquelme
Desmae Apesini
Isabel Alonso
From: Aida Strub

1246



AMERICAN INTERNATIONAL BANK LTD.

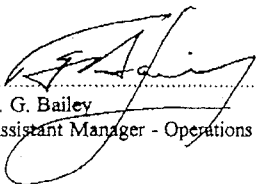
FAX TRANSMISSION

TO: CHASE MANHATTAN BANK - NEW YORK
FAX: 718-242-6434
ATTN: ISABEL ALONSO
DATE: APRIL 07, 1997
SUBJECT: SUPPLY OF DRAFTS

Further to our fax dated March 11, 1997, please advise the status of the order for three thousand (3000) regular cheques.

Please treat as urgent as present supply almost exhausted.

Regards,



T. G. Bailey
Assistant Manager - Operations

Woods Centre, Friars Hill Road, Box 1673, St. John's, Antigua, W. I.

1247

To: Dearina L. Spearin
cc: Maria E. Alvarez
Josefita Robinson
From: Aida I. Strub Western Hemisphere 305-579-9347 Fax Number: 305-579-9360
Date: Monday June 2, 1997 09:18 AM
Subject: American International Bank, Acct. 001-1-623188

Hello Deanna:

Friday I spoke with Jo about this account and we concluded that it should be closed, we can't wait any more. I guess that Maria also agrees. I tried to get a list of outstanding checks from Syracuse but the list was not only very long but also included pending items from June/96. I do not think the list is accurate. We have given them over two weeks more from the date the account was supposed to be closed which was May 16/97. You can go ahead and do what is necessary to close it. If you need additional information or clarification, please do not hesitate to contact me. I will leave to Barbados tomorrow afternoon and will be back in the office Friday morning. BIBi, Aida



AMERICAN INTERNATIONAL BANK LTD.

Dear Customer:

Due to certain operational considerations, we have decided to close our account with Chase Manhattan Bank in New York by May 15, 1997.

We have had a correspondent relationship for a long time with Popular Bank in Miami, Florida and have decided to expand this relationship.

Therefore, please use the following wire transfer instructions effective May 15, 1997:

For transfer of US funds to American International Bank Limited from overseas, instruct your banker as follows:

Popular Bank of Florida
848 Brickell Avenue
Miami, Florida 33131

ABA #067 009 044

for credit to account #030-860-060 in the name of American International Bank Limited for further credit to account # _____ in the name of _____.

Do not make any transfers to Chase Manhattan Bank after May 15, 1997 as they will be returned.

Please call should you have any questions.

Yours sincerely,

W.W. Cooper
Chairman

1249

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56h

Exhibit 56h.

**Popular Bank of Florida (now BAC Florida Bank)
documents**

1250



March 13, 1997

Mr. Danly Philip,
Manager Accounts
American International Bank Ltd.
St. John, Antigua W.I.

Dear Danly:

Thank you for your telephone call today. As per our conversation, I hereby describe very briefly the services we provide to our correspondent banks.

Popular Bank of Florida is very active in trade financing. We are in a position to confirm your letters of credit to anywhere in the world. Through time, we have developed a network of over 250 correspondents worldwide.

A service that has proved to be very effective to our correspondents is the management of their cash letter (a description of how it works follows) with automatic investment of funds. We could also process your payment orders through the Federal Reserve Bank system in the United States (fedwires) or through our correspondents outside the U.S.A.

We could provide you our electronic banking system called Popular Bank Connection, through which you would receive daily account statement and outstanding report on letters of credit and loans; in addition, you can send us your letters of credit and wire transfer instructions.

As I told you over the phone, will be traveling to Antigua in the near future. In the meantime, I would be grateful if you could provide us with the following information:

- ◇ financial statements for last three years
- ◇ the bank's background, including main lines of business, number of offices, market segment, etc.
- ◇ major shareholders and other business interests they have
- ◇ senior officers

I will call you on Monday to fully understand the service we discussed because I think it is very possible we could provide it to your Bank.

Trusting that we could develop a profitable business relationship I remain,

Sincerely,

A handwritten signature in black ink, appearing to read "Alvaro Tercero", is written over a circular stamp or seal. The signature is fluid and cursive.

Alvaro Tercero
Vice President

cc: Mr. John Greece

848 Brickell Avenue, Miami, Florida 33131

1251



AMERICAN INTERNATIONAL BANK LTD.

received
3-19-97

17th March, 1997

Mr. Alvaro Tercero
Popular Bank of Florida
848 Brickell Avenue
Miami, Florida 33131

Dear Mr. Tercero:

Thank you for your fax dated 13th March addressed to Mr. Danley Philips and copied to me.

As I explained to you on the telephone and I am sure that Mr. Philips also confirmed this, we are looking to expand our correspondent relationship particularly in North America and this will entail but not be limited to the following:

1. Inward and Outward international wire transfers.
2. The clearance of checks drawn on banks throughout the USA.
3. The automatic investment of excess funds above an agreed amount on an overnight call account.
4. The receipt of the settlement figure from Western Union on a daily basis. NOTE: This is only one payment per 24 hour for receipts in the previous 24 hour period and a debit on our instructions for credit to Western Union account once every 24 hours covering payments out.
5. Drafts issued by us and drawn on our account with you.

It is also possible that in the future we will be looking to you to provide security portfolio management for us. We are currently using a number of brokers in the States but I personally feel it would be preferable for the majority of our portfolio to be handled by a Bank.

We would certainly want access to your electronic banking system so that we can receive every morning statements showing incoming and outgoing payments effected the previous day and the available balance on our account with you.

All of the above is of course normal correspondent bank relationship and we would be quite prepared to open a reciprocal account in our books for you if you felt that this would be convenient to you. We do have particularly strong relationship with clients throughout the USA but also in Europe and South America.

I enclose for your information a copy of the license and certificate of good standing, articles and memorandum of association, specimen signature list, copy of the annual shareholders meeting, audited accounts for '94 and '95 and management's accounts for the end of '96. The '96 audit should be completed in about two weeks.

1252

In addition we would of course continue to use you as the cover bank for our credit card operations.

The Bank has been in operation since 1992 and is part of a financial group which consist of American International Bank Ltd. with offices in Antigua and Dominica, Antigua Management & Trust Ltd., with offices in Antigua, St. Kitts and Dominica, and Antigua International Management & Trust Ltd. with offices in Antigua, Dominica, St. Kitts and Grenada.

The Bank does very little lending and is mainly used as an investment vehicle for our clients. We occasionally arrange stand by letter of credit but most of our work is receipt and disbursement of funds and investment services.

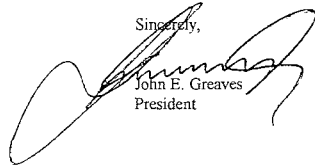
Antigua Management & Trust Ltd. is a fully operational trust company offering full range of trust services but their main function is the formation and administration of international business corporation. We currently have on our books in excess of 5,000 corporations and these can be incorporated in any one of Antigua, St. Kitts or Dominica.

American International Management Services Ltd. was specifically set up to offer full back office services to other offshore banks; however, this has now expanded into offering back office services to corporations and other investment services for clients of the group.

I also enclose a C.V. of myself and Mr. Cooper. Other senior officers are Pat Randall Diedrick, Mrs. Ilse Cooper who represents the Trust Company, Mr. Danley Philip who is Manager of Accounts and Treasury Officer, Mr. Trevor Bailey who is the operational manager.

Although we are sending the package by Federal Express, I am faxing a copy of this letter to you so that you have a chance to look at it prior to our telephone conversation today.

Sincerely,



John E. Greaves
President

1253

BS1096.XLS

AMERICAN INTERNATIONAL BANK LTD			
		BALANCE SHEET	
		AS AT 30TH DECEMBER 31, 1996	
		(Expressed in United States Dollars)	
ASSETS			DEC. 96
CASH AND DUE FROM BANKS			3,279,052.00
			3,279,052.00
LOAN AND ADVANCES			40,841,784.00
INVESTMENTS			9,331,897.00
	Other Assets		2,615,378.00
	Fixed Assets		968,309.00
			53,757,368.00
TOTAL ASSETS			57,036,420.00
LIABILITIES AND SHAREHOLDERS' EQUITY:			
CUSTOMERS DEPOSITS			
	Money Markets		41,946,168.00
	Certificates of Deposits		9,287,476.00
			51,233,644.00
	Other liabilities		166,818.00
	Loan with Brokers		2,980,527.00
			54,380,989.00
SHAREHOLDERS' EQUITY			
	Share capital		2,279,655.00
	Retained Earnings		153,400.00
	Year to date Earnings		222,376.00
			2,655,431.00
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		57,036,420.00

1254

INCM1096.XLS

AMERICAN INTERNATIONAL BANK			
PROFIT & LOSS STATEMENT			
AS AT DECEMBER 31, 1996			
			DEC. 31, 1996
			US DOLLARS
INCOME:			
	Interest with banks		45,358.00
	Interest-- Loans & Overdraft		3,076,670.00
	Investment income		712,478.00
	Commission & Service fees & Foreign Exchange		511,580.00
	TOTAL INCOME		4,346,086.00
EXPENSES:			
	Interest expenses		2,326,157.00
	Brokers interest charge		77,688.00
	Bank charges		57,245.00
	Salaries		544,796.00
	Other staff costs and benefits		116,339.00
	Vehicle expenses		15,601.00
	Utilities		17,668.00
	Repairs and maintenance		49,604.00
	Professional fees		152,703.00
	Advertising and promotion		140,020.00
	Insurance		14,038.00
	Telephone and Fax		122,544.00
	Computer expense		10,798.00
	Office expense		161,606.00
	Subscription and Donation		93,194.00
	Travel & Entertainment		101,488.00
	Depreciation Expense		51,472.00
	Miscellaneous		5,415.00
	Credit Card Expenses		21,645.00
	Security		5,482.00
	Dividends Expenses		38,207.00
	Total Expenses		4,123,710.00
	Net profit /(loss)		222,376.00

1255



March 21, 1997

Mr. John E. Greaves
President
AMERICAN INTERNATIONAL BANK, LTD.
Woods Centre, Frias Hill Road
St. John's, Antigua, W.I.

FILE IN
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Dear Mr. Greaves:

I am very grateful for your interest in establishing a correspondent relationship with Popular Bank of Florida.

I received the documents you sent to me last Monday, however, the curriculum vitae of yourself and Mr. Cooper. In addition, I would be grateful if you could provide me with the names of some correspondent banks you deal with and some background on the owners.

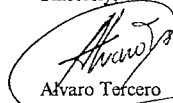
Enclosed please find:

- ◆ International Correspondent Bank Agreement
- ◆ Cash Letter Service
- ◆ Popular Bank of Florida Connection-Description
- ◆ Terms and Conditions
- ◆ Popular Bank of Florida Financial Statements for 1995 and 1996

I recommend that you open a demand deposit account to be used for operational purposes. Should you wish so the account number we have assigned is 030-860-060. I would suggest an initial transfer of \$100,000.00. Whenever the outstanding balance adds to \$150,000 or more, funds will earn interest as described in the Cash Letter Service.

Trusting that this is the beginning of a profitable business relationship for our institutions, I remain,

Sincerely,


Alvaro Tefcero
Vice President

TREVOR
PORTLEY
ASSIST. MGR. OPER.

AT/ca

848 Bricke
Fax: 305/374-1402
Swift: F



AMERICAN INTERNATIONAL BANK LTD.

Our correspondent banks are:

Toronto Dominion Bank
55 King Street & West Bay Street
Toronto, Ontario
Canada M5K 1A2

Contact: Mr. Steven Cullen
(416) 982-2130

Privat Kredit Bank
via Pretoria 22
Casella postale
CH-6901 Lugano
Switzerland

Contact: Mr. Roland Biollay
0114191 910 5252

Berenberg Bank
Neuer Jungferstiege 20
20354 Hamburg
Germany

Contact: Andreas Fehultheis
01149 403 4960

1257



POPULAR BANK OF FLORIDA

MEMORANDUM

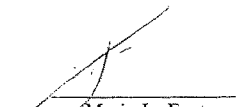
Date : April 3, 1997
To : File
From : Alvaro Tercero, Vice President
Subject : American International Bank Ltd., Antigua
Re : References

(268) 490-1199

Mario Font and the undersigner called this afternoon Mr. John Laye, Branch Manager of Royal Bank of Canada at Antigua. We inquire him about what reference he could provide us on American International Bank Ltd., Mr. William W. Cooper and Mr. John E. Greaves. Mr. Laye recommended that we act very carefully with banks incorporated in Antigua because of the very loose regulations in that country.

However, he mentioned American International Bank has a physical operation and has operated for several years. He confirmed that John Greaves was managing director of Swiss American Bank for several years (he retired from that bank) before moving to American International Bank. Furthermore, Mr. Laye expressed that William Cooper owns several banks. He has heard no detrimental comment about any of them or the Bank.


Alvaro Tercero


Mario L. Font

1258



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TELEFAX

TO: Eastern Caribbean Central Bank
ATTN.: Mr. M. Edwards, Manager-Director
FAX: (869) 465-5615
PHONE: (869) 465-2537
DATE: May 2, 1997
Subject: References
Your Re:

FROM: Alvaro Tercero
Vice President
PHONE: (305) 789-8022
FAX: (305) 371-4960
No of Pages including
this one: 1

We have entered into correspondent banking relationship with the banks listed below and would appreciate it if you could provide us with some reference about their good standing as banking institutions:

American International Bank Ltd.
Antigua Overseas Bank Ltd.
Bank of Antigua
Swiss American Bank Ltd.

We will hold the information under strict confidence and we free you of any responsibility.

Best Regards

1259



TELEFAX

TO: American Int'l Bank, Antigua	FROM: Alvaro Tercero
ATTN.: Mr. Danly Philip,	Vice President
FAX: (268) 462-6675	PHONE: (305) 789-8022
PHONE: (268) 462-6700	FAX: (305) 371-4960
DATE: May 16, 1997	No of Pages including
Subject: Returned Check	this one: 2
Your Re:	

As per our conversation, I herewith fax you copy of the unpaid check reason counterfeit.

Furthermore, these are the names I mentioned to you:

ATM
Houss Ltd.
Four B.J. & S. Inc.
Future Interprise Inc.
Carib International
Sheridan Investment Trust
Equinox

Best Regards

Alvaro-Tercero

1260

05/27/97 12:15
05/27/1997 12:15 88946268

8894626675

AMER INTER BANK



AMERICAN INTERNATIONAL BANK LTD.

May 27th, 1997

**ALVARO TERCERO
VICE PRESIDENT
POPULAR BANK OF FLORIDA
848 BRICKELL AVENUE, SUITE 700
MIAMI, FL
33131**

FILE IN
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Dear Sir:

In response to your fax dated May 16th, 1997, here is the information you requested on the companies mentioned.

AMT or Antigua Management & Trust is a trust company and is an associate company to American International Bank.

Carib International and Sheridan Investment Trust are both Sports Betting Companies.

The other companies mentioned - Hauss Ltd, Four B J. & S. Inc, Future Enterprise Inc., and Equinox - are all investment companies.

Trust that the above information is helpful.

Yours Sincerely


**DANLEY PHILIP
ASSISTANT MANAGER/ACCOUNTANT**

DO NOT TO-7. VOLZHSKY
Originating Bank NOT our customer Jan

MESSAGE RCVD 6/11/1997 6:51:17 INBOUND PORT 2 Ref: 64890

122458 PBFMIA

DT 06/11/97 06:40

ISS

148 06/11 25510940 LFBP9530
INBOUND MESSAGE RECEIVED ON JUN 11 AT 06:40 CASSIGNED// LFBP9530J
III VIP/SAFE-DETERMINED TESTED MESSAGE
- HEADER ++

MSWERBACK:4122458 BONOTS
ROM:JOINT-STOCK COMMERCIAL BANK ROSTOMBANK
JLTI-TEST:N
EST NUMBER PREFIX:
EST NUMBER:1053
CURRENCY:USD
AMOUNT:20.000.000
ATE:06111997
DEPARTMENT:JNR

* ORIGINAL MESSAGE ++
122458 BONOTS

122458 BOND RU
WE SEND THE FOLLOWING K.T.T. ON BEHALF OF OUR CORRESPONDENT BANK
AND WITHOUT ANY OBLIGATIONS ON OUR PART.
JSC AVTOBANK/TELEX DEPT.

QUOTE
TELEX MESSAGE NO 430 DATED 11.06.1997

TO : POPULAR BANK OF FLORIDA,
848, BRICKELL AVE., MIAMI,
FLORIDA, U.S.A.
SWIFT : PBFUS3M
TELEX : 6733968
TEL : + 1-305-789-7000
ABA NUMBER : 067 029 044

FROM : JOINT-STOCK COMMERCIAL BANK ROSTOMBANK
95-2 VOLZHSKY BLVD, MOSCOW 109125, RUSSIA
TEL : 007-095-177-20-88, FAX : 007-095-177-19-78
TELEX : 914534 RBF RU

TEST : 1053 FOR USD 20.000.000,00
(TWENTY MILLION UNITED STATES DOLLARS),
DATED JUNE 11, 1997 AND CALCULATED BETWEEN
JSC AVTOBANK, MOSCOW, RUSSIA AND BANK OF
NEW YORK NEW YORK, U.S.A. WHICH PLEASE

Message to send to
Joint-stock Commercial Bank.
We will not retransmit
your message nor take
any responsibility because
you are not our correspondent

Best Regards

A.T.

1262

CURRENCY : UNITED STATES DOLLAR
AMOUNT : 10,000,000,00
DATE OF ISSUE : MAY 27, 1997
MATURITY DATE : MAY 28, 1998
INTEREST RATE : 6.5 PER CENT P.A.
TO THE ORDER OF : UFINCO LTD.

FOR VALUE RECEIVED, WE, THE UNDERSIGNED, DULY AUTHORIZED TO ACT
ON BEHALF OF JOINT-STOCK COMMERCIAL ROSTOMBANK, HEREBY
IRREVOCABLY AND UNCONDITIONALLY AND WITHOUT ANY PROTEST OR
NOTIFICATION UNDERTAKE TO PAY AGAINST THIS GUARANTEE TO THE
BEARER OR HOLDER THEREOF AT MATURITY
THE SUM OF USD 10,000,000,00 (TEN MILLION UNITED STATES DOLLARS)
PLUS INTEREST IN THE LAWFUL CURRENCY OF THE UNITED STATES OF
AMERICA, UPON PRESENTATION AND SURRENDER OF THIS GUARANTEE AT
THE
OFFICES OF JSCB ROSTOMBANK AT SECTION 95, BLOCK 2, VOLZHISKY
BLVD.,
MOSCOW, 109125, RUSSIA, REGISTERED UNDER NO 2713 WITH THE
CENTRAL
BANK OF THE RUSSIAN FEDERATION.
SUCH PAYMENT SHALL BE MADE WITHOUT SET OFF AND FREE AND CLEAR OF
ANY DEDUCTION, FEE, WITHHOLDING OF ANY NATURE PRESENTLY OR IN
FUTURE IMPOSED, LEVIED, COLLECTED, WITHHELD OR ASSESSED BY THE
GOVERNMENT OF THE RUSSIAN FEDERATION.

THIS BANK GUARANTEE WILL BE FULLY TRANSFERABLE, NEGOTIABLE AND
ASSIGNABLE WITHOUT PRESENTATION OR PAYMENT OF ANY TRANSFER FEE
TO US.

THIS BANK GUARANTEE IS PRESENTABLE AT THE COUNTER OF JSCB
ROSTOMBANK, SECTION 95, BLOCK 2, VOLZHISKY BLVD., MOSCOW,
109125, RUSSIA.

THIS BANK GUARANTEE SHALL BE GOVERNED AND CONSTRUCTED IN
ACCORDANCE WITH THE LAW OF THE RUSSIAN FEDERATION.

FOR AND BEHALF OF JSCB ROSTOMBANK

BANK OFFICER

VALENTINA E. OSHEVENSKAYA
CHAIRWOMAN OF THE BOARD

BANK OFFICER

OLEG V. PERMINOV
CHIEF ACCOUNTANT

UNQUOTE

THANKS AND BEST REGARDS,
JSC ROSTOMBANK
VALENTINA E. OSHEVENSKAYA,
CHAIRWOMAN OF THE BOARD
UNQUOTE

NNNN

PER INSTRUCTIONS, RECEIVED FROM THE HOLDER AND BENEFICIARY
 E. JOINT-STOCK COMMERCIAL ROSTOMBANK (C.B. LICENCE NO 2713),
 ONFIRM WITH FULL LEGAL RESPONS. LITY THE AUTHENTICITY
 ND VALIDITY OF THE BANK GUARANTEES NO 0067/97 AND NO 0068/97.

PLEASE, TRANSMIT VIA K.T.T. THE TEXTS OF BELOW QUOTED

BANK GUARANTEES TO:
 AMERICAN INTERNATIONAL BANK, ANTIGUA
 ACCOUNT NO 030-860-060)
 OR FURTHER TRANSMITTING TO:
 OVERSEAS DEVELOPMENT BANK AND TRUST, ANTIGUA
 ACCOUNT NO 45-27-45)
 IN FAVOUR OF:
 OEGASUS HOLDINGS INC.
 ACCOUNT NO 010-000-409)

NOTE :

NUMBER : 067/97
 PLACE OF ISSUE : JSC ROSTOMBANK (95-2 VOLZHISKY BLVD., MOSCOW)
 CURRENCY : UNITED STATES DOLLARS
 AMOUNT : 10.000.000,00
 DATE OF ISSUE : MAY 27, 1997
 MATURITY DATE : MAY 28, 1998
 INTEREST RATE : 6,5 PER CENT P.A.
 IN THE ORDER OF : UFINCO LTD.

ON VALUE RECEIVED, WE, THE UNDERSIGNED, DULY AUTHORIZED TO ACT
 ON BEHALF OF JOINT-STOCK COMMERCIAL ROSTOMBANK, HEREBY
 IRREVOCABLY AND UNCONDITIONALLY AND WITHOUT ANY PROTEST OR
 JUSTIFICATION UNDERTAKE TO PAY AGAINST THIS GUARANTEE TO THE
 ORDER OF UFINCO LTD. THE BEARER OR HOLDER THEREOF AT MATURITY THE
 AMOUNT OF USD 10.000.000,00 (TEN MILLION UNITED STATES DOLLARS)

INTEREST IN THE LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA,
 UPON PRESENTATION AND SURRENDER OF THIS GUARANTEE AT THE OFFICES
 OF JSCB ROSTOMBANK AT SECTION 95, BLOCK 2, VOLZHISKY
 BLVD., MOSCOW,
 109125, RUSSIA, REGISTERED UNDER NO 2713 WITH THE CENTRAL BANK OF
 THE RUSSIAN FEDERATION.

NO CASH PAYMENT SHALL BE MADE WITHOUT SET OFF AND FREE AND CLEAR OF
 ANY DEDUCTION, FEE, WITHHOLDING OF ANY NATURE PRESENTLY OR IN
 THE FUTURE IMPOSED, LEVIED, COLLECTED, WITHHELD OR ASSESSED BY THE
 GOVERNMENT OF THE RUSSIAN FEDERATION.

THIS BANK GUARANTEE WILL BE FULLY TRANSFERABLE, NEGOTIABLE AND
 ASSIGNABLE WITHOUT PRESENTATION OR PAYMENT OF ANY TRANSFER FEE
 TO US.

THIS BANK GUARANTEE IS PRESENTABLE AT THE COUNTER OF JSCB
 ROSTOMBANK, SECTION 95, BLOCK 2, VOLZHISKY BLVD., MOSCOW, 109125,
 RUSSIA.

THIS BANK GUARANTEE SHALL BE GOVERNED AND CONSTRUCTED IN
 ACCORDANCE WITH THE LAW OF THE RUSSIAN FEDERATION.

FOR AND BEHALF OF JSCB ROSTOMBANK

BANK OFFICER

BANK OFFICER

VALENTINA E. OSHEVENSKAYA

OLEG V. PERMINOV

CHIEF ACCOUNTANT

CHIEF ACCOUNTANT

1264

THE AMERICAN INTERNATIONAL BANKING GROUP

BANK FORMATION & MANAGEMENT

WOODS CENTRE, FRIARS HILL RD, P.O. BOX 1673, ST. JOHN'S, ANTIGUA
TEL: (268) 462-6700 - FAX (268) 462-6675

1265

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- The Economy
- Transportation & Communications
- Banking Services
- International Financial Services

THE BANKING GROUP

- American International Bank Ltd.
- Antigua Management & Trust Ltd.
- AMT Management Ltd.
- American International Management Services Ltd.
- Ship Registry Services Ltd.

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- Formation & Licensing in Dominica
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- W.W. Cooper Resume
- John E. Greaves Resume
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AN INTRODUCTION TO ANTIGUA & BARBUDA

Location and History

Antigua is an island of 108 square miles set in the Caribbean Sea, lying within the Eastern Caribbean archipelago. The island's population today is 65,000 with approximately 30,000 living in St. John's, the capital.

Antigua was discovered in 1493 by Christopher Columbus, who named it Santa Maria de la Antigua. The island was occupied by the French for six months in 1652, but remained British thereafter until its independence on November 1, 1981.

Lying to the north of Antigua and covering 75 square miles, the island of Barbuda was a dependency of Antigua until the latter's independence. Together the two islands now form the nation of Antigua and Barbuda. Barbuda's population of 1,500 is concentrated in the Village of Codrington, its only settlement.

Government

Antigua has a long history of political stability. It was a British colony from 1653 until 1967, when it achieved the political status of a self governing island under Associated Statehood. Antigua became fully independent from the United Kingdom on November 1, 1981 but has continued its membership in the British Commonwealth of Nations.

Since 1967 Antigua had free and fair democratic elections. The current governing party has been in power since 1967 except for a 5 year period following the 1971 general elections. The structure of government is patterned after the British parliamentary system.

Infrastructure and Communications

The infrastructure of the island is well developed. Six major airlines serve the country with regularly scheduled flights to Europe, North America and the Caribbean. Antigua is 3-1/2 hours from New York, 2-1/2 hours from Miami, 4-1/2 hours from Toronto and 8 hours from London.

Some of the world's largest cruise ships dock at the Deep Water Harbour or at the Heritage Quay Pier in St. John's, allowing their passengers to enjoy the attractions of Antigua. Apart from cruise ships, eleven shipping lines also call at Antigua, providing shipping services to North America, Europe, the Caribbean and Central America.

The internal telephone system is as good as any in North America. It is accessible by direct dialing. Express courier service is readily available to and from Antigua.

Economy and Monetary System

Antigua has the highest per capita income of the Eastern Caribbean. The lack of a personal income tax results in a higher-level of disposable income than in most Caribbean territories.

The Antiguan economy is based on tourism, light manufacturing and the offshore industry. The island has an industrial estate, which provides fully serviced factory space. Attractive fiscal incentives are offered to investors in the manufacturing area.

Government revenues are derived for the most part by various indirect taxes which include duties on imported goods, tourist related taxes and licensing fees.

Currency is the East Caribbean dollar which is pegged to the U.S. dollar at EC \$2.70 = US \$1.00. Both currencies circulate freely on the island.

Professional Services

Individuals and businessmen can choose from a roster of experienced and capable attorneys and accountants established in Antigua. A comprehensive listing of attorneys is available upon request. The major accounting firms within Antigua are: Coopers & Lybrand, Pannell Kerr Forster, Peat Marwick and Price Waterhouse.

In addition to American International Bank, other banks with offices in Antigua are Antigua Barbuda Investment Bank, Antigua Overseas Bank, Royal Bank of Canada, Barclays Bank International, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Swiss American National Bank of Antigua, Swiss American Bank, Antigua Commercial Bank, Bank of Antigua, Stanford International Bank, Brysons Bank International, Caribbean Banking Corporation and Worldwide International Bank.

AN INTRODUCTION TO DOMINICA

General Information

Location

The most northerly and largest of the Windward Islands, situated between Guadeloupe to the North and Martinique to the South.

Historic Development

Dominica or Sunday Island, is so named from its discovery by Columbus on Sunday, November 3, 1493. The Island changed hands several times between the French and the British before Dominica became a British possession in 1805. It was a member of the Leeward Islands Federation until 1939 and then joined the Windward Islands in 1940 until that Federation arrangement was ended in 1959.

Dominica became a West Indies Associated State in March, 1967. On November 3, 1978, Dominica became an independent republic within the Commonwealth.

Capital:	Roseau
Area:	289.5 square miles (750 square kilometers)
Population:	71,794 (1991 est.)
Major Language:	English but a French patois is also spoken

The Economy

Currency

East Caribbean Dollars (EC\$)
US \$1.00 = 2.60 EC (fixed rate)

The economy of Dominica experienced another year of slow growth in 1994. Real Gross Domestic Product (GDP) grew by 2.6% compared with 2% in 1993. The growth performance of the economy in 1994 was affected mainly by adverse price developments in the major banana industry. The steady growth experienced in the construction and manufacturing sectors since 1990 did not continue.

Transportation and Communication

Roads

There are 450 miles (750 km) of roads of which over 300 miles (500 km) are paved.

Air Transportation

There is an airport at Melville Hall 29 miles (46 km) from Roseau. A smaller airstrip is located at Canefield 2 miles from Roseau.

Regular scheduled air services are provided by the regional airline LIAT, Air Guadeloupe, and Cardinal Airlines with links to all Eastern Caribbean islands including international airports at Puerto Rico, Antigua, Barbados, Martinique, Guadeloupe and St. Maarten.

Shipping

The country's two main ports are located at Roseau and Portsmouth. The port in Roseau can accommodate large vessels and offers modern container facilities.

Several major shipping companies provide regular service between Dominica and major international ports in North America, Europe and the Caribbean.

Telecommunications

Overseas telephone, telex, cable and facsimile services on the island are provided by Telecommunications of Dominica Ltd. Dominica is directly accessible and direct dialing from the island to all parts of the world is possible.

Banking Services

The following banks have offices in Dominica:

Agricultural, Industrial and Development Bank
Bank of Nova Scotia
Banque Francaise Commerciale
Barclays Bank PLC
National Commercial Bank of Dominica
Royal Bank of Canada
Overseas Development Bank and Trust
American International Bank and Trust

International Financial Services

In an environment of political and economic stability, with a modern telecommunication network, flexibility of legislation and confidentiality, Dominica offers international investors the following financial services:

Offshore Bank and Trust
Corporate Domicile
Ship Registration and other Shipping Activities
Economic Citizenship
Mutual Funds or Unit Trust
Captive Insurance
Protection of Intellectual Property Rights

**THE BANKING GROUP
AMERICAN INTERNATIONAL BANK LTD.**

The Bank was incorporated under the International Business Corporations Act of 1982. This offshore and private banking institution is managed by a team of experienced international bankers and was formed to supply international services for the groups private banking customers. The bank provides a full range of banking services with accounts to suit the needs of all its customers.

Current and savings accounts can be maintained in U.S. dollars, Deutsche Marks, Swiss Francs and Sterling, for both personal and business purposes. Customers managing larger amounts of U.S. dollar or other foreign currency balances can obtain competitive rates for Certificates of Deposit.

Foreign currency transactions via cable transfer or foreign drafts are managed through an worldwide network of correspondent banks.

ANTIGUA MANAGEMENT & TRUST LTD.

This Trust Company was established in 1984 to provide full corporate and trust services to both private and corporate investors using Offshore Legislation in Antigua.

AMT MANAGEMENT LTD.

This BVI Corporation was established to provide the group with management services for offshore companies in Antigua, St. Kitts and Dominica

AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

This Corporation was established to provide the group with back office bank and financial management services.

SHIP REGISTRY SERVICES LTD.

This BVI Corporation was established to provide the group with ship and pleasure craft registration services in conjunction with the Department of Marine Services and Merchant Shipping in Antigua.

**AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
BANK FORMATION AND LICENSING
IN ANTIGUA**

The minimum capital required for a Banking License is US \$5,000,000. These funds need to be paid into a bank in Antigua prior to the issuance of an International Banking License.

Biographical information for each proposed director, officer and subscriber of 5% or more of the International Business Corporation stock must be submitted. This information must show that the directors and officers have banking experience and have the ability to operate the bank. Following is the bank application form.

The original application plus attachments must be submitted to the local authorities. The required fees for the first year totalling US \$26,500 must be remitted before the application can be processed. Financial statements of the organizer, be it a person or a corporation, must also be provided before final approval will be given. The licensing and incorporation procedure can normally be completed within 3 - 4 weeks.

The first year incorporation fee of US \$26,500 includes the government license fee of US \$15,000. Each subsequent year's annual maintenance fee for the bank is US \$22,500, also inclusive of government fees.

No nationality restrictions exist for directors or shareholders except that one director must be a resident and citizen of Antigua or a trust company licensed to carry on international trust business. William W. Cooper and John E. Greaves of the American International Bank Group (see attached resumes) can act as local director at an annual fee of US \$5,000. The attached indemnity must be signed by the shareholder(s) of the bank.

**AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
BANK FORMATION AND LICENSING
IN THE COMMONWEALTH OF DOMINICA**

The minimum capital required for a Banking License is US \$1,000,000. These funds need to be paid into a bank in Antigua or Dominica prior to the issuance of an International Banking License.

The original application plus attachments must be submitted to the local authorities. The required fees for the first year totalling US \$19,500 must be remitted before the application can be processed. The licensing and incorporation procedure can normally be completed within 3 - 4 weeks. All the information listed on the application form must be submitted to the Ministry of Finance before final approval will be given. Following is the bank application form.

The first year incorporation fee of US \$19,500 includes the government license fee of US \$5,000. Each subsequent year's annual maintenance fee for the bank is US \$15,500, also inclusive of government fees.

No nationality restrictions exist for directors or shareholders. The attached indemnity must be signed by the shareholder(s) of the bank.

**AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
MANAGEMENT SERVICES**

It has become increasingly important for overseas tax authorities to see that the "mind and management" of a bank is in the country of origin. Therefore, we are now providing management services for a number of our clients. American International Management Services Ltd. can provide management services for an offshore bank.

Administrative and executive services can be provided. American International Management Services Ltd. will be responsible for statutory filings and notices, maintenance of the register, acting as liason with the auditors and governmental authorities, establishing separate phone, fax and telex facilities, receiving mail and sending it to the banks other offices, mailing outgoing correspondence and the production and signing of bank documentation.

In addition to the administrative responsibilities mentioned above, we will also provide full "back office" services. These services will include, but not be limited to: establishing an account with American International Bank to make wire transfers and the issuance of multi-currency drafts; the operation of a computerized banking and accounting system; issuance of certificates of deposit and account statements; administrative/clerical functions relating to the purchase and sale of securities and foreign exchange and the filing of all correspondence/documentation and all other ancillary functions of an administrative nature. It must be noted that the above management functions will be "back office" orientated, and American International Management Services Ltd. will not be involved in any marketing or promotional activities on behalf of the bank.

Included in the monthly cost for this service are the rental of a post office box, telephone system, fax machine and telex machine. The monthly cost of the two services is US \$5,000/month. A sample contract is attached.

BIOGRAPHICAL DATA FOR WILLIAM W. COOPER, PARADISE VIEW, ANTIGUA

Marital Status:	Married
Born:	March 10, 1940, Minnesota, USA
Languages:	English, German, French
EXPERIENCE	
Present	- AMERICAN INTERNATIONAL BANK LTD. President, General Manager & Shareholder - ANTIGUA MANAGEMENT & TRUST LTD. President, General Manager & Shareholder
1990 - 1993	- ANTIGUA OVERSEAS BANK LTD. General Manager, Director & Shareholder - ANTIGUA BARBUDA INVESTMENT BANK LTD. Manager, Director - ANTIGUA MANAGEMENT & TRUST LTD. President, Director & Shareholder - MEMBER OF OFFSHORE INSTITUTE
1985 - 1990	Self-Employed, owning and operating: - RESORT MARKETING & MANAGEMENT LTD. - ANTIGUA MANAGEMENT & TRUST LTD. - SEAVIEW HOLDINGS LTD. - ANTIGUA VILLAGE RESORT
1980 - 1985	- SWISS AMERICAN NATIONAL BANK - ANTIGUA INTERNATIONAL TRUST LTD., ANTIGUA General Manager
1977 - 1979	- PHILIP MORRIS EUROPE S.A. Lausanne, Switzerland Assistant Treasurer - Europe, Middle East, Africa
1976 - 1977	- THYSSEN-BORNEMISZA N.A., Monaco Manager, Corporate Finance
1974 - 1976	- ADDRESSOGRAPH-MULTIGRAPH CORPORATION Brussels, Belgium Assistant Corporate Treasurer
1972 - 1974	- UNITED CALIFORNIA BANK London, England Assistant Vice President
1971 - 1972	- CONTINENTAL ILLINOIS NATIONAL BANK London, England
1968 - 1971	Frankfurt, Germany, Assistant Vice President
EDUCATION	
1958 - 1963	UNIVERSITY OF CALIFORNIA, UTAH STATE UNIVERSITY B. A. Degree
1963 - 1965	NORTHWESTERN UNIVERSITY - M. A. Degree
1965 - 1966	FREE UNIVERSITY OF BERLIN Post Graduate Study
1966 - 1968	NORTHWESTERN UNIVERSITY - Doctoral Studies

JOHN E. GREAVES
B.Sc. (ECON) A.I.B. AMIEX. M.O.I.

BORN MARCH 31st. 1934

**EDUCATION/
PROFESSIONAL
QUALIFICATIONS** LONDON UNIVERSITY - *Bachelor of Commerce, Economics*
ASSOCIATE INSTITUTE OF BANKERS
ASSOCIATE INSTITUTE OF EXPORT
MEMBER OF THE OFFSHORE INSTITUTE

EMPLOYMENT HISTORY

PRESENT AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
President and Shareholder

AMERICA INTERNATIONAL BANK LTD.
Director

OVERSEAS DEVELOPMENT BANK AND TRUST LTD
Director

FINANCIAL SERVICES GROUP LTD
Director

WEST INDIES FOOD INDUSTRIES LTD
Director

INTERNATIONAL BIOMASS INDUSTRIES LTD.
Director

1988-1995 SWISS AMERICAN BANKING GROUP
General Manager

1986-1988 INTERCASH LTD. ATLANTA
President

1985-1986 CHEQUEPOINT USA. NEW YORK
General Manager

1980-1985 VENTURE FINANCE LTD. ISLE OF MAN
Director and Consultant

1976-1980 THE PAN-AMERICAN BANK LTD. NIGERIA
General Manager

1974-1976 CLOSE BROTHERS (MERCHANT BANK) LTD.
Subsidiary of Consolidated Gold Fields, Ltd. London
Director

1971-1974 TEXAS COMMERCE BANK INC. LONDON AND HOUSTON
senior vice president

1954-1971 BARCLAYS BANK INTERNATIONAL. LTD LONDON
Manager-London Head Office

CONSULTANCY Including the investigation of proposed new investment bank in Madagascar, advising several Caribbean governments on the legislation covering offshore banking, trusts and mutual funds and advising government and business community of Antigua regarding establishing capital market.

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THE AMERICAN INTERNATIONAL BANKING GROUP
PRIVATE INTERNATIONAL BANK & TRUST SERVICES

BANKING & TRUST SERVICES

WOODS CENTRE, FRIARS HILL RD., P. O. BOX 1673, ST. JOHN'S, ANTIGUA
TEL: (268) 462-6700 - FAX (268) 462 6675

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AMT MANAGEMENT LTD.

- Advantages of Incorporating an Offshore Company
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AN INTRODUCTION TO ANTIGUA & BARBUDA

Location and History

Antigua is an island of 108 square miles set in the Caribbean Sea, lying within the Eastern Caribbean archipelago. The island's population today is 65,000 with approximately 30,000 living in St. John's, the capital.

Antigua was discovered in 1493 by Christopher Columbus, who named it Santa Maria de Antigua. The island was occupied by the French for six months in 1652, but remained British thereafter until its independence on November 1, 1981.

Lying to the north of Antigua and covering 75 square miles, the island of Barbuda was a dependency of Antigua until the latter's independence. Together the two islands now form the nation of Antigua and Barbuda. Barbuda's population of 1,500 is concentrated in the Village of Codrington, its only settlement.

Government

Antigua has a long history of political stability. It was a British colony from 1653 until 1967, when it achieved the political status of a self governing island under Associated Statehood. Antigua became fully independent from the United Kingdom on November 1, 1981 but has continued its membership in the British Commonwealth of Nations.

Since 1967 Antigua had free and fair democratic elections. The current governing party has been in power since 1967 except for a 5 year period following the 1971 general elections. The structure of government is patterned after the British parliamentary system.

Infrastructure and Communications

The infrastructure of the island is well developed. Six major airlines serve the country with regularly scheduled flights to Europe, North America and the Caribbean. Antigua is 3-1/2 hours from New York, 2-1/2 hours from Miami, 4-1/2 hours from Toronto and 8 hours from London.

Some of the world's largest cruise ships dock at the Deep Water Harbour or at the Heritage Quay Pier in St. John's, allowing their passengers to enjoy the attractions of Antigua. Apart from cruise ships, eleven shipping lines also call at Antigua, providing shipping services to North America, Europe, the Caribbean and Central America.

The internal telephone system is as good as any in North America. It is accessible by direct dialing. Express courier service is readily available to and from Antigua.

Economy and Monetary System

Antigua has the highest per capita income of the Eastern Caribbean. The lack of a personal income tax results in a higher level of disposable income than in most Caribbean territories.

The Antiguan economy is based on tourism, light manufacturing and the offshore industry. The island has an industrial estate, which provides fully serviced factory space. Attractive fiscal incentives are offered to investors in the manufacturing area.

Government revenues are derived for the most part by various indirect taxes which include duties on imported goods, tourist related taxes and licensing fees.

Currency is the East Caribbean dollar which is pegged to the U.S. dollar at EC \$2.70 = US \$1.00. Both currencies circulate freely on the island.

Professional Services

Individuals and businessmen can choose from a roster of experienced and capable attorneys and accountants established in Antigua. A comprehensive listing of attorneys is available upon request. The major accounting firms within Antigua are: Coopers & Lybrand, Pannell Kerr Forster, Peat Marwick and Price Waterhouse.

In addition to American International Bank, other banks with offices in Antigua are Antigua Barbuda Investment Bank, Antigua Overseas Bank, Royal Bank of Canada, Barclays Bank International, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Swiss American National Bank of Antigua, Swiss American Bank, Antigua Commercial Bank, Bank of Antigua, Stanford International Bank, Brysons Bank International, Caribbean Banking Corporation and Worldwide International Bank.

**THE BANKING GROUP
AMERICAN INTERNATIONAL BANK LTD.**

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Current and savings accounts can be maintained in U.S. dollars, Deutsche Marks, Swiss Francs and Sterling, for both personal and business purposes. Customers managing larger amounts of U.S. dollar or other foreign currency balances can obtain competitive rates for Certificates of Deposit.

Foreign currency transactions via cable transfer or foreign drafts are managed through an worldwide network of correspondent banks.

AMERICAN INTERNATIONAL BANK AND TRUST CO.

This Commonwealth of Dominica Bank and Trust Company was established in 1996 to provide offshore banking and corporate services in the newest offshore financial jurisdiction in the Caribbean.

ANTIGUA MANAGEMENT & TRUST LTD.

This Trust Company was established in 1984 to provide full corporate and trust services to both private and corporate investors using Offshore Legislation in Antigua and Nevis.

AMT MANAGEMENT LTD.

This BVI Corporation was established to provide the group with management services for Antiguan offshore companies.

AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.

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SHIP REGISTRY SERVICES LTD.

This BVI Corporation was established to provide the group with ship and pleasure craft registration services in conjunction with the Department of Marine Services and Merchant Shipping in Antigua.

PRIVATE BANKING

Private Banking is a specialized arrangement between you, the Private Banking Customer and your banking group in Antigua and Barbuda.

Private Banking brings together all of the skills, experience and resources of Antigua's foremost financial group. You have all the Bank's services available to you through a one on one relationship with a seasoned Private Banker who is responsible and accountable to you for every detail of your financial service requirements.

In addition, the facilities and staff of the Private Banking Section are always ready to give you an extra measure of service and convenience in the handling of routine but often time consuming financial transactions.

Your Private Banker's goals are identical with your own: to help your assets grow; to make the most of new financial and investment opportunities.

Your Private Banker has a responsibility to be accessible and available to handle routine transactions for you, answer questions and resolve problems and can also meet with you at your home to review and discuss your needs.

If any member of your family needs help in opening a bank account or establishing credit, your Private Banker is ready to handle it. To transfer funds from one account to another; make a loan payment, order currency - all it takes is a phone call to handle these and many other routine banking "errands".

If you're ready to move up to Private Banking we're ready to meet with you at the time and place most convenient for you to discuss how we can best serve your needs.

You must feel secure when investing your hard-earned funds with any financial institution. Our Banking Group provides you with that security.

The Banking Group is owned by a prominent local businessman. The President of the Banking Group, Mr. William Cooper, is one of the most experienced managers in the Caribbean with over 28 years of international banking experience. In addition, one of the Directors of the Banking Group, Mr. John Greaves, has over 40 years of international banking experience.

INVESTMENT BANKING SERVICES

Investment objectives vary and your own goals may change over time. At one point you may choose to be aggressive in your investment strategy to leverage your assets for greater growth, and to seek tax sheltering opportunities. As your circumstances change, you may come to attach greater value to income, liquidity and conservation of assets.

Your Private Banker may recommend the use of an Antiguan offshore company to protect your investments. This modern and flexible corporate code allows: the issuance of bearer shares; a minimum of only one officer; director and shareholder; the ability to hold telephonic meetings of directors; name flexibility and a fifty year tax exemption from income, estate, inheritance and capital gains for the corporation and its shareholder(s).

Your Private Banker is able to recommend and execute a creative investment program designed precisely to match your unique needs and wishes.

Money market accounts, certificates of deposit, managed portfolio accounts, real estate investments, foreign exchange investments are but a few of the investment services your Private Banker can offer you.

Successful investment management most often involves a "mix" of different investment media. Your Private Banker has all of the appropriate investment alternatives readily available and is influenced only by your best interests in recommending specific actions.

Some specific investment opportunities are:

- Savings Accounts
- Certificates of Deposit
- Money Market Accounts
- Bonds & Debentures
- Call Deposits
- Stocks & Shares
- Visa Card

BANKING CONFIDENTIALITY

The Banking Acts of Antigua provide criminal penalties or a prison term for any disclosure of the business affairs of a client of a bank or a transaction with or involving a bank or trust company.

The Acts do not prohibit disclosure of confidential information upon court order in connection with an authorized investigation or with the giving of evidence on an alleged criminal offense.

All officers and staff of The Banking Group are required to sign a confidentiality statement and are subject to immediate employment termination for disclosing client business matters. We can assure you that all matters concerning your account and transactions are dealt with on a confidential basis.

ADVANTAGES OF INCORPORATING AN OFFSHORE COMPANY IN ANTIGUA

- The International Business Corporations Act of 1982 is a very modern and flexible law.
- An Antiguan Offshore Company is not subject to any tax for a period of 50 years.
- Antigua has only an Exchange of Information Treaty with the U.S.A. and this is only for criminal matters.
- There are no requirements to have a paid-in capital, nor time limit in which the authorized capital must be fully paid, except for banks and insurance companies.
- There are no requirements to file any corporate reports with the Government regarding any offshore activities.
- There are no citizenship or residence requirements for directors, officers, stockholders or incorporators.
- Officers and Directors need not be Shareholders.
- Meetings of Directors and shareholders may be held in Antigua & Barbuda or in any other country.
- The books of the corporation may be kept in any part of the world.
- The corporation may increase or reduce its authorized capital by means of an amendment to its Articles of Incorporation.
- Share Certificates can be issued in registered or bearer form.
- There are no currency restrictions for any type of Antiguan Offshore Corporation.
- Antigua's extensive professional and banking facilities make it a perfect location for negotiation and execution of offshore transactions.

ORGANIZING AN ANTIGUAN OFFSHORE COMPANY

NAME:

The name of the corporation may be in any language, but must include at the end a word or an abbreviation which indicates that it is a corporation, such as "Ltd", "Limited", "Corporation", "S.A.", "Inc.", "Incorporated". The use of the words "Trust", "Bank", "Insurance", "Fiduciary", "Reinsurance" or any of their derivatives is restricted by law, unless duly licensed as such.

CAPITAL:

There is complete choice concerning the amount of Authorized Capital and the number and par value (or no par value) of the shares into which it is divided. Also, the number of shares in each class, their voting or non-voting rights, or other features (ie, convertible) is flexible.

DIRECTORS:

Only one Director is required. Directors need not be shareholders.

OFFICERS:

The full names and addresses of the Officers of the corporation may be the same persons that are appointed as Directors. Please specify their positions, to wit: President, Vice President (if any), Treasurer and Secretary. One person can hold more than one office and Officers need not be shareholders.

EXPENSES:

Cost of Incorporation	US \$1,225
Annual Maintenance Fee (includes Government Fee and Resident Agent Fee)	US \$ 725

The following page can be copied, completed and sent to AMT via airmail or fax when an offshore corporation is required.

We look forward to hearing from you.

ANTIGUA MANAGEMENT & TRUST LTD.

INSTRUCTIONS TO FORM AN IBC

REQUESTED BY:

DOCUMENTS TO BE SENT TO:

VIA COURIER..... AIR MAIL.....

1. PROPOSED COMPANY NAMES (MINIMUM OF 3):

a)

b)

c)

2. NAME(S) OF DIRECTOR(S):

3. SHARE ISSUANCE

(10,000 @ \$1.00 unless otherwise requested)

a) Number of shares authorized

b) Number of shares to be issued

4. SHARE REGISTRATION

a) Bearer Shares....

Power(s) of Attorney:

b) Registered Shares

Name(s) of Shareholder(s) & Number of Shares

COMMENTS:

BANKING FEES, INTEREST RATES & COMMISSIONS

LOANS & ADVANCES

Interest Rate	
US \$ Overdrafts	12% p.a.
US \$ Loans	12% p.a.
Loan Financing Fee	1% p.a.

CURRENT ACCOUNTS

Unauthorized O/D	12% p.a.
Returned Check Commission	US \$20
Stop Payment Instructions	US \$10

MONEY MARKET ACCOUNTS

US \$ Money Market Accounts	2% p.a.
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CERTIFICATES OF DEPOSIT

US \$ Certificates	
1 Month	5.5% p.a.
3 Months	6.0% p.a.
6 Months	6.5% p.a.
1 Year	7.0% p.a.

FOREIGN TRADE

Purchase of US \$ and other currency drafts or checks	1/4% Commission
Wire Transfers	1/4% Commission

TRUST & MANAGEMENT COMPANY FEES

FORMATION COSTS AND FIRST YEAR MAINTENANCE:

Offshore Companies	\$ 1,225.00
Shipping Companies	\$ 1,500.00
Offshore Banks	\$16,500.00

ANNUAL MAINTENANCE (SUBSEQUENT YEARS):

Offshore Companies	\$ 725.00
Offshore Shipping Companies	\$ 825.00
Offshore Banks	\$12,500.00

ANNUAL DIRECTORS FEES:

Offshore Companies	N/A
Offshore Shipping Companies	N/A
Offshore Banks	\$ 5,000.00

BANK MANAGEMENT

Standard fee of US \$5,000 per month

MISCELLANEOUS COSTS

Issuance of Certificates	\$ 100.00
Duplicate Original	\$ 50.00
Change of Name	\$ 275.00
Fundamental changes	\$ 850.00
Power of Attorney	\$ 50.00

All fees are quoted in U.S. dollars and are exclusive of telephone, fax, telex, courier expenses and out of pocket expenses.

All fees are inclusive of government fees.



MEMORANDUM

Date : June 13, 1997
To : File
From : Alvaro Tercero, Vice President
Subject : American International Bank Ltd., Antigua

I visited American International Bank Ltd. on Tuesday June 10, 1997. I met John E. Greaves, Director, and Danley Philip, Accounts Manager. Subject, along with all entities of the group, occupies the second floor on a two story building on an office complex. The group employs about 35 people.

The following is a listing of the entities comprising the group:

American International Bank & Trust Co., incorporated in Dominica in 1996 as an offshore bank.

Antigua Management and Trust Ltd., established in 1984, provides trust services. By regulation, each offshore bank must have a local director which can be an Antiguan citizen or a trust company licensed to carry on international trust business. AM&T provides this service at an annual fee of \$5,000. In addition, these services are provided to non-bank companies at a lower fee.

AMT Management Ltd., incorporated in the British Virgin Islands, provides the group with management services for Antiguan offshore companies. Services include statutory filings and notices, maintenance of the register, acting as liaison with auditors and governmental authorities, establishing separate phone, fax and telex facilities, receiving mail and sending it to the banks other offices, mailing outgoing correspondence and the production and signing of bank documentation.

Furthermore, AMT provides back up office services which include, establishing an account with American International Bank to make wire transfers and the issuance of multi-currency drafts, the operation of computerized accounting system, issuance of certificates of deposit and account statements, administrative/clerical functions relating to the purchase and sale of securities and foreign exchange. This service includes rental of a

postal office box, telephone system, fax machine and telex machine. The monthly fee is \$5,000.

Ship Registry Services Ltd., incorporated in the British Virgin Islands to provide the group with ship and pleasure craft registration.

American International Bank Ltd., incorporated in Antigua as an offshore bank four years ago, is the financial vehicle of the group.

The back up services provided by the group offer a high risk as we do not know neither the entities nor the people behind those banks receiving the service.

Mr. Brian Stuart, Managing Director of Swiss American Bank, provided me information about Mr. John Greaves' character which makes me feel uncomfortable. Mr. Greaves was Managing Director of Swiss American Bank up to about two years ago when he was asked to leave. He left a chaos in the bank involving bad credits, non-desirable customers, etc. Besides, Mr. Stuart said that Greaves is a person who would do business with any one regardless of the moral of that person.

I recommend that we do cut our banking relationship with American International Bank for the following reasons:

- Antigua has no regulations nor the capacity to enforce them for offshore banks.
- American International Bank offers management services to offshore bank incorporated in Antigua. We do not know who are behind those banks. Therefore, the risk of any of those banks being involved in unlawful activities (as per US regulations) results extremely high.
- Mr. John Greaves has not the best prestige among bankers in Antigua.



Cc: Alfredo Arellano, President and CEO
Jaime Medina, Senior Vice President and Manager Correspondent Banking
Ricardo Horvilleur, General Manager Credomatic of Florida

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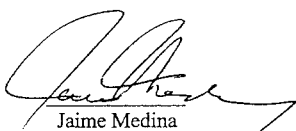
TELEFAX


TO: American International Bank Ltd., Antigua	FROM: Alvaro Tercero
ATTN.: Mr. John E. Greaves, President	Vice President
FAX: (268) 462-6675	PHONE: (305) 789-8022
PHONE: (268) 462-6701	FAX: (305) 371-4960
DATE: June 16, 1997	No of Pages including
Subject: Your Operating Account	this one: 1

Please be advised that we will be unable to continue servicing your operating account effective Monday June 23rd 1997. Please do not send any more items for deposit after Today June 16th 1997.

We thank you for your business but we must be guided by U.S. banking regulations which require a disclosure of comprehensive information about our clients and parties involved in our transactions.

Regards


Jaime Medina
Senior Vice President


Alvaro Tercero
Vice President

FILE IN
 Correspondence
 Section I
 Section II
 Section III
 Section IV
 Section V
 Section VI

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AMERICAN INTERNATIONAL BANK LTD.

TO: POPULAR BANK OF FLORIDA **FAX:** 305 371 4960
Mr. Alvaro Tercero
Vice President

FROM: American International Bank
Danley Philip
Assistant manager/Accountant 268-462-6675

DATE: June 17, 1997

SUBJECT: ACCOUNT CLOSURE

NO OF PAGES TO INCLUDE (1)

COMMENTS:

Its unfortunate that our business relation had to come to such premature and abrupt ending. We certainly would have preferred to have been given the opportunity to address these concerns that you might have had. We were not aware that there have been other information required by you, information that could have been provided had we known.

However, our real need at this moment is for you to retain the account open until the end of July. We have made a number of operational changes since doing business with you and its going to take awhile to make the necessary adjustments. In addition, we need time to develop other correspondent relationship, as well as contacting our many clients.

Certainly, the time you indicated will cause us serious operational set back. Therefore, we will be grateful if you would reconsider.

Sincerely,

Danley Philip

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TELEFAX

TO: American International Bank Ltd., Antigua	FROM: Alvaro Tercero
ATTN.: Mr. Danley Philip, Assistant Manager	Vice President
FAX: (268) 462-6675	PHONE: (305) 789-8022
PHONE: (268) 462-6701	FAX: (305) 371-4960
DATE: June 18, 1997	No of Pages including
Subject: Your Operating Account	this one: 1

We regret to advise that we cannot agree to extend the deadline for closing your account. Please provide us with instructions as to where you want the funds transferred on June 23rd, 1997.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alvaro Tercero", enclosed within an oval-shaped stamp or seal.

Alvaro Tercero
Vice President

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AMERICAN INTERNATIONAL BANK LTD.

TELEFAX

TO: Popular Bank of Florida
ATTN.: Alvaro Tercero
Vice President
FAX: (305) 371 -4960
FROM: Danley Phillip, Assistant Manager
American International Bank

We respect your decision of not wanting to do business with us anymore; certainly, we cannot argue with that. What we take exception to, is the callous way that we have been treated. A correspondent bank relation of this nature is not just a mutual arrangement between two entities, but it is a business commitment to thousands of other customers who have been given that right by the International Banking Convention. We entered into this mutual business relation with you by meeting certain requirements, and because we were given the assurance that you have the capacity to allow us to improve our service to our clients. At the moment, our clients are still sending funds through you, there are checks to be drawn on you and there are deposits in-transit. As I have mentioned before, we need some more time so that we can make the necessary adjustments. Your cut off time is not considerate, and will adversely affect our operation for the most part. Again, we will appreciate very much if you could revisit your decision and grant us an extension, at least by month end.

Regards,

Danley Phillip

Woods Centre, Friars Hill Road, Box 1673, St. John's, Antigua, W. I.

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TELEFAX

TO: American International Bank Ltd., Antigua
ATTN: Mr. John E. Greaves, President
FAX: (268) 462-6675
PHONE: (268) 462-6701
DATE: June 20, 1997
Subject: Your Settlement Account

FROM: Alvaro Tercero
Vice President
PHONE: (305) 789-8022
FAX: (305) 371-4960
No of Pages including
this one: 1

Please be advised that we will be unable to continue servicing your settlement account effective Thursday June 26th, 1997. Please provide us with instructions as to where do we transfer the balance outstanding at closing of that date.

Regards



Alvaro Tercero
Vice President

Member

CORAL GABLES
Two Alhambra Plaza · Coral Gables, FL 33134
TEL: (305) 520-9400 · FAX: (305) 446-0010

BRICKELL
848 Brickell Avenue · Miami, FL 33131
TEL: (305) 789-7000 · FAX: (305) 374-1992



11/07 '97 FRI 15:37 FAX 1 288 1 788 462 9215 9215 A.I.M.S

@001



AMERICAN INTERNATIONAL BANK LTD.

- FILE IN
- Correspondence
- Section I
- Section II
- Section III
- Section IV
- Section V
- Section VI

10th July, 1997

Mr. Alvaro Tercero
Vice President
Popular Bank of Florida
Fax No. 305 371 4960

Dear Mr. Tercero:

I refer to your fax addressed to Mr. Danley Philip and found the contents totally unacceptable and outrageous in its content.

After your bank sought our business then arbitrarily and with virtually no time period closed the account causing what may well be irrevocable damage with our clients and having done everything possible to act in a manner which to a banker of 40 years experience is unacceptable and totally unprofessional for you now to say you are not prepared to release the Certificate of Deposit which was only placed with you as security for our visa account which you have also arbitrarily closed thus threatening our relationship with Credomatic I find it quite outrageous.

We wish to have absolutely no relationship with you in any form and if you do not release the CD immediately we intend to institute legal proceedings against your organization not only for recovery of the deposit but also for damage caused by your irresponsible and unprofessional action.

I expect to receive your reply within twenty four hours after which legal proceedings will be instituted.

Sincerely,

John E. Greaves
President

cc: Ms. Jaime J. Medina - Sr. V.P.

7/10/97
I talked to Mr. Arakham.
He asked me to analyze it and
then discuss my decision with him
AT

POPULAR BANK OF FLORIDA ASSOCIATES - POPULAR BANK OF
1 298 462 9215
A.I.M.S.



AMERICAN INTERNATIONAL BANK LTD.

FILE IN
 Memorandum
 Section I
 Section II
 Section III
 Section IV
 Section V
 Section VI

Mr. Chellam
Mr. Medina
Mr. Torres

RECEIVED
MAR 9 10 51 AM '98

December 31, 1997

Popular Bank of Florida
848 Brickell Avenue
Miami, Florida 33131

Dear Sir:

We are hereby writing to inform you that the assets and liabilities of the bank have been sold to a banking group out of Dominica known as Overseas Development Bank & Trust Co. Ltd.

We understand that the Board of Overseas Development Bank & Trust Company Ltd. are intending to apply to you for continuance of the same banking facilities which we currently enjoy and are hereby confirming that the account currently in our name may be transferred into the name of Overseas Development Bank & Trust Company and will therefore be controlled by them in accordance with the arrangements they will make with you directly.

Yours sincerely,

W.W. Cooper
Chairman

Patricia Diedrick
Director

1/10/97
No way to re-establish
a relationship.
AT

01-12-98 12:45 1 268 462 9215
12-01 '98 MON 12:41 FAX 1 268; 12 9215 A.P.M.S

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odfbank@cwdom.dm

FILE N

- Correspondence
- Section I
- Section II
- Section III
- Section IV
- Section V
- Section VI

December 31, 1997

Popular Bank of Florida
848 Brickell Avenue
Miami, Florida 33131


Dear Sirs:


We understand that you have received a letter from American International Bank advising you that with effect from December 30, 1997, all the assets and liabilities of that bank have been purchased by Overseas Development Bank & Trust Company Ltd. of Dominica.

Supporting documentation confirming the sale has been forwarded to you and we confirm that we wish to continue a banking relationship with you under the same terms and conditions previously enjoyed by American International Bank Ltd.

We hereby hold you harmless against any claim made against this account in the name of American International Bank Ltd. and confirm we accept full liability for any claims made against the account in the name of American International Bank Ltd. for check clearance in the course of collection and any wire transfers or pending instructions that you have received in favour of or by order of American International Bank.

Yours sincerely,


John Greaves
Director


Arthur Reynolds
Director

No possible !!
AT

1297

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56i

Exhibit 56i.

Overseas Development Bank and Trust documents



GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

**LICENCE TO CONDUCT OFF-SHORE BANKING
OR TRUST BUSINESS**

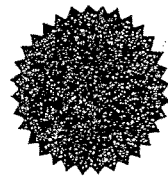
Pursuant to Section 5 of the *Offshore Banking Act, No 8 of 1996*,
the undersigned hereby grants a licence to

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED

an Off-shore Bank/Trust Company,
subject to all the terms and conditions of the said Act.

Issued at ROSEAU, COMMONWEALTH OF DOMINICA

this NINETEENTH day of JUNE, 19 96




Minister for Finance, Industry & Planning

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

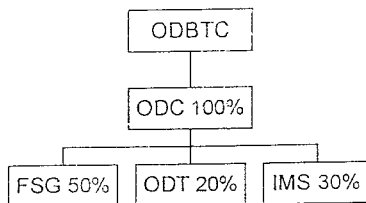
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odfbank@cwdom.dm

16th December, 1997

Mr. Marcel Commodore
Chambers
Antigua

Dear Mr. Commodore:

I understand that you have been requested to supply a full name of all shareholders in various companies that own the Overseas Development Bank & Trust Company Ltd. the structure is as follows:



Overseas Development Bank and Trust Company Ltd. (ODBTC)
Overseas Development Corporation (ODC)
The Financial Services Group Ltd. (FSG)
Overseas Development Trust Company (ODTC)
International Management Services Inc. (IMS)

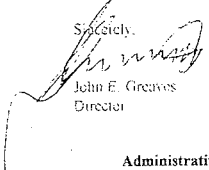
The Financial Services Group is owned equally between John Greaves, Arthur Reynolds and Derek Pinard

Overseas Development Trust Corporation in Nevis is owned by the Honorable Ivan Buchanan

International Management Services Inc. is owned by John Greaves

I trust that this will be sufficient for the Supervisor's needs.

Sincerely,


John E. Greaves
Director

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box 2480, St. John's, Antigua, W.I.
Tel: - 1(268) 462.6701/9232 * Fax: - 1(268) 462.9215/460-7544 * e-mail - fsginc@candw.ag

1300



GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION

TO: Supervisor of International Banks and Trust Corporations — Ministry of Finance

FOR AUTHORITY OF ORGANIZE AND OPERATE UNDER AN

International Banking Licence [] International Trust Licence []

PURSUANT TO SECTION 230 OF THE INTERNATIONAL BUSINESS CORPORATIONS ACT 19
No. 28 OF 1982.

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LIMITED

(Name of Proposed Licensee)

Woods Centre, Friars Hill Road, St. John's, Antigua

(Address of Proposed Licensee)

Date Submitted: _____

PLEASE SUBMIT THIS APPLICATION AND ALL SUPPORTING DOCUMENTATION IN DUPLI
ORIGINALS.

FOR OFFICIAL USE ONLY —

Received: _____

Tentative Licence Granted: 02 JAN 1998

Ordinary Licence Granted: _____

Denial: _____



GOVERNMENT OF ANTIGUA AND BARBUDA

**APPLICATION FOR INTERNATIONAL
BUSINESS CORPORATION CHARTER**

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS
MINISTRY OF FINANCE

1. Proposed Name: OVERSEAS DEVELOPMENT BANK LIMITED
2. Registered Office and Name and Address of Resident Agent:

26 Cross Street, St. John's, Antigua. MARCEL L.E. COMMODORE
P.O. Box 698
3. Authorized Number of Shares by Class:
3,000,000 Ordinary shares, 2,000,000 Preference shares.
4. Transferability Restrictions -- mark if applicable
5. Number of Directors -- Maximum 10 Minimum 2
6. Restrictions to Corporate Purpose Clause:

The corporation is restricted to International Banking.
7. Securities Regulations Documents -- attached if applicable.
8. Licence Applications - Banking , Trust , Insurance
9. Unanimous Shareholder Agreement -- attached if applicable.
10. Incorporators: Marcel Commadore - Solicitor, John Greaves.
11. The Company will be operating from: Woods Centre, Friar's Hill Road,
St. John's, Antigua.

PLEASE SUBMIT THE FOLLOWING COPIES OF DOCUMENTS, IF APPLICABLE
Applications for International Business Corporation Charter (1)
Articles of Incorporation (3) (One certified copy returned)
Licence Applications (2)
Unanimous Shareholders Agreement (2)

1. Proposed name of IBC: Overseas Development Bank & Trust Company Ltd.

2. Proposed Address of IBC: Woods Centre, Friars Hill Road, St. John's, Antigua

3. Proposed capitalization of IBC:

Capital:	US \$40,000,000	No. of Preferred Shares:	300,000
Surplus:	--	Par Value:	US \$100
		No. of Common Shares:	10,000
		Par Value:	US \$1,000

4. Proposed directors of IBC (All organizers must be proposed directors of IBC):

(Name — Occupation)	(Address: City & State)
<u>John E. Greaves - Banker</u>	<u>Pillar Rock, St. John's, Antigua</u>
<u>Arthur K. Reynolds - Banker</u>	<u>Pillar Rock, St. John's, Antigua</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

5. Name, address and telephone number of person authorized by Applicants to receive correspondence for them:
John E. Greaves, Pillar Rock, St. John's, Antigua, 463-4350

6. Attach a list of all the subscribers to the capital stock of the IBC, showing name, place of residence, and number of shares subscribed to. Any changes in proposed subscribers shall be reported promptly to the Supervisor, and in any event, within 30 days prior to opening, whichever occurs first.

Overseas Development Corporation, St. John's, Antigua - 5000 shares at US \$1,000 each

7. Are any of the proposed stockholders of five percent or more of the IBC's stock, other than directors and officers, connected with any other banking or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
NO

8. Submit biographical information for each proposed director, officer and subscriber to five percent or more of IBC's stock.
See Attached Resumes

9. List the qualifications of the proposed directors and officers to operate an international or trust corporation successfully.
See Attached Resumes

10. Are any of the proposed directors or officers of the IBC connected with any other bank or trust institution by way of employment, directorship or ownership? If so, describe such relationship. John E. Greaves, Director Overseas Development Bank & Trust Co., Ltd, Dominica. Arthur Reynolds, Director, Overseas Development Bank & Trust Co., Ltd., Dominica.

11. Have any of the proposed directors, officers or proposed stockholders of five percent or more of the IBC's stock ever been charged with or convicted of any criminal offense? If so, give details, including status of case.
NO

John R. Greaves
Arthur K. Reynolds
(Names of Organizer(s))

(hereinafter referred to as Applicant(s), hereby apply to the Supervisor of International Banks and Trust Corporations, Ministry of Finance (hereinafter referred to as the Supervisor), pursuant to Section 230, International Business Corporations Act, 1982, No. 28 of 1982, for authority to organize and operate

Overseas Development Bank & Trust Company Limited
(Name of Proposed International Business Corporation)

hereinafter referred to as "the IBC," under the following:

- [x] International Bank Corporation Licence
[] International Trust Corporation Licence

CERTIFICATE

The Applicants hereby certify that the information contained in this application is true and complete to the best of their knowledge and belief; further, the Applicants accept the responsibility of informing the Supervisor Promptly of any changes in the information presented herein.

Executed this _____ day of _____, 19 _____

(Name) (Signature)
John E. Greaves
Arthur K. Reynolds

If the IBC is to be controlled by a holding company, submit the signature and title of the holding company representative.

(Signature) Director (Title)
Overseas Development Corporation
(Holding Company)

NOTE: All organizers must sign the Certificate.

As loans are recovered and liquidity increases the Board may consider an investment in the Quest 2000 but this will depend on performance of the fund in its first twelve months.

3.6 BOARD OF DIRECTORS

The initial board of directors putting forward this proposal is Mr. John Greaves and Mr. Arthur Reynolds however we are pleased to be able to state that the Honorable Ivan Buchanan whose C.V. has been sent to the Director has this morning accepted the post of Chairman of the Board and Mr. Derek Pinard has also accepted the position of General Manager in Dominica and full Board Director.

3.7 MANAGEMENT AND ADMINISTRATION.

The Board of Directors particularly Mr. Greaves Mr. Pinard and Mr. Reynolds will exercise day to day control of the operations in both islands through a carefully selected team of senior executives. One of the first tasks will be to write an operational manual that will reflect not only the proposed operation in both countries but also the new style of banking products fostered by electronic access.

Mr. Greaves has had over 40 years experience in international banking and has spent the last ten years in senior positions in Banking in Antigua and Dominica. Mr. Pinard is one of the most respected managers of Barclays in the Caribbean and would be responsible not only for running the offshore bank from Dominica but also putting in place the new domestic bank which the group has incorporated in Dominica to give a basis of local banking for those clients which the offshore bank attract to the country.

Mr. Arthur Reynolds has been actively involved in offshore activity in the Caribbean for the last 30 years and was in fact one of the coordinators of the Tax Haven Symposium that officially launched the Turks and Caicos as an international tax haven.

Mr. Ivan Buchanan will bring immense prestige to the banking group and his contact worldwide will be of immense value to the banking group continued growth.

3.8 EXTERNAL AUDITORS

Pannell Kerr Forster who are already established as the external auditors for the bank in Antigua and Overseas Development Bank and Trust Company in Dominica and the shareholders have decided to renew this relationship with the new banking group.



GOVERNMENT OF ANTIGUA AND BARBUDA

TENTATIVE LICENCE TO CONDUCT AN INTERNATIONAL BANKING, TRUST OR INSURANCE BUSINESS

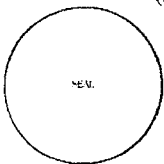
Pursuant to Section 229 of the International Business Corporations Act, Cap.222 of the Revised Laws of Antigua & Barbuda, the undersigned hereby grants a tentative licence to conduct an international banking business to

OVERSEAS DEVELOPMENT BANK LIMITED

subject to all the terms and conditions of said Act.

(For bank/trust).....
Supervisor,
International Banks and Trust
Corporations

REGISTERED



(For insurance).....
Superintendent,
International Insurance Corporations

Issued at St. John's, Antigua,
this 2nd day of January, 1998

Arthur K. Reynolds

PERSONAL BACKGROUND

Born - 1936 - Winnipeg, Manitoba, Canada
 Educated - St. John's College/Manitoba Commercial College/University of Winnipeg
 Legal Residence - Barbados/Commonwealth of Dominica
 Citizenship - Canada/Antigua

CURRENT BUSINESS ACTIVITIES

Director & Officer:-

Caribbean Communications Limited	-	Tortola, British Virgin Islands Commonwealth of Dominica, West Indies
International Management & Trust Services Inc.	-	Commonwealth of Dominica, West Indies
Overseas Development Corporation	-	Antigua & Barbuda, West Indies
Overseas Development Trust Corporation	-	Nevis, West Indies
Overseas Development Bank and Trust Co., Ltd.	-	Commonwealth of Dominica, West Indies
Overseas Development Bank (Dominica) Limited	-	Commonwealth of Dominica, West Indies
Quest Capital Management Limited	-	Commonwealth of Dominica, West Indies
Quest Fund 2000 Limited	-	Commonwealth of Dominica, West Indies
The Financial Services Group Incorporated	-	Antigua & Barbuda, West Indies Grenada, West Indies

BUSINESS BACKGROUND

1985/87 Consultant - CARIBBEAN COMMUNICATIONS LIMITED - offshore financial planning; Special Project Consultant - Ministry of Finance, British Virgin Islands.

1978/85 Investment Manager - RAYCO LIMITED & CIMPEX LIMITED - hotels; restaurants; licensed gaming ventures - Antigua; Barbados; St. Kitts & St. Vincent, West Indies

1976/78 Owner - TURKS HEAD INN & INTERNATIONAL MANAGEMENT SERVICES LIMITED - Grand Turk, Turks & Caicos Islands. - hotel, restaurant, club and licensed gaming. Coordinator - "TCI Tax Haven Symposium - 1976" - Delray Beach, Florida.

1972/76 Management Consultant - IVI INC. & WESTCAN LIMITED - Florida & Caribbean hotel time sharing and offshore financial planning. Base - Palm Beach, FL. - USA.

1964/72 Director/Owner - ACADIAN ASSOCIATED AGENCIES LIMITED - importer & distributor - wine, liquor, food products, chemicals and appliances; leasing of aircraft, 4WD vehicles, boats, office equip/furniture, scientific & field equipment. - Winnipeg, Canada.

1956/64 Marketing - CANADIAN OIL COMPANIES LTD. - Winnipeg; MEMORIAL GARDENS ASSOC. - Vancouver; ALLIED MEMORIAL SERVICES LTD. - Calgary - Canada.

Leo Malcolm West

PLACE OF BIRTH Wolverhampton, England 1943

CITIZENSHIP British

RESIDENCY England - Barbados - Antigua

CURRENT POSITIONS Antigua & Barbuda Companies
 Overseas Development Corp. Active Director/Officer
 Financial Services Group, Inc. Active Director/Officer

St. Kitts & Nevis Company
 Overseas Development Trust Active Director/Officer

BUSINESS HISTORY:

1961/67 worked in family corporate business comprised of retail outlets in several cities in the West Midlands, England, and several properties that were leased to large industrial companies.

1967/71 after the family business was divided and the retail outlets were sold, I became the co-owner and operator of a casino on Droitwich, England.

1972/77 Owner and Operator of music publishing company in Mayfair, London. Formed a record label in the first year and managed several recording stars. R.T.L., the largest Radio/television Company in the world at that time, entered a joint venture with my company and I became the head of R.T.L.'s Publishing Division. I sold my shares to a German record and publishing company when the corporate office relocated to Paris.

1978/81 Retained by Atlas Construction and Investment Company, West Midlands, as a consultant on special financial projects, programs and policies, in addition to working on committees for various projects in the private sector for financing and investments.

1981/95 Relocated to Caribbean:
 Invested in a Casino in St. Vincent and entered into additional gaming interests.
 Became a consultant on gaming to several countries and individuals.

Became actively involved in projects and programs for various governments ranging from energy to financial and banking concerns and worked in the private sector as a financial consultant.

1995 to present

Moved to Antigua to expand gaming interests by becoming a shareholder in a licensed gaming machine company.

Founded Casinos Caribbean, the holding company that operated the St. James Club Casino, I then entered a partnership with a Californian company whereby they operated the casino.

My time is now devoted to expanding a financial company with interests in areas of financial concerns and investments.

ANTIGUA AND BARBUDA

THIS AGREEMENT is made the 30th day of December, 1997, **BETWEEN AMERICAN INTERNATIONAL BANK LIMITED** (in Liquidation) a corporation duly incorporated under the International Business Corporations Act of Antigua and Barbuda and having its registered office situate at Woods Centre in the Parish of Saint John in Antigua and Barbuda (hereinafter called "AMERICAN" which expression shall where the context so requires or admits include its successors in title and assigns) of the One Part and **OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED** a corporation duly incorporated under the laws of the Commonwealth of Dominica (hereinafter called "OVERSEAS" which expression shall where the context so requires or admits include its successors in title and assigns) of the Other Part.

WHEREAS:

1. AMERICAN decided to terminate its business operations in Antigua and Barbuda aforesaid and to sell its assets (hereinafter called "the said assets") and transfer its liabilities (hereinafter called "the said liabilities") to another corporation operating and doing business in the said Antigua and Barbuda or elsewhere.
2. OVERSEAS has agreed with AMERICAN to purchase the said assets and assume responsibility and liability for the said liabilities in consideration of the mutual premises representations covenants and actions hereinafter specified and upon the terms and conditions following.

NOW THIS AGREEMENT WITNESSETH as follows:

1. (1) In consideration of the premises AMERICAN will sell, convey, transfer and assign to OVERSEAS and OVERSEAS will purchase the said assets on the books of AMERICAN as of the close of business on the 30th day of December, 1997 for the value of the same as at that time FROVIDED that in the event that the Government of Antigua and Barbuda resolve that an Off Shore Banking Licence be not granted to OVERSEAS then OVERSEAS shall be at liberty not to purchase the Real Estate portion of the said assets.

(2) AMERICAN will convey, transfer, assign and pay over to OVERSEAS and OVERSEAS will take over and assume all liabilities and obligations and interest accrued thereon listed on the books of AMERICAN as at the 30th day of December, 1997.

(3) With respect to the purchase and sale of the said assets AMERICAN is entitled to all interest accrued on any part thereof as at the Closing Date whether the said interest be paid or unpaid and thereafter the entitlement to the interest accruing on any part of the said assets shall vest in OVERSEAS.

2. **IT IS HEREBY MUTUALLY AGREED AND DECLARED** as follows:

(1) OVERSEAS will pay AMERICAN the amount, if any, by which the said assets together with all interest accrued thereon as at the close of business on the 30th day of December, 1997, exceeded the said liabilities and

all interest accrued thereon on the books of AMERICAN as of the close of business on the Closing Date.

(2) AMERICAN will absorb the amount if any by which the said liabilities and any interest accrued thereon exceed the market value of the said assets together with all interest accrued thereon on the books of AMERICAN as at the close of business on the Closing Date.

(3) That OVERSEAS has reviewed all the assets on the books of AMERICAN and the documentation evidencing and supporting the existence of such assets.

(4) OVERSEAS hereby specifically acknowledges and agrees that other than the warranty of title given in clause 3 (2) hereof AMERICAN will convey the said assets on its books without any representation or warranty expressed or implied or without any liabilities obligations claims or demands or any recourse whatsoever against AMERICAN.

(5) The Closing Date hereunder shall be 11:30 o'clock in the forenoon local time on the 31st day of December, 1997, or such other date as may from time to time be agreed in writing between the parties hereto but in any event not later than the 15th day of January, 1998. The place of closing shall be the office of Commodore & Associates at Cross Street in the City of Saint John in Antigua and Barbuda.

(6) AMERICAN shall cease operations in Antigua and Barbuda at the close of business on the Closing Date.

(7)(i) On or before the Closing Date AMERICAN shall have all necessary forms of transfer relevant to the respective assets to be acquired by OVERSEAS and the liabilities on AMERICAN books to be assumed by OVERSEAS and all other property so to be transferred ready for execution by the parties hereto and delivery to OVERSEAS.

(ii) OVERSEAS will pay all the legal fees and other expenses occasioned by the sale and purchase transactions.

(iii) With respect to the actual transfer of the assets OVERSEAS will pay all legal costs, charges and duties in connection with the drawing, preparation and registration of the documents relating thereto.

(8) Nothing in this Agreement shall be construed as an attempt to convey any asset which is in law non-assignable without the consent of any party or parties whose consent is expressly or by necessary implication required by law contract or otherwise unless such consent shall have been previously given.

3. AMERICAN HEREBY COVENANTS with OVERSEAS as follows:

(1) That AMERICAN or its agents will at the request and costs of OVERSEAS its successors and assigns do all such things as may be reasonably necessary to further and more perfectly assure to OVERSEAS its rights interests and claims under or in respect of the said assets and or other property hereby agreed to be conveyed or transferred.

(2) That AMERICAN has good and marketable title to all the assets and other property agreed to be conveyed to OVERSEAS hereunder.

(3) To comply with all statutory rules regulations Acts of Parliament and by-laws necessary to or relevant or applicable to this transaction in so far as they impose any obligations.

(4) To assign and deliver to OVERSEAS all assignable securities of any nature whatsoever held by AMERICAN as security for any moneys owing to AMERICAN.

(5) To deliver to OVERSEAS all books, records and accounts with respect to the assets purchased by OVERSEAS and such books, records and accounts shall become the property of OVERSEAS but will be available at all times to the authorised representatives of AMERICAN during business hours to accomplish this transaction and the subsequent legitimate business purpose of AMERICAN.

(6) AMERICAN hereby indemnifies OVERSEAS against and holds OVERSEAS harmless of and from any and all demands, claims, losses, damages and liabilities (including reasonable attorney's fees) resulting at any time after the date of this Agreement by reason of any misrepresentation, breach of warranty or nonfulfilment of any covenant, obligation or agreement on the part of AMERICAN contained in the Agreement or in any document, written statement or certificate furnished by AMERICAN to OVERSEAS pursuant to this Agreement.

(7) To comply with all statutory rules, regulations, Acts of Parliament and by-laws necessary to or relevant or applicable to this transaction in so far as they impose any obligation upon OVERSEAS as purchaser.

(8) OVERSEAS hereby indemnifies AMERICAN against and holds AMERICAN harmless of and from any and all demands, claims, losses, damages and liabilities (including reasonable attorney's fees) resulting at any time after the date of this Agreement by reason of any misrepresentation, breach of warranty or nonfulfilment of any covenant, obligation or agreement on the part of OVERSEAS in this Agreement or in any document, written statement or certificate furnished by OVERSEAS to AMERICAN pursuant to this Agreement.

4. PROVIDED ALWAYS AND IT IS HEREBY FURTHER MUTUALLY AGREED AND DECLARED as follows:-

(1) That the representations and warranties made herein by the parties hereto shall be true and correct as at the closing date and the said representations and warranties and the covenants herein made and given by the parties hereto shall not merge into nor be extinguished by reason of or upon the consummation of this Agreement.

(2) Neither the execution of this Agreement nor compliance with the terms and conditions of this Agreement by AMERICAN and/or OVERSEAS will breach or conflict with any of the terms, conditions or provisions of the Articles of Association, Charter of Incorporation or by-laws of the respective parties or any statutory provisions or any regulations or of any agreement or instrument to which AMERICAN or OVERSEAS is a party or by which AMERICAN or OVERSEAS is or may be bound or constitute a default thereunder, or result in a termination or any such agreement or instrument.

(3) No person, corporation, partnership or firm retained by AMERICAN or OVERSEAS;

- i) brought about the transaction to be made hereunder or
- ii) is entitled to any commission or fee from AMERICAN or OVERSEAS upon such transaction.

(4) Neither OVERSEAS or AMERICAN is subject to any suit, action, proceedings, claims pending or threatened at law or in equity or

proceedings before any commission, agency or other administrative authority, pending or threatened affecting or pertaining to this Agreement, the result of which could prevent, delay or make unlawful the consummation of this Agreement.

(5) This Agreement and the transaction contemplated hereby may be terminated at any time prior to the Closing Date;

- i) By mutual consent of OVERSEAS and AMERICAN; or
- ii) By either AMERICAN or OVERSEAS if closing hereunder shall not have been held by 15th of January, 1998 unless such failure or consummation shall be due to the default of the party seeking to terminate.

AND IT IS HEREBY FURTHER MUTUALLY AGREED AND DECLARED as follows:-

(1) All obligations of AMERICAN to consummate the transaction contemplated by this Agreement are subject to the fulfillment, at or prior to the closing, of the following condition which may be waived, in whole or in part, by AMERICAN.

No action, proceedings, regulation or legislation shall have been instituted or enacted before any court, government agency or legislative body to enjoin, restrain, prohibit or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the consummation of the transaction contemplated hereby, which, in the reasonable judgment of AMERICAN would make it inadvisable to consummate such transaction.

(2) All obligations of OVERSEAS to consummate the transaction contemplated by this Agreement are subject to the fulfillment, at or prior to the closing, of the following condition which may be waived, in whole or in part, by OVERSEAS.

No action, proceedings, regulation or legislation shall have been instituted or enacted before any court, government agency or legislative body to enjoin, restrain, prohibit or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the consummation of the transaction contemplated hereby, which, in the reasonable judgment of OVERSEAS would make it inadvisable to consummate such transaction.

(3) All notices, request, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or sent by registered or certified mail, return receipt requested, first class postage prepaid, as follows:

- (a) If to AMERICAN to:
Antigua Management & Trust Ltd.
Woods Centre
St. John's
ANTIGUA
or to such other person or persons as AMERICAN may from time to time in writing designate.
- (b) If to OVERSEAS to:
42 Kennedy Avenue,
P.O. Box 525,
Roseau
DOMINICA

or to such other person or persons as OVERSEAS may from time to time in writing designate.

(4) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one counterpart has been signed by each party and delivered to the other party hereto.


(5) This Agreement may be amended or modified by and only by a written instrument executed by AMERICAN and OVERSEAS acting by their respective Boards of Directors or Executive committees.


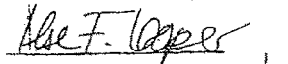
(6) This Agreement supersedes all prior agreements, oral or written between the parties hereto with respect to the subject matter hereunder. Neither this Agreement nor any provision hereof, may be changed, waived, discharged or terminated orally, but only by a statement in writing signed by the party against which the enforcement of such change, waiver, discharge or termination is sought.

(7) This Agreement shall be construed under the laws of the State of Antigua and Barbuda.

AS WITNESS WHEREOF the parties hereto have placed their hands and have caused their common seals to be hereto affixed the day and year first hereinabove written.

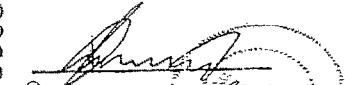

THE COMMON SEAL of AMERICAN INTERNATIONAL BANK LIMITED was hereto affixed by WILLIAM COOPER, A Director of the said company in the presence of ILSE COOPER Secretary of the said company who signed and the said Director countersigned these presents in the presence of:-


MARCEL L. E. COMMODORE, LL.B. (HONS) & WILL, L.L.C.
Attorney-at-Law



SIGNATURE ONLY VERIFIED

THE COMMON SEAL of OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED was hereto affixed by JOHN GREAVES, a Director and proper officer of the said company in the presence of ARTHUR REYNOLDS Secretary of the said company who signed and the said Director countersigned these presents in the presence of:-


NICHOLAS A. FULLER, BA, LLB (HONS)
Attorney-At-Law

AFFIDAVIT AS TO THE EXECUTION OF THE
FOREGOING AGREEMENT

I, MARCEL L.E. COMMODORE of Chambers 28 Cross Street in the City of Saint John in Antigua and Barbuda, Barrister-at-Law and a Solicitor of the Eastern Caribbean Supreme Court, make oath and say as follows:-

1. I was present on the 30th day of December, 1997, in the City of Saint John in Antigua and Barbuda and did then and there see WILLIAM COOPER and ILSE COOPER for and on behalf of the within-named AMERICAN INTERNATIONAL BANK LIMITED duly sign seal and as their own voluntary act and deed deliver the foregoing Agreement.

2. The names or signatures "WILLIAM COOPER" and "ILSE COOPER" set and subscribed opposite the attestation clauses as those of the parties executing the said Agreement are in the true and proper handwriting of WILLIAM COOPER and ILSE COOPER respectively.

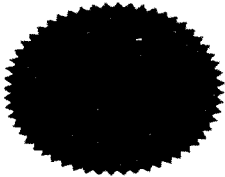
3. The name or signature "MARCEL L.E. COMMODORE" set and subscribed thereto at the end of the attestation clauses as that of the person witnessing the execution thereof is in the true and proper handwriting of me this deponent.

SWORN to at the Registrar's Office in the)
City of Saint John in Antigua and Barbuda,)
this 5th day of January 1998.)
Before me:)

[Handwritten signature]

.....)
Hugh C. Marshall)
Notary Public)

[Handwritten signature]



AFFIDAVIT AS TO THE EXECUTION OF THE
FOREGOING AGREEMENT

I, NICHOLAS A. FULLER of Chambers 25 Cross Street in the City of Saint John
in Antigua and Barbuda, Barrister-at-Law, and a Solicitor of the Eastern Caribbean
Supreme Court, make oath and say as follows:-

1. I was present on the 30th day of December, 1997, in the City of Saint
John in Antigua and Barbuda and did then and there see JOHN GREAVES and
ARTHUR REYNOLDS for and on behalf of the within-named OVERSEAS
DEVELOPMENT BANK AND TRUST COMPANY LIMITED duly sign seal and as their
own voluntary act and deed deliver the foregoing Agreement.

2. The names or signatures "JOHN GREAVES" and "ARTHUR
REYNOLDS" set and subscribed opposite the attestation clauses as those of the
parties executing the said Agreement are in the true and proper handwriting of JOHN
GREAVES and ARTHUR REYNOLDS respectively.

3. The name or signature "NICHOLAS A. FULLER" set and subscribed
thereto at the end of the attestation clauses as that of the person witnessing the
execution thereof is in the true and proper handwriting of me this deponent.

SWORN to at the Registrar's Office in the)
City of Saint John in Antigua and Barbuda.)
this 5th day of January 1998.)
Before me:-)

Hugh C. Marshall)
Notary Public)



[Handwritten signature]

[Handwritten signature]

COMMODORE & ASSOCIATES

Barristers-at-Law & Solicitors

Telephones
(268) 462-0073 / -638
Fax
462-1118

MARCEL L. E. COMMODORE, LL.B. (HONS. (U.W.I.)), LL.M.
NOTARY PUBLIC

ASSOCIATE
NICHOLAS A. FULLER, B.A., LL.B. (HONS.)

Chambers
28 Cross Street
P. O. Box 638
St. John's, Antigua
West Indies

Reference:

Our: MLEC/cg
Your:

January 8, 1998

TO WHOM IT MAY CONCERN

OPINION

RE: OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED
("the Company")

I have been asked to provide an opinion in connection with the acquisition by the Company of all the assets and liabilities of American International Bank Limited ("AIB").

I list and attach copies of the following documents ("the documents") in relation to the negotiation, drafting and execution of which I have acted and I hereby certify the same to be true and correct:

- (a) A Purchase Agreement between AIB and the Company.
- (b) A Deed of Assignment between AIB and the Company.
- (c) An Absolute Bill of Sale from AIB to the Company.
- (d) An Assumption of Liabilities from the Company to AIB.

I have also examined the Company's Articles of Incorporation and By-Laws.

I am an Attorney-at-Law practising and qualified to practise in the Eastern Caribbean on matters of the laws of the Eastern Caribbean including the Commonwealth of Dominica and Antigua and Barbuda.

I have made such other enquiries as I have considered appropriate for the purpose of giving the opinion set out below.

CERTIFICATION AND OPINION:

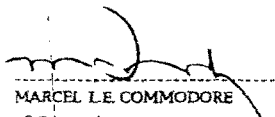
I hereby certify and opine that:

1. At the date hereof the Company is duly incorporated in the Commonwealth of Dominica, is validly existing under the laws of the Commonwealth of Dominica as a limited liability company and has power to own its assets. The Company is in good standing and is incorporated for an indefinite period. The Company is a separate legal entity and is subject to suit in its own name.
2. The main object for which the Company is established is the carrying on and provision of Offshore International Banking Services.
3. The Company has power, authority and legal capacity to enter into, observe and perform the terms and obligations on its part to be observed and performed in the documents.
4. The necessary corporate actions required by the laws of the Commonwealth of Dominica and Antigua and Barbuda and the Company's Articles of Incorporation and Bye-Laws have been taken by the Company to authorise the execution, delivery and performance of the documents.
5. The documents have been duly executed in accordance with the Articles of Incorporation of the Company and are valid and enforceable in accordance with their terms.
6. The documents are legally binding and enforceable against the Company in the Commonwealth of Dominica and Antigua and Barbuda in accordance with their terms.
7. The execution of the documents and the performance by the Company of its obligations thereunder will not:
 - (a) contravene its Articles of Incorporation or Bye-Laws; or
 - (b) contravene any provision of the laws of the Commonwealth of Dominica and Antigua and Barbuda;

8. The Company has met and adhered to the requirements of any consent, authorisation, or approval of or registration with or declaration to any governmental or public bodies or authorities or courts in the Commonwealth of Dominica and Antigua and Barbuda in connection with the execution, delivery, validity, enforceability or admissibility in evidence of the documents or the performance by the Company of its obligations thereunder.

This opinion is limited to matters of the Commonwealth of Dominica and Antigua and Barbuda law at the date of this opinion. I express no opinion with respect to the laws of any other jurisdiction. This opinion is given on condition that it is governed by and shall be construed in accordance with the laws of the Commonwealth of Dominica and Antigua and Barbuda.

AND I certify and advise accordingly.


MARCEL L.E. COMMODORE
of Counsel.

NOTICE

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED wishes to announce that it has purchased the asset and liabilities of AMERICAN INTERNATIONAL BANK LIMITED (in voluntary liquidation) as at the 31st day of December, 1997.

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED is a corporation duly incorporated under the laws of the Commonwealth of Dominica and the main object for which the corporation is established is the carrying on and provision of offshore international banking services.

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED, part of the Overseas Banking Group, is expanding their activity throughout the Caribbean and this acquisition is another stage in the Group providing Pan Caribbean Banking facilities to their clients.

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED has applied to the Government of Antigua and Barbuda for a licence to open and operate a branch of its bank here in Antigua and should this licence be granted the Bank will employ upwards of fifty (50) people here in Antigua, the majority of whom will come from the previous employees of American International Bank Limited.

Dated the 6th day of January, 1998.

Thank you very much.

The Board of Directors
Overseas Development Bank and Trust Company Limited.

**EXTRAORDINARY MEETING OF DIRECTORS
OF
AMERICAN INTERNATIONAL BANK LTD.**

Present: W.W. Cooper, Ise F. Cooper, John Greaves and Pal Diedrick

The Board was advised that an offer had been received from Overseas Development Bank & Trust Company of Dominica to purchase all of the assets and liabilities of American International Bank Ltd. This would include the subsidiary bank known as American International Bank & Trust Company of Dominica.


In view of the interest declared by Mr. John Greaves, who is a principal of Overseas Development Bank & Trust Co., he refrained from voting on this offer.

On the understanding that the property acquired was part of the continuing expansion of the Overseas Development Banking Group and that they would be bringing expertise to the International Banking Group and that there was a commitment to, at least initially, offer employment to all existing staff of American International Bank. It was decided that the offer would be accepted and that once the agreement had been signed, Mr. W.W. Cooper, Mrs. Ise Cooper and Mrs. Patricia Diedrick would resign from the Board.

RESOLVED to accept the proposal of Overseas Development Bank and Trust Ltd. and that the Board would cooperate with the principals of Overseas Development Bank & Trust Co. in presenting an application to the government of Antigua & Barbuda for a continuance of the banking license under the same arrangements.

PASSED without objection with Mr. John Greaves abstaining.

Dated: December 28, 1997

By: 

AMERICAN INTERNATIONAL BANK LTD.
Corporate Director

1321

SHAREHOLDERS RESOLUTION
OF
OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.

Present: Overseas Development Corp. represented by John Greaves and Arthur Reynolds

As part of the expansion program of the Overseas Development Banking Group, which had first been formalized in June, 1986, the shareholders considered the opportunity to purchase outright the assets and liabilities of the entity known as American International Bank Ltd. in Antigua. Since this was considered to be a major move in Overseas Development Bank & Trust Co. Ltd. achieving Pan Caribbean status, it was unanimous that this acquisition be proposed to the Shareholders of American International Bank Ltd.

Dated: 18th Dec. 1987.

By: 
OVERSEAS DEVELOPMENT BANK & TRUST CO.

1322

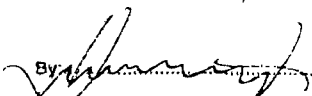
BOARD RESOLUTION
OF
OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.

Present: John Greaves and Arthur Reynolds.

On the instruction and information received from the Shareholders, the Board of Directors unanimously agreed that they should contact and make an offer for the assets and liabilities of American International Bank Ltd. and that if accepted, would immediately apply for a license to continue as an offshore bank in Antigua & Barbuda.

The Resolution was passed unanimously

Dated: 15. 12. 1997

By 

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.

1323

**BOARD RESOLUTION
OF
OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.**

Present: John Greaves and Arthur Reynolds

The offer for the purchase of the assets and liabilities of American International Bank Ltd., having been accepted and signed with effect from December 30, 1997, it was agreed that the new banking group will seek to continue a correspondent banking relationship with Wachovia Bank N.A. and that Mr. Greaves was instructed to write to the bank advising them of the change accordingly.

RESOLVED to seek a correspondent banking relationship with Wachovia Bank N.A. under the same terms and conditions as enjoyed by American International Bank Ltd.

Dated: December 31, 1997

By: 

OVERSEAS DEVELOPMENT BANK & TRUST CO. LTD.

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

43 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 445-0886 * Telefax - (767) 448-0882 * e-mail - odbank@owdom.dm

RECEIVED
Jan 12 12 02 PM '98
COMMUNICATIONS
GENERAL MANAGER

- ✓ Correspondence
- Section I
- Section II
- Section III
- Section IV
- Section V
- Section VI

December 31, 1997

Popular Bank of Florida
848 Brickell Avenue
Miami, Florida 33134

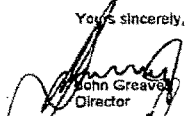
Dear Sirs:


We understand that you have received a letter from American International Bank advising you that with effect from December 30, 1997, all the assets and liabilities of that bank have been purchased by Overseas Development Bank & Trust Company Ltd. of Dominica.

Supporting documentation confirming the sale has been forwarded to you and we confirm that we wish to continue a banking relationship with you under the same terms and conditions previously enjoyed by American International Bank Ltd.

We hereby hold you harmless against any claim made against this account in the name of American International Bank Ltd. and confirm we accept full liability for any claims made against the account in the name of American International Bank Ltd. for check clearance in the course of collection and any wire transfers or pending instructions that you have received in favour of or by order of American International Bank.

Yours sincerely,


John Greaves
Director


Arthur Reynolds
Director

No possible !!
AT



AMERICAN INTERNATIONAL BANK LTD.

- Administration
- Section I
- Section II
- Section III
- Section IV
- Section V
- Section VI

Mr. Cullum
Mr. Melin
Mr. Terrew

RECEIVED
 JAN 9 10 51 AM '98
 COMMUNICATIONS
 DEPARTMENT

December 31, 1997

Popular Bank of Florida
 848 Brickell Avenue
 Miami, Florida 33131

Dear Sir:

We are hereby writing to inform you that the assets and liabilities of the bank have been sold to a banking group out of Dominica known as Overseas Development Bank & Trust Co. Ltd.

We understand that the Board of Overseas Development Bank & Trust Company Ltd. are intending to apply to you for continuance of the same banking facilities which we currently enjoy and are hereby confirming that the account currently in our name may be transferred into the name of Overseas Development Bank & Trust Company and will therefore be controlled by them in accordance with the arrangements they will make with you directly.

Yours sincerely,

W.W. Cooper
 W.W. Cooper
 Chairman

Patricia Diedrick
 Patricia Diedrick
 Director

1/10/97
No way to re-establish a relationship.
AT.

1326

To: Dorothy A. Kmetz
cc: Mark Bluman, Leonard Morreale
From: Jean-Pierre St. Victor
Date: 01/08/98 10:28:34 AM
Subject: American International Bank (AIB), Antigua

Stephen Cullen from Toronto Dominion Bank called yesterday to inform us he received a letter from John Greaves, Managing Director of AIB stating that his bank was in liquidation and a new institution "Overseas Development Bank" had purchased the assets of AIB.

Overseas Development Bank, in which John Greaves is also a director, is registered in Roseau capital of the island of Dominica and is also authorized to conduct offshore banking in Antigua.

We will keep you inform on further development.

BNYSEN08812

*Offshore
Financial
Planning
and
Asset
Management*



Message from the Chairman

The struggle for financial independence is a centuries old battle as well intentioned governments squander the accumulated wealth of the people. Although the first world countries enjoy unprecedented social benefits, the individual is hard pressed to enjoy the fruits of his labours. Government debt is still a problem. As a result the tax bite is hardly at an end. What is the beleaguered individual to do?

Individuals and companies have been active, especially over the last fifty years, in protecting their assets by banking outside their own country in older, well established centers such as the Channel Islands, the Isle of Man, Luxembourg, Liechtenstein and Switzerland. The Caribbean is a relatively late arrival on the offshore scene and has attracted attention from around the world. The Cayman Islands is now the 6th largest banking center in the world and Bermuda has surpassed Lloyd's of London as the world leader in re-insurance. The Offshore Financial sector now controls trillions of dollars worth of investor's money and is leading the way in bringing new technology to banking.

There is no magic to achieving a secure financial future. Follow a basic, simple, time tested program that has proven itself successful. Overseas Development Bank is ready for 21st century banking. We are committed to client confidentiality and preservation of wealth. We are strong advocates of tax savings, deferral minimization to ensure that a family's wealth continues.

People invest more than money with us, they invest their hopes and dreams for the future. We recognize personal differences and find opportunities by developing strategies for personal wealth, businesses and retirement. All of this, while making sure that investors are on side with their home country's laws, rules and regulations.

In the following pages you will be pleased to read a sensible workable approach to financial and retirement planning that leads to personal freedom and peace of mind.

Our philosophy
is based on solving
the key problems
facing our clients
and developing
strategies that
will benefit them

*The Offshore
Mystique*

Offshore investing is the legitimate centuries old practice of encouraging individuals and corporations to move a portion of their wealth offshore.

Offshore investing is not the exclusive domain of third world or small island countries. Nearly any first world country other than your own can be offshore for you—and your home country is offshore to anyone living in another country.

Most first world countries offer economic incentive programs to attract foreigners and their wealth, including acquisition of citizenship and tax holidays.

Objectives of an offshore domicile are:

- Tax Savings, Tax Deferral and Tax Preferred Programmes
- Foreign Exchange Control: prevention by placing funds abroad
- Avoiding Confiscation of Wealth through estate taxes, disputes over income tax regulations, etc.
- Protection of Assets in case of lawsuits, divorce, and other business and personal disputes

*Going offshore could be the best business move you will ever make—
if you know the How, Where and Why of Offshore Finance!*

Offshore tax havens are available exclusively for the very "rich" are now a surprisingly simple and attractive way for nearly anyone to legally reduce their tax obligations and increase their retirement savings.

*Protecting
Your Assets*

Protecting one's assets is a growing concern for nearly everyone in this financially unpredictable day and age when:

- in the US, 1 out of 2 marriages end in divorce
- nearly 60 million lawsuits are filed annually in the US
- over \$2.5 trillion is now invested in asset protection trust
- nearly every Fortune 500 company has offshore business
- the wealth of private banking clients, now roughly \$12 trillion, will rise to \$20 trillion in the next ten years
- 50 of the top 100 banks in the world have offices in the Cayman Islands. There are a total of 560 banks with combined assets of \$470 billion

We can help you discover how to:

- protect your assets
- earn superior returns in world equity markets
- accumulate wealth by saving and deferring tax
- plan a comfortable retirement
- reduce your cost of living
- enjoy trouble-free travel and accommodations

In this unpredictable economic climate, offshore investing allows astute people a way to protect their hard-earned personal assets while abiding with their country's rules and regulations.

B 0211

*The Overseas
Development
Banking Group*

The Overseas Development Banking Group (ODB) is a Caribbean-based Private Banking and Trust Group with a specialty in Financial Planning. The members serve clients worldwide to protect their privacy and assets, enabling them to achieve financial security and peace of mind. This is accomplished utilizing offshore companies, trusts and investment services and products.

ODB provides individuals and companies with a full range of private and confidential services including:

- Establishment and Management of Offshore Companies and Trusts
- Offshore Bank Accounts and Credit Cards
- Investment Services and Products
- Organization of Worldwide Portfolio Selections
- Second Passport and Permanent Residency Documents
- Registration and Management of Asset Protection Trusts
- Formation of Private Banks

ODB brings over 20 years of experience and expertise to the Caribbean region of financial services, offering a complete range of planning and development solutions for your client's needs.

*Protecting Your
Privacy*

As convenient and exciting as the computer age may be, it has left us all with concerns for our privacy.

- Computerized monitoring of virtually all monetary activities, including tracing of credit cards and bank transactions
- Electronic access to personal data, from employee application forms to medical records and more
- Increasing confiscatory policy by tax collectors
- Stringent interpretation of tax regulations and other financially related regulations leading to tough collection enforcement
- Burgeoning tide of lawsuits attacking the successful and the wealthy
- Personal and Corporate Bankruptcies are at an all time high, forcing businesses and individuals to protect themselves
- Access to information is so easy that it is too tempting not to "see what's in the file".

Financial secrecy, which is a basic personal right, grows more and more difficult to maintain, leaving you vulnerable to risks from many sources.

Your finances are nobody's business but your own!

*In this day and age of the
information superhighway,
most individuals and
companies the world over are
seeking ways to escape the
ongoing assault on their
financial privacy.*

*Building for
the Future*

ODB takes the time to analyze, demystify and advise in the following areas:

- Offshore Financial Planning
- Offshore Financial Strategies
- Offshore Financial Services and Products

ODB offers personalized advice and strategies based upon each individual's resources, priorities and goals:

- establishing realistic financial plans; regular reviews and updates of goals and strategies to meet ever changing situations
- finding opportunities that are in harmony with tax laws
- reviewing investment opportunities that maximize after tax returns
- recommending appropriate services and products
- offering the services of licensed qualified professionals in the fields of Offshore Expertise, Taxation, Investment Management, Law and Accounting

Protect what you have now—build for the future

*ODB's personal approach
offers analysis, information
and advice concerning how to
transact internationally
tailored to each individual's
resources, priorities and goals*

*The
Pillars of
Financial
Independence*

The pillars of financial independence which are the basis for success:

- ONSHORE/OFFSHORE COORDINATION
- INTERNATIONAL BUSINESS COMPANIES & TRUSTS
- BALANCED INVESTMENT PROGRAMS
- PERMANENT RESIDENCY / CITIZENSHIP

*ODB offers important services,
or pillars, from which we
build financial
independence
the basis for success
through offshore
investment*

B 0215

*Onshore/
Offshore
Coordination*



THROUGH ONSHORE/OFFSHORE COORDINATION
SERVICES WE:

- integrate onshore/offshore plans and strategies
- comply with your home country's laws and regulations
- assist in choosing an offshore domicile that is culturally friendly, with laws in place that are beneficial to individual situations
- establish offshore companies and trusts in accordance with the laws and regulations of your new domicile



*Onshore/Offshore
Coordination*
OJB is very experienced
your plans and
while complying
company
new domicile

*International
Business
Companies and
Trusts*

WE ORGANIZE INTERNATIONAL BUSINESS COMPANIES AND TRUSTS to protect assets and achieve privacy, allowing you to choose the corporate domicile that has

NO TAX ON:

- Income
- Inheritance or Estates
- Wealth
- Sales
- Interest or Dividends
- Capital Gains
- Withholding
- Gifts

In addition, we establish Offshore Bank Accounts and Trusts in jurisdictions that have:

- Strict Confidentiality
- Major Credit Cards
- Cheque Clearing Services
- Wire Transfers
- Bank to Bank Secure Payments
- Issue Bank Guarantees
- Access to Your Account Executive

*International Business
Companies & Trusts
protects assets and achieves
privacy with a corporate
domicile that is best suited to
ones individual interests and
needs.*

B 0217

*Balanced
Investment
Programs*

BALANCED PORTFOLIO AND INVESTMENT PROGRAMS

OFFER:

- *Safety of Capital:* International diversification through Certificates of Deposit, Money Market Accounts, Swiss Annuities and T-Bills
- *Growth of Capital:* Worldwide Selection of Mutual Funds, Real Estate, and Private Placements.
- *Liquidity:* Fast Access to Your Money through Wire Transfers, Cashiers Cheques, and Worldwide Debit/Credit Cards

These features allow you to Achieve Your Lifestyle Goals:

- Travel
- Comfortable Retirement
- Vacation Home
- Personal Security
- Financial Freedom

*Achieve your lifestyle goals:
travel, comfortable retirement,
vacation home,
personal security,
and financial freedom by
balancing your Portfolio
and Investment Programs.*

B 0218

*Permanent
Residency/
Citizenship*

IT IS SAFE AND EASY TO ACQUIRE PERMANENT RESIDENCY OR CITIZENSHIP. There is usually no need to give up your present passport.

Permanent residency/citizenship can help you:

- Travel without restriction
- Buy property overseas
- Invest in offshore mutual funds
- Obtain shares of the world's fastest growing stocks
- Save money on taxes
- Carry on business anywhere in the world
- Plan your early retirement, lower cost of living

*Permanent
residency/
citizenship
is safe,
wise,
easy and
affordable.*



Corporate Management Services, s.a.

Head Office:

42 Kennedy Avenue - Post Office Box 604
Roseau, Commonwealth of Dominica, W.I.
PH - "767" 448 7311 • FX - "767" 448 4449
Web Site - <http://www.cms-sa.com>
e-mail - cms@cms-sa.com

Representative Office:

Corporate Management Services, s.a.
Kingstown, St Vincent, W.I.

**International Management
& Trust Services, Inc.**

Head Office:

42 Kennedy Avenue - Post Office Box 524
Roseau, Commonwealth of Dominica, W.I.
PH - "767" 448 4443 • FX - "767" 448 4449
Web Site - <http://www.cms-sa.com>
e-mail - int@cms-sa.com

Representative Office

The Financial Services Group Incorporated
Pillar Rock Financial Centre
P.O. Box 2511 - St. John's Antigua, W.I.
PH-268 463 2265 • FX-268 562 2269
Web Site - <http://www.fsginc.com>
e-mail - fsginc@candw.ag

**Overseas Development
Bank & Trust Company Limited**

Head Office

42 Kennedy Avenue - Post Office Box 525
Roseau, Commonwealth of Dominica, W.I.
PH - "767" 448 0886 • FX - "767" 448 0882
Web Site - <http://www.odbgroup.com>
e-mail - odbg@odbgroup.com

Administrative Office

Overseas Management Services Limited
Woods Centre - Post Office Box 2480
St. John's, Antigua, West Indies
PH - 268 462 9232 or 268 462 9214
FX - 268 460 7544 or 268 462 9215
Web Site - <http://www.odbgroup.com>
e-mail - oms@candw.ag

Representative Office

Overseas Development Trust Corporation
Nerts, West Indies



**OVERSEAS DEVELOPMENT BANKING GROUP
DIRECTORS & OFFICERS**

- Julien P.A. Giraud** - Overseas Development Bank & Trust - Dominica
- 42 Kennedy Avenue, P.O. Box 525, Roseau
- Commonwealth of Dominica, West Indies
- PH (809) 448-4496 - FX 448-4156
- Director - Overseas Development Bank & Trust - Dominica
- John E. Greaves** - International Banking Centre
- Antigua, W.I.
- PH (268) 462-9232 - FX 462-9215
- Chairman - Overseas Development Bank & Trust - Dominica
- Overseas Development Trust Corporation - Nevis
- Overseas Development Corporation - Antigua
- Director - The Financial Services Group, Inc. - Antigua
- International Management & Trust Services Inc., Dominica
- Arthur K. Reynolds** - International Business Centre
- Pillar Rock, Antigua, W.I.
- PH (268) 462-3723 - FX 462-3330
- Managing Director - The Financial Services Group - Antigua
- International Management & Trust Services Inc., Dominica
- Director - Overseas Development Bank & Trust - Dominica
- Overseas Development Trust Corporation - Nevis
- Overseas Development Corporation - Antigua
- Leo Malcolm West** - Overseas Development Bank & Trust Company
- P.O. Box W-43 - Woods Centre
- St. John's, Antigua, W.I.
- PH (268) 462-9232 - FX 462-9215
- Direct - PH (268) 463-1000 FX 463-1001
- INT'L. Advisor - Overseas Development Bank & Trust - Dominica
- Director - Overseas Development Corporation - Antigua
- The Financial Services Group, Inc. - Antigua
- Nicole Milani** - International Management & Trust Services Inc.
- P.O. Box 524, Roseau, Commonwealth of Dominica
- PH (809) 448-4443 - FX 448-4449
- Business Development Manager
- International Management & Trust Services Inc. - Dominica
- Overseas Development Bank & Trust - Dominica
- Bernadette Thomas** - Office Manager
- Overseas Development Bank & Trust - Commonwealth of Dominica, W.I.
- P.O. Box 525, Roseau, Dominica - PH (809) 448-0886 - FX 448-0882
- Sharon A.M. Weeks** - Accounts Manager
- Overseas Development Bank & Trust
- International Banking Centre, - P.O. Box 2480, St. John's, Antigua, W.I.
- PH (268) 462-9232 - FX 462-9215



Overseas Development Bank & Trust Ltd.

P.O. Box 525, Roseau, Commonwealth of Dominica - West Indies

*Ph. (809) 448-0886 * Fx. (809) 448-0882 * e-mail: odbank@tod.dm*

GENERAL INFORMATION

1. 'Numbered Accounts' - are available and are particularly useful; not only in providing anonymity but, as further security against unauthorized access to accounts. A number is used to identify the account and such number can incorporate a code which changes with each subsequent instruction thus the 'number' is of no value to a third party. The code is only known to the bank officer and the account owner.

2. 'Tax exempt interest earnings' - interest is paid on term deposits and on current accounts over a certain minimum level. Rates vary depending upon the amount on deposit and, term of deposit and fluctuate depending upon the current money market. Both Antigua, where our administrative office is situated and the Commonwealth of Dominica, have passed legislation whereby funds held in International (Offshore) Banks, are confidential and tax exempt. If, such interest earnings are repatriated the owner may be obligated to report and/or pay tax but, the bank is not permitted to make any such report.

3. 'Confidentiality':-
 - i. Bank Secrecy Regulations do not permit the release of any information without specific written permission from the account holder.
 - ii. Annual bank audits required by Government do not reflect individual accounts.
 - iii. Account information is otherwise only available by Order from the High Court. To obtain such an Order, an authorized representative, of the Government seeking information, must present evidence, of an activity, recognized as criminal in this jurisdiction, to establish that, 'if similar evidence were presented relative to such an activity which had taken place locally, there would be sufficient cause for indictment'. Only in these circumstances could the Attorney General seek, and the High Court consider granting, an Order for disclosure.

4. 'Investment Management':-
 - i. Investment management services can be provided either in the capacity of Trustee or as a Director of an International Business Company. Trading accounts can be established in any country in the world and 'trades' initiated according to client instruction.
 - ii. Although investment recommendations may be made at the clients request, the bank does not handle discretionary investment accounts.

5. 'Bearer Share Companies':-
 - i. Formation of 'International Business 'offshore' Companies', can be arranged in a variety of Caribbean jurisdictions. Such Companies can be comprised of Registered, or Bearer Shares, or a combination of both, at the discretion of the client.
 - ii. In the case of Bearer Share Companies, where the client is concerned about anonymity, our trust company can function as the Sole Director.
 - iii. Incorporation costs, for a minimum capitalization company, including Government fees, are usually US\$1,000.00 to US\$2,000.00, and Annual Maintenance Fees are approximately half of the incorporation cost.

6. WESTERN UNION - (QUICK PAY/QUICK COLLECT) - ODB also offers Western Union as an alternative deposit/withdrawal system. Customers may deposit or withdraw funds through any Western Union office with 'Quick Pay' service. Charges are US\$15.00 for up to S\$3,000.00 and US\$25.00 for US\$3001.00 to US\$5000.00.

Please feel free to contact us further if clarification is required or, if we can be of service otherwise.

SPECIMEN SIGNATURES

(The position occupied by each signatory, i.e., Director, Secretary, etc. should be stated under each name)

Name: _____ will sign _____
(Print) (Specimen Signature)

Position: _____

Name: _____ will sign _____

Position: _____

Name: _____ will sign _____

Position: _____

Name: _____ will sign _____

Position: _____

Name: _____ will sign _____

Position: _____

Name: _____ will sign _____

Position: _____

The Secretary has pleasure in enclosing: -

1. Certificate of incorporation of the Company (for inspection and return).
2. Certificate that the Company is entitled to commence business (for inspection and return*).
3. Copy of the Memorandum and Articles of Association

TO: OVERSEAS DEVELOPMENT
BANK & TRUST CO. LTD.
International Banking Centre
P.O. Box 2480
St. John's, Antigua, West Indies FPS-3-3

FOR INTERNAL USE
Account Type

BANK USE

Customer No. _____ A/c Suffix: _____

Currency						
A/C Type						
Date Opened						
Date Closed						

Industry Code: _____ Country: _____
 Account Group: _____ Sort Name: _____
 Statement Frequency: _____ Care Code: _____
 Forms Held: _____
 Nature of Business: _____
 Instructions: _____
 Other Remarks: _____

Prepared by	Checked by	Input Verified by

POWER OF ATTORNEY

To: OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.

We request you will, until you receive written direction from me/us to the contrary, treat and consider my/our _____ M _____ a fully

empowered to draw and sign Cheques on my/our account, whether the same be in credit, or overdrawn, and to endorse or accept Cheques, Bills, and Promissory Notes and other Documents in my/our name, for all of which, this shall be a full and sufficient authority to your Managers, Clerks and Officers, and shall be binding upon me/us and all other persons claiming from or under me/us.

Dated this _____ day of _____, 19 _____ Account # _____

X _____ X _____
Witness

M _____ will sign:

X _____ Bank Use _____

CONFIDENTIAL & PRIVATE
COMPANY FORMATION INFORMATION FORM

1. PROPOSED COMPANY NAME: (Give first choice and two alternatives)

- (1) _____
- (2) _____
- (3) _____

2. TYPE OF COMPANY:
International Business Corporation

3. NAME OF DIRECTOR(S):

4. CAPITAL & TYPES OF SHARES:

Share Issuance - (1,000 @ 1.00 unless otherwise requested)

Numbers of shares authorized: _____

Number of shares issued: _____

5. SHARE REGISTRATION:

Bearer share -

Power(s) of Attorney: _____

6. REGISTERED SHARES:

Names of Shareholder(s) and Number of Shares:

7. SPECIAL REQUIREMENTS:

8. No representations, warranties, or guarantees are offered or implied that any company or company structure will be successful for any purpose whatsoever. No representations, warranties or guarantees are offered or implied regarding the tax effects, benefits or implications involving any company or company structure. All persons are encouraged to seek competent legal and tax counsel in the particular jurisdiction where they reside.

Agreed to by undersigned this _____ day of _____, 19_____

*Signature _____ Dated: _____

Corporate **Personal**
Visa Application via Overseas Development Bank & Trust Company Ltd.

We are applying for: Visa Gold

Limit Requested: USD _____

We are a banking customer of Overseas Development Bank & Trust Company Limited
 Savings: # _____ Checking: # _____

Loan or Overdraft: # _____

We are a banking customer at another institution. Please list name and address of bank and account number. (which may be used for reference purposes)

Please Tell Us About The Company.

Name of Company _____
 Street Address _____ City _____ Country _____
 Postal code _____

	<u>Gold</u>
Annual Cost of Card	\$ 40.00
Annual Cost of Additional Card	\$ 20.00
Security Deposit	150%
Interest on Security Deposit	3%

Signatures _____

This information is given to obtain credit and is true and complete. We have read and agree to the terms contained in this application. We agree to be bound by the terms and conditions of the Agreement that govern our account. A copy of the Agreement may be obtained by writing to P.O. Box 2480, St. John's, Antigua. If for any reason after receiving our cards and the Agreement we decide not to use the account, we may return the card(s) to the bank without further obligation.
This application and all information obtained in connection with it is held in strict confidence and is for Bank use only.

Applicant's Signature _____ Date _____
 (Seal)

List names, specimen signatures and date of birth for cards to be issued under corporate name:
 Name _____ Signature _____
 Date of Birth _____

We hereby authorize Overseas Development Bank to deduct the monthly charge statement from our account # _____

- Statement should be held on file.
- Mail statement to address shown

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To: Overseas Development Bank and Trust Company Limited
P.O. Box 525, Roseau, Commonwealth of Dominica, W.I.
Fax:- (809) 448-0882

Att: Accounts Manager

RE: Account Name: _____

Account Number: _____

Please accept this communication as your authority and instruction to:

Wire Transfer US\$ _____ to:-

Name & Address of Bank : _____

ABA # _____

For credit to: _____

For final credit to: Account # _____

Beneficiary _____

Deposit US\$ _____ to above account. (Enclosed cheque)

Send cheque

to: _____

(Please include address & telephone number)

Pay to the order of:- _____

Amount:- US\$ _____

(In figures and in words)

Special Instructions _____

Signed By:- _____

(Authorized Signature)

No, Do not fax transaction confirmation.

Yes, fax transaction confirmation.- Fax Number - (____) _____

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OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odbank@owdom.dm

August 1996

TO: All Staff
Dominica Office
Antigua Administration Office
Proposed Domestic Bank Office

As part of the required procedure under the Dominica Banking Act and to safeguard the group from handling any transaction that may damage the reputation of the bank or its employees the following due diligence procedures are to be enforced immediately.

This complies with the US Treasury requirements for US Banks and the recent recommendations made by the United Kingdom Clearing Banks Association.

It is the responsibility of the senior supervisors to ensure that all of their staff are trained on these procedures full understand them and apply them rigorously.

Note: This applies not only to operating the bank accounts but also in the case where the Trust is Director for an IBC or any other statutory body i.e. Trust

DUE DILIGENCE

IBC:

- 1) Full details of beneficial owner including address, work and home telephone number and relationship with employer and social security number of U.S. citizen.
- 2) Copy of passport
- 3) Bankers reference.
- 4) Details of business intended to be carried out by the offshore company
- 5) Banking requirements and if necessary obtain corporate mandate forms
- 6) Is mandate to be signed as Corporate Director or is Power of Attorney to be issued by the IBC.
- 7) File any success letters in Company file. Note: This is a letter from the client to the Trust Company setting out the details of beneficial ownership of the IBC in the event of the death of the original founder/s of the Company.
- 8) Deuce or registered shares if bearer agreed location for safe custody.

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box 2480, St. John's, Antigua, W.I.
Tel: - 1(268) 462.6791/8232 * Fax: - 1(268) 462.9215/460-7544 * e-mail - fsginc@caudv.ag

- 9) Ensure payment received for initial registration and formation.
- 10) If acting as Corporate Director ensure that there is no conflict of interest.
- 11) If the IBC is related to a corporation obtain corporate documents for reference purposes. Note: This applies whether in another offshore area or in the country of origin.
- 12) If acting as Corporate Director we are responsible for monitoring the business activities of the IBC's particularly when they act as the mandate signer to ensure that the pattern of expected business activity is not changed without good reason. For instance if financial transactions of a size out of proportion to the known business activity starts passing through the account or substantial remittances are received and then these are transferred out to a third party.

OPENING AN ACCOUNT

INDIVIDUAL OR PARTNERSHIP

- 1) Personal identification must be taken and retained on file i.e. copy of the front page of the passport with photographs, drivers license, etc.
- 2) Bankers reference - Note: We must write for the reference. It is insufficient for a customer to present a reference addressed "to Whom It May Concern".
- 3) During the initial interview ascertain the type of activity expected over the account.
- 4) Obtain home address and telephone number and verify this by making a call after the interview if there is no acceptable supporting documentation.
- 5) If any transaction is effected over the account on behalf of a third party ensure that the Bank holds the same information on the third party before payments are effected.
- 6) In the event of a partnership or joint account the same verification for all parties concerned and in addition fully understand the relationship between the various parties.
- 7) Activity on the account should be monitored to ensure that the expected pattern has not changed.
- 8) Do not accept cash deposits in excess of US\$3,000 without referring to a Director. Other suspicious activities include processing a regular succession of money orders just under the reporting limit, third party cheques and bankers cashier's cheques.

CORPORATE ACCOUNT

- 1) In addition to the above verification procedures obtain corporate documents i.e. memorandum and articles of association.
- 2) Fully understand the Company's business and their intended use of the offshore account.

3) Obtain bank references on the Company as well as the Directors who will be signing the mandate.

CUSTODIAL ACCOUNTS

The bank will on occasion be asked to hold in safe custody sealed envelopes or packages. We should never accept any package without full disclosure on the depositor and information as to its content confirmed by a known customer.

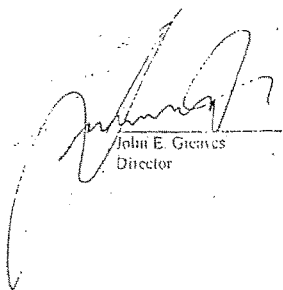
In the event of a new relationship the verification should be the same as exercised for the opening on a new account

LOAN ACCOUNTS

It may not appear that loan clients would be involved in questionable activities. However the granting of a loan against for instance cash collateral could well be a way of laundering money and any application for a loan should always give full details of the purpose of the loan and this should be verified at regular intervals.

This not only safeguards the Bank against involvement in unacceptable customer activities, it also precludes a customer from utilising loan proceeds in a manner other than specified in the loan document.

All loan applications must be submitted to Directors for approval.



John E. Greaves
Director

OVERSEAS DEVELOPMENT BANK AND TRUST LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1998

<u>C O N T E N T S</u>	<u>Page</u>
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INCOME STATEMENT	3
STATEMENT OF ACCUMULATED DEFICIT	4
STATEMENT OF CHANGES IN FINANCIAL POSITION	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 9

O. A. E. Gardner W. A. Harrigan

**PANNELL
KERR
FORSTER**

Chartered Accountants

P.O. Box 159
Redcliffe Street
St. John's, Antigua
West Indies
Tel: (268) 462-0827/0828
Cables: PANKERFOR Antigua
Fax: (268) 462-4747

Page 1

AUDITORS' REPORT TO THE MEMBERS OF
OVERSEAS DEVELOPMENT BANK AND TRUST LTD

We have examined the Balance Sheet of Overseas Development Bank and Trust Ltd. as at 31st December, 1998, and the Related Statements of Income, Accumulated Deficit and Changes in Financial Position for the year then ended. These Financial Statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards required that we plan and perform an audit to obtain reasonable assurance that the Financial Statement are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation. We have obtained all information required except for the following:-

As stated in note 4 we were unable to verify the accuracy and collectability of the amount of \$1,365,089 due from American International Bank (In Receivership) since we have not yet received a third party confirmation and there were no practical alternative audit procedures to enable us to substantiate the collectability of the amount. No provision has been made in the Financial Statements in the event of any uncollectable amounts.

In our opinion, except for the effects of the above, if any, the Financial Statements referred to above present fairly, in all material respects, the financial position of the Overseas Development Bank and Trust Ltd as at 31st December, 1998 and the results of its operations and changes in financial position for the year then ended in accordance with generally accepted accounting principles.

ANTIGUA
28th July, 1999

PANNELL KERR FORSTER



Chartered Accountants

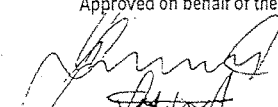
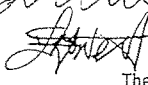
Representing the Arthur Andersen Worldwide Organisation in the Leeward Islands (Anguilla, Antigua-Barbuda,
Montserrat, St. Kitts-Nevis) and Tortola (British Virgin Island).

OVERSEAS DEVELOPMENT BANK AND TRUST LTD
BALANCE SHEET AT 31ST DECEMBER, 1998
 (Expressed in United States Dollars)

Page 2

	Notes	1998	1997
CURRENT ASSETS			
Cash and bank	3	120,872	760,917
Loans and advances		16,849,198	607,833
Receivable and prepayments	4	1,525,217	90,776
Total Current Assets		18,495,287	1,459,526
ORGANISATIONAL COST	2(d)	104,856	139,808
INVESTMENTS	5	363,840	2,556,632
UNREALISED LOSS ON INVESTMENT			249,793
FIXED ASSETS	6	1,807,601	1,006,132
		\$20,771,584	\$5,411,891
		=====	=====
REPRESENTED BY:-			
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Broker's account overdraft		66,487	226,036
Customers' deposits		19,160,514	3,715,195
Accounts payable		498,751	59,093
		19,725,752	4,000,324
		=====	=====
SHAREHOLDERS' EQUITY			
Share Capital	7	1,778,000	1,139,852
Shareholder loan		852	414,375
Accumulated deficit (page 4)		(733,020)	(142,660)
		1,045,832	1,411,567
		=====	=====
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$20,771,584	\$5,411,891
		=====	=====

Approved on behalf of the Board:

 : Director
 : Director

The attached notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

(Expressed in United States Dollars)

3. CASH AND BANK	1998	1997
	-----	-----
Petty cash	1,248	-
American International Bank (In Receivership)	38,981	78,184
St. Kitts/Nevis/Anguilla National Bank	9,780	-
National Commercial Bank - Dominica	2,351	-
Antigua Overseas Bank	67,285	472,959
Israel Discount Bank	-	199,910
Broker accounts	1,227	9,864
	-----	-----
	\$120,872	\$760,917
	=====	=====

American International Bank (In Receivership)

Our examination of the US Dollar bank reconciliation revealed that there were numerous reconciling items totalling \$2,198,181.72 for which management was unable to obtain the supporting information from American International Bank to substantiate their entries on the bank statement. Management is of the view that although the balance is in its favour, it arose as a result of errors on the part of American International Bank.

4. RECEIVABLE AND PREPAYMENTS	1998	1997
	-----	-----
American International Bank (In Receivership)	1,365,089	-
Accrued interest receivable	101,069	-
Other	48,959	65,279
	-----	-----
	1,515,117	65,279
Prepayment	10,100	25,497
	-----	-----
	\$1,525,217	\$90,776
	=====	=====

The amount receivable from American International Bank (In Receivership) represents various amounts transferred on behalf of American International Bank to clients during the period January to April 1998 when the Bank entered into an agreement to take over the assets and liabilities of American International Bank and also managed its operations.

We have not received third party confirmations of the balances and as a result we are uncertain as to the collectability of this balance. In addition, no provision has been made for possible bad and doubtful debts.

March 31, 1999

Court judgments against Overseas Development Bank & Trust

Dominica-registered Overseas Development Bank & Trust Ltd., which is run by John E. Greaves in Antigua, appears to be in financial trouble.

Three separate judgments for a total of US\$1.24 million were entered against the bank on January 29, 1999 by the High Court of Justice in Dominica.

All judgments were made after ODBT failed to provide any defence, according to documents obtained from the court.

IOA Enterprise Trust, which is registered in Belize, obtained a judgment for US\$487,040; Western Union Financial Services Inc., which is registered in New Jersey in the United States, was awarded US\$400,000; and R. P. Development Ltd., which is an IBC registered in Dominica, obtained a judgment for US\$350,726.

Despite the judgments, Greaves told Offshore Alert that he was confident the disputes would be settled amicably and that the bank would pull through its financial difficulty. An interview with Greaves appears alongside this article.

The statement of claim for IOA Enterprise Trust, which has been a client of ODBT since March 13, 1998, alleged the Trust unsuccessfully attempted to withdraw its funds on November 13, 1998.

"The defendant has refused to return the funds to the Plaintiff, despite several demands," read the complaint.

"On or about the 1st day of December, 1998, the Defendant, by a statement in writing, informed the Plaintiff that it was holding the Plaintiff's money on a fixed deposit maturing on March 1, 1999 at an interest rate of 7.5 per cent per annum.

"The Plaintiff neither applied for, nor did the Plaintiff authorize the Defendant to hold the Plaintiff's funds on a fixed deposit.

"On or about the 16th day of December, 1998, the Defendant informed the Supervisor of Financial Institutions of Dominica that the Defendant was selling securities in Europe in order to satisfy the Plaintiff's request for the return of the Plaintiff's money.

"The Plaintiff therefore has reason to believe that the Plaintiff's money has been used by the Defendant for the purchase of securities in Europe.

"The Plaintiff did not authorize the Defendant to transfer to London the Plaintiff's monies or to trade the said money in securities.

"In the premises, the Defendant has converted the Plaintiff's money to its own use and wrongfully deprived the Plaintiff of the same whereby the Plaintiff has suffered damage."

R. P. Development was unable to withdraw its funds on November 9, 1998, only two months after depositing US\$347,500, according to its statement of claim.

Like IOA Enterprise Trust, R. P. Development alleged that, when it asked to withdraw funds, it was told that part of its money was in a 7.5 per cent fixed-term deposit account maturing at March 1, 1999.

R. P. Development denies ever applying for, or giving the bank authorization to open, a fixed-term deposit account.

Both IOA Enterprise Trust and R. P. Development were represented by attorney Michael E. Bruney, of Roseau, Dominica.

In both lawsuits, Overseas Development Bank & Trust Ltd. entered an initial appearance shortly after the cases were filed but did not subsequently enter a defence.

The matter involving Western Union Finance appears to have followed an unorthodox path. The lawsuit was filed on

January 13, 1999; the Plaintiff filed a notice of discontinuance five days later; a judgment in default of appearance by the Defendant was entered in favour of the Plaintiff on January 29 and the Defendant belatedly entered an appearance on February 4.

Despite the late appearance by the Defendant, there is nothing to indicate the judgment does not stand.

In all three lawsuits, Overseas Development Bank & Trust was represented by the law firm of Prevost and Williams, of Hillsborough Street, Roseau, Dominica.

The financial problems of ODBT came 12 months after its aborted attempt to buy another bank run by Greaves, Antigua-registered American International Bank.

This purchase, which took place on January 2, 1998, was reversed a few months later on the grounds that AIB was insolvent and AIB was put into receivership at the behest of Antigua's regulators.

As you will see from his interview with this newsletter, Greaves is blaming ODBT's current liquidity problems largely on its unsuccessful buy-out of AIB.

AIB was owned by American businessman William W. Cooper, who is also rumoured to be secretly behind ODBT, although this has been denied by Greaves and others who have been involved with ODBT.

John Greaves answers questions about Overseas Development Bank & Trust

March 31, 1999

John Greaves answers questions about Overseas Development Bank & Trust

Offshore Alert carried out the following Question and Answer exercise with Overseas Development Bank & Trust CEO John E. Greaves to obtain his views on the financial state of his bank.

Offshore Alert: What has caused the financial problems of the bank?

John Greaves: As you are aware from previous investigations on your behalf, a bank known as American International Bank Ltd. was subject to a run by its depositors starting in December, 1997 as a result of various factors outside of their control but mostly due to their banking the entity known as the Forum and their multitude of partners.

The banking community in Antigua was concerned by the impact this would have on the Antigua offshore banking industry and although Overseas Development Bank & Trust Company is not part of that community, nevertheless, we were prepared to be of assistance and this assistance took the form of lending to AIB, over a period of three months, a total in excess of US\$4.5 million which was subsequently paid back in the form of taking over equivalent value loans in their books. You may also recall that other banks in Antigua, notably Antigua Overseas Bank, also attempted a rescue operation in excess of US\$3.7 million but ultimately to no avail and AIB was put into receivership at the beginning of July, 1998. In retrospect, the action to try to save AIB was ill-advised even though instigating it with the best intentions and undoubtedly the association and the drain on our own liquidity has caused short-term problems for us for the last few months.

Overseas Development Bank & Trust Company is solvent as can be attested by the auditors who are just completing the 1998 audit and we have fully explained the situation to our various customers and depositors - most of whom have been prepared to work with us until we resolve this short-term problem.

OA: Has there been any application to place the bank into liquidation or receivership because of its debts?

JG: There has been no application for either liquidation or receivership as the bank is solvent and plans that we have been able to show to our creditors have convinced them that this matter will be resolved, certainly by the second week in April of this year.

OA: Why did the bank not defend any of these lawsuits?

JG: The specific lawsuits are not quite as straightforward as they may appear. IOA Enterprises and R. P. Development were two clients of the bank who wished to place their money in what could only be considered as an extremely high-risk investment scheme. You have no doubt seen some of these where returns of as much as 100 per cent per month are offered and we knew as a matter of certainty that other people had placed their money with the same broker in Europe and the money had been lost. Therefore, initially, we were endeavouring to persuade our clients not to transfer money for this reason. Subsequently, the suits were instigated and because of our frequent meetings with the clients both here and in the USA, we felt it was best to just let the suits ride and we would settle them when liquidity became available which, as I said, is expected to be around the second week in April. The lawyer in Dominica acting for them is fully aware of the situation and has agreed to take no further action at this stage.

With regard to Western Union Financial Services, the money owed is, in fact, from AIB but was placed through their terminal lodged in our office. We have been in lengthy discussions with Western Union regarding this and they have accepted that we will pay them back on behalf of AIB over a period of two years matching the income we derive from loans taken over from AIB. Again, their lawyer in Dominica is aware of this and again no further action will be taken.

OA: How do you see the future of the bank?

JG: The bank is not a lending institution and does not intend to be one. Our expertise is assisting clients with investments and project finance and our main area of client base is in Europe. We are appointing new directors to the board and have opened a rep's office in London and are anticipating that the bank will grow steadily once these problems created by our assistance to AIB are resolved.

Footnote: Greaves concluded his letter by stating: "Clearly you have to make your own decision but it would be of assistance to us if the article proposed is delayed for a further month by which time the problems will be resolved and I undertake to keep you informed regarding the situation with these various lawsuits and the bank's progress so that perhaps by the end of April, your article can be a positive endorsement of what we are doing rather than a criticism which will, unquestionably, hurt the bank's image at this stage."

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FILE COPY

INTERNATIONAL FINANCIAL SECTOR AUTHORITY

Patrick Michael Building
Lower Nevis Street
P.O. Box 2674
St. John's - Antigua
(268) 462-3372 · (268) 461-0422 fax
December 6, 1999

Our Ref: IBC/10695

Mr. Marcel L. E. Commodore, Esq.
Commodore & Associates
Barristers-at-Law & Solicitors
26 Cross Street
St. John's, Antigua

Dear Mr. Commodore:

RE: Letter of September 3, 1999 and telephone conversation of December 6, 1999 regarding Overseas Development Bank (ODB).

It would appear from the information furnished in the above referenced letter that ODB has no liquid assets and no liabilities. The only asset it would have, would be the assignment of \$4,500,000.00 to the Overseas Development Bank and Trust Company.

From the information furnished by you on September 3, 1999, ODB is not conducting any banking business as defined by the IBC Act, 1982.

It is the intent of this office to revoke the tentative licence issued to ODB. Section 236 (1) provides that the Appropriate Official may revoke the licence of a licensee, if he (d) ceases to carry on the international trade or business for which the licence was issued.

Accordingly, Section 236 (2) of the IBC Act requires the appropriate official to give a notice in writing of the intent to revoke a licence. This letter shall serve as the required notice in writing that on January 14, 2000, the Appropriate Official intends to revoke the licence issued to Overseas Development Bank.

The IBC Act makes no provisions for a rescission of a licence.

If you have any questions regarding this action, please feel free to call me for further discussion on the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lloyd Harrell", written over a circular stamp or mark.

Lloyd Harrell
Supervisor of International Banks

1361

OVERSEAS DEVELOPMENT BANK AND TRUST
ALSO KNOWN AS
OVERSEAS DEVELOPMENT (DOMINICA) LTD.

Overseas Development Bank and Trust is registered in the jurisdiction of the Commonwealth of Dominica. Its connection with Antigua and Barbuda is through what has been described as a "back office" service at a location here on the island, and its attempt to acquire the American International Bank (See. 1 b on Page 1). It has been instructed to close its "back office" operations in Antigua.

Thus the general information and documents requested are not available in this jurisdiction.

1362

The following documents related to the Koop fraud and its connection with Overseas Development Bank and Trust.

KOOP ACCOUNT AT OVERSEAS DEVELOPMENT BANK & TRUST
August 1997- March 1999

DATE	OPENING BALANCE	CREDIT	DEBIT	CLOSING BALANCE
August 1997	\$0	\$481,193	\$300,130	\$181,063
September 1997	\$181,063	\$1,879,544	\$1,286,085	\$774,524
October 1997	\$774,524	\$170,579	\$770	\$944,334
November 1997	\$944,334	\$675,046	\$815,061	\$804,319
December 1997	\$804,319	\$188,212	\$812,898	\$179,634
January 1998	\$179,634	\$51,785	\$37,856	\$193,563
February 1998	\$193,563	\$601,440	\$206,903	\$588,100
March 1998	\$588,100	\$35,384	\$619,065	\$4,419
April 1998	\$4,419	\$140,284	\$5	\$144,700
May 1998	\$144,700	\$498	\$0	\$145,198
June 1998	\$145,198	\$100,000	\$200,065	\$45,133
March 1999	\$45,133	\$0	\$2,500	\$42,633
TOTAL		\$4,323,965	\$4,281,338	

Prepared by the U.S. Senate Permanent Subcommittee on Investigations, January 2001.

1364



COMMONWEALTH OF DOMINICA

IN THE MATTER OF

THE INTERNATIONAL BUSINESS COMPANIES (IBC) ACT 1996

AND

IN THE MATTER OF THE REGISTRATION

OF

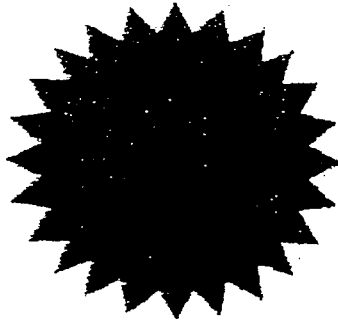
INTERNATIONAL FINANCIAL SOLUTIONS LTD.

CERTIFICATE OF INCORPORATION

I DO HEREBY CERTIFY, that the above named Company is this day incorporated under the International Business Companies (IBC) Act 1996 and that the Company is limited by Shares.

GIVEN under my hand this,

21st day of October, 1996



sgd. Reginald M. Winston

REGISTRAR OF COMPANIES
COMMONWEALTH OF DOMINICA

1365

FROM : WILLIAM H. KOOP & ASSOCIATES PHONE NO. : 201-847-9764 Sep. 12 1997 01:38PM P1

DR ACCT: 010 001 988	INPUT
CR ACCT: 010 001 363	Signature
VAL DATE: 10.9.97	CHECKED
BATCH NO: 3530 PRIVATE	Stamp

I.B.C.

NOT A CONFIDENTIAL FAX TRANSMISSION FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: L. MALCOLM WEST FROM: BILL KOOP

COMPANY: OVERSEAS BANK & TRUST DATE: 8/11/97

FAX NUMBER: 268-462-9215 TOTAL PAGES INCLUDING COVER: ONE (1)

PHONE NUMBER: 268-462-9232 CC:

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER

I.M.S.

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES/COMMENTS: Signed by: [Signature] 8/12/97

DEAR MALCOLM,
THANK YOU FOR YOUR GUIDANCE AND INFORMATION IMPARTED TO ME. ACCEPT THIS FAX AS PERMISSION TO DEBIT ACCOUNT # 010-001-988 IN THE NAME OF INTERNATIONAL FINANCIAL SOLUTIONS, LTD. IN THE AMOUNT OF \$2,250. USD FOR AN IBC AS OBTAINED IN YOUR FAX TO ME DATED 9/10/97.

PLEASE CHECK ON MY VISA CARD AND USE ACCOUNT # 010-001-285 FOR THE VISA CARD ACCOUNT ONLY.

799 FRANKLIN AVENUE, SUITE 500, FRANKLIN LAKES, NEW JERSEY 07417
PHONE 201-847-9764 FAX: 201-847-9287

PLEASE SEND BY FAX MY CURRENT STATEMENTS FROM

1366

FROM : WILLIAM H. KOOP & ASSOCIATES PHONE NO. : 201-847-9764 Aug. 12 1997 06:35PM P1

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION.
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: OVERSEAS DEVELOPMENT BANK & TRUST Co. FROM: WILLIAM H. KOOP

COMPANY: INTERNATIONAL FINANCIAL SOLUTIONS - ACCT# 010-001-988 - 8/12/97 DATE:

FAX NUMBER: 1-~~859~~-462-9215 TOTAL PAGES INCLUDING COVER: 2

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS: 8/12/97

PLEASE PROCESS MY APPLICATION FOR A VISA CARD AS SOON AS POSSIBLE. I WILL BE MAKING A DEPOSIT WELL IN EXCESS OF 250,000.00 WITHIN A FEW WEEKS AND WOULD LIKE TO HAVE THE CARD AVAILABLE AT THAT TIME. THE DEPOSIT WILL BE MADE TO ACCOUNT # 010-001-988

6 THANK YOU
William H. Koop

799 FRANKLIN AVENUE, SUITE 500.
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: 201 - 847 - 9764 FAX: 201 - 847 - 9287

William H. Koop
8/12/97

Corporate **Personal**
Visa Application via Overseas Development Bank & Trust Company Ltd.

1. We are applying for: Visa Classic
 Visa Gold
 2. Limit Requested: USD 7500.00
 (Security Deposit - 150% of limit requested)

3. Account Information
 We are a banking customer of Overseas Development Bank & Trust Company Limited

Account # 010-001-988

Account # _____

4. Company Information

INTERNATIONAL FINANCIAL SOLUTIONS
 Name
 799 FRANKLIN AVENUE, SUITE 500
 Address
 FRANKLIN LAKES, N.J. USA 07417

5. This information is given to obtain credit and is true and complete. We have read and agree to the terms contained in this application. We agree to be bound by the terms and conditions of the Agreement that govern our account. A copy of the Agreement may be obtained by writing to P.O. Box 2480, St. John's, Antigua. If for any reason after receiving our cards and the Agreement we decide not to use the account, we may return the card(s) to the bank without further obligation.

This application and all information obtained in connection with it is held in strict confidence and is for Bank use only.

William H. Koop 8/12/97
 Applicant's Signature Date

7. Names, specimen signatures for cards to be issued under corporate name:

Print Name Signature
 WILLIAM H. KOOP *William H. Koop*

5. Visa Card Information

	Classic	Gold
Annual Cost of Card	\$ 20.00	\$ 40.00
Additional Card - Annually	\$ 20.00	\$ 20.00
Security Deposit	150%	150%
Interest on Security Deposit	3%	3%
Minimum	\$ 1000	\$ 5000
Maximum	\$ 5000	\$ 100,000
Maximum Use	2/3 of Security Deposit	

Finance Rates/Terms

- a. In Full at Month End - nil
- b. Partial Payment - 18%
- c. Maximum Term - 36 months

8. Authorization to transfer funds

We hereby authorize Overseas Development Bank to

deduct the monthly charge statement from our

account # 010-001-988

Statement should be held on file.

Mail statement to address shown.

1368

FROM : WILLIAM H. KOOP & ASSOCIATES PHONE NO. : 201-847-9764 Aug. 25 1997 10:48AM P1

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: MALCOLM WEST FROM: INTERNATIONAL FINANCIAL SUITE
BILL KOOP

COMPANY: OVERSEAS BANK DATE: 8/25/97

FAX NUMBER: (268) 462-9215 TOTAL PAGES INCLUDING COVER: ONE

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER 010-001-988

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES/COMMENTS:

DEAR MALCOLM,

THANK YOU FOR YOUR HELP. PLEASE TRANSFER
7,500.00 TO A VISA ACCOUNT PER OUR
DISCUSSION. AND SEND CARD A.S.A.P.

Thank You & Regards

Bill

*reapplied
12.9.97*

799 FRANKLIN AVENUE, SUITE 500,
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: 201 - 847 - 9764 FAX: 201 - 847 - 9287

1369

FROM : WILLIAM H. KOOP & ASSOCIATES PHONE NO. : 201-847-9764 Aug. 29 1997 01:41PM P1

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: SHARON WEEKS FROM: BILL KOOP

COMPANY: ~~INTERNATIONAL FINANCIAL SOLUTIONS~~ DATE: 8/29/97

FAX NUMBER: TOTAL PAGES INCLUDING COVER: *Verbal Confirmation Bill Koop 8/29/97 11:50 AM*
ONE

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER

OR ACCT. <i>010-001-988</i>	INPT
OR ACCT. <i>010-002-285</i>	Signature
O PLEASE REPLY TO ABOVE	CHECKED
VAL DATE: <i>8/28/97</i>	Signature
BATCH NO: <i>3483</i>	

O URGENT O FOR REVIEW O COMMENTS

NOTES / COMMENTS:

Dear Sharon,
 Please open account # 010-002-285
 for International Financial Solutions
 and Transfer \$300,000.00 from our
 account # 010-001-988 to the new
 account as of this date (8/29/97) ^{PASSWORD} (HAWK)
 Could you please give me an update on
 my Visa Card disposition?

799 FRANKLIN AVENUE, SUITE 500
 FRANKLIN LAKES, NEW JERSEY 07417
 PHONE: 201 - 847 - 9764 FAX: 201 - 847 - 9287
Thank & Regards
A

1370

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

Head Office: Roseau, Dominica, West Indies

Telephone: 1-809-462-9232

Fax: 1-809-462-9215

September 2, 1997

International Financial Solutions

FAX: 201.

Credit Advice Admendment

We confirm **Crediting** your account as follows:

Account no: 010-001-988

Amount: USD \$486,700.00

Value Date: 02/09/97

By Order of: Various clients

Narrative: *Incoming wires*

Please accept our apologies for the admendment as two entries were added twice.

Note: I have checked with the Visa Department concerning the credit card and they have advised that it should reach us no later than Thursday, day after tomorrow.



TIME ENTERED: 09/02/97 15:48
 CURRENT STATUS: DONE
 AMOUNT: \$ 180,000.00
 CALLER NAME:
 AUTHORIZED BY:
 FUNDS TYPE: SAME
 WIRE TYPE: FEDWIRE
 TO: BARNETT BANK MIAMI
 063000047
 WIRE REF NUMBER: 000049
 DIRECTION: INCOMING
 FEDWIRE TEXT:
 FED TIMESTAMP: 02 Sep, 15:49 by FED APPL-ID: FT01
 SENDER'S OI: ABA 273070032, Short Name: MDLND SB FSB DS MN
 SENDER REF: 0049
 RECEIVER'S OI: ABA 063000047, Short Name: BARNETT BANK MIAMI
 BENEF. FI -
 BENEF. FI ID: DDA Acct Number, 159-644-9742 WEST INDIES
 BENEF. FI NAME: AMERICAN INTERNATL BK
 BENEFICIARY -
 BENEFICIARY ID: DDA Acct Number, 45-27-45
 BENEFICIARY NAME: OVERSEAS DEVELOP BK WOODS CENTER -
 ORIGINATOR -
 ORIGINATOR NAME: V [REDACTED] @202227
 ORIGIN. FI -
 ORIGIN. FI NAME: AMERUS BANK; DES MOINES, IOWA
 ORIG TO BENE INFO: FFC: INTERNATL FINANCIAL
 SOLUTIONS/AC-010-001-988

Redacted Information
 in Subcommittee Files

DR ACCT: 112102	INPUT
CR ACCT: 010 001988	Signature
VAL DATE: 3.9.97	CHECKED
BATCH NO: 3496	Signature

1997 W HOLLIBERG DRIVE
BRIDGETOWN, MISSOURI 63044

BARNETT BANK, N.A., JACKSONVILLE Seq. No.: 970904002217 - CREDIT
 Time Entered: 09/04/97 12:30
 Current Status: DONE
 Amount: \$ 10,000.00
 Caller Name:
 AUTHORIZED BY:
 Funds Type:
 Wire Type:
 To:
 Wire Ref Number:
 Direction:
 Fedwire Text:
 FED TimeStamp: 04 Sep. 12:32 by FED APPL-ID: FT01
 Sender's DI: ABA 114902528, Short Name: IOC LAREDO
 Sender Ref: 0904970060035
 Receiver's DI: ABA 063000047, Short Name: BARNETT JAX
 Benef. FI -
 Benef. FI Id: ODA Acct Number, 1596449742
 Benef. FI Name: AMERICAN INTERNATIONAL BANK
 Benef. FI Addr: FFC:OVERSEAS DEVELOPMENT BANK &
 Beneficiary -
 Beneficiary Id: ODA Acct Number, 010001988
 Beneficiary Name: INTERNATIONAL FINANCIAL SOLUTIONS
 Originator -
 Originator Name: [REDACTED] (P.O. BOX 295
 Originator Addr: PROGRESO TX)
 Advice Info: ??[6310] VIA PHONE.
 TRUST ACCT. 452745
 260\462-6701
 Advice Info: ??[6410] VIA PHONE.
 260\462-6701
 FI To FI Info: MIAMI FLORIDA

DR ACCT: 112102	INPUT
CR ACCT: 010 001 988	Signature
VAL DATE: 4.9.97	CHECKED
BATCH NO: 3501	Signature

Redacted Information
in Subcommittee Files

BARNETT BANK, N.A., JACKSONVILLE Seq. No.: 970904002232 - CREDIT
 Time Entered: 09/04/97 12:32
 Current Status: DONE
 Amount: \$ 30,000.00
 Caller Name:
 AUTHORIZED BY:
 Funds Type:
 Wire Type:
 To:
 Wire Ref Number:
 Direction:
 Fedwire Text:
 FED TimeStamp: 04 Sep. 12:33 by FED APPL-ID: FT01
 Sender's DI: ABA 051503909, Short Name: WILLIAMSTOWN NATL
 Sender Ref: 0904EF5A10000008
 Receiver's DI: ABA 063000047, Short Name: BARNETT BK FL
 Interm. FI -
 Interm. FI Name: AMERICAN INTL BK ACC 1596449742
 Benef. FI -
 Benef. FI Name: OVERSEAS DEV BK AND TR LTD ACC
 Benef. FI Addr: 452745
 Beneficiary -
 Beneficiary Name: INTL FINANCIAL SOLUTIONS ACC
 Beneficiary Addr: 010001988

DR ACCT: 112102	INPUT
CR ACCT: 010 001 988	Signature
VAL DATE: 4.9.97	CHECKED
BATCH NO: 3501	Signature

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: OVERSEAS DEVELOPMENT BANK & TRUST - ATTN: SHARON WEEKS FROM: BILL KOOP

COMPANY: DATE: 9/8/97

FAX NUMBER: 809-462-9215 TOTAL PAGES INCLUDING COVER: FOUR (4)

PHONE NUMBER: CC:

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Sharon,
Please transfer these funds today,
A.S.A.P. If you have any questions,
please call me at (201) 847-9764.
Please advise the disposition of my
credit card and balances in each
account.

Thank You and Regs

Bill

799 FRANKLIN AVENUE, SUITE 500,
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: 201 - 847 - 9764 FAX: 201 - 847 - 9287

Bill Koop

1374

Overseas Development Bank

INTEROFFICE MEMO

DATE: *Sept 24th, 1997*

TO : *Sharon Weeks / Bernadette Adams*

FROM: *L. Malcolm West*

PLEASE NOTE:

Bill Koop spoke to me by telephone today, he is extremely anxious and wants to be certain of the following:

- * He requires a BANK STATEMENT from the 9th Sept. to 23rd Sept;*
- * He requires a summary at the end of each day or first thing the following morning of the previous days transactions.*

Thank you;



1375

Overseas Development Bank

INTEROFFICE TRANSFER MEMO

DATE : Oct 30th, 1997.
TO : Sharon / Bernadette
FROM : Malcolm West

Reference MR BILL KOOP please forward to him ASAP a current bank statement

Thank you



1376

FROM : WILLIAM H. KOOP & ASSOCIATES PHONE NO. : 201-847-9764 Nov. 25 1997 12:14PM Pt

ORIGIN: 010 001 988	INPUT	AND CONFIDENTIAL FAX TRANSMISSION FROM THE DESK OF:
ORIGIN: 010 002 285	Signature	
DATE: 11.11.97	CHECKED	<i>William H. Koop</i>
FAX NO: 3885	Signature	

FACSIMILE TRANSMITTAL SHEET

TO: MALCOLM WEST FROM: BILL KOOP

COMPANY: TO: ODB DATE: 11/19/97
FROM: INFO-SEEK

FAX NUMBER: TOTAL PAGES INCLUDING COVER:
SEND TO: 268-462-9215

PHONE NUMBER: CC:

RE: YOUR REFERENCE NUMBER
DOCUMENTS REQUESTED

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Malcolm,

Please change the name of my I.B.C. from International Financial Strategies LTD. to Info-Seek LTD. (INFO-SEEK LTD.) and switch account # 010-002-285 from International Financial Solutions to (INFO-SEEK LTD) and transfer \$800,000.00 from account # 010-001-988 into acct # 010-002-285 in the name of

799 FRANKLIN AVENUE, SUITE 500, (INFO-SEEK LTD)
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: 201 - 847 - 9764 FAX: 201 - 847 - 9287

OK!

Thank You and Regards,

1377



OVERSEAS DEVELOPMENT BANKING GROUP

November 26, 1997

To Whom it May Concern

Re: International Financial Solutions

We hereby certify that William Koop is the sole signatory of the captioned account, which presently has funds on deposit in excess of US\$1,500,000.00.

Please extend any courtesies you can to Mr. Koop.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Sharon A.M. Weeks', is written over a horizontal line.

Sharon A.M. Weeks
Accounts Manager

Dec-01-97 18:27 OD BANK

767 448 0882

P.05



COMMONWEALTH OF DOMINICA

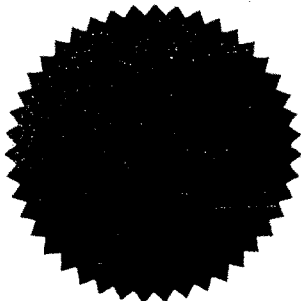
IN THE MATTER OF
THE INTERNATIONAL BUSINESS COMPANIES (IBC) ACT 1996

AND

IN THE MATTER OF THE CHANGE OF NAME OF:

INTERNATIONAL FINANCIAL SOLUTIONS LTD.

I DO HEREBY CERTIFY that INTERNATIONAL FINANCIAL SOLUTIONS LTD. which was incorporated on the 21st day of October, 1997 has changed its name to INFO-SEEK LTD. and that INFO-SEEK LTD. is incorporated under the International Business Companies (IBC) Act 1996 and that the Company is limited by shares.



GIVEN under my hand this
28th day of November, 1997.

REGISTRAR OF COMPANIES
COMMONWEALTH OF DOMINICA

COMMONWEALTH OF DOMINICA

INTERNATIONAL FINANCIAL SOLUTIONS LTD.

RESOLUTION




At a meeting of the members of the above-named Company held on the 11th day of November, 1997 the following resolution was duly passed:-

That the name of the Company be changed to Info-Seek Ltd.

Dated this 11th day of November, 1997.

International Management & Trust Services Inc.


.....
Bernadette M. Thomas
Director

A copy of this resolution has been filed pursuant to section 66(2) with the Registered Agent for inclusion in the records of the Company at its registered office.


.....
Arthur K. Reynolds
REGISTERED AGENT



Overseas Development Bank & Trust Company Ltd

Head Office

Post Office Box 525, Road 1, Commonwealth of Dominica, W.I.

PH - (767) 448-7311 * FX - (767) 448-0882 * TX - 2062 AIMS AK
* e-mail: odbank@od.dm

December 1st, 1997

To: Mrs. Sharon A.M. Weeks
Accounts Manager, ODB

From Bernadette M. Thomas

RE: INTERNATIONAL FINANCIAL SOLUTIONS LTD.

Kindly use this communication as your instruction and authority to debit Account # 010-002-285 in name of International Financial Solutions Ltd. the amount of USD225 for name change of IBC. Please transfer funds to a/c International Management Services A/c# 010-001-363 for credit.

Also amend account name to read Info-Seek Ltd.

Thank you,

Sincerely

Bernadette Thomas

see attached

DR ACCT: 010 002 285	INPUT
CR ACCT: 010 001 363	Signature
VAL DATE: 1-12-97	CHECKED
RATION NO: 3981	Signature

12/02/1997 13:15 268-462-1001 WEB:1 FROM: 03
DEC- 2-97 TUE 10:49 RITZ CARLTON KANSAS CITY FAX NO. 8167561682 P. 03

CONFIDENTIAL FAX MEMO

December 2, 1997

INTL FINANCIAL SOLUTIONS

To: Mr. L. Malcolm West, Director
Overseas Development Bank
St. Johns International Banking Center
St. Johns, Antigua, West Indies

From: William H. Koop

Re: Establishment of certain IBCs and bank accounts

Malcolm: Thanking you in advance, I am in need of your immediate assistance in the creation of two (2) entities and two (2) bank accounts by the close of business today, Tuesday, December 2, 1997. The particulars for the creation of these entities are as follows:

1. *The Charity-Seek International Trust*: I have created a private trust established in Belize. Enclosed are the Declaration pages for the Trust. The trust contains the following relevant information:

- a. *Grantor*: Hank A. Renovato, Jr.
- b. *Declaration Clause*: The Trust Indenture contains a Declaration Clause stating the following: "This trust is established as a philanthropic organization to create and seek opportunities for the global advancement of mankind."
- c. *Beneficiary*: Earmarked for entities who meet the areas of greatest need. (This may appear unusual for the name of the beneficiary, but is designed for a specific purpose.)
- d. *Co-Executiveship*: Overseas Development Bank and William H. Koop. (These are two positions analogous to the positions of "Co-Trustees" in a business or personal trust situation.)
- e. *Co-Guardians*: Leighton L.K.L. Saganuma and Mark A. Meyerdirk. (These are two positions analogous to the positions of "Co-Protectors" in a business or personal trust situation.)

* 2. *Charity-Seek International IBC*. Through the trust described above, please create an IBC to be named "Charity-Seek International." The IBC should be domiciled in the country of Dominica to establish a domestic and international operating situs. Ownership of the IBC will be evidenced with bearer shares, issued as follows (this ownership may change by subsequent amendment):

- a. 45 shares in the name Hank A. Renovato, Jr.
- b. 45 shares in the name William H. Koop
- c. 10 shares in the name "Earmarked for philanthropic use in the area of greatest need as agreed upon by Hank A. Renovato, Jr. and William H. Koop."
- d. The bearer shares will be held by Overseas Development Bank according to a "Deposit Agreement" which will establish the terms and conditions by which the shares may be released or transferred. This document will be presented to you within the next 30 days.
- e. Please create a bank account with Overseas Development Bank for Charity-Seek International. I will need verbal and fax confirmation of the account number tomorrow. The authorized signatory for the account should be an officer of Overseas Development Bank as "Co-Executiveship." The bank officer will be restricted on bank account disbursements, to act only with written instruction from me as Co-Executiveship. Additionally, no disbursements may be made in excess of \$10,000.00

DEC- 2-97 TUE 10:49

RITZ CARLTON KANSAS CITY

FAX NO. 8167561682

P. 04

USD without the written approval of William H. Koop as Co-Executive and Mark A. Meyerdirk as Co-Guardian.

3. *Professional Fundraisers International Trust ("PFI")*: I have created another private trust established in Belize. Enclosed are the Declaration pages for the Trust. This trust contains the following relevant information:

- a. *Grantor*: Hank A. Renovato, Jr.
- b. *Beneficiary*: Hank A. Renovato, Jr. and William H. Koop
- c. *Trustee*: Overseas Development Bank
- d. *Co-Asset Managers (a/k/a "Stewards")*: William H. Koop and Overseas Development Bank
- e. *Co-Trust Protectors*: William H. Koop and Mark A. Meyerdirk

* 4. *Professional Fundraisers International ("PFI") IBC*: Through the trust described above, please create an IBC to be named "Professional Fundraisers International ("PFI")." The IBC should be domiciled in the country of Dominica to establish a domestic and international operating situs. Ownership of the IBC will be evidenced with bearer shares, issued as follows (this ownership may change by subsequent amendment):

- a. 50 shares in the name Hank A. Renovato, Jr.
- b. 50 shares in the name William H. Koop
- c. The bearer shares will be held by Overseas Development Bank according to a "Deposit Agreement" which will establish the terms and conditions by which the shares may be released or transferred. This document will be presented to you within the next 30 days.
- d. Please create a bank account with Overseas Development Bank for Professional Fundraisers International ("PFI"). I will need verbal and fax confirmation of the account number tomorrow. The authorized signatory for the account should be an officer of Overseas Development Bank as "Co-Asset Manager." The bank officer will be restricted on bank account disbursements, to act only with written instruction from me as Co-Asset Manager. Additionally, no disbursements may be made in excess of \$10,000.00 USD without the written approval of William H. Koop as Co-Asset manager and Mark A. Meyerdirk as Co-Trust Protector.

Malcolm: I apologize for the short notice provided to you in the creation of these structures by the end of the day today, December 2, 1997. I am in need of their immediate creation in order to finalize some important business on Wednesday, December 3, 1997 at which time I will provide you some wiring instructions for the transfer and disbursement of funds into and from the two bank accounts described above. Upon the establishment of these IBC entities and accounts, I must ask that you fax to me copies of documentation which will evidence to a third party, their existence. Please call me if you have questions. I am at the Ritz-Carlton Hotel in Kansas City, MO phone # 816-756-1500 (room #305), fax number 816-756-1682.

Please provide me your statement for the customary fees and charges necessary for the creation and maintenance of these structures, and I will forward you payment or authorize your withdrawal from one of my accounts. Thank you so much for your assistance and service.

Sincerely,

 William H. Koop

In addition to this directive,
please send \$1,500,000.00 from
my accounts today A.S.A.
to the following:

Reference Transaction # AH/UKC26853

Arab Bank
Dubai Branch
P.O. 11364
DUBAI, U.A.E.

West Branch
New York
620-FC-5720
3001-716922-521

(Please look up
Swiftcode)

SWIFTCODE:

ACCOUNT: DAY EX CHANGE LLC

ACCOUNT No. 3001-716922-521

DR ACCT:	INPUT
CR ACCT:	Signature
VAL DATE:	CHECKED
BATCH NO:	Signature

Sheron, this is a very urgent transaction
Please send me a fax copy of the
wire instruction A.S.A.P.

700

DR ACCT:	INPUT
CR ACCT:	Signature
VAL DATE:	CHECKED
BATCH NO:	Signature

Many Thanks & Regards,
Cecilia H. [Signature]



Overseas Development Bank & Trust Company Ltd

Head Office

Post Office Box 525, Roseau, Commonwealth of Dominica, W.I.

PH. - (767) 448-0886 * FX - (767) 448-0882 * TX - 2062 AIMS AX
* e-mail: odbank@od.dm

December 3rd, 1997

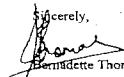
To: Mrs. Sharon A.M. Weeks

From: Bernadette M. Thomas

Kindly use this communication as your instruction and authority to debit account in name of International Financial Solutions Ltd., US\$51,000 for incorporation of 2 (two) IBCS namely: Charity-Seek International Ltd. and Professional Fund Raisers International Ltd., please credit account International Management Services with said proceeds.

Thank you.

Sincerely,


Bernadette Thomas

BR BRCT: 010 001 363
BR BRCT: 010 001 363
VAL DATE: 5 12 97
BRCT NO: 4071



Overseas Development Bank & Trust Company Ltd

Head Office

Post Office Box 525, Roseau, Commonwealth of Dominica, W.I.

PH. - (767) 448-0886 * FX - (767) 448-0882 * TX - 2052 AIMS AX
e-mail: odbank@td.dm

December 4th, 1997

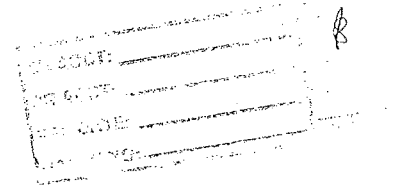
To: Mrs. Sharon A.M. Weeks

Fr: Bernadette M. Thomas

Pursuant to our telephonic conversation, kindly use this communication as your authority and instruction to debit account in name of International Financial Solutions Ltd. USD\$1500, which represents maintenance fees for incorporated companies namely Charity-Seek International Ltd. and Professional Fundraisers International Ltd.

Thank you.

Bernadette M. Thomas



1386

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

Head Office: Roseau, Dominica, West Indies

Telephone: 1-809-462-9232

Fax: 1-809-462-9215

December 04, 1997

International Financial Solutions

Attn: William Koop

Fax: 816-756-1682

Debit Advice

We confirm **Debiting** your account as follows:

Account no: 010-001-988

Amount: USD \$1,500,000.00

Value Date: 03/12/97

By Order Of: Your instructions

Narrative: *Wire transfer Arab Bank, Dubai Branch f/o
Day Exchange LLC, Transaction Ref:
AH/UKC26853*


**OVERSEAS DEVELOPMENT
BANK & TRUST CO. LTD.**

1387



AMERICAN INTERNATIONAL MANAGEMENT
SERVICES LTD.

December 5, 1997

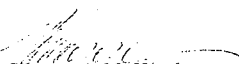
To: International Financial Solutions

Attn: William Koop

Re: Certificate of Balance

We hereby certify that at the close of business on December 4, 1997 the balance of your accounts with us was US\$222,241.94.

Thank you,


Sharon A.M. Weeks
Accounts Manager

1388

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

Head Office: Roseau, Dominica, West Indies

Telephone: 1-809-462-9232

Fax: 1-809-462-9215

December 16, 1997

IFS
Fax:

Debit Advice

We confirm Debiting your account as follows:

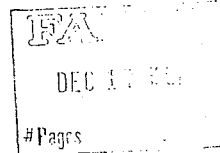
Account no: 010-001-988

Amount: USD \$9,475.19

Value Date: 15/12/97

By Order Of: As per our conversation

Narrative: *Transfer to Visa Account*



Dear Mr. Koop,

I have been trying to call you on this matter, but your phone keeps ringing busy. The visa card was totally used up to the above amount, which we paid, so your card is "good" again. If you would like to increase the limit, please let me know.

Happy Holidays.

Sharon

1389

FROM : LUCILLE KEMBEL

PHONE NO. : 9708673671

Apr. 21 1998 06:20AM P1



International Financial Solutions

• International Investments
• Offshore Trusts

• Offshore Bank Accounts
• International Business Corporations

• Offshore Loans
• Offshore Credit Cards

DATE: 1/23/98

RE: WIRE TRANSFER INSTRUCTIONS

PLEASE GIVE YOUR FINANCIAL INSTITUTION THE FOLLOWING INSTRUCTIONS FOR WIRE TRANSFER OF FUNDS:

DEPOSIT FUNDS TO:

BANK AMERICA INTERNATIONAL
ONE WORLD TRADE CENTER
NEW YORK, N.Y. 10048-1191
USA TELEX-0236-2944
ABA # 026-009-593


FOR FURTHER CREDIT TO:

A.O.B. ANTIGUA 6550-6-52039

FOR FINAL CREDIT TO:

O.D.B. 1150-2935

ACCOUNT # 010-~~000000~~
003-844

 INFO - SEEK

St. Johns, Antigua, West Indies
and
799 Franklin Avenue, Suite 500, Franklin Lakes, NJ 07417
Phone: (201) 847-9765 Fax: (201) 847-9287
E-mail: hl_yield@cybernex.net

1390

FROM : LUCILLE KEMSEL

PHONE NO. : 9708673671

Apr. 21 1998 05:21AM PS



I
F
S



International Financial Solutions

• International Investments
• Offshore Trusts

• Offshore Bank Accounts
• International Business Corporations

• Offshore Loans
• Offshore Credit Cards

DATE: 1/23/98

RE: WIRE TRANSFER INSTRUCTIONS

PLEASE GIVE YOUR FINANCIAL INSTITUTION THE FOLLOWING INSTRUCTIONS FOR WIRE TRANSFER OF FUNDS:

DEPOSIT FUNDS TO:

BANK AMERICA INTERNATIONAL
ONE WORLD TRADE CENTER
NEW YORK, N.Y. 10048-1191
USA TELEX-0236-2944
ABA # 026-009-593

FOR FURTHER CREDIT TO:

A.O.B. ANTIGUA 6550-6-52039

FOR FINAL CREDIT TO:

I.F.S. INTERNATIONAL FINANCIAL SOLUTIONS
O.D.B. 1150-2935
ACCOUNT # 010-001-988

Acct
\$ 1500 US
\$ 4995 US

St. Johns, Antigua, West Indies
and
799 Franklin Avenue, Suite 500, Franklin Lakes, NJ 07417
Phone: (201) 847-9765 Fax: (201) 847-9267
E-mail: hi_yield@cybernex.net

1391

FROM : LUCILLE KIMBEL

PHONE NO. : 9708673671

Apr. 31 1998 08:22AM P4



IFS



International Financial Solutions

- International Investments
- Offshore Trusts

- Offshore Bank Accounts
- International Business Corporations

- Offshore Loans
- Offshore Credit Cards

DATE: 1/23/98

RE: WIRE TRANSFER INSTRUCTIONS

PLEASE GIVE YOUR FINANCIAL INSTITUTION THE FOLLOWING INSTRUCTIONS FOR WIRE TRANSFER OF FUNDS:

DEPOSIT FUNDS TO:

BANK AMERICA INTERNATIONAL
ONE WORLD TRADE CENTER
NEW YORK, N.Y. 10048-1191
USA TELEX-0236-2944
ABA # 026-009-593

FOR FURTHER CREDIT TO:

A.O.B. ANTIGUA 6530-6-52039

FOR FINAL CREDIT TO:

O.D.B. 1150-2935

ACCOUNT - PROFESSIONAL FUND RAISERS INTER.
ACCOUNT # 010-005-764

St. Johns, Antigua, West Indies

and

799 Franklin Avenue, Suite 500, Franklin Lakes, NJ 07417
Phone: (201) 847-9765 Fax: (201) 847-9287
E-mail: hi_yield@cybernex.net

CONFIDENTIAL FAX MEMO

January 6, 1997

To: Mr. L. Malcolm West, Director
Overseas Development Bank
St. Johns International Banking Center
St. Johns, Antigua, West Indies

From: William H. Koop

Re: Amendments to certain IBCs and bank accounts

Malcolm: With regard to the two (2) IBCs and bank accounts you established for me on December 2, 1997, I would like to ask that the following changes be reflected:

1. *The Charity-Seek International Trust*: This Trust has been amended and changed as follows:

- a. *Grantor*: Insight Enlightenment Foundation International.
- b. *Declaration Clause*: The Trust Indenture contains a Declaration Clause stating the following: "This trust is established as a philanthropic organization to create and seek opportunities for the global advancement of mankind."
- c. *Beneficiary*: Earmarked for entities who meet the areas of greatest need. (This may appear unusual for the name of the beneficiary, but is designed for a specific purpose.)
- d. *Co-Executiveship*: Overseas Development Bank, William H. Koop and Mark A. Meyerdirk. (These are three positions analogous to the positions of "Co-Trustees" in a business or personal trust situation.)
- e. *Co-Guardians*: Leighton L.K.L. Saganuma and Hank A. Renovato, Jr. (These are two positions analogous to the positions of "Co-Protectors" in a business or personal trust situation.)

2. *Charity-Seek International LTD (an IBC)*: Through the trust described above, you created an IBC named "Charity-Seek International LTD." The IBC is domiciled in the country of Dominica to establish a domestic and international operating situs. Ownership of the IBC should be evidenced with bearer shares, issued as follows (this ownership may change by subsequent amendment):

- a. 45 shares in the name Hank A. Renovato, Jr.
- b. 45 shares in the name William H. Koop
- c. 10 shares in the name "Earmarked for philanthropic use in the area of greatest need as agreed upon by Hank A. Renovato, Jr. and William H. Koop."
- d. The bearer shares will be held by Overseas Development Bank according to a "Deposit Agreement" which will establish the terms and conditions by which the shares may be released or transferred. This document will be presented to you within the next 30 days.
- e. Please note that the Board of Directors of the IBC should be recorded as being made up of: William H. Koop, Hank A. Renovato, Jr., Leighton L.K.L. Saganuma and Mark A. Meyerdirk. Maria Cota will also serve as an ex-officio member of the Board in the case of a tie vote of the board members.

APR-17-98 02:21 PM JOG ENTERPRISES
 APR-17-98 02:21 PM ENTERPRISES

5346491316
 5346 51A

P.15
 P.15

e. You have create a bank account with Overseas Development Bank for Charity-Seek International LTD with an account number of 010,003,753. The authorized signatory for the account should be an officer of Overseas Development Bank as "Co-Asset Manager." Signature authority has been changed and should now reflect that disbursements and deposits into the account are restricted. Disbursements may be made by a bank officer acting as a Co-Asset Manager, only with written instruction from me, or Mark A. Meyerdirk as Co-Manager. Additionally, no disbursements may be made in excess of \$10,000.00 USD without the written approval of William H. Koop and Mark A. Meyerdirk as Co-Asset Managers. Finally no disbursements in excess of \$50,000.00 USD, may be made without a certification from the Board of the IBC, that the disbursement was approved by a majority of the Board Members. Deposits into the account may not be made without the approval of the Bank and either myself or Mark A. Meyerdirk as Co-Asset Managers.

3. *Professional Fundraisers International Trust ("PFI")* This Trust has been amended and changed as follows:

- a. *Grantor*: Charity-Seek International Trust
- b. *Beneficiary*: Hank A. Renovato, Jr. and William H. Koop (may change by subsequent amendment).
- c. *Trustee*: Overseas Development Bank
- d. *Co-Asset Managers (aka "Stewards")*: Overseas Development Bank, William H Koop and Mark A. Meyerdirk
- e. *Co-Trust Protectors*: Leighton L.K.L. Suganuma and Hank A. Renovato, Jr.

4. *Professional Fundraisers International LTD ("PFI") IBC*. Through the trust described above, you created an IBC named "Professional Fundraisers International LTD." The IBC is domiciled in the country of Dominica to establish a domestic and international operating sinus. Ownership of the IBC should be evidenced with bearer shares, issued as follows (this ownership may change by subsequent amendment):

- a. 50 shares in the name Hank A. Renovato, Jr.
- b. 50 shares in the name William H. Koop
- c. The bearer shares will be held by Overseas Development Bank according to a "Deposit Agreement" which will establish the terms and conditions by which the shares may be released or transferred. This document will be presented to you within the next 30 days.
- d. Please note that the Board of Directors of the IBC should be recorded as being made up of: William H. Koop, Hank A. Renovato, Jr., Leighton L.K.L. Suganuma and Mark A. Meyerdirk. Maria Cota will also serve as an ex-officio member of the Board in the case of a tie vote of the board members.
- e. You have create a bank account with Overseas Development Bank, Professional Fundraisers International LTD with an account number of 010,003,754. The authorized signatory for the account should be an officer of Overseas Development Bank as "Co-Executiveship." Signature authority has been changed and should now reflect that disbursements and deposits into the account are restricted. Disbursements may be made by a bank officer acting as a Co-Executiveship, only with written instruction from me, or Mark A. Meyerdirk as Co-Executiveship. Additionally, no disbursements may be made in excess of \$10,000.00 USD without the written approval of William H. Koop and Mark A. Meyerdirk as Co-Executiveships. Finally no disbursements in excess of \$50,000.00 USD, may be made without a certification from the Board of the IBC, that the disbursement was approved by a majority of the Board Members.

Malcolm: I need you to acknowledge the changes made in the IBC's from the Banks position. I also need you to send me signature cards, which reflect the disbursement restrictions and signatories set forth above for the two (2) accounts. I will be working with the parties identified above over the next two (2) weeks to finalize all documentation to fund the Trusts and make deposits in the IBC's accounts. On or about January 15, 1998, I will provide you some wiring instructions for the transfer and disbursement of funds into and from the two bank accounts described above. As stated above, please acknowledge your receipt and acceptance of these instructions and send along with the account signature cards by fax to me at 201-547-9250.

I thank you so much for your assistance and service.

Sincerely,

William H. Koop

On behalf of Overseas Development Banking Group, I acknowledge and agree to the above.

Rx
L. Malcolm West, Director

CHARITY-SEEK INTERNATIONAL, LTD

January 7, 1998

Insight Enlightenment Foundation International
 Attention: Maria Cotz, Executor, *Pro Tempore*

Via Federal Express

Re: Wire Instructions regarding Loan of \$13,645,600.00 USD to Charity-Seek International LTD, an international business company, domiciled in Dominica.

Dear Ms. Cotz:

Enclosed please find copies of the following documents, which are tendered for your review and approval.

1. "Declaration" for the Charity-Seek International Trust, and certification from the Commonwealth of Dominica regarding it's international business company, Charity-Seek International LTD (certification inclusive of Certificate of Incorporation, Certificate of Good Standing, Articles of Association, Memorandum of Association and Organizational Minutes)
2. "Declaration" for the Professional Fundraisers International Trust and certification from the Commonwealth of Dominica regarding it's international business company, Professional Fund Raisers International, LTD International LTD (certification inclusive of Certificate of Incorporation, Certificate of Good Standing, Articles of Association, Memorandum of Association and Organizational Minutes).
3. "Confidential Fax Memo and Instructions" to L. Malcolm West at Overseas Development Bank regarding the Trusts, IBC's and bank accounts.
4. "Promissory Note" from Charity-Seek International LTD to Insight Enlightenment Foundation International, for \$13,645,600.00 USD.
5. "Professional Fundraising Agreement" from Professional Fundraisers International, LTD ("PFI") to Charity-Seek.
6. "Promissory Note" from Capital Fortress, Inc. a Nevada corporation to PFI for \$11,163,000.00 USD.
7. "Promissory Note" from Profit Unity Trust, for \$250,000.00 USD.
8. "Promissory Note" from World Class Women Foundation, for \$250,000.00 USD.
9. "Promissory Note" from Aloha "The Breath of Life" Foundation, Inc. a Nevada corporation for \$1,982,500.00 USD.

Feb-30-98 11:13A

Glen Cruzen & Associates
21 Green Cedar Rd. • Boerne, TX 78006 (830)537-4045 • (FAX) 537-4681

FAX COVER SHEET

TO: SHARON WEEKS FAX#: 268 460 7544
FROM: GLEN CRUZEN TOTAL PAGES: 1
EFFORTLESS PRIORITY # 010-003-026
CONCERNING: Date: 1/30/98
REQUESTED TRANSFER OF FUNDS

2ND REQUEST

COMMENTS: PLEASE TRANSFER \$400,000.00 FROM MY ACCOUNT #010-003-026 TO INTERNATIONAL FINANCIAL SOLUTIONS ACCOUNT # 010-001-988. BOTH ACCOUNTS ARE IN YOUR INSTITUTION.

THANKS.

Glen Cruzen

DR ACCT: 010-003-026	INPUT
CR ACCT: 010-001-988	Signature
VAL DATE: 10-2-98	CHECKER
BATCH NO: 4567	Signature

1397

PHONE NO. :

Feb. 13 1998 06:09AM P2

Int'l Financial Solutions
PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

FACSIMILE TRANSMITTAL SHEET

TO: SHARON WEEKS FROM: Bill Koop

COMPANY: _____ DATE: 2/12/98

FAX NUMBER: _____ TOTAL PAGES INCLUDING COVER: _____

PHONE NUMBER: _____ CC: _____

RE: DOCUMENTS REQUESTED YOUR REFERENCE NUMBER _____

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS.

DEAR SHARON,
PLEASE WIRE (180,000.00) ONE HUNDRED
EIGHTY THOUSAND DOLLARS FROM I.F.S.
ACCOUNT # 010-001-938 TO:

BANK: NATIONAL COMMERCIAL BANK OF GRENADA, LTD.
CORRESPONDENCE BANK: BANK OF NEW YORK
SWIFT CODE: NCBGQDGD

ACCOUNT # 92910441 REFERENCE: WILLIAM H. KOOP

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417

PHONE 201-847-9284 FAX 201-847-9287

DR ACCT: <u>010-001-938</u>	PHONE: 201-847-9284	INPUT
CR ACCT: <u>112100</u>		10
VAL DATE: <u>2/12/98</u>		OK / REL
BATCH NO: <u>4619</u>		X

Sincerely,
William H. Koop

60 PRIVATE AND CONFIDENTIAL FAX TRANSMISSION FROM THE DESK OF:

William H. Koop

Intl Financial Solutions

FACSIMILE TRANSMITTAL SHEET

TO: Sharon Weeks FROM: Bice Koop

COMPANY: ODB DATE: _____

FAX NUMBER: _____ TOTAL PAGES (INCLUDING COVER): _____

PHONE NUMBER: _____ CC: _____

RE: Documents Requested YOUR REFERENCE NUMBER: _____

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES/COMMENTS:

Dear Sharon

Please wire (9,000.00) nine thousand dollars (USD) from Account # 010-001-988

TO: BANK: NATIONAL COMMERCIAL BANK OF GRENADA LTD.

CORRESPONDENCE BANK: BANK OF NEW YORK

SWIFT CODE: NCBG00D

ACCOUNT NUMBER: 52010441 SOVEREIGN RESOURCE MANAGEMENT

REFERENCE: NAME OF APPLICANT WIRING FUNDS SOVEREIGN RESOURCE MANAGEMENT

799 FRANKLIN AVENUE, SUITE 500
 FRANKLIN LAKES, NEW JERSEY 07417
 PHONE: (201) 847-9764 FAX: (201) 847-9287

INPUT
 4634
 CHECK
 4634

420 5792 / 5737 / 663 3:57 PM (copy)

LONDON, ENGLAND
3/5/98

PRIVATE & CONFIDENTIAL FAX
TRANSMISSION FROM THE DESK OF:

William H. Koop

TO: SHARON WEEKS FROM: BILL KOOP

FAX# 268-462-9215

COMPANY: OVERSEAS DEVELOPMENT BANK
ST JOHN'S, ANTIQUA, WEST INDIES

DEAR SHARON,

IN ACCT: 010-001-988	IN ACCT: 010-001-988	IN ACCT: 010-001-988	IN ACCT: 010-001-988
DATE: 11/21/97	DATE: 11/21/97	DATE: 11/21/97	DATE: 11/21/97
VAL DATE: 06/03/98	VAL DATE: 06/03/98	VAL DATE: 06/03/98	VAL DATE: 06/03/98
AMOUNT: 4765	AMOUNT: 4765	AMOUNT: 4765	AMOUNT: 4765
INITIALS	SIGNATURE	CHECKED	SIGNATURE

PLEASE HAVE LOUISE WIRE TRANSFER
500,000.00 USD TODAY TO THE
ATTACHED INSTRUCTIONS:

FROM - I.F.S. ACCOUNT # 010-001-988
IT IS IMPERATIVE THAT THESE MONIES
ARE SENT TODAY, (3/5/98)

William H. Koop
A DEPOSIT IN EXCESS OF 3.6K
WILL ARRIVE AT ODB FOR ACCOUNT
010-001-988

A LIST OF BOOK TRANSFERS WILL
BE SENT BY (PRIVATE) FAX BY MONDAY

PLEASE SEND COPY OF WIRE TRANSFER
TO FAX # 0181-759-4559 IN ENGLAND Room
TELEPHONE # 0181-759-6311 (LONDON) 2132

1400

PRIVATE & CONFIDENTIAL
WIRE INSTRUCTIONS

AMOUNT 500,000.00 USD

DEPOSIT FUNDS TO:

ARAB BANK, NEW YORK
ABA # 026-00-5720

FOR FURTHER CREDIT TO:

ARAB BANK, DUBAI
SWIFT CODE - ARAB- AEADMAK

FOR FINAL CREDIT TO:

NAME OF ACCOUNT: DAYEXCHANGE-LLC
ACCOUNT # D 3001716922521

URGENT: TO BE SENT IMMEDIATELY!

William D. Hoop

PLEASE CONFIRM BY FAX!

1401

INSTRUCTIONS:

DATE: 05/03/98

OVERSEAS DEVELOPMENT BANK

PLEASE DEBIT MY ACCOUNT AND PAY BY: TELEGRAPHIC TRANSFER

PAYMENT FROM:

ACCOUNT NAME:	OVERSEAS DEVELOPMENT B/O INTERFINANCIAL SOLUTIONS
ACCOUNT NO.	452745
CCY/AMOUNT:	US\$500,000.00
VALUE DATE:	05/03 / 98

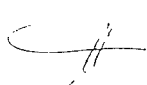
PAYMENT TO:

BENEFICIARY'S NAME	DAYEXCHANGE - LLC
BENEFICIARY'S ADDRESS	# 2 ALRIGGA DUBAI
BENEFICIARY'S A/C NO.	D3001716922521
BENEFICIARY'S BANK	ARAB BANK DUBAI
SWIFT CODE	ARAB - AEADMAK
FOR FURTHER CREDIT TO:	

PAYMENT TO BENEFICIARY'S BANK VIA AN INTERMEDIARY BANK YES / NO

INTERMEDIARY BANK	ARAB BANK
INTERMEDIARY BANK ADDRESS	NEW YORK
BENEFICIARY'S A/C NO.	
ABA ROUTING NO.	026 005 720

PAYMENT CHARGES FOR THE BENEFICIARY YES/ NO

REFERENCE NUMBER	SIGNATURE
	

PRIVATE AND CONFIDENTIAL FAX TRANSMISSION
FROM THE DESK OF:

William H. Koop

Int'l Financial Solutions

FACSIMILE TRANSMITTAL SHEET

TO: LOUISE EDWARDS FROM: BILL KOOP
COMPANY: O.D.B. DATE: 3/9/98 8:00 A.M.

FAX NUMBER: 268-462-9215 TOTAL PAGES (INCLUDING COVER):

PHONE NUMBER: 268-462-9232	CC: 010 001 988	INPUT
RE: Documents Requested	YOUR REFERENCE NUMBER: 112102	SIGNATURE
	BATCH NO:	CHECKED

URGENT FOR REVIEW COMMENTS PLEASE REPLY RETURN BY RETURN BY

NOTES/COMMENTS:

Dear Louise,

- Please wire 500,000.00 USD to the
- attached instructions;
- from I.F.S. account # 010-001-988 (EAGLE)
- Wire request made Friday to Dubai Bank
- Thanking you in advance, Please expedite immediately
- and send copy to me @ 201-847-9287.

NOTE: Please call if this information does not reach you in its entirety

*Thank You,
Regards,
William H. Koop*

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: (201) 847-9764 FAX: (201) 847-9287
EMAIL: hi_yield@cybernex.net

NEW WIRE TRANSFER INSTRUCTIONS

SEND FUNDS TO:

CORRESPONDENT BANK: STATE STREET BANK INTERNATIONAL
ROUTING OR ABA # 26-00-4873 NY, NY

FOR FURTHER

CREDIT TO: ROYAL BANK OF SCOTLAND
46-48 DEANSGATE, BOLTON LANCs, UK
FC BANK CODE 16-00-06

FOR FINAL

CREDIT TO: MEASURES, FRANKS AND CO.
ACCOUNT # 15403350
REF: GREEN END PARK

APR 13/98
(Handwritten initials and date)

FROM:

PHONE NO. :

Mar. 12 1998 10:28AM P1

100,000.00 60PRIVATE AND CONFIDENTIAL FAX TRANSMISSION 110,000.00

DR ACCT: 010 502 285	FROM THE DESK OF:	DR ACCT: 010 501 988	INPUT
CR ACCT: 112 102	Signature: William H. Koop	CR ACCT: 112 102	Signature
VAL DATE: 12 3 98	CHECKED	VAL DATE: 12 3 98	CHECKED
BATCH NO: 4768	FACSIMILE TRANSMISSION NO:	BATCH NO: 4768	Signature

TO: *Sharon Weeks* FROM: *William H. Koop*

COMPANY: *ODB* DATE: *3/12/98*

FAX NUMBER: *268-462-9215* TOTAL PAGES (INCLUDING COVER):

PHONE NUMBER: CC: *Int'l Financial Solution*

RE: *Documents Requested* YOUR REFERENCE NUMBER:

URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES/COMMENTS: *Dear Sharon,*

It is imperative to wire 100,000.00 from Acct # 285 and 110,000.00 from 010-001-988 to the following Wire Instructions. Urgent

NOTE: Please call if this information does not reach you in its entirety.

I need verification as soon as possible.

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
PHONE: (201) 847-9764 FAX: (201) 847-9287

Thank You
William H. Koop

1405

PHONE NO. :

Mar. 12 1998 10:21AM P2

WIRE TRANSFER
INSTRUCTIONS

CORRESPONDENT BANK

LOYDS BANK OF NEW YORK, N.Y.
1 SEAPORT PLAZA / 199 WATER ST.
ABA # 026-002-655

BENEFICIARY BANK

LOYDS BANK
VICAR LANE BRANCH, LEEDS
UK BANK CODE # 30-98-93

FOR CREDIT TO:
H. A. SIMMONS - BUSINESS ACCT
ACCOUNT # 026594202

1406

FRUIT 7

PHONE NO. :

Jun. 02 1998 09:58AM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: SHARON WEEKS FROM: Bill Koop
COMPANY: O.D.B DATE:
FAX NUMBER: 268-462-9232 TOTAL PAGES INC. COVER:
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Sharon,
Please transfer 100,000. From Account # 010-001-988
To the following attached Co-ordinates: (I.F.S.)
Please send confirmation to Jay (201) 847-928

Thank You,
Personal Regards
William H. Koop

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

010-001-988
CCT: 010-001-988
CCT: 12229
DATE: 6/2/98
H NO: 12229
89 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
CHAMBERS GOMEZ BLDG
HIGH STREET,
ST. JOHNS, ANTIGUA
TELEPHONE: (201) 847-9764-65 FAX: (201) 847-9287

1407

PHONE NO. :

Jun. 02 1998 09:56AM P2

WIRE INSTRUCTIONS FOR
TRANSACTION # CP-10M

BANK NAME: BANCO INDUSTRIAL de VENEZUELA
1101 BRICKELL AVENUE, SUITE 500
MIAMI, FLORIDA 33131

ABA NUMBER: 066010801

SWIFT CODE: INDS US 3M

FINAL CREDIT TO: BRITISH TRADE & COMMERCE BANK

ACCOUNT NUMBER: 062020001

REFERENCE: HANOVER "B" LTD.
ACCOUNT # 101-011079-2

1408

PHONE NO. :

Jun. 09 1996 09:27AM P1

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: SHARON WEEKS FROM: Bill Koop
COMPANY: _____ DATE: _____
FAX NUMBER: 268-462-9215 TOTAL PAGES INC. COVER: (2)
PHONE NUMBER: _____ CC: _____
RE: DOCUMENTS REQUESTED YOUR REF. # _____
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE _____

NOTES / COMMENTS:

Dear Sharon,
Please wire 100,000.00 To the
following instructions attached.
Please send verification of transfer
from (Account # 010-001-989) Thank you for your help.
Regards, Bill Koop

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS,
LONDON, ENGLAND
UNITED KINGDOM

789 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
UNITED STATES OF AMERICA
PHONE: (201) 847-9764-65 FAX: (201) 847-9287

CHAMBERS GOMEZ BLDG
HIGH STREET,
ST. JOHNS, ANTIGUA

1409

PHONE NO. :

Jun. 09 1996 09:28AM P2

WIRE TRANSFER INSTRUCTIONS
FOR INTERNATIONAL FINANCIAL SOLUTIONS, S.A.
TRANSACTION # CP-100-SPECIAL

BANK NAME: : FIRST UNION NATIONAL BANK OF
FLORIDA
200 SOUTH BISCAYNE BOULEVARD
P.O. BOX 025475
MIAMI, FLORIDA 33131

ABA NUMBER : 063000021
SWIFT CODE : FUNB US 3F
VALUE DATE : _____

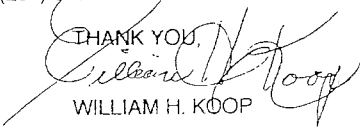
FURTHER CREDIT TO : BANUQE FRANCAISE COMMERCIALE/
ANTILLES-GUYANE -

ACCOUNT NUMBER : 2090001408334 -

FINALCREDIT TO : BRITISH TRADE AND COMMERCE
BANK

ACCOUNT NUMBER : 1273201
REFERENCE : (IFS) INFOSEEK }
ACCOUNT NUMBER : 101-011065-8 }

NOTE : PLEASE INCLUDE VALUE DATE AND SEND EXPEDITIOUSLY.
PLEASE SEND WIRE TRANSFER CONFIRMATION ASAP TO:
FAX NUMBER (201) 847 9287

THANK YOU,

WILLIAM H. KOOP

PROJECT: CP-001-1430	INPUT
1273201	SWIFT
063000021	CHECK
2090001408334	

1410

BANKING INFORMATION

WE ARE CURRENTLY TRANSACTING OUR BANKING BUSINESS WITH THE OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY, WHICH IS DOMICILED IN THE ISLAND OF DOMINIC IN THE WEST INDIES.

WE HAVE WITNESSED A SLOW NESS IN DOING BUSINESS WITH THIS BANK AS FAR AS DEPOSIT TRANSFERS AND WIRE TRANSFERS ARE CONCERNED.

BECAUSE OF THESE DELAYS, WE HAVE MADE ARRANGEMENTS WITH THE HANOVER BANK TO OPEN ACCOUNTS FOR EACH OF OUR CLIENTS THAT ARE CURRENTLY WITH ODB, WITHOUT ANY CHARGE TO YOU.

IF YOU ARE INTERESTED IN DOING SO, PLEASE SEND A DUPLICATE COPY OF YOUR BANK REFERENCE LETTER AND A COPY OF YOUR PASSPORT PICTURE PAGE AND/OR A COPY OF BOTH THE FRONT AND REAR SIDE OF YOUR DRIVERS LICENSE, AND FAX THEM TO FAX # (201-847-9287

IFS WILL THEN OPEN AN ACCOUNT FOR YOU IN THE HANOVER BANK, IN THE NAME OF YOUR TRUST.

1411

ROBERT J. TOLCHIN

ATTORNEY AT LAW
150 WILLIAM STREET, 19TH FLOOR
NEW YORK, NEW YORK 10038

(212) 227-2181

March 11, 1999

BY FAX

John Greaves
Director
Overseas Development Bank
P.O. Box W2023
St. Johns
Antigua
Fax: (268) 462-9215

Re: *Glenn H. Schmidt v. William H. Koop a/k/a Bill Koop, et al.*
Case number: 98-4305 (WHW)(JAP)

Dear Mr. Greaves,

We are the attorneys for the plaintiff in litigation with an individual named William H. Koop which is referenced above.

Enclosed please find Mr. Koop's authorization for the release of documentation pertaining to all accounts with respect to which he is an authorized signatory, depositor, account holder, trustee or custodian. This authorization has been signed by a notary public, Stephen A. Geffner, Esq., who is also Mr. Koop's own attorney.

Mr. Koop's attorneys have advised us that Mr. Koop is an authorized signatory, depositor, account holder, trustee or custodian in the following accounts at ODB:

Account number: 001-001-988

Account number: 010-002-285

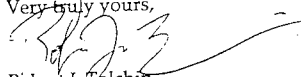
We would appreciate your promptly providing us with the materials covered by the authorization, particularly the information pertaining to these two accounts and the account identified on the authorization as well.

1412

John Greaves
March 11, 1999
page 2

Please advise what your copying costs are. We would be happy to pay your reasonable costs for complying with this authorization.

Very truly yours,



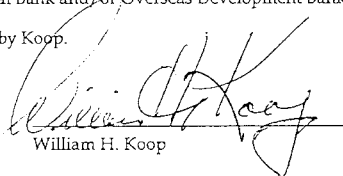
Robert J. Tolchin

AUTHORIZATION

I, William H. Koop, the undersigned, hereby authorize the American International Bank and/or the Overseas Development Bank to provide the documents listed below to Robert J. Tolchin, Esq. and the law firm of Jaroslawicz & Jaros, both located at 150 William Street, 19th floor, New York, New York 10038.

Documents to be provided:

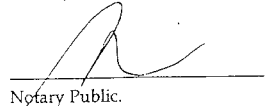
1. For the American International Bank and/or Overseas Development Bank account designated as Effortless Prosperity Account # 010-003-026, and for any American International Bank and/or Overseas Development Bank account controlled by William H. Koop ("Koop") or with respect to which Koop is an authorized signatory, depositor, account holder, trustee or custodian, all statements; canceled checks (front and back); wire transfer records; records of deposits and withdrawals; signature cards; account agreements; documents reflecting the disposition of any money deposited therein.
2. All documents pertaining to the above account(s) provided to Koop or his attorneys.
3. Complete file with respect to Koop pertaining to the above account(s).
4. Documents reflecting any investigation or inquiry with respect to Koop or any moneys deposited with American International Bank and/or Overseas Development Bank by, on behalf of, with the assistance of, or controlled by Koop.



William H. Koop

State of New Jersey)
) ss:
 County of Bergen)

On this date, the 9 day of ^{March} ~~December~~, 1998, William H. Koop, to me known and known to me to be the person named herein, and executed the above instrument.



Notary Public.

Stephen A. Griffin
 A. Attorney at Law of the State of New Jersey

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12/03 '98 FRI 12:50 FAX 1 268 462 9215

O.M.S. LTD.

001



OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, W.I.
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odbank@owdom.dm

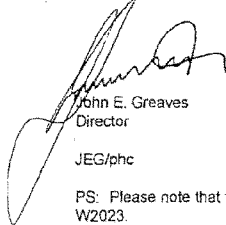
12th March, 1999

Mr. Robert J. Tolchin
Attorney At Law
150 William Street, 19th Floor
New York, New York 10038
USA

Dear Mr. Tolchin:

Thank you for your fax of 13th March regarding Mr. William H. Koop. We would, of course, be only too happy to supply you with the details requested once we have the authorisation of our client. However, you will note that the authorisation you enclosed referred to an account #010 003 026 which is an account over which Mr. Koop has no signing authority. If you could return to us an authorisation from Mr. Koop covering the two accounts, #010 001 988 and #010 002 285, we would be only too pleased to supply the information requested.

Sincerely,



John E. Greaves
Director
JEG/phc

PS: Please note that the new box number for the Administrative Office is P.O. Box W2023.

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box 2480, St. John's, Antigua, W.I.
Tel: - 1(268) 482-9214/9232 * Fax: - 1(268) 462-9215/460-7544 * e-mail - oms@candw.ag

1415

ROBERT J. TOLCHIN

ATTORNEY AT LAW
150 WILLIAM STREET, 19TH FLOOR
NEW YORK, NEW YORK 10038

(212) 227-2181

March 12, 1999

BY FAX

John Greaves
Director
Overseas Development Bank
P.O. Box W2023
St. Johns
Antigua
Fax: (268) 462-9215

Re: *Glenn H. Schmidt v. William H. Koop a/k/a Bill Koop, et al.*
Case number: 98-4305 (WHW)(JAP)

Dear Mr. Greaves,

This is in response to your fax of this morning responding to my fax of yesterday. Thank you for your prompt response.

I have spoken with your secretary, Pat Crawford, and this letter is being sent to confirm what I told her.

Please take note that the authorization which I provided to you specifically indicates that it pertains not only to the account number set forth but also to "any American International Bank and/or Overseas Development Bank account controlled by William H. Koop ("Koop") or with respect to which Koop is an authorized signatory, depositor, account holder, trustee or custodian".

Because the authorization contains this language, it is clearly applicable to all accounts controlled by Koop, not just the one set forth.

The reason why the other two accounts were not specifically included in the authorization is that at the time I prepared the authorization Koop had not revealed that these other accounts exist and we were under the impression that the Effortless

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John Greaves
March 12, 1999
page 2

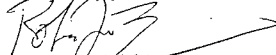
Prosperity account was controlled by Koop. We included the general "any...account" language specifically to cover the possibility that there were other accounts.

We would appreciate your prompt compliance with the authorization as it stands, since it is extremely difficult for us to obtain an additional authorization from Mr. Koop.

I have provided Ms. Crawford with my FedEx account number to facilitate your sending the documents we have requested.

Thank you for your cooperation.

Very truly yours,



Robert J. Tolchin

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OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.

42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, W.I.
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odbank@cwtdom.dm

March 16, 1999

Robert J. Tolchin
Attorney-At-Law
150 William Street
19th Floor
New York, N.Y. 10038

Re: William H. Koop - Account No. 010-001-988 & 010-002-285

We are pleased to enclose relative information on the captioned accounts as requested in your fax of March 11th.

While we cannot supply each and every credit advice on the incoming wires, each credit entry states the name of the 'sender'.

As a matter information, please be advised that we have today, received instructions from Mr. Koop's attorney to transfer all monies on deposit with us within the next two business days to, Gallo Geffner Fenster, P.C Attorney Trust Account.

Kindly therefore be guided accordingly.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Sharon Weeks', is written over a horizontal line.

Sharon Weeks

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box W2023, St. John's, Antigua, W.I.
Tel: - 1(268) 462-9214/9232 * Fax: - 1(268) 462-9215/460-7544 * e-mail - oms@candw.ag

F1:Help	BANK+LAN (Agency) Ver 2.15	F2:Keys
(C) CSL 1997	OVERSEAS DEVELOPMENT BANK & TRUST CO	FBCLIENQ
01 - SHARONC	CLIENT ENQUIRY	31/12/1997

Name INTERNATIONAL FINANCIAL SOLUTIONS I.D. 100291
A/c: USD-010-002-285

DESCRIPTION	AMOUNT	BALANCE
05/11/1997		
BOOK TRANSFER	800000.00	800081.75
30/11/1997		
INTEREST PAID ON ACCOUNT FROM 31/10/1997 TO 30/11/1997	1155.69	801237.44
01/12/1997		
IBC NAME CHANGE	225.00 DB	801012.44
03/12/1997		
W/T F/O ARAB BANK	300000.00 DB	501012.44
W/T ARAB BANK	400000.00 DB	101012.44

<Page Up>, <Page Down> or <End>

**** H O L D M A I L ****		Statement of Account	
INTERNATIONAL FINANCIAL SOLUTIONS		US DOLLAR	
		CURRENT ACCOUNT	
		USD-010-001-96	
		Page	
From 01/01/1995 to 17/03/1999		Printed 17/03/1999	
Transaction	Amount	Balance	
01/01/1995		0.00	
BALANCE FORWARD			
08/08/1997			
PART CHQ TO OPEN A/C-000001	550.00	550.00	
22/08/1997			
INCWT B/O	10000.00	10550.00	
26/08/1997			
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	13000.00		
INCWT B/O	150000.00		
INCWT B/O	100000.00	333550.00	
27/08/1997			
INCWT B/O	50000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00		
INCWT B/O	6500.00		
INCWT B/O	10000.00		
INCWT B/O	10000.00	440050.00	
28/08/1997			
INCWT B/O	3000.00		
INCWT B/O	7000.00		
INCWT B/O	11000.00		
INCWT B/O	20000.00	481050.00	
29/08/1997			
TRNSF TO 010-002-285	300000.00 DB	181050.00	
31/08/1997			
INTEREST PAID ON ACCOUNT	143.54		
FROM 07/08/1997 TO 31/08/1997			
BY CHQS: 01/08/1997-31/08/1997	20.00 DB		

Redacted information
in Subcommittee Files

** HOLD MAIL **
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLARS
CURRENT ACCOUNT
USD-010-001-986
Page 2

From 01/01/1995 to 17/03/1999 Printed 17/03/1999

Transaction	Amount	Balance
31/08/1997		
BALANCE FORWARD		181173.54
SV CHGS:01/08/1997-31/08/1997	110.00 DB	181063.54
01/09/1997		
INCWT B/O	20000.00	201063.54
02/09/1997		
INCWT B/O	10000.00	
INCWT B/O	2700.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	20000.00	
INCWT B/O	110000.00	
INCWT B/O	104000.00	
INCWT B/O	50000.00	
INCWT B/O	50000.00	
INCWT B/O	20000.00	
REV DUPL E	20000.00 DB	
REV DUPL W/	50000.00 DB	617763.54
03/09/1997		
INCWT B/O	10000.00	
INCWT B/O	100000.00	
INCWT B/O	100000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	50000.00	
INCWT B/O	30000.00	
BOOK T/FEE	4000.00	1011763.54
04/09/1997		
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	50000.00	
INCWT B/O	20000.00	
INCWT B/O	50000.00	
INCWT B/O	65500.00	1198263.54

Redacted information
in Subcommittee Files

**** H O L D M A I L ****
INTERNATIONAL FINANCIAL SOLUTIONS

From 01/01/1995 to 17/03/1999

Transaction	Amount
04/09/1997 BALANCE FORWARD	
05/09/1997 INCWT B/O	10000.00
INCWT B/O	20000.00
08/09/1997 W/T BK OF	1200000.00 DB
INCWT B/O	20000.00
INCWT B/O	13000.00
09/09/1997 INCWT B/O	9975.00
INCWT B/O	10000.00
10/09/1997 INCWT B/O	50000.00
INCWT B/O	36500.00
INCWT B/O	15000.00
INCWT B/O	10000.00
INCWT B/O	10000.00
11/09/1997 INCWT B/O	15000.00
INCWT B/O	20000.00
12/09/1997 IBC CHARGE	2250.00 DB
INCWT B/O	10000.00
INCWT B/O	10000.00
INCWT B/O	10000.00
INCWT B/O	10000.00
INCWT B/O	20000.00
INCWT B/O	10000.00
15/09/1997 INCWT B/O	10000.00
INCWT B/O	10000.00
16/09/1997 INCWTB/O	15000.00
INCWT B/O	19000.00

Redacted information
in Subcommittee Files

**** HOLD MAIL ***
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLAR
CURRENT ACCOUNT
USD-010-001-08
Page

From 01/01/1995 to 17/03/1999

Printed 17/03/1999

Transaction	Amount	Balance
16/09/1997		
BALANCE FORWARD		359488.54
INCWT B/O	20000.00	
INCWT B/O	13550.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	433048.54
17/09/1997		
INCWT B/O	15500.00	
INCWT B/O	15000.00	
INCWT B/O	58286.96	
TRNSP P/O	2250.00 DB	519585.50
18/09/1997		
INCWT B/O	15000.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	15000.00	570585.50
19/09/1997		
INCWT B/O	2000.00	
INCWT B/O	3500.00	
INCWT B/O	10000.00	
INCWT B/O	5000.00	
INCWT B/O	10000.00	
INCWT B/O	9985.00	
INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	20000.00	651070.50
22/09/1997		
INCWT B/O	4500.00	
INCWT B/O	5400.00	
INCWT B/O	10000.00	671070.50
23/09/1997		
INCWT B/O	7500.00	
INCWT B/O	50000.00	728570.50

• **** HOLD MAIL ***
 INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
 US DOLLAR
 CURRENT ACCOUNT
 USD-010-001-98
 Page

• From 01/01/1995 to 17/03/1999 Printed 17/03/199

Transaction	Amount	Balance
23/09/1997 BALANCE FORWARD		728570.50
24/09/1997 VISA SECURITY	11250.00 DB	
INCWT B/O INTL FIN STRATEGIES	10000.00	727320.50
26/09/1997 INCWT B/O	10000.00	
INCWT B/O	10000.00	
INCWT B/O	5000.00	
INCWT B/O	10000.00	752320.50
30/09/1997 INCWT B/O	11500.00	
INTEREST PAID ON ACCOUNT FROM 31/08/1997 TO 30/09/1997	1038.68	
SV CHGS:01/09/1997-30/09/1997 01/10/1997	335.00 DB	774524.18
INCWT B/O LAKEWOOD	10000.00	784524.18
07/10/1997 INCWT B/O 1ST FEDERAL S&L	15000.00	799524.18
08/10/1997 INCOMING WIRE TRANSFER	2000.00	
INCOMING WIRE TRANSFER	6000.00	
INCOMING WIRE TRANSFER	2000.00	
INCOMING WIRE TRANSFER	2000.00	811524.18
16/10/1997 INCOMING WIRE TRANSFER	5000.00	816524.18
22/10/1997 INCOMING WIRE TRANSFER	9985.00	826509.18
24/10/1997 VISA PAYMENT	694.24 DB	825814.94
27/10/1997 INCOMING WIRE TRANSFER	49970.00	875784.94
30/10/1997 FEDERAL EXPRESS CHARGES	31.00 DB	
INCOMING WIRE TRANSFER	64970.00	

**** HOLD MAIL ****
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLARS
CURRENT ACCOUNT
USD-010-001-988
Page 6

From 01/01/1995 to 17/03/1999 Printed 17/03/1999

Transaction	Amount	Balance
30/10/1997		
BALANCE FORWARD		940723.94
INTEREST PAID ON ACCOUNT	1355.37	
FROM 30/09/1997 TO 30/10/1997		942079.31
31/10/1997		
REV ENTRY OF 12.09.97	2250.00	
INTEREST PAID ON ACCOUNT	49.69	
FROM 30/10/1997 TO 31/10/1997		944334.00
SV CHGS:01/10/1997-31/10/1997	45.00 DB	
04/11/1997		
INCWT B/O	1000.00	
INCWT B/O	2000.00	
INCWT B/O	7500.00	
INCWT B/O	5000.00	
INCWT B/O	5000.00	
INCWT B/O	5000.00	969834.00
05/11/1997		
INCWT B/O	10000.00	
INCWT B/O	30000.00	
BOOK TRANSFER TO 000-002-285	800000.00 DB	209834.00
07/11/1997		
INCWT B/O	5000.00	
INCWT B/O	5000.00	
INITIAL DEP FOR 25 A/C'S	7500.00 DB	212334.00
10/11/1997		
INCWT B/O	10000.00	
INCWT B/O	5000.00	227334.00
11/11/1997		
INCWT B/O	10000.00	237334.00
12/11/1997		
INITIAL DEPOSIT - 15 NEW A/C'S	4500.00 DB	
FAK CHARGES - OCTOBER	5.00 DB	
INCWT B/O	30000.00	
INCWT B/O	20000.00	
INCWT B/O	50000.00	332829.00

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in Subcommittee Files

**** H O L D M A I L ****
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLAR
CURRENT ACCOUNT
USD-010-001-98
Page

From 01/01/1995 to 17/03/1999

Printed 17/03/1999

Transaction	Amount	Balance
12/11/1997		
BALANCE FORWARD		332829.00
13/11/1997		
INCWT B/O	10000.00	342829.00
14/11/1997		
INCWT B/O	5000.00	347829.00
17/11/1997		
INCWT B/O	10000.00	
INCWT B/O	35281.00	
INCWT B/O	130000.00	
INCWT B/O	9500.00	
INCWT B/O	20000.00	553610.00
18/11/1997		
INCWT B/O	19970.00	
INCWT B/O	5470.00	
INCWT B/O	33470.00	
INCWT B/O	3970.00	
INCWT B/O	2470.00	
INCWT B/O	10200.00	
INCWT B/O	50000.00	
INCWT B/O	2470.00	681630.00
21/11/1997		
VISA PAYME	2795.52 DB	
CHGES INCW	75.00 DB	
INCWT B/O	4970.00	683728.48
24/11/1997		
INCWT B/O	49970.00	
INCWT B/O	19941.68	753640.16
26/11/1997		
INCWT B/O	29970.00	783610.16
28/11/1997		
INCOMING W	14970.00	
INCWT B/O	4970.00	803550.16
30/11/1997		
INTEREST PAID ON ACCOUNT	954.34	
FROM 31/10/1997 TO 30/11/1997		
SV CHGS:01/11/1997-30/11/1997	185.00 DB	804319.50
01/12/1997		
	9970.00	814289.50

Redacted information
in Subcommittee Files

Redacted information
in Subcommittee Files

**** H O L D M A I L ****
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLARS
CURRENT ACCOUNT
USD-010-021-988
Page 8

From 01/01/1995 to 17/03/1999

Printed 17/03/1999

Transaction	Amount	Balance
01/12/1997		
BALANCE FORWARD		814289.50
02/12/1997		
INCWT - [REDACTED]	49970.00	864259.50
03/12/1997		
INCWT B/O [REDACTED]	56970.00	
W/T P/O ARAB BANK	800000.00 DB	
W/T CHGS - ARAB BANK	398.00 DB	120831.50
05/12/1997		
RE INCORPORATION OF 2 IBC'S	3000.00 DB	117831.50
10/12/1997		
INCWT B/O [REDACTED]	4970.00	122801.50
11/12/1997		
TPFR - EFFORTLESS PROSPERITY	49970.00	172771.50
13/12/1997		
VISA PMT	9475.19 DB	163296.31
16/12/1997		
INCWT - [REDACTED]	16200.00	179296.31
30/12/1997		
INTEREST PAID ON ACCOUNT	343.11	
FROM 30/11/1997 TO 30/12/1997		
REV PART W/T CHG	10.00	179649.42
31/12/1997		
INTEREST PAID ON ACCOUNT	9.98	
FROM 30/12/1997 TO 31/12/1997		
SV CHGS:01/12/1997-31/12/1997	25.00 DB	179634.40
02/01/1998		
FUNDS RECALLED B/O [REDACTED]	30000.00 DB	149634.40
05/01/1998		
INITIAL DEPOSIT	3300.00 DB	146334.40
16/01/1998		
TRANS FROM CLOSED C/D ACCOUNT	11250.00	
INITIAL DEPOSITS ON 15 A/C'S	4500.00 DB	153084.40
22/01/1998		
VISA PAYMENT	51.27 DB	

Redacted information
in Subcommittee Files

**** H O L D M A I L ****
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLARS
CURRENT ACCOUNT
USD-010-001-988
Page 1

From 01/01/1995 to 17/03/1999

Printed 17/03/1999

Transaction	Amount	Balance
22/01/1998		
BALANCE FORWARD		153033.13
INCWT B/O ██████████	39970.00	193003.13
31/01/1998		
INTEREST PAID ON ACCOUNT	565.56	
FROM 31/12/1997 TO 31/01/1998		
SV CHGS.01/01/1998-31/01/1998	5.00 DB	193563.69
10/02/1998		
TRNSP B/O EFFORTLESS PROSP	400000.00	593563.69
13/02/1998		
TPER TO 6 NEW ACCOUNTS	1800.00 DB	591763.69
23/02/1998		
W/T F/O ██████████	25000.00 DB	
TSP FROM EFFORTLESS PROSPERITY	200000.00	
T/T F/O WILLIAM H. KOOP	180000.00 DB	586763.69
24/02/1998		
CHGS RE W/T F/O ██████████	103.00 DB	586660.69
28/02/1998		
INTEREST PAID ON ACCOUNT	1440.05	
FROM 31/01/1998 TO 28/02/1998		588100.74
03/03/1998		
OUTGOING W/T F/O SOVEREIGN	9000.00 DB	579100.74
06/03/1998		
W/T F/O MEASURES FRANK & CO	500000.00 DB	79100.74
12/03/1998		
TSP FROM B/C EFFORTLESS PROS	35000.00	
W/TSP F/O H.A. SIMMONS-BUS. AC	110000.00 DB	4100.74
28/03/1998		
INTEREST PAID ON ACCOUNT 4	384.20	
FROM 28/02/1998 TO 28/03/1998		4484.94
31/03/1998		
SV CHGS.01/03/1998-31/03/1998	65.00 DB	4419.94
01/04/1998		
CHQ DEP - SENT ON COLL	99888.50	104308.44
20/04/1998		
INCOMING W/T DD 11/12/97	40000.00	144308.44
30/04/1998		
INTEREST PAID ON ACCOUNT	396.58	
FROM 31/03/1998 TO 30/04/1998		

**** H O L D M A I L ****
INTERNATIONAL FINANCIAL SOLUTIONS

Statement of Account
US DOLLARS
CURRENT ACCOUNT
USD-010-001-988
Page 10

From 01/01/1995 to 17/03/1999		Printed 17/03/1999
Transaction	Amount	Balance
30/04/1998		
BALANCE FORWARD		144705.02
SV CHGS:01/04/1998-30/04/1998	5.00 DB	144700.02
30/05/1998		
INTEREST PAID ON ACCOUNT	462.33	
FROM 30/04/1998 TO 30/05/1998		145182.35
31/05/1998		
INTEREST PAID ON ACCOUNT	16.13	
FROM 30/05/1998 TO 31/05/1998		145198.48
04/05/1998		
W/T F/O BRITISH TRADE & COMMER	100000.00 DB	
RETURN OF W/T F/O YOURSELVES	100000.00	145198.48
10/05/1998		
W/T F/O BRITISH TRADE & COMM	100000.00 DB	45198.48
30/06/1998		
SV CHGS:01/06/1998-30/06/1998	65.00 DB	45133.48
01/03/1999		
TPR F/O CORP LINK-INCRP FEE	2500.00 DB	42633.48

Sample of letters sent by 20 victims of Koop fraud to ODB

FAX

To: Sharon Weeks
Overseas Bank and Trust Company
Fax # (268) 462-9215

From: [REDACTED]
Fax # (801) [REDACTED]

Monday, March 02, 1998

RE: Account # 010-003-093

Dear Ms. Weeks,

Pursuant to your instructions in our conversation of two weeks ago and to repeat my request, I herewith request that as soon as moneys have been transferred from any source (including that of Mr. William H. Koop) to my account # 010-003-093 (also known as Rhombus Fiscal Services), that you immediately FAX to me a statement of the balance in my account. My FAX # is (801) [REDACTED]

Thereafter, I will FAX further instructions relative to the disposition of such funds.

Also, could you tell me how quickly the Debit Card associated with my account will be provided to me?

May I thank you in advance for your prompt response to my request and question.

Sincerely,

[REDACTED]

Taylorsville, Utah 84118
Tel/Fax: [REDACTED]

=== COVER PAGE ===

TO: Overseas Bank And Trust Company

FAX: (260) 462-9215

FROM:

FAX:

TEL:

Telephone or Fax

Please use 800 TO FAX ME INFORMATION

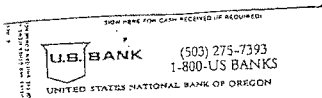
00 PAGE(S) TO FOLLOW

COMMENT: Account Manager----Sharon Weeks

I have been assured that a deposit would made into my account by Monday March 16 1998 I am requesting that you make a wire transfer into my account in the United States.
I need \$33,000,00 (thirty three thousand U.S dollars) wire transferred to... U.S.Bank Telephone #(503) 275-7393
Oregon City Oregon U.S.A
Routing# 123-000-220
To the account of
Account

Also please send me a balance statement, Thank you very much
My account # in your bank is #010-003-004

Please advise if this is sent to my account also please advise me if it has not been sent, and also if the deposit was not made.



[REDACTED]
Bloomington, IL 61704

(309) [REDACTED] Fax: (309) [REDACTED]

E-mail: [REDACTED]

L. Malcolm West
Overseas Development Banking Group
P. O. Box W-43 - Woods Centre
St. Johns, Antigua, West Indies
phone: (268) 462-9232
fax: (268) 460-9215

SECOND
REQUEST
3-12-98

March 9, 1998

RE: Account #010-003-151. Integrity Services.

Dear Mr. West,

I corresponded with you back in September, 1997, when I was setting up a bank account for my trust through Bill Koop.

Bill promised me that I would receive a deposit of \$30,000 before this time. On Feb. 14, he faxed that he would receive his funds on or about Feb. 26 and that my payment would come within 2 or 3 days. However, I have not received any confirmation from your bank that the deposit was made.

Can you give me an explanation why the money might not be in my account as yet or why I have not received notification?

Secondly, I have heard that Visa International has cut off all cards that are based in banks from Dominica. The US Government put pressure on Visa to discontinue service to any countries that have not signed the treaty for exchange of banking information. That would mean that I can no longer get a Visa card for my account with your bank. Is this correct? And if so, do you have any alternatives?

Thank you for your help in these matters.

Best Regards,
[REDACTED]

PS: My fax number for your response is (309) [REDACTED]

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Material related to Overseas Development Bank Antigua

07 MAY 1998



GOVERNMENT OF ANTIGUA AND BARBUDA

**APPLICATION FOR INTERNATIONAL
BUSINESS CORPORATION CHARTER**

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS
MINISTRY OF FINANCE

1. Proposed Name: **OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED**
2. Registered Office and Name and Address of Resident Agent:
Hill & Hill
36 Long Street
St. John's
Antigua
3. Authorized Number of Shares by Class:
US\$20,000,000 shares with a par value of US\$1.00 each
4. Transferability Restrictions -- mark if applicable
5. Number of Directors -- Maximum 5 Minimum 5
6. Restrictions to Corporate Purpose Clause:
Securities of the Body Corporate are not transferable to residents of Antigua and Barbuda
7. Securities Regulations Documents -- attached if applicable.
8. Licence Applications - Banking , Trust , Insurance
9. Unanimous Shareholder Agreement -- attached if applicable.
10. Incorporators: Stacy A. Richards, c/o Hill & Hill Chambers Long Street, St. John's
Ethlyn Tonge, c/o Hill & Hill Chambers Long Street, St. John's
11. The Company will be operating from:
Woods Centre
Friars Hill Road
St. John's, Antigua

PLEASE SUBMIT THE FOLLOWING COPIES OF DOCUMENTS, IF APPLICABLE

Applications for International Business Corporation Charter (1)
Articles of Incorporation (3) (One certified copy returned)
Licence Applications (2)
Unanimous Shareholders Agreement (2)



GOVERNMENT OF ANTIGUA AND BARBUDA

CERTIFICATE OF INCORPORATION
AND GOOD STANDING

Pursuant to Section 9 of the International Business Corporations Act,
1982, No. 28 of 1982, the undersigned hereby certifies that:

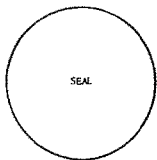
OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED

was incorporated under the laws of Antigua and Barbuda on the *7th* day of
May 1988; is in good standing and enjoys all the rights, powers
and privileges conferred by law consistent with the attached Articles of
Incorporation.

REGISTERED



Director,
International Business Corporations



Registered at St. John's, Antigua,
this *7th* of *May 1988*

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GOVERNMENT OF ANTIGUA AND BARBUDA

APPLICATION

TO: Supervisor of International Banks and Trust Corporations — Ministry of Finance

FOR AUTHORITY OF ORGANIZE AND OPERATE UNDER AN

International Banking Licence [X] International Trust Licence []

PURSUANT TO SECTION 230 OF THE INTERNATIONAL BUSINESS CORPORATIONS ACT 1982,
No. 28 OF 1982.

OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED

(Name of Proposed Licensee)

Woods Centre, Friars Hill Road, St. John's, Antigua

(Address of Proposed Licensee)

Date Submitted: 6 May 1998

PLEASE SUBMIT THIS APPLICATION AND ALL SUPPORTING DOCUMENTATION IN DUPLICATE
ORIGINALS.

FOR OFFICIAL USE ONLY —

Received: 6th May 1998

Tentative Licence Granted: —

Ordinary Licence Granted: 7th May 1998

Denial: —

International Management (Antigua) Ltd. _____

Wilshire Trust Limited _____

ABI Trust Limited _____

(Names of Organizer(s))

(hereinafter referred to as Applicant(s), hereby apply to the Supervisor of International Banks and Trust Corporations, Ministry of Finance (hereinafter referred to as the Supervisor), pursuant to Section 230, International Business Corporations Act, 1982, No. 28 of 1982, for authority to organize and operate

Overseas Development Bank Antigua Limited _____

(Name of Proposed International Business Corporation)

hereinafter referred to as "the IBC," under the following:

- International Bank Corporation Licence
- International Trust Corporation Licence

CERTIFICATE

The Applicants hereby certify that the information contained in this application is true and complete to the best of their knowledge and belief; further, the Applicants accept the responsibility of informing the Supervisor Promptly of any changes in the information presented herein.

Executed this 6 day of May, 1998

(Name)

(Signature)

International Management (Antigua) Ltd. _____

Wilshire Trust Limited _____

ABI Trust Limited _____

If the IBC is to be controlled by a holding company, submit the signature and title of the holding company representative.

(Signature)

(Title)

(Holding Company)

NOTE: All organizers must sign the Certificate.

1. Proposed name of IBC: Overseas Development Bank Antigua Limited

2. Proposed Address of IBC: Woods Centre, St. John's, Antigua

3. Proposed capitalization of IBC: US\$20,000,000.00

Capital: US\$5,000,000.00

No. of Preferred Shares:

Surplus: US\$15,000,000.00

Par Value:

No. of Common Shares: 20,000,000

Par Value: US\$1.00

FILED

REGISTERED

4. Proposed directors of IBC (All organizers must be proposed directors of IBC):

(Name — Occupation)	(Address: City & State)
<u>Rudyard D. Field-Ridley - Banker</u>	<u>Boon's Haven, Crosbies, St. John's Antigua</u>
<u>Astron F. Jarvis - Business Consultant</u>	<u>Hodges Bay, Antigua</u>
<u>Derek A. Pinard - Banker</u>	<u>Pillar Rock, Antigua</u>
<u>Nicolette M. Doherty - Attorney</u>	<u>Campsite, St. John's, Antigua</u>
<u>Earl Coley - Businessman</u>	<u>Clinton, Maryland USA</u>

5. Name, address and telephone number of person authorized by Applicants to receive correspondence for them:
Hill & Hill, 36 Long Street, P.O. Box 909, St. John's, Antigua 462-4717

6. Attach a list of all the subscribers to the capital stock of the IBC, showing name, place of residence, and number of shares subscribed to. Any changes in proposed subscribers shall be reported promptly to the Supervisor, and in an event, within 30 days prior to opening, whichever occurs first. See Attached

7. Are any of the proposed stockholders of five percent or more of the IBC's stock, other than directors and officers connected with any other banking or trust institution by way of employment, directorship or ownership? If so, describe such relationship. Yes - ABI Trust Ltd. - Directorship & Ownership
.IMAL - Directorship & Ownership

8. Submit biographical information for each proposed director, officer and subscriber to five percent or more of IBC stock. See Attached

9. List the qualifications of the proposed directors and officers to operate an international or trust corporation successfully. See Attached Resumes

10. Are any of the proposed directors or officers of the IBC connected with any other bank or trust institution by way of employment, directorship or ownership? If so, describe such relationship.
Rudy Field-Ridley - Director -International Management & Trust Ltd.

11. Have any of the proposed directors, officers or proposed stockholders of five percent or more of the IBC's stock ever been charged with or convicted of any criminal offense? If so, give details, including status of case. No.

6. SUBSCRIBERS TO CAPITAL STOCK

Wilshire Trust Limited - 3,000,000 shares
c/o Morningstar Holdings
National Bank Building
Charlestown, Nevis

ABI Trust Limited - 1,000,000 shares
High Street
St. John's
Antigua

International Management - 1,000,000 shares
Antigua Limited (IMAL)
Market Street
St. John's
Antigua



GOVERNMENT OF ANTIGUA AND BARBUDA

LICENSE TO CONDUCT AN INTERNATIONAL BANKING, TRUST OR INSURANCE BUSINESS

Pursuant to Section 230 of the International Business Corporations Act, 1982, No. 28 of 1982, the undersigned hereby grants a license to conduct an international banking business to

OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED

subject to all the terms and conditions of said Act.

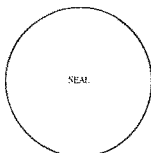
(For bank/trust)

[Signature]
Supervisor,
International Banks and Trust
Corporations

REGISTERED

(For insurance)

Superintendent,
International Insurance Corporations



Issued at St. John's, Antigua,
this 27th day of May 1988.

David S. Jarvis**Experience**

1995- The Forum Ltd.

Executive Director

- Piloted the setting up of Forum Office to be processing center.
- Employed thirteen locals and trained them to offer customer service to Forum clients.
- Handle daily Office operations/administration.
- Execute all directives handed down by Forum Executive Committee.
- Sit on the board of the Offshore Business Managers Association

ODB-Antigua Ltd

Directors' C.V.

1985-1994 Swiss American National Bank of Antigua

Cashier Supervisor/Treasury Officer/Senior Loans Officer/Assistant Manager- Operations

1981-1985 Barclays Bank PLC

Cashier/Foreign Trade Clerk/Cashier Supervisor

1978-1980 Princess Margaret Secondary

Teacher

- Forms 1 & 2 Integrated Science.
- Forms 3,4 & 5 West Indian History, Biology

Education

1971-1977 Antigua Grammar School

- O' Level passes in six subjects: English, W.I History, Spanish, Biology, Chemistry and Principles of Accounts.
- Attended Banking Courses in Cashier/Bookkeeping, Foreign Trade at Barclays Staff Training Center, Barbados
- Did Banking Course with Institute of Bankers London. Uncompleted.

Interests

Body Building, sports, gardening, carpentry, computers.

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DAVID JARVIS



HOME ADDRESS: Lightfoot Estate, St. Georges
Antigua

Telephone: 461-6819

OFFICE ADDRESS: The Forum Limited
Woods Centre
Friars Hill Road
St. John's, Antigua

Telephone: 462-9553
Fax: 460-7011


NATIONALITY: Antiguan

PLACE OF BIRTH: Nevis

DATE OF BIRTH: 13th July 1959

11/16

Rudyard D. Field-Ridley
Boori's Haven
Crosbies
St. John's, Antigua
(268) 461-1850



ACHIEVEMENTS

- Implemented the establishment of Guyana Co-op Mortgage Bank. Initial paid up capital G\$2. mn.
- Started up the Guyana Cooperative Insurance Service showed profits in first six months of operation.
- Opened several branches of Barclays including Stabroek Branch.
- Led team in analyzing semi-mechanised accounting system and selected, modified and installed new Accounts Payable and Accounts Receivable real time computer systems for cashier's department. Project cost US\$8m.
- Installed and developed electronic funds transfer system, interfacing with general ledger accounting system.
- Designed Data Base for Group's vendors. System accommodated in excess of 10,000 clients.

EXPERIENCE

WORLDWIDE INTERNATIONAL BANK LTD 1998-PRESENT

FINANCIAL COMPTROLLER

- Overall responsibility for the accounting and financial matters of the Bank
- Make decisions about the investment portfolio of the organization.
- Exercise general management of the Bank.
- Director of various IBC's.

COMPRASURGE, NEW YORK 1992 - 1998

CHIEF FINANCIAL OFFICER

- Responsible for determining and implementing corporate financial program for group of Health Providing companies. Annual income in excess of \$2.0 million.
- Furnish accounts for final audit by external accountants.
- Responsible, in general, for all financial activities and reporting to Internal Revenue and State authorities.
- Control general office services including medical billing department.

CILRON, NEW YORK 1990 - 1991

MANAGER

- Responsible for day-to-day control of general office, including A/P:A/R and providing final accounts and management information.
- Established for external clients new companies - satisfied legal requirements, including tax and labor demands.

HIBISCUS AIR CARGO & DORAN INVESTMENTS CO LTD. 1988-1989

DIRECTOR

- Involved in start up local companies providing air transport between USA and Guyana and operating fishing trawler in Guyana.

AMERICAN INTERNATIONAL GROUP 1980 - 1987

- MANAGER . Controlled processing of Group's receivables and payables, as well as employees' entertainment and travel expenses.
. Supervised use by regional offices of on-line system and provided supportive services in areas of training and general problem-solving.
- DATA ADMINISTRATOR . Controlled users access to on-line facility.
. Installed with EDP personnel on-line system in twelve regional offices.
. Conducted operational audits to ensure compliance with corporate policy.
. Organized use of time sharing system to process stock trade for foreign and domestic portfolios of member companies. Total portfolio value in excess of \$10 billion.
. Provided statutory and company reports.
- COFA 1970 - 1979
- MANAGING DIRECTOR Co-op Insurance Service
. Liaised with Legal Draftsman to produce framework for establishment of institution.
. Selected staff and consultants.
. Negotiated contracts with North American, English and European re-insurers.
. Responsible for profitability and development of Company in areas of underwriting and investment.
. Assisted Board in formulation of general policy.
- MANAGING DIRECTOR Mortgage Finance Bank
. Prepared draft of legal framework for setting up of bank.
. Designed internal procedures and documentation for general operation.
. Liaised with housing and other co-ops to implement housing policy.
. Selected staff.
. Aided in negotiation with regional bank for acquisition of loan capital.
- BARCLAYS BANK 1963 - 1970
- ADMINISTRATIVE MANAGER . Extensive training and experience with Bank in London.
. Managed branches in Trinidad, Grenada and Guyana.
. Responsible, in Guyana, for maintaining and controlling branch network to conform with Bank of Guyana's liquidity, reserve and other requirements.
. Supervised Banks dealings with Central Bank in Treasury Bill market and foreign exchange dealings.
. Invested Bank's surplus Guyana funds in local market.
- OTHER
- DIRECTOR BERBICE MINING COMPANY
Guyana National Co-operative Bank (GNCB)
Guyana National Co-operative Bank Trust Co. (GNCB).
- EDUCATION MBA Candidate, Pace University
BSc (Econ.), London - UCWI
Associate Institute of Bankers, London
- Computer literate with some programming skills and ability to use PC with various software.

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OVERSEAS DEVELOPMENT BANK

Henry Earl Coley

Nationality	-	American
Place of Birth	-	Nashville, North Carolina
Date of Birth	-	December 22, 1939
Office Address	-	2924 Festival Way Waldors, MD 20601 USA Telephone No. (301) 870-4099
Home Address	-	5600 Butterfield Drive Clinton, MD 20735 USA Telephone No. (301) 856-8529


RESUME

HENRY E. COLEY
5600 BUTTERFIELD DRIVE
CLINTON, MARYLAND 20735

PROFESSIONAL EXPERIENCE:

- *UNITED STATES NAVAL SERVICE JANUARY 1959 - MARCH 1989
 (RETIRED LIEUTENANT COMMANDER)
- * NINETEEN YEARS IN PERSONNEL ADMINISTRATION - MANAGEMENT
 AND INDUSTRIAL RELATIONS.
- * NINE YEARS AS SECURITY MANAGER
- * DIRECTOR OF MILITARY PERSONNEL IN THE MILITARY SEALIFT
 COMMAND MAY 1980 - JUNE 1985.
- * CONTRACTING OFFICER OCTOBER 1983 - AUGUST 1985
- * SPECIAL PROJECT OFFICER/FACILITIES MANAGER TEXCOM, INC.
 JUNE 1989 - AUGUST 1995.

CURRENT OCCUPATION:

- *CERTIFIED UNITED STATES GOLF PROFESSIONAL TEACHER. CO-
 OWNER GOLF SPECIALTY SHOP

EDUCATION:

- *BACHELOR OF SCIENCE DEGREE IN BUSINESS ADMINISTRATION
 (MAJOR: PERSONNEL AND LABOR RELATIONS) UNIVERSITY OF
 MARYLAND MAY 1980.
- *ASSOCIATES OF SCIENCE DEGREE IN BUSINESS MANAGEMENT AND
 ACCOUNTING - SOUTHWESTERN COLLEGE 1973

ORGANIZATIONS:

- *CHAIRMAN OFFSHORE BUSINESS MANAGERS ASSOCIATION; VICE
 PRESIDENT O.D. MOORE SCHOLARSHIP FOUNDATION; PAST
 NATIONAL PRESIDENT NASH CENTRAL HIGH ALUMNI
 ASSOCIATION; ALPHA PHI ALPHA FRATERNITY; UNITED STATES
 GOLF TEACHERS FEDERATION.

HOBBIES:

- *TOASTMASTERS, GOLF, FISHING

INTERNATIONAL BUSINESS CORPORATIONS ACT, CAP. 222
 FORM 5
 NOTICE OF DIRECTORS
 OR
 NOTICE OF CHANGE OF DIRECTORS
 [SECTION 67 (7) & 129]

1. Name of Corporation **OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED** 2. Corporation No.

3. The following persons became Directors of this Corporation:

Name	Residential Address	Occupation	Citizenship	Effective
Astron F. Jarvis	Hodges Bay, Antigua	Business Consultant	Antigua/Canadian	
Rudy F. Ridley	Boon's Haven, Antigua	Financial Comptroller	Guyana	
Derek Pinnard	Pillar Rock, Antigua	Banker	Dominican	
Nicolette M Doherty	Campsite, Antigua	Attorney	British	
Earl Coley	Clinton Md	Businessman	American	

4. The following persons ceased to be Directors of this Corporation:

Name	Residential Address	Occupation	Citizenship	Effective
------	---------------------	------------	-------------	-----------

5. The Directors of this Corporation now are:

Name	Residential Address	Occupation	Citizenship	Effective
------	---------------------	------------	-------------	-----------


Date 7th MAY 1998 Signature [Signature] Position REGISTERED AGENT

INTERNATIONAL BUSINESS CORPORATIONS ACT, CAP. 202

FORM 5

NOTICE OF DIRECTORS
OR
NOTICE OF CHANGE OF DIRECTORS

[SECTION 67 (7) & 129]



FILED

[Signature]

1. Name of Corporation OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED 2. Corporation No. 011116

3. The following persons became Directors of this Corporation:

Name	Residential Address	Occupation	Citizenship	Effective
Astron F. Jarvis	Hodges Bay, Antigua	Business Consultant	Antiguan/Canadian	
Rudy F. Ridley	Boon's Haven, Antigua	Financial Comptroller	Guyana	7/5/98
Derek Pinard	Pillar Rock, Antigua	Banker	Dominican	7/5/98
Nicolette M. Doherty	Campsite, Antigua	Attorney	British	7/5/98
Earl Coley	Clinton MD	Businessman	American	7/5/98
David Jarvis	Lightfoot, Antigua	Manager	Antiguan	12/8/98

4. The following persons ceased to be Directors of this Corporation:

Name	Residential Address	Occupation	Citizenship	Effective
Nicolette M. Doherty	Campsite, Antigua	Attorney	British	29/6/98
Astron F. Jarvis	Hodges Bay, Antigua	Business Consultant	Antiguan/ Canadian	29/7/98

5. The Directors of this Corporation now are:

Name	Residential Address	Occupation	Citizenship	Effective
Rudy F. Ridley	Boon's Haven, Antigua	Financial Comptroller	Guyana	27/7/98
Derek Pinard	Pillar Rock, Antigua	Banker	Dominican	27/7/98
Earl Coley	Clinton MD	Businessman	American	27/7/98
David Jarvis	Lightfoot, Antigua	Manager	Antiguan	12/8/98

Date 6/9/98 Signature [Signature] Position Company Secretary

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GOVERNMENT OF ANTIGUA AND BARBUDA
I B C Act, 1982 Section 129 FORM 2

NOTICE OF REGISTERED OFFICE
OR
NOTICE OF CHANGE OF REGISTERED OFFICE

TO: DIRECTOR OF INTERNATIONAL BUSINESS CORPORATIONS

1. Name of Corporation: OVERSEAS DEVELOPMENT BANK ANTIGUA LIMITED

2. Name and Address of Registered Office:

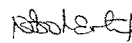
Hill & Hill
36 Long Street
St. John's
Antigua

3. Effective Date of Change:

4. Name and Previous Address of Registered Office:

5. Effective Date of Change:

Date:


FOR HILL & HILL - REGISTERED AGENT
(Corporate Director)

1449

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56j

Exhibit 56j.

**First National Bank of Commerce (now Bank One
Corporation) documents**

ADAMS AND REESE
Attorneys

4500 One Shell Square
New Orleans, LA 70139
(504) 581-3234

Facsimile (504) 566-0210
E-Mail Address:

From
J. Millet for Joe Kavanaugh

Facsimile Transmittal

DATE 1/2/98

To Paula

RE Overseas Development Bank & Trust

No. Pages
Transmitted

Notes Comments Message

Mr. Kavanaugh asked that I fax to you the card of Arthur Reynolds, along with other documents which are self-explanatory.

Transmission Problems

If you did not receive the number of accompanying pages indicated, or experience any other transmission problems, please contact

Janine Miller at 585-0320

Confidentiality Notice

THE ACCOMPANYING FACSIMILE IS INTENDED SOLELY FOR THE USE OF THE RECIPIENT DESIGNATED ABOVE. DOCUMENT(S) TRANSMITTED HERE WITH MAY CONTAIN INFORMATION WHICH IS CONFIDENTIAL AND PRIVILEGED. DELIVERY, DISTRIBUTION OR DISSEMINATION OF THIS COMMUNICATION OTHER THAN TO THE INTENDED RECIPIENT IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE.

Transmittal Information

User # 222

Recipient Facsimile
Telephone Number 504-623-1439

Adams & Reese
File Number 9999-10753078

1451

AUG-30-90 WED 10:35
01-02 93 FAX 504 588 0210 ADAMS&REESE COPY CENTER
12/29/1997 19:38 2654422330 ELIZABETH MOSES PAGE 01

OVERSEAS DEVELOPMENT BANK & TRUST COMPANY

42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0856 - Telefax - (767) 448-0882 - e-mail - odhank@owdom.dm

Antigua - Monday, December 29, 1997

Joseph H. Kavanaugh
c/o Adams & Reese
4400 - One Shell Square
New Orleans, LA 70139

Dear Joe,

Firstly, I would like to say how much I, Isbie, and I, enjoyed meeting you during our recent trip to New Orleans and, we hope to renew that acquaintance when we return in April or, better still, sooner, should you and Richard, find your way down to visit us in the Caribbean.

With respect to our business discussions, I left a brief message on your service earlier today and thought I would add the following information for your reference.

Since we are just in the process of acquiring the assets of another offshore bank here in Antigua, (closing scheduled for December 31st '97) we did an internal balance sheet, reflecting the 'consolidated' position that will approximate our next audited statement, due January 1st '98.

I've also enclosed a copy of our offshore bank and trust license and some personal information on the managing directors and principal share holders, John Greaves, and myself.

While the possibilities for interaction between our offshore bank and trust company and a US bank are many, let me address our immediate needs.

1. As I mentioned when we spoke in New Orleans, the Government of the Commonwealth of Dominica, has recently assured the principals of Overseas Development Bank ("ODB") of their approval of our application for a domestic bank license in that country. The domestic bank would be regulated by the Eastern Caribbean Central Bank and, as a fully regulated bank, both international credit card facility and expanded correspondent banking relationships would be more favorably looked upon. Since we have been able to issue Visa cards to our clients through American International Bank ("AIB") in Antigua, and, given that we have been able to utilize the worldwide correspondent banking networks of both American International Bank and Antigua Overseas Bank ("AOB"), we thought it prudent to wait for the domestic license to be issued prior to pursuing direct relationships in these areas. Unfortunately, our pending acquisition of AIB, has backfired to some degree in that, Visa, has withdrawn the facility held by AIB thus denying ODB the capability of providing or continuing credit card service to both its own and the AIB customers pending them doing a complete new due diligence and receiving an audited statement on the expanded ODB operation. Similarly, the AIB correspondents are not prepared to deal with the new company until they have undertaken similar investigations.

12/29/97 MON 17:32 ITX/RI NO 80471

B 0002

12/29/97 19:22 2684623330 ADAMS/REISE COPY CENTER RITZAPATH MOSES PAGE 02

Page #2

2. Secondly, Wachovia, which processes the 1000+ cheques every week that are sent for clearing by ourselves and AIB have been complaining for some time that they cannot handle the volume. We believe that they may use this reorganization and change of name (from their point of view) as a reason to close the correspondent account. This is a far more serious problem for us than the credit cards. We urgently need a bank interested in making some profit through service charges and, given the volume, they should be able to do well even if they have to hire a couple more clerks. We are presently paying Wachovia five dollars per item which amounts to \$25,000 a month or more on our traffic. There is no risk. We do not seek credit prior to the items clearing and, for the most part, the funds stay on deposit in our account with the bank in any case.

Anyway Joe, that's the situation. If you can assist we would be grateful and, as you see, time, is of the essence in this situation.

Please call, or fax, me if clarification is required

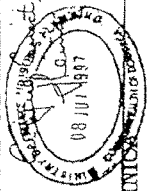
My private numbers in Antigua are:- Phone - 268.462.3723 Fax - 268.462.3330

Very truly yours,

Arthur K. Reynolds

misc pages total
ten

AKR/tp

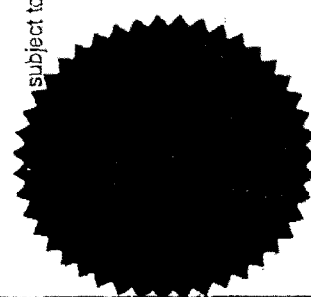


GOVERNMENT OF THE COMMONWEALTH OF DOMINICAN REPUBLIC
**LICENCE TO CONDUCT OFF-SHORE BANKING
OR TRUST BUSINESS**

Pursuant to Section 5 of the Offshore Banking Act, No 8 of 1996,
the undersigned hereby grants a licence to

OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LIMITED

an Off-shore Bank/Trust Company
subject to all the terms and conditions of the said Act.



Issued at ROSEAU, COMMONWEALTH OF DOMINICA

this NINETEENTH day of JUNE 19 96

Minister for Finance, Industry & Planning

AUG-30-00 WED 10:36

01/02/98 10:00 FAX 504 588 0210

ADAMS&REESE COPY CENTER

P. 07/13

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(1108 ON YR/IL) 20:21 NOV 26/02/21

Sheet1

OVERSEAS DEVELOPMENT BANKING GROUP	
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1997	
ASSETS	
CURRENT ASSETS	
Deposits with Banks	5,111,002.00
Deposit with Stockbrokers	
Interest Reserved	4,122.00
Other Current Assets	20,000.00
TOTAL CURRENT ASSETS	5,135,124.00
INVESTMENT -	18,026,669.00
LOANS & OVERDRAFTS	88,658,534.00
OTHER ASSETS	2,485,600.00
STOCKS	
FIXED ASSETS	2,469,298.00
OTHER INVESTMENT CD'S	500,000.00
TOTAL ASSETS	108,232,225.00
LIABILITIES AND SHAREHOLDERS EQUITY	
CURRENT LIABILITIES	
Customers Deposit-MMA	74,952,888.00
Customer Deposit- CD's	26,177,081.00
Short-term borrowing-BROKERS	1,882,929.00
Interest Payable - Deposits	3,450.00
Other Payables	189,371.00
TOTAL LIABILITIES	83,405,729.00
SHAREHOLDERS EQUITY	
Share capital	10,629,142.00
Retained Earnings	564,225.00
Year to date Profit/Loss	987,359.00
TOTAL SHAREHOLDERS EQUITY	124,826,496.00
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	108,232,225.00

Page 1

PAGE 04

ELIZABETH MOSES

12/29/1997 19:38 2684523330

B 0006

10208 ON 21/01/21 22:11:00M 28/02/21

Arthur K. Reynolds

PERSONAL BACKGROUND

Born - 1936 - Winnipeg, Manitoba, Canada
 Educated - St. John's College/Manitoba Commercial College/University of Winnipeg
 Legal Residence - Barbados/Commonwealth of Dominica
 Citizenship - Canada/Antigua

CURRENT BUSINESS ACTIVITIES

Director & Officer:-

- Caribbean Communications Limited - Turks and Caicos Islands, British Virgin Islands, Commonwealth of Dominica, West Indies
- International Management & Trust Services Inc. - Commonwealth of Dominica, West Indies
- Overseas Development Corporation - Antigua & Barbuda, West Indies
- Overseas Development Trust Corporation - Nevis, West Indies
- Overseas Development Bank and Trust Co., Ltd. - Commonwealth of Dominica, West Indies
- Overseas Development Bank (Dominica) Limited - Commonwealth of Dominica, West Indies
- Quest Capital Management Limited - Commonwealth of Dominica, West Indies
- Quest Fund 2000 Limited - Commonwealth of Dominica, West Indies
- The Financial Services Group Incorporated - Antigua & Barbuda, West Indies, Grenada, West Indies

BUSINESS BACKGROUND

- 1985/87 Consultant - CARIBBEAN COMMUNICATIONS LIMITED - offshore financial planning; Special Project Consultant - Ministry of Finance, British Virgin Islands.
- 1974/85 Development Manager - RAYCO LIMITED & CIMPEX LIMITED - hotels, restaurants; licensed gambling ventures - Antigua, Barbados, St. Kitts & St. Vincent, West Indies
- 1976/78 Owner - TURKS HEAD INN & INTERNATIONAL MANAGEMENT SERVICES LIMITED - Grand Turk, Turks & Caicos Islands - hotel, restaurant, club and licensed gaming; Coordinator - "ICI Tax Haven Symposium - 1976" - Delray Beach, Florida.
- 1972/76 Management Consultant - IVI INC. & WESTCAN LIMITED - Florida & Caribbean hotel time sharing and offshore financial planning. Base - Palm Beach, FL - USA.
- 1964/72 Director/Owner - ACADIAN ASSOCIATED AGENCIES LIMITED - importer & distributor - wine, liquor, food products, chemicals and appliances; leasing of aircraft, 4WD vehicles, boats, office equip/furniture, scientific & field equipment - Winnipeg, Canada.
- 1956/64 Marketing - CANADIAN OIL COMPANIES LTD. - Winnipeg; MEMORIAL GARDENS ASSOC. - Vancouver; ALLIED MEMORIAL SERVICES LTD. - Calgary - Canada.

04 0004

SESSON H18RZ171

260229498 85 161 266/02/21

AUG-30-00 WED 10:37

10/02/99 10:39 FAX 504 560 0210

ADAMSARFEE COPY CENTER

P.11/13

010

[2008 ON 18/11] 20:11 NOV 18/02/21

JOHN E. GREAVES
B.Sc. (ECON) A.I.R. AMIEX. M.O.I.

BORN: March 3 1st, 1934

EDUCATION/ LONDON UNIVERSITY - Bachelor of Commerce, Economics
PROFESSIONAL ASSOCIATE INSTITUTE OF BANKERS
QUALIFICATIONS ASSOCIATE INSTITUTE OF EXPORT
 MEMBER OF THE OFFSHORE INSTITUTE

EMPLOYMENT HISTORY

PRESENT

DIRECTOR OF THE FOLLOWING COMPANIES:

- INTERNATIONAL MANAGEMENT & TRUST SERVICES INC.
- OVERSEAS DEVELOPMENT BANK AND TRUST COMPANY LTD.
- OVERSEAS DEVELOPMENT BANK (DOMINICA) LTD.
- OVERSEAS DEVELOPMENT TRUST CORPORATION
- OVERSEAS DEVELOPMENT CORPORATION
- QUEST CAPITAL MANAGEMENT LIMITED
- QUEST FUND 2000 LIMITED
- THE FINANCIAL SERVICES GROUP INCORPORATED

1995 - 1997

- AMERICAN INTERNATIONAL BANK LTD.
Director
- AMERICAN INTERNATIONAL MANAGEMENT SERVICES LTD.
Director and Shareholder
- ANTIGUA MANAGEMENT AND TRUST
Director

1988 - 1995

- SWISS AMERICAN BANKING GROUP
General Manager

1986 - 1988

- INTERCASH LTD. ATLANTA
President

1985 - 1986

- CHEQUEPOINT USA, NEW YORK
General Manager

1980 - 1985

- VENTURE FINANCE LTD. ISLE OF MAN
Director and Consultant

1976 - 1980

- THE PAN-AFRICAN BANK LTD. NIGERIA
General Manager

1974 - 1976

- CLOSE BROTHERS (MERCHANT BANK) LTD.
Subsidiary of Consolidated Gold Fields, Ltd. London (Director)

1971 - 1974

- TEXAS COMMERCE BANK INC. LONDON AND HOUSTON
Senior Vice-President

1964 - 1971

- BARCLAYS BANK INTERNATIONAL, LTD. LONDON
Manager - London Head Office

CONSULTANCY

Including the investigation of proposed new investment bank in Madagascar advising several Caribbean governments on the legislation covering offshore banking, trusts and mutual funds and advising government and business community of Antigua regarding establishing capital market.

Page 08

ELIZABETH MOSES

2589623338

19:38 27/29/1997

AUG-30-00 WED 10:37
01/02/88 10.48 FAX 504 885 0210

P. 10/13

{1909 ON XR/XLI ZC:LT NOK 18/02/21
05-DEC-1997 16:02 FROM TO 081 2664623309 P. 01/01



HIGH COMMISSION FOR ANTIGUA AND BARBUDA
15 TRAYNE STREET, LONDON W1M 5LD
TEL: 0171-486 70735 FAX: 0171-486 9970

His Excellency Mr Ronald M Sanders OMC
High Commissioner

5th December 1997

The Governor
Eastern Caribbean Central Bank
Basseterre
St Kitts

Arthur K Reynolds

Dear Governor

I have known Arthur K Reynolds for 20 years as a person with extensive business interests in the Caribbean. During that time, to my knowledge, he has conducted himself and his businesses legitimately and prudently.

He enjoys a sound reputation in Government and banking circles in Antigua and Barbuda. His businesses have contributed to cultural and other social activity as good corporate citizens.

In my personal contact with Mr Reynolds, I have found him reliable and trustworthy.

Yours sincerely

RONALD M SANDERS
High Commissioner

TOTAL P. 01

08 0900

SESON H.L.BENJIE

0828090896 08187 1651/02/21

B 0009

FROM : C. LINDSAY BOLDEN, ATTY-AT-LAW PHONE NO. : 889 427 6325 P01

C. Lindsay Bolden LL.B (Hons) Lond.
Attorney-at-Law
No. 17 Roebuck Street, Bridgetown, Barbados.
Tel: (246) 429-5040 Fax: (246) 427-6325
e-mail: clbolden@caribsurf.com


TO WHOM IT MAY CONCERN.

I have known Mr Arthur K. Reynolds for more than twenty years from the time he lived and conducted business in Barbados.

During the period I have known him, I can attest to the fact that he is a person of impeccable character and that to the best of my knowledge and belief he has not been involved in any matters which would cause me to have any doubts or not to place trust or confidence in him.

He has conducted business in Barbados and I can say that having ceased business here there have never been any complaints about the conduct of the business nor his personal matters.

I am therefore prepared to vouch for him as a person of good standing and suitable for any position where his knowledge and experience is required.


Lindsay Bolden
1987-2-15

AUG-30-00 WED 10:38

017/02/00 00:00 FAX 004 000 0110

AMERICAN COPY CENTER

P. 12/13

12:08 ON TR/KLI 00:01 NOR 18/02/77

14/11 '97 FRI 13:24 FAX 1 288 482 821G

A.I.K.S

002

ANTIGUA OVERSEAS BANK LTD.

September 30th, 1997

TO WHOM IT MAY CONCERN:

Re: MR. JOHN GREAVES

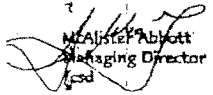
With this letter we wish to introduce Mr. John Greaves of Pillar Rock, Deep Bay, Antigua. He is an individual with whom we have enjoyed an excellent banking relationship since 1995 and is personally known to the undersigned since 1986.

Mr. Greaves is the former Managing Director of Swiss American National Bank of Antigua and Swiss American Bank Ltd. He is the President of American International Bank Ltd. and American International Management Services Ltd.

Mr. Greaves is an honest and hardworking individual with whom we are proud to be associated. We are confident that he would not commit himself beyond his financial or managerial capacity.

Should you have any further queries, please do not hesitate to contact the undersigned.

Yours sincerely,


MICHAEL ABBOTT
Managing Director

3/87 TRU 12:28 FAX 1 288 480 2780 ST. ANTHONY ANTIGUA - TELEPHONE: (268) 480-1700
ABIB AG & ABIF TRUST

PAGE 09

CLIZABETH MOSES

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19:38

12/29/1997

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AUG-30-00 WED 10:47

P.01/01

[UNCL ON TR/TL] 22:21 NUK 26/00/21
14/11 187 FAX 23:20 FAX 1 288 482 9215 A.I.M.S
O.A.E. Gardner W.A. Harrigan

2004

**PANNELL
KERR
FORSTER**

Chartered Accountants
P.O. Box 159
Redcliffe Street
St. John's, Antigua
West Indies
Tel: (869) 464-1234
Cable: PANNFOR 4-1234
Fax: (869) 462-4747

24th September, 1997.

Supervisor of Banks,
International Business Corporations,
Redcliffe Street,
St. John's,
Antigua.

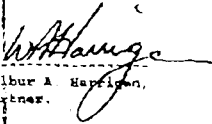
Dear Sir,

RE: JOHN GREAVES

I have known Mr. John Greaves for many years, starting when he took up the position as Manager of Swiss American National Bank of Antigua and Swiss American Bank. I have found him to be of good character, and very professional in his dealings.

My Partner and I have no hesitation in recommending him, feeling sure that he will conduct himself in a manner consistent with that of a good corporate citizen.

Yours faithfully,


Wilbur A. Harrigan,
Partner.

bb)

Representing the Arthur Andersen Worldwide Organization in the Leeward Islands (Antigua, Antigua-Barbuda, Montserrat, St. Kitts-Nevis) and Tortola (Cairns Virgin Islands).

1461

LFEL DD 500122350 OVERSEAS DEVELOPMENT BANK AND TRUST
FRIM ACCT (AS ABOVE) AS OF 02/12/98 COMPANY LTD
AVAIL BAL 165,297.48 ROSEAU
COLLECTED BAL 165,297.48 42 KENNEDY AVE
MUT FND SWEEP .00 COMMONWEALTH OF DOMINICA
ACCT COMMENT 2 SIG REQ/OPR 020498
FED TAX ID W8 EXPIRES LEDGER BAL 165,297.48
WITH STA EXEMPT CLOSE-OUT 165,297.48
TYPE B COMM PREFERRED CHK BRANCH 418 OFFC DBN AVG BAL MTD 147,167.54
STATUS NEW ACCT NSF/OD CHG W AVG BAL YTD 147,167.00
S/C CD D CYC 01 AVG COL YTD 147,167.00
DATE OPENED 01/29/98 CHK CARD AVG BAL 1997 .00
TOT DEP 02/12/98 118,982.50 CLOSE/OVERRIDE Y AVG COL 1997 .00
LAST DEPOSIT AMT 118,982.50 DIRECT DEPOSIT NO WITHHOLD ACCRD .00
DATE LAST TRAN 02/12/98 ACH CR .00 WITHHOLD YTD .00
INT ACCRUED ACH DB .00 WITH LAST CYC .00
INT YTD # NSF ITEMS WITH LAST YR .00
INT LAST CYC LAST NSF PCL-OFFR STAT
INT LAST YR #OD 6- 12- C/S BAL .00
NUMBER OF STOPS OD FMT CD B-PAY ALL PAST DUE .00
CHK HOLDS DATE LAST OD APR LIM
DEP HOLDS # RETURNS INS ACT
DEP COMING LST RTN CHK
F1=SIG FICHE F3=AVG BAL F4=OPSI F5=DATJ F6=DSTP F10=BILL F16=TAG

Open new Account as per AX

mail to Connie Wilkins 267-462-9214

1462

Paula B. Tierney
Banking Officer



First National Bank of Commerce
201 St. Charles Ave.
P. O. Box 80279
New Orleans, Louisiana 70160-0279
Telephone (504) 623-1480
FAX (504) 623-1439

July 27, 1998

Mr. Edward St. Clair Smith
Receiver/Manager
Overseas Development Bank & Trust Company, LTD
Woods Center - Friars Hill Road
Antigua, West Indies

Dear Mr. Smith:

Enclosed please find signature cards and resolutions on the three accounts for Overseas Development Bank & Trust. Please sign and return to my attention.

Should you need additional information, please contact me at 1-800-462-9511, ext. 1480. Thanks for your cooperation.

Sincerely,

Paula Tierney

Enclosure

Post-it* Fax Note	7671	Date	8/1/98	# of pages	1
To	Pablo Gallardo	From	Paula Tierney		
Co./Dept.		Co.			
Phone #	290-3822	Phone #	623-1480		
Fax #	290-3614	Fax #			

B 0253

Banc One International Corporation

Global Markets & Financial
Institutions

Pablo Gallardo
Latin America Regional Manager
Phone: 214 290 3832
FAX: 214 290 3614
email:
pablo_gallardo@mail.bankone.com

August 31, 1998

Mr. Edward St. Clair Smith
Receiver /Manager
Overseas Development Bank & Trust Company, LTD
Woods Center - Friars Hill Road
Antigua, West Indies

Post-It™ brand fax transmittal memo 7671		# of pages > 7
To	Mr. Edward St. Clair	From Pablo Gallardo
Co.	Overseas Development	Co. B O I C
Dept.		Phone # 214 290 3832
Fax #	268 462 9217	Fax # 214 290 3614

Dear Mr. St. Clair Smith:

I am happy to inform you about the recent changes that have taken place at First National Bank of Commerce (FNBC), your correspondent in New Orleans, Louisiana. In June of this year, Banc One Corporation, the 8th largest bank holding company in the US, acquired FNBC. Banc One Corporation provides a full range of consumer and commercial banking related financial services through its banking offices in Arizona, Colorado, Illinois, Indiana, Kentucky, Louisiana, Ohio, Oklahoma, Texas, Utah, West Virginia, and Wisconsin.

With the recent acquisition of FNBC in Louisiana, Bank One Louisiana is now the largest commercial bank in the state. Enclosed are recent press releases of Banc One Corporation's financial results for the first half of 1998, and the acquisition announcement of First National Bank of Commerce in Louisiana. In addition, Banc One Corporation has also announced the merger with First Chicago NBD Corp., which is still pending regulatory approval. Information on this upcoming merger is also enclosed for your information.

Stemming from this acquisition, there will be a consolidation of the international activities of the FNBC into Banc One International Corporation (BOIC). BOIC, with headquarters located in Dallas, Texas, is the subsidiary bank of the holding company that maintains the correspondent banking relationships worldwide.

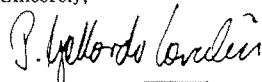
I am the manager for the Latin America region and I wanted to introduce myself and Banc One International Corporation to you. I would like to speak with you further about the upcoming changes and discuss the business activities and opportunities between our banks. I will try to contact you later today or tomorrow.

B 0142

1464

We are looking forward to continuing and developing the correspondent banking relationship that your institution has maintained with First National Bank of Commerce.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Gallardo". The signature is written in black ink and is positioned above a horizontal line.

Pablo Gallardo

B 0143

1465

**Banc One
International
Corporation**

Global Markets & Financial
Institutions

Pablo Gallardo
Latin America Regional Manager
Phone: 214 290 3832
FAX: 214 290 3614
email:
pablo_gallardo@mail.bankone.com

September 22, 1998

Mr. John Greads
Director
Overseas Development Bank & Trust Company, LTD
Woods Center - Friars Hill Road
Antigua, West Indies

Dear Mr. Greads:

Per our phone conversation last Friday, the following information is required in order to document and evaluate the correspondent banking relationship with Overseas Development Bank & Trust Company, Ltd :

Annual reports for the last three years including the auditor's statement of opinion.

The most recent 1998 interim financial statement.

A brief explanation of significant changes in the balance sheet and income statement over the last three years.

Number of years in business.

Management discussion of the bank's activities such as the overall strategy, targeted business segments, resources to carry out the strategy, and strategy accomplishments that need to be consistent with the financial information provided.

Bank's market share in terms of total assets, deposit, capitalization, number of branches (include locations if outside Antigua) and number of deposit accounts.

Peer comparison in terms of capitalization, asset quality, earnings, and liquidity/funding. Also, list of main competitors.

Information on the main stockholders/investors and resumes of the bank's executive management.

B 0131

1466

At least three bank references from existing correspondents outside Antigua.

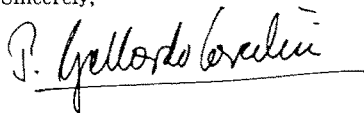
Certification of good standing from the Antigua banking regulators.

I know that the above information may take you some time to compile. In the interest of time, we would appreciate you forwarding the information at hand as soon as possible for us to begin our due diligence.

I look forward to meeting you in person on Wednesday, September 30, 1998. I will meet you in my office at noon and then we can go to lunch. We are located in downtown Dallas at:

1700 Pacific Avenue
21st floor
Dallas, TX 75201

Sincerely,

A handwritten signature in cursive script, reading "P. Gallardo", written over a horizontal line.

Pablo Gallardo

B 0132

1467

23 09 '98 WED 14:48 FAX I 268 462 9215

O.M.S. LTD.

001

FAX

Overseas Management Services Limited
P.O. Box W2023
St. John's, Antigua, W.I.
Tel. #(268) 462 9214 * Fax #(268) 462 9215

Date 23.9.98

Number of pages including cover sheet 6

To: Mr. Pablo Gallardo

From: John Graham

Phone _____

Phone _____

Fax Phone 214 290 3614

Fax Phone _____

Re _____

still missing

- 1 financials
- 2 Resumes from executives
- 3 Credit references
- 4 Certificate of good standing
- 5 brochure
- 6 Investment guidelines for the bank's own deposits

1468

23/09/98 WED 14:48 FAX 1 268 462 9215

O.M.S. LTD.

002



OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odb@odbank.dm

23rd September, 1998

Mr. Pablo Gallardo
Latin America Regional Manager
Banc One International Corporation
1700 Pacific Avenue
21st Floor
Dallas, Texas 75201
USA

Dear Mr. Gallardo:

Thank you for your fax dated 22nd September. I confirm that I will meet with you next Wednesday, 30th September, and look forward to having a chance to discuss with you a business relationship between the two banks.

We will fax to you information as available. I can bring with me the hard copies, such as the annual reports, unless you would like them to be sent to you by FedEx. However, with the storm in the Caribbean, there may be a delay in FedEx delivery. I would now like to refer to your specific points.

1. We have audited annual reports for 1996 and 1997. This is from the date of incorporation, together with notarised copies of the Articles and Memorandum of Association and the banking licence.

NOTE: We are not an Antiguan bank. Our head office is in Dominica. The administration, i.e. back-office accounting, is done in Antigua but we are licensed under the Banking Act of the Commonwealth of Dominica.

2. We report on a quarterly basis to the Dominican Banking Supervisor and include a copy of the June 1998 management accounts.
3. The interim balance sheet shows a significant increase in lending as we took over some of the loans from American International Bank in the form of a straight-forward 100-cents-in-the-dollar purchase and this is compensated by an increase in our deposit base.
4. This is our third full year of operation.
5. Enclosed is a separate presentation of our business plan and projections.

Administrative Office: Woods Center, Friars Hill Road, P.O. Box W2023, St. John's, Antigua, West Indies
Tel: 1(268) 462-9232 * Fax: 1(268) 462-9215/460-7544 * e-mail - oms@candw.ag

B 0134

-2-

23rd September, 1998

Mr. Pablo Gallardo

6. We are the largest and, in fact, the first of the offshore banks registered in Dominica and we were instrumental in assisting the Dominican Government to write the relative legislation for both offshore banking and offshore company formation. They accepted our advice that they should not go for quantity but should concentrate on quality to avoid the problems that have arisen in some other offshore centres. I am particularly thinking of Anguilla, Montserrat and now Grenada.
7. The bank's main competitors in the Leeward Islands, generally, are the Swiss American Banking Group, of which I was General Manager for seven years; Stanford International and Antigua Overseas Bank, all of which are registered in Antigua. We do not consider we have any direct competition from the banks currently registered in Dominica.
8. We enclose resumé's of the three Executive Directors. The shareholding of Overseas Development Bank & Trust Company Ltd. is wholly owned by a holding company, Overseas Development Corporation, which in turn is owned by three individuals - Mr. West and myself who are also listed as directors and the final third is owned by a trust company in Dominica which specialises in on-line formation of IBC's.
9. We do not consider ourselves a retail bank and are, therefore, selective in the type and number of clients we accept. For that reason we do not have a large volume of international banking activity and have only seen the need for one correspondent bank in North America and we have been extremely satisfied with the service received from First National Bank of Commerce.

We are, however, exhibiting at the international *Shorex* for the second time this year. Through our European director and members of the Advisory Committee we are being offered correspondent bank relationships with Lloyds Bank, Royal Bank of Scotland and possibly Allied Irish Bank. This reflects our concentration on the European market rather than the North American.

10. The Certificate of Good Standing will be included but will, of course, come from the Dominican banking regulators.

1470

23-09 '98 WED 14:50 FAX 1 288 462 9215 O.M.S. LTD.

-3-

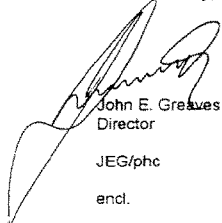
23rd September, 1998

Mr. Pablo Gallardo

There is a number of other documents that I intend to send to you, including copy of a brochure and details of our electronic banking access which you might find of interest, together with copies of our due diligence documents and terms and conditions for opening a bank account.

Again, I look forward to seeing you next week. Please feel free to contact me if you have any questions prior to that meeting.

Yours sincerely,



John E. Greaves
Director
JEG/phc
encl.

B 0136

● ODB

MANAGEMENT PLAN AND PROJECTIONS

Overseas Development Bank & Trust Company Ltd. was registered in Dominica in 1995 with the intention of concentrating on offering high net-worth individuals and companies an investment vehicle utilising contacts in Europe, Hong Kong and North America.

It was decided that offshore banking would not lend itself to providing a retail banking service even with the advent of electronic access and it was decided, therefore, that at least initially the bank would not offer credit cards nor chequing accounts and would keep its lending activities to a minimum.

It was also felt that our niche in the financial market would be to have direct representation in Europe and it was decided to invite Mr. Richard Downes, whose offices are in Spain and Switzerland, to become a director with an option, eventually, to become a shareholder. Through contacts of the various directors, we also sought influential individuals to serve on the Advisory Board. The current list as at today is shown below:-

- Peter Radcliffe in England
- Julien Giraud in Dominica

It was also decided, as a matter of principle, that we would not seek a multitude of correspondent bank relationships but rather build a good track record with medium sized banks where we could establish a personal relationship.

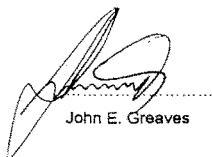
Our major thrust for the first 2 ½ years has been to follow this strategy and although our balance sheet is relatively small, there have been some substantial off balance sheet transactions where we have assisted clients in setting up and managing investment portfolios world-wide. We have, incidentally, also saved several clients from investing in dubious so-called high-return bank bonds and guarantees as the highest yielding investment that we have considered suitable for our clients has been in the region of 25 to 30% per annum return.

At the same time we have, on a number of occasions, assisted in finding development projects, particularly in the Caribbean, and then helping to put together the development finance. We have been involved in projects in Haiti, Jamaica, Grenada, Dominica and Antigua and will continue to assist, including negotiation of Third World debt instruments and writing the project documentation for lenders such as the IMF, World Bank and European Development Bank under the Lomé agreements.

At the end of last year we sought to assist American International Bank in the form of acting as a correspondent bank for them but this assistance is now coming to an end and any new correspondent bank account will only be for our clients' and our use.

There was a divergence from our original plan in June this year when, in order to offer final assistance to American International Bank and their clients aimed more perhaps at assisting the image of the offshore banking industry than the individual bank, we purchased loans from the Receiver to the sum of US\$4.5 million. All of these loans are active and in good standing although some of them are longer than we would prefer. However, it increases the income stream of the bank although our general philosophy has not changed and we do not intend to expand our loan portfolio any further.

The ultimate aim of the bank is to continue to offer detailed investment programmes to clients and to actively seek Third World project developments mainly with a government involvement. We see our fee and commission income far exceeding interest earned on loans as our own investment philosophy is extremely conservative as evidenced by the attached copy of the investment guidelines for the bank's own deposits.



John E. Greaves

2/1

For	<u>Pablo</u>	Urgent <input checked="" type="checkbox"/>
Date	<u>10/2</u>	Time
While You Were Out		
M	<u>Dr. W. C. Parker Jr</u>	
Of		
Phone	<u>336/379-1880^{or} 1315</u>	
	<small>AREA CODE</small>	<small>NUMBER</small> <small>EXTENSION</small>
Telephoned	<input type="checkbox"/>	Please Call <input checked="" type="checkbox"/>
Came To See You	<input type="checkbox"/>	Will Call Again <input type="checkbox"/>
Returned Your Call	<input type="checkbox"/>	Wants To See You <input type="checkbox"/>
Message	<u>RE: 3mm Barrells of</u> <u>oil.</u>	
	<u>Page 1888/762-3676</u>	
	<u>Paula 504/623-1480 (com 3/1)</u>	
Signed	<u>687-4477 Mar</u>	

9711  *Call her before we do anything.*

1474

OCT-02-98 FRI 14:10

F.01/03

FIRST
COMMERCE
CORPORATION

CORRESPONDENT BANKING

FAX: (504) 623-1439

DATE: 10/2/98

TO: Pablo Gallardo
Fax # 214-290-3614

FROM: Paula Tierney

COMMENTS: _____

If there are any problems receiving this information, please contact
Paula at (504) 623-1430, 2 plus cover page.

Fax Confidentiality Notice

This entire facsimile transmission may contain confidential information belonging to the sender which is governed by the Louisiana Privacy Statutes. The information is intended for the addressee named above. If you are not the named addressee, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this transmission is strictly prohibited. If you have received this transmission in error, please notify us immediately in order to arrange for the return of the documents.

201 ST. CHARLES AVE./P.O. BOX 60279/NEW ORLEANS, LOUISIANA 70160/TELEPHONE (504) 623-1487

B 0065

1475

001-02-98 FRI 14:10

007-01-98 THU 20:31 ID:WILPAR COMPANIES LLC TEL NO: 336-271-6992

F. 02/03

W201 201

WILPAR COMPANIES, LLC

1616 East Market Street, Suite 104 (27401)
Post Office Box 21946
Greensboro, North Carolina 27420

Telephone: (336) 279-1830
E-mail: WILPAR@AOL.COM

Fax: (336) 271-45
Telex: 49641378

Nechia

October 1, 1998

Mrs Paula Tierny
First National Bank of Commerce
201 Saint Charles Avenue
New Orleans, LA 70160
TEL: 504-623-1480 FAX: 504-623-1439

Dear Mrs. Tierny:

We are prepared to purchase the cargo you have in the name of EBOG PETROLEUM AND ALLIED PRODUCTS MARKETING COMPANY AS SIGNED BY DR. E. OGUNTUROTI, Chairman. The account Name is Overseas Development Bank and Trust Company LTD.

We have developed a contract for the purchase of 1,000,000 barrels of this Sonny Light Crude Oil up to 2,000,000 barrels. We have been told that you have the authority to write to my bank and confirm two things: First that the cargo is available for sale to Wilpar Companies, LLC and secondly, to issue a two percent (2%) Performance Bond to the bank of our choice.

Please review the attached letter signed by me beginning with the reference number at the top of the page and going through your name on the letter. We would be greatly appreciative if you would be so kind as to confirm to SouthTrust Bank the two items mentioned above so that we may consummate the contract on this cargo.

Appreciatively yours,



Dr. William C. Parker, Jr.
President

b:bkofcom

15

10/2

B 0056

OCT-02-98 FRI 14:11

OCT-01-98 THU 09:52 WILPAR COMPANIES LLC TEL NO: 336-271-5992

P. 01/03

4784 P02

WILPAR COMPANIES, LLC

1416 East Market Street, Suite 104 (27401)
Post Office Box 21946
Greensboro, North Carolina 27420

314140001

Telephone: (336) 379-1890
Email: WILPAR1@AOL.COM

Fax: (336) 271-4
Telex: 486153

October 1, 1998

Mr. [Name obscured]

Ref. EBOG Petroleum & Allied Products Marketing Co.; Cargo Ref. COSO/S/34B, COSD/MCKT/458; Exp. License/Permit - EXP. T/28/Vol 11/742. Exp. T/28/Vol 11/658; Stock No PI/2038/s18 Vol. 28/125. Bank: First National Bank of Commerce of New Orleans, LA ABA# 065-000-029 A/C Name Overseas Dev. Bank & Trust Co LTD. Tel: 504-623-1480; Fax 504-623-1439; ATTN: Mrs. Paula Tierny.

Dear [Name obscured]

Please let you bank know that it should send conformation that the 3,000,000 barrels are available for Wilpar Companies, LLC to sell to our buyer. Also have them state that the sellers will have the First National Bank of Commerce of New Orleans, LA to issue a two percent (2%) Performance Bond as a guarantee of delivery of 1,000,000 barrels at time up to 2,000,000 barrels to the U. S. Gulf.

I will draw the contract in the name of the company name you gave me upon this information reaching Mr. Alan Pike, SouthTrust Bank, Greensboro, North Carolina Branch, 803 Green Valley Road, Greensboro, North Carolina 27408; Tel: 336-273-7070; Fax 336-273-7444; SWIFT SOTRUS44CHA; Telex 59837.

The code that I want to use so that your bank and my bank will know they are talking with the real buyer is as follows: DAFCLADACEEDCL I will be requesting that your bank send this confirmation to SouthTrust today so it will happen possibly tomorrow. Accordingly, should someone need to contact them or the owner of the cargo, please have the owner of the cargo to let the bank know that this request will be coming.

Also let the owner know that we want 2,000,000 barrels the first time it at all possible. However, the Letter of Credit will be for the number of barrels you have loaded on the vessel with a minimum of 950,000 barrels of Bonny Light Crude Oil, plus or minus five percent (5%). We are looking forward to you bank sending the confirmation to SouthTrust Bank tomorrow so that our buyer will be able to confirm the cargo and the Performance Bond.

Appreciatively yours,

William C. Parker, Jr.

Dr. William C. Parker, Jr.
President

DR 06 UN SUB OTI - HOPE YOU DELIVER, WE CAN NOT DISAPPOINT THIS BUYER. HAVE THE BANK WILL OFFER BANK

1477

10 98 11E 14:38 FAX 1 268 462 9215 U.S.S. LTD.



OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0386 * Telefax - (767) 448-0882 * e-mail - odb@odbank.dm

5th October, 1998

Via Fax #214 290 3614

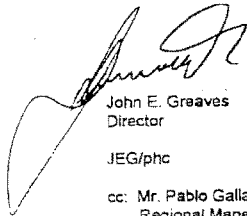
Ms. Madeleine L. Champion
Senior Vice President
Global Marketing & Financial Institutions
Banc One International Corporation
TX1-2805
P.O. Box 655415
Dallas, Texas 75265-5415
USA

Dear Ms. Champion:

In confirmation of our conversation last week, account numbers 5001 22350 and 5001 22385 have been closed in the books of First National Bank of Commerce. You will note that the unauthorised overdraft has also now been covered.

It was a pleasure having a chance to meet you during my visit to Banc One and I hope we can develop a business relationship between our two banking organisations.

Yours sincerely,



John E. Greaves
Director
JEG/phc
cc: Mr. Pablo Gallardo
Regional Manager Latin America

Administrative Office: Woods Center, Friars Hill Road, P.O. Box W2023, St. John's, Antigua, West Indies
Tel: 1(268)482-9232 * Fax: 1(268) 462-9215/460-7544 * e-mail - oms@candw.ag

B 0053

1478

BANK ONE CORPORATION
Legal Department
TXL 2372
1717 Main Street
Dallas TX 75201



October 7, 1998

VIA COURIER

Mr. John Greaves, Director
Overseas Development Bank
and Trust Company, Ltd.
Post Office Box 2480
Wood Centre
St. Johns, Antigua

Overseas Development Bank
and Trust Company, Ltd.
42 Kennedy Avenue
Roseau, Commonwealth of Dominica, W.I.

Re: *First National Bank of Commerce Account No. 500122350*
First National Bank of Commerce Account No. 500122377
First National Bank of Commerce Account No. 500122385

Dear Mr. Greaves:

Reference is made to that certain correspondence dated as of October 5, 1998, from First National Bank of Commerce, a subsidiary of BANK ONE CORPORATION ("*FNB*") concerning the above-referenced accounts (the "*Accounts*").

You have requested that FNB allow the Accounts to remain open until November 2, 1998. FNB has agreed to the request and as of 2:00 p.m. (Dallas, Texas time) on November 2, 1998, the Accounts will be closed. Should you have any questions concerning this matter, please contact Louis M. Noriega at 214-290-3580.

Sincerely yours,

FIRST NATIONAL BANK OF COMMERCE

Steven S. Camp, Sr.

ATTORNEY - BANK ONE CORPORATION

✓cc: Louis M. Noriega - International Corp.



B 0050

1479

08/10 98 THU 10:45 FAX 1 268 462 9215

O.S.S. 110

4.001



OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0896 * Telefax - (767) 448-0882 * e-mail - odb@odbank.dm

8th October, 1998

Via Fax #214 290 3614

Mr. Louis M. Noriega
International Corp.
Banc One International Corporation
1700 Pacific Avenue, 21st Floor
Dallas, Texas 75201
USA

Dear Sir:

I am writing to confirm our telephone conversation of yesterday and to précis our agreement in order to be sure that we both understand.

1. The order contained in your letter of 5th October regarding non- acceptance of any further withdrawals or deposits has been rescinded for a 30-day period.
2. You will advise the International Department in New Orleans.
3. We will have access for the 30-day period to account information via the computer linkage and our access codes will be renewed.
4. We confirm that we are more concerned about incoming transfers not being rejected but, on occasions, would wish to utilise outward transfers during this period.
5. I confirm that I will contact Madeleine Champion and Pablo Gallardo next week, when they return, to discuss this further.

Please accept my thanks for your understanding of the situation. We have, incidentally, given instructions for account numbers 5001 22350 and 5001 22385 to be closed in any event, as we no longer wish to handle transactions for the other bank involved.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John E. Greaves', is written over a printed name and title.

John E. Greaves
Director

Administrative Office: Woods Center, Friars Hill Road, P.O. Box W2023, St. John's, Antigua, West Indies
Tel: 1(268)462-9232 * Fax: 1(268) 462-9215/460-7544 * e-mail - oms@candwag

B 0049

1480

Bank One

Fax Cover This is a confidential message, intended solely for the person to whom it is addressed. If you receive this message in error, please forward it to the correct person, or mail it back to us. Thank you.

To Mr. John Greaves
Director
Overseas Development Bank & Trust Company Ltd.

Fax No. (268) 462 9215

From Pablo Gallardo
Bank One International Corporation
Global Marketing & Financial Institutions

Date/Time 10/27/98 at 12:30 PM

Subject Accounts Closure

Pages 1, including this one

The purpose of this communication is to confirm what was discussed in our phone conversation of today. We agreed that in anticipation of the accounts' closure scheduled for November 2, 1998, your bank will discontinue sending cash letters to former First National Bank of Commerce for processing/clearing.

The last cash letter to be processed will be tomorrow Wednesday, October 28, 1998. Thereafter, the cash letter will be returned to your attention.

If you have any questions please contact me at 214 290 3832.

Regards,



Pablo Gallardo
Vice President

cc: P. Tierney

Fax

B 0046

1481

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 56k

Exhibit 56k.

AmTrade International Bank documents

1482



OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, W.I.
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odfbank@cw.dom.dm

16th December, 1998

Via Fax #504 623 1439 and Air Mail

Ms. Paula Tierney
Bank One Louisiana, NA
Correspondent Banking
201 St. Charles Ave.
P.O. Box 60279
New Orleans, Louisiana 70160
USA

Dear Ms. Tierney:

With reference to account #5001-22377, please close the account and transfer the balance immediately to:-

Amtrade International Bank
1001 S. Bay Shore Drive, 26th Floor
Miami, Florida 33131
USA
Telex #0236264855
Routing #067012219
For Credit to Antigua Overseas Bank
Account #130002119
For Further Credit to ODB
Account #11502935

We confirm any drafts that are still outstanding will be returned "account closed" as, in any event, from our records, these drafts will be stale dated. Please advise us direct immediately the funds have been transferred, preferably today.

Sincerely,

John E. Greaves
Director

Sharon A.M. Weeks
Accounts Officer

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box W2023, St. John's, Antigua, W.I.
Tel: - 1(268) 462-9214/9232 * Fax: - 1(268) 462-9215/460-7544 * e-mail - fsginc@cardw.ag

B 0264

1483

Minutes
of a Directors Meeting of
Overseas Development Bank & Trust Company Ltd.
held on 18th March, 1999 at Woods Centre

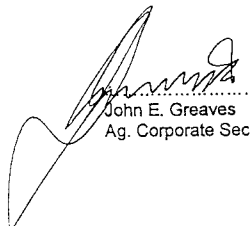
Present: Ivan Buchanan -
Malcolm West -
John Greaves

Absent: Lord Razzall -
John Mitchell
Kevin Williams - Company Secretary

It was noted that a quorum was present and that in the absence of Mr. Kevin Williams, Mr. John Greaves was authorised to act as Company Secretary on behalf of the Board.

The Board was advised that a meeting has been arranged in London on 23rd March with the senior representative of Amtrade International Bank with a view to establishing a correspondent banking relationship and to effect this it was decided that Mr. West would act on behalf of the Board to complete the negotiations regarding this correspondent bank relationship.

There being no further business the meeting closed at 10:30 a.m.


.....
John E. Greaves
Ag. Corporate Secretary and Director

1052

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OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, W.I.
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odbank@cwdom.dm

1st April, 1999

Amtrade International Bank of Florida
777 Brickell Ave.
Penthouse, Suite 1300
Miami, FL 33131

Attn: Manuel V. Siere
Senior Vice President
Chief Financial Officer

Dear Sir:

Mr. West has asked me to send you the offshore banking act for Dominica, and if possible the acts for St. Kitts and St. Vincent. Unfortunately we do not have an up to date act for either St. Kitts or St. Vincent. These can be obtained for you if you would like us to get them.

We also enclose the Nevis Offshore Banking Act, which is the sister island of St. Kitts. It might be of interest to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'John E. Greaves', is written over a large, stylized, looped flourish that extends to the left and then curves back up to the right.

John E. Greaves
Director

Administrative Office - Woods Centre, Friars Hill Road, P.O. Box W2023, St John's, Antigua, W.I.
Tel: - 1(268) 462-9214/9232 * Fax: - 1(268) 462-9215/460-7544 * e-mail - oms@candw.ag

1045

1485

AmTrade International Bank

NEW / JOINT QUESTIONNAIRE / Cuestionario Para Cuenta Nueva

CORPORATION
 PERSONAL
 PARTNERSHIP

Date: 30 APRIL 99

TITLE OF ACCOUNT: <small>Título de la Cuenta</small>	
Overseas Development Bank & Trust Co.	
42 Kennedy Avenue, P.O. Box 525 Roseau, Commonwealth of Dominica	
ACCOUNT NO. <small>Nº de Cuenta</small>	130003433
MAILING ADDRESS <small>Dirección de Correo</small>	
OTHER ADDRESS (BUSINESS OR HOME) <small>Otra Dirección (Oficina o Residencial)</small>	TELEPHONE <small>Teléfono</small>
	(767) 448-0886

OCCUPATION/BUSINESS <small>(CAPITAL, PRINCIPALS, OFFICERS, ETC.)</small>
OCCUPACION/NEGOCIO <small>(CAPITAL, SOCIOS, SOCIAS, ETC.)</small>
RECOMMENDED BY <small>Recomendado Por</small>
LOKI SANDERS
BANK REFERENCE <small>Banco de Referencia</small>
RELATED ACCOUNTS <small>Otras Cuentas</small>
CD SD Box
MC

- By this means I [we] authorize you to hold all correspondence related to this account with the understanding that I [we] release you of all responsibility related to this account if all correspondence is not picked up at least once a year.
Por esta media autorizo (autoriza) al Banco para que retenga toda correspondencia relacionada con esta cuenta, con el entendido que los (nos) no somos responsables de cualquier retardo relacionado con esta cuenta, en caso que la correspondencia no sea recogida por lo menos una vez al año.
- By this means I [we] authorize you to mail to above mailing address all correspondence related to this account.
Por este medio autorizo (autoriza) al Banco a enviarle (nos) toda la correspondencia con esta cuenta a la dirección de correo que antecede.

AUTHORIZED SIGNATURE(S)
Firma(s) Autorizada(s)



Special Instructions: _____

Investigation: Needed _____ Checkbook: Desired Ordered _____

Documents Checked by _____ Account Approved by _____
Customer Service Country Officer

AMTRADE INTERNATIONAL BK OF FLORIDA
Documents Inventory System

Table: 10 CORRESPONDENT BANKS MAIN CUSTOMER

Seq	Fr	Description (English)	Description (Spanish)
01	X	AGENCY AGREEMENT ✓	AGENCY AGREEMENT
02	X	DEPOSIT AGREEMENT ✓ <i>not signed</i>	DEPOSIT AGREEMENT
03	1	LINE LETTER <i>MA</i>	CARTA OFRECIMIENTO LINEA
04	X	CASH LETTER AGREEMENT ✓	ACUERDO MANEJO REMESAS
05	X	AUTH. TO RECEIVE INSTR. BY FAX ✓	AUTH. RECIBIR INSTRUC VIA FAX
06	X	PARTICIPATION AGREEMENT ✓	ACUERDO DE PARTICIPACION
07	1	FINANCIAL STATEMENTS ✓ <i>97-98-99</i>	ESTADOS FINANCIEROS
08	X	SECURITY AGREEMENT ✓	SECURITY AGREEMENT
09	X	BANK REFERENCE - <i>Stated only</i>	REFERENCIAS BANCARIAS
10	X	AUTHORIZED SIGNATURES ✓	FIRMAS AUTORIZADAS

More...

Press: CMD1 Accept, CMD3 Ignore, CMD4 Delete, CMD7 to END Program, CMD9 Help

Exceptions

- ① Deposit Agreement form not signed.
- ② Actual Bank Reference letters not seen
no difficulty got - it will be obtained.
- ③ Passport details/copies of all us ✓
authorized signatories not held *Bank Account BSA not held of passports*
- ④ Know your Customer (KYC) not held
- ⑤ Call Report not held.
- ⑥ The columns on client profile regarding business figures to be completed by referring to financials or otherwise ✓

[Signature] IFR
Compliance
5/5/99

1487

AMTRADE INTERNATIONAL BANK

CORPORATE CLIENT PROFILE

Account name	Overseas Development Bank & Trust Co.	Date account opened	5/10/99
Account type	DDA	Account number	130003433
Tax ID Number		W-8 or W-9 Form signed	Yes
Permanent Address of Business	42 Kennedy Avenue P.O. Box 525, Roseau Commonwealth of Dominica	Mailing Address of Business	
Phone number	(268) 462-9214	Country	Dominica, was # Indies
Fax Number	268 - 462-9215	Initial deposit	
Referred by	LORD SANDBERGS	Account Officer	J. PATRICK CARRAU

Type of Business	Banking	Business Activity	see financial statements
Income. How client maintain himself and family.	see financial statements	Capital. How was the client wealth acquired.	see financial statements

Basic Information on all authorized signers and beneficial owners.					
Name	Citizen of	Resident of and Birth date	Passport # and Visa expiration	Driver's License	Cedula or other ID.
Leo Malcolm West	British	6/25/43	740052226		
John Ewart GREAVES	Antigua	3/31/34	090761		
Mrs. ANNE MARIE CLOTHING	Antigua Barbuda	10/3/64	072610		
ROSETRALISA ABBOTT	ANTIGUA BARBUDA		090477		

References (2). Business and / or personal; customer of AmTrade International Bank and for how long.

Name	Comments
LORD SANDBERG	KNOWS LORD RUSSELL - SHAREHOLDER of PDIST

Other Banking Relationship (present or past)

Name of the Bank	Location	Type of Account
ANTIGUA Overseas Bank	ANTIGUA WI	CHECKING / CORRESPONDENT
1ST NATE BANK ST KITTS	ST. KITTS WI	CHECKING / CORRESPONDENT

Country Official Documents of Approval to Conduct Business

<input checked="" type="checkbox"/>	Articles of Incorporation	Sole proprietorship	Sociedad Limitada
<input checked="" type="checkbox"/>	By Laws	Partnership	Patente de Comercio
<input checked="" type="checkbox"/>	Corporate Resolution	Sociedad Anonima	Other

Check boxes on services client intends to use and requires additional agreements.

<input type="checkbox"/>	Hold Mail	<input type="checkbox"/>	Bill Payments
<input checked="" type="checkbox"/>	Fax / Telex payment instructions.	<input type="checkbox"/>	Credit facilities
<input checked="" type="checkbox"/>	Deposit Agreement	<input checked="" type="checkbox"/>	Cash Letter Agreement
<input type="checkbox"/>	Other	<input checked="" type="checkbox"/>	Other PTA to be established

Intended use of the account			
DEPOSITS			
Frequency	Types	Sources	Amounts

WITHDRAWALS			
Frequency	Types	Sources	Amounts

Related Accounts at AmTrade International Bank with same and other names				
Account Name	Account Type	Account Number	Opened on	Comments

Temporary checks		Permanent checks	
------------------	--	------------------	--

OFAC List	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Commerce Dept List	Yes <input type="checkbox"/>	No <input type="checkbox"/>
-----------	------------------------------	-----------------------------	--------------------	------------------------------	-----------------------------

Completed by	<i>WCR</i>	Date	<i>5-11-99</i>	Reviewed by		Date	
--------------	------------	------	----------------	-------------	--	------	--

Additional Comments, (if necessary)

1490

AMTRADE INTERNATIONAL BANK

May 18, 1999



Attention:

Mr. Leo Malcolm West
Director
Overseas Development Bank & Trust Company Ltd.
Roseau, Commonwealth of Dominica, West Indies

Dear: Mr. West:

We are pleased to acknowledge receipt of all the documentation for the opening of Overseas Development Bank & Trust in AmTrade International Bank. Please note that there is one document "Deposit Agreement" that is missing your signature, please sign and return to us at your prompt convenience

We have opened ODB account number as 130003433.
Our swift number is AMTRUS3F.

Anticipating a long lasting relationship, we remain,

Sincerely,

~~Marta~~ Diana Corrales
Vice President
Corresponding Banking

1106

AMTRADE INTERNATIONAL BK OF GEORGIA

Customer Liability Ledger

Customer Number: 75360

Mailing Address:

OVERSEAS DEVELOPMENT BANK & TRUST
42 KENNEDY AVENUE
ROSEAU, COMMONWEALTH OF DOMINICA

OVERSEAS DEVELOPMENT BANK & TRUST
P.O. BOX W 2023
ST. JOHN'S, ANTIGUA
WEST INDIES

Telephone:

Bank/ Type	Ccy	Account	Opng/Matr Date	Avl Balnc/ Principal	Uncollect/ Interest	Assets Balance	Liabilities Balance	S e l
LD	USD	130003433	6/07/99	19694.83	7100.00		19694.83	..

Total Assets.....: USD
 Total Liabilities...: USD 19694.83 19694.83
 Place Any Character in Line to Inquiry or Enter "T" for Customer Totals
 Roll Up-Roll Down/CMD 1-> Previous Step/CMD 2-> 1st Line/CMD 7----> END job

1492



AMTRADE INTERNATIONAL BANK

Due: Fri, 8/18/00!

August 8, 2000

Ms. Kathleen Trotter
Office Manager
Overseas Development Bank & Trust
42 Kennedy Avenue
Roseau, Commonwealth of Dominica
West Indies

VIA DHL

Re: Account No. 130003433

Dear Ms. Trotter

Please be advised that based on Paragraph 6 of the Deposit Agreement signed by yourselves on April 30, 1999, AmTrade International Bank of Georgia (of AmTrade) will close your account no. 130003433 (the "Account") at AmTrade within ten (10) banking days of the date of this letter on or before August 18, 2000.

In order to minimize any inconvenience, please be so kind as to notify us as soon as possible of the bank and account number to which we should transfer the balance currently in the account.

Please be advised that if we do not hear from you within ten (10) banking days of the date of this letter on or before August 18, 2000 the Account will be closed and any positive balance in the Account will be sent to you via DHL in the form of a cashier's check.

Sincerely,

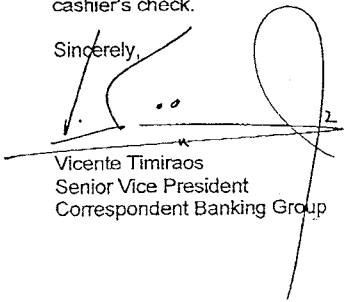

Vicente Timiraos
Senior Vice President
Correspondent Banking Group

EXHIBIT NO. 57
Documents related to
BRITISH TRADE AND COMMERCE BANK
(Case Study No. 4):

- 57a. British Trade and Commerce Bank (BTCB) general documents
- 57b. BTCB financial documents
- 57c. BTCB management and employee documents
- 57d. BTCB high yield investment program documents
- 57e. Internet gambling documents
- 57f. Banco Industrial de Venezuela documents
- 57g. Security Bank documents
- 57h. First Union National Bank documents
- 57i. Koop fraud documents
- 57j. Cook fraud documents
- 57k. Gold Chance fraud documents
- 57l. \$10 million CD interpleader documents
- 57m. Miscellaneous documents relating to BTCB
 - 1. KPJ Trust/Tiong documents
 - 2. Brett/Bailett documents
 - 3. Vector Medical Technology documents
- 57n. Permanent Subcommittee on Investigation Deposition of John G. Long IV, February 26, 2001
- 57o. SEALED EXHIBIT: Suspicious Activity Reports

1494

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 57a

Exhibit 57a.

**British Trade and Commerce Bank (BTCB) general
documents**



COMMONWEALTH OF DOMINICA

IN THE MATTER OF
THE COMPANIES ORDINANCE CAP. 318
COMPANIES REGULATIONS (S.E.O. NO. 29 OF 1981)

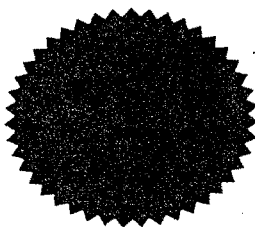
AND

IN THE MATTER OF THE REGISTRATION OF

BRITISH TRADE AND COMMERCE LIMITED

CERTIFICATE OF INCORPORATION

I DO HEREBY CERTIFY that BRITISH TRADE AND COMMERCE LIMITED is
this day incorporated under the Companies Ordinance and that the
Company is Limited by Shares.



Given under my hand this
26th day of February, 1997...

Adrien Robert
ADRIEN ROBERT
REGISTRAR (AG.) OF
JOINT STOCK COMPANIES
COMMONWEALTH OF DOMINICA

7

Licensed for Full Trust Business.

BRITISH TRADE AND COMMERCE LIMITEDAPPOINTMENT OF FIRST DIRECTORS

WE THE UNDERSIGNED, being the subscribers of the Memorandum of Association of the above company, hereby in pursuance of article 81 of the company's Articles of Association, determine that the number of directors of the said company is five (5) and that the following persons be appointed to be the first directors of the company:

1. Mr. Rodolfo Requena Perez of Av. Venezuela, Torre America, Ofc. 615, Bello Monte, Caracas 1050, Venezuela
2. Mr. Pablo Urbano Torres of Av. Venezuela, Torre America, Ofc. 615, Bello Monte, Caracas 1050, Venezuela
3. Mr. Diran Sarkissian of Av. Francisco Miranda, Torre Cavendes, Los Palos Grandes, Bello Monte, Caracas 1062, Venezuela
4. Mr. Clarence Butler of Pont Casse, Dominica
5. Mr. Herry Royer of Castle Comfort, Dominica

Dated the 27th day of March, 1997



Rodolfo Requena Perez

Member



Clarence Butler

Member



GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

**LICENCE TO CONDUCT OFF-SHORE BANKING
OR TRUST BUSINESS**

Pursuant to Section 5 of the Offshore Banking Act, No 8 of 1996,
the undersigned hereby grants a licence to

BRITISH TRADE AND CREDITANCE BANK LIMITED

an Off-shore Bank/Trust Company
subject to all the terms and conditions of the said Act.

Issued at ROSEAU, COMMONWEALTH OF DOMINICA

this TWENTY-SEVENTH day of MARCH, 1987




Minister for Finance, Industry & Planning

BRITISH TRADE AND COMMERCE LIMITED

SPECIAL RESOLUTION TO CHANGE NAME OF COMPANY

At a meeting of the above-named company held at Fort Young Hotel on the 10th day of April, 1997, it was unanimously resolved that the resolution passed on March 27, 1997 whereby it was resolved that the name of the company be changed to British Trade and Commerce Bank Limited, be confirmed.

Dated the 10th day of April, 1997


.....
Chairman


.....
Secretary

Jun-02-98 11:59A BT&C BANK/TRUST


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

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

THE FOLLOWING IS TO BE CONSIDERED PRIVATE AND CONFIDENTIAL TO THE
RECEIPT. ANY UNAUTHORIZED USE WILL BE PROSECUTED TO THE FULLEST
EXTENT OF THE LAW.

SHAREHOLDERS OF BRITISH TRADE & COMMERCE BANK	SHARES
BRITISH TRADE & COMMERCE BANK BANCORP TRUST REPRESENTED BY MR. RODOLFO REQUENA, TRUSTEE BENEFICIAL INTERESTS ARE HELD BY MR. JOHN LONG	15,000
MR. RODOLFO REQUENA	3,000
BAILLET INTERNATIONAL LTD. BENEFICIAL INTERESTS HELD BY DR. DANA BAILEY AND MR. SCOTT BRETT	3,000
BAYFRONT INVESTMENT TRUST BENEFICIAL OWNER MR. PABLO URBANO	750
MR. DIRAN SARKISSIAN	750
MR. HERRY ROYER	750
MR. CLARENCE BUTLER	750
TREASURY SHARES HELD FOR OFFICER AND EMPLOYEE PROFIT SHARING	6,000
TOTAL SHARES AUTHORIZED AND OUTSTANDING	30,000

BRITISH TRADE AND COMMERCE BANK**LIST OF DIRECTORS**

Rodolfo Reguena Perez	-	Chairman
Pablo Urbano Torres	-	Director
Diran Sarkissian Ramos	-	Director
Herry Calvin Royer	-	Director
Clarence A. Butler	-	Director
Dana Bailey	-	Director
George E. Betts	-	Executive Vice- President Financial Comptroller



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

Registered and Licensed under the Laws of the Commonwealth of Dominica. W.I.



*Emens Bldg. Dame Eugenia Charles Blvd. Bayfront.
Roseau, Commonwealth of Dominica.
P.O. Box 2042.
E-mail: btcbank@cwdom.dm*

SWIFT: BTCBMDM

Investment Products and Services mentioned in these pages may not be available to residents of Canada, South America, or the European Union and are not available to residents of the United States of America. Products and Services are available to Dominican Registered International Business Corporations and other Foreign



British Trade & Commerce Bank, is as an International banking institution which will provide select clientele with premier financial and banking services on an international level and in strictest of confidence. **BTCB** provides its customers and clients with professional access to international financial/banking/trust services and premium asset management, within a secure, private banking environment, and with the support of the professional expertise and experience of a highly qualified professional team.

Main Services

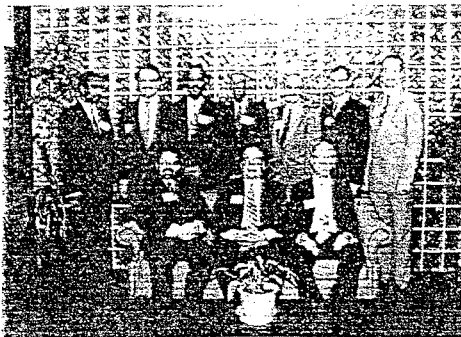
BTCB provides a broad spectrum of banking, finance and business services that are tailored to meet the individual requirements of its select clientele, including:

- ♦ Establish and maintain custodial and trust accounts for the protection management and growth of client assets under strict confidentiality.
- ♦ Establish, maintain and manage confidential accounts and provide trustee/nominee/designee services upon client request.
- ♦ Develop specialized retail-banking services/activities (such as secured credit cards, IBC Corporate Cards, billing and rebilling services, financial recording reporting assistance, and such as required) in support of these paramount client services.
- ♦ Form mutual funds, participating trusts, and structured accounts and conduct securities transactions through **British Trade and Commerce Securities, Ltd.** (Bahamas) and other licensed and registered brokers/dealers in USA, The U.K., and Venezuela on behalf of our clients.
- ♦ Promote Investment-Banking activities such as bond underwriting, issuing bank guarantees, security trading, and foreign exchange transactions. Design and manage investment Strategies and Scenarios, for individual clients, which yield high rates of return while assuring capital preservation.
- ♦ Establish and register International Business Companies, Trust and Foundations in response to client requests as a mechanism to structure and manage their offshore affairs.



*Experience in
Banking Business*

British Trade & Commerce Bank has assembled a team of professionals who are highly qualified in international banking and financial investment activities. These senior management groups, in conjunction with a competent local staff, provide extensive experience and considerable expertise in the myriad areas of international business, banking and finance. This professional group reflects these skills under an environment of compatible leadership and team-management. Members of the management team are introduced below:



Board of Directors.

Rodolfo Requena Perez, Chairman.- Chemical Engineer, MBA, Ph.D., (Canada), Magister in Business, (Japan). Specialist in finance and marketing, with considerable experience in both private and public corporations in the financial and commercial sectors. Served as Director and Acting President of the Industrial Credit Fund (FONCREI) and as a Director in Corpoindustria and Financial Leasing Company (ANFICO). Has held senior management positions with Consolidated Bank, American Express, Warner Lambert and American Can Company. Presently involved in the design and administration of TPA's and HMO's as well as international financial organizations.

Pablo Urbano Torres, Director.- Actuary, with 23 years in the insurance and risk management. Principal responsibilities included development of insurance plans, services and products; budget formulation, financial projections, reserve certification, contract negotiation with insurers/re-insurers/clients and substantial teaching experience at the college level. Has held management positions with Pan American Insurance Co., Seguros Nuevo Mundo and others. Also, worked and trained in the United States with Pan American Life Insurance Co. in New Orleans.

Diran Sarkissian Ramos, Director.- Professional Economist, Masters Degree in Finance and Banking with considerable experience in banking and stock market operations. He has worked in such national and international banking institutions as Citibank, Banco Guayana, and Banco Industrial in positions such as Director and Treasury Vice President, Chief Treasury Trader and in stockbroker corporations such as Orson Kravitz and Vestcor Partners in Venezuela and Miami, Florida.

Herry Calvin Royer, Director. - Businessman with emphasis on communications and communications production. Has worked for more than 21 years in the public media, including the Dominica Broadcasting Corporation, Photo One, Video One TV, the Government Information Service and Omega One productions. In these roles he has progressively increased his active involvement with all aspects of government and commerce in Dominica and the Eastern Caribbean.

Clarence A. Butler, Director. - Businessman and Industrialist with more than 35 years of service as an executive in such industries as agriculture, tourism and transportation. Since completing his education in U.S.A. and U.K., he has also served as General Manager Director of such entities in Dominica as the Marketing Board, Tourism Board, Citrus Association, External Trade Bureau, Agricultural Marketing Board, Export -Import Agency, and Public Service Boards of Appeal. Also served as Founder/Chairman of Clarence Butler & Sons (Agricultural Producer Exporter), Chairman of the Nature Island Express Airline, Director Shareholder of Eurocarib, Representative to CAPROC, and member of the Board of Trustees of Ross University Medical and Veterinary School of Medicine. Has served as Honorable French Consulate of Dominica for 22 years

Dana Bailey, Director. - D.M.D., a highly reputable and successful professional that has combined his medical activity along with good business endeavors. Served as President of the Eston-Kindersley area of Saskatchewan Full Gospel Businessmen's Scholarship and is the Canadian representative for Bailett International Ltd, a consulting firm specialize in Trust and Fund Management activities.

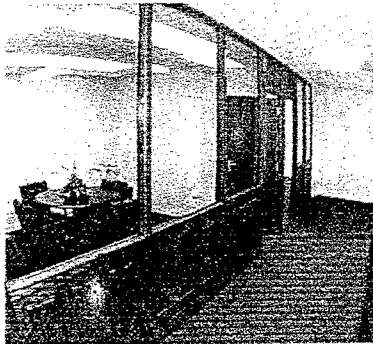
Executive Professionals & Officers:

Rodolfo Requena Perez, President.
(Referenced previously)

Charles L. Brazie.

Vice-President-Managed Accounts.

B.Sc. (ES), S.M., Ph.D., with more than 32 years experience as a management consultant, a strategic and financial planner, an operations research specialist, and an executive with full financial and operations responsibilities. His professional experience includes serving as Chairman and CEO of successful companies in telecommunications. Group Manager of a major government consulting company, Vice-president and Director of Quantitative Management Sciences for the largest international consulting company; National Director of Quantitative Management Services of Arthur Young & Company; and special advisor/consultant to the Executive Office of The President of USA. He has extensive expertise in international finance and development, investment management, mergers and acquisitions, and financial planning and control.



*George E. Betts.**Vice-President -Financial Comptroller*

CPA (USA) has extensive experience in all aspects of financial and operations management with proven successes in international business development resulting from twenty-two years experience with a Big Six accounting firm of Deloitte & Touche. Served as Partner In Charge of the office in Hong Kong and was responsible for or the quality of service for all U.S. clients in the Far East. Opened offices for Deloitte & Touche in Korea, Macau

and Shanghai (Peoples Republic of China). Has extensive experience in management of businesses, dealing with off shore transactions including letter of credit, foreign exchange and investments. Various other experience including U.S. Securities and Exchange filings and reporting, U.S. and international taxation and mergers, and acquisitions. Also spent six years as Executive Vice President and Chief Operating Officer of a U.S. public company with operations in 15 countries.

*Oscar Rodriguez Gondelles.**Business Representative in Venezuela.*

MBA, with 20 years managerial experience in banking and credit card institutions, and telecommunication companies. Has 12 years experience in strategic planning for large banks and telecommunication companies. Including CANTV (Telecommunications Company), Credimatico (Credit Card Holding), Consolidated Bank, American Express, NCR, and the Royal Bank of Canada Venezuela.

*John G Long, Chairman of the Advisory Committee.*

JD, MBA, CPA (USA), with an extensive experience in banking originating with his family, which has been in banking for over 100 years. His family was the founders of the Farmers Exchange Bank in Oklahoma and co-owners of the First State Bank McKinney in Dallas Texas. He has held such positions as Senior Vice President, Chief Financial Officer and Trust Officer in such banks as Citibank, Liberty National Bank and Trust, and First State Bank of McKinney. He has also served as Senior Financial Analyst for projects in Central America for USAID (United States Agency for International Development); Special Attaché of the United States Justice Department based in Geneva with contacts with all major Western European Banks. Serves as consultant to financial projects and to managing trust operations in the Bahamas.

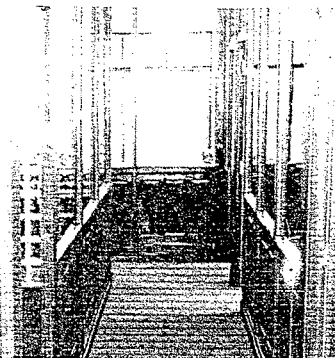
Herry Calvin Royer, Corporate Secretary.

(Referenced Previously)

Of Counsel.

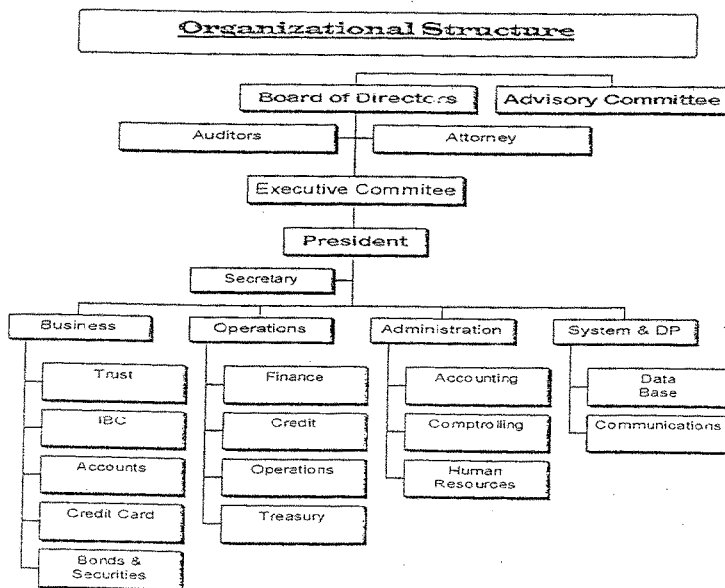
Michael E. Bruney.

L.L.B., Attorney at Law with 10 years experience as practicing attorney in Dominica. Has served as State Attorney, Registrar of the High Court, Registrar General and Provost Marshal. Has served for the last five years as barrister, solicitor and notary public in private practice dealing with all aspects of corporate law, contract law, land law and criminal law. Serves as registered agent under the International Business Companies Act.



Financial Information.

At December 31, 1997 **British Trade & Commerce Bank** had over US \$ 250 Millions in Managed Assets. The Bank is in a stable financial position with more than US \$ 15,000,000 in stock holders' equity. For the year end, a profit dividend was declared for the shareholders, following the successful operation in 1997.



A Final Comment

There is no one way of prescribing a single combination of offshore options (Banking/Trusts/IBC's) that is right for everyone. There are myriad combinations depending upon your individual requirements.

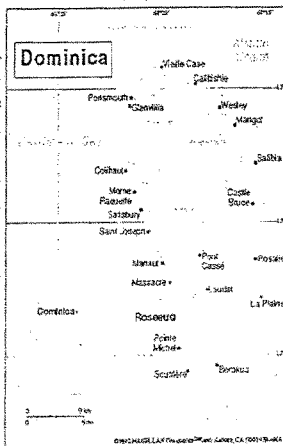
Offshore options simply mean having an entity in a jurisdiction foreign to your own which has assets. This entity can be a trust, a corporation, a limited liability company, or even your own personal bank account. An indication of their potential benefit may be seen from the fact that onshore banks oppose them, your government entities impugn them, and credit bureaus abhor them all because these entities have a vested interest in keeping your funds accessible to them.

Although originally for the wealthy, increased governmental pressure on the average citizen's ability to earn a decent living and retain wealth have caused offshore options (Banking/Trusts/Companies) to become every man's alternative. They can safeguard your assets against confiscation, garnishee actions, forfeitures, claims, and unnecessary taxation, duties and levies, while permitting asset enhancement and your economical access to funds from anywhere in the world. One of the greatest advantages of having offshore accounts is the privacy it allows you. You know that you have the money and unless you tell someone else, no one else will ever know.

"The legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them, by means which the law permits, cannot be doubted."
 Supreme Court Justice George Sutherland

THE COMMONWEALTH OF DOMINICA

All these offshore options are offered by the **British Trade & Commerce Bank**, under favorable terms and conditions in the island paradise of The Commonwealth of Dominica. This relatively untapped Caribbean Commonwealth has maintained its reputation for preserving its natural beauty while pioneering the development of new business and industry. The evolution of a very attractive regulatory environment and the supporting infrastructure for offshore business activities within this tropical setting, is a cornerstone of those initiatives. The laws of Dominica provide for strict confidentiality and privacy and exemption from income taxes for all such offshore options. It has been said that Dominica is the only island Columbus would recognize if he were to return to the Caribbean today.



A WORD FROM
THE PRESIDENT

Since its establishment in 1997, British Trade & Commerce Bank (BTCB) has striven to offer quality international banking and investment services to foreign corporations, governments, institutional and individual investors, depositors and other clients. Among the services provided are private banking, investment banking and securities trading.

BTCB's private banking activities include the provision of financial planning and money management services, as well as investment accounts that hold securities for long-term appreciation, the offering of certificates of deposit (CDs) with competitive interest rates, and the selling of insurance products and services. The bank also facilitates the formation and administration of international business companies and provides credit services for its depositors. BTCB's investment-banking activities focus on providing debt financing for private and public companies in the form of senior, mezzanine, subordinated or convertible debt, and bridge loans for leverage and management buyouts, and recapitalization transactions. Trading activities include foreign securities trading on behalf of its clients.

The economic and financial innovations that dominated the 1990s may continue, perhaps with greater intensity, in the 21st century. Such a development would make it necessary for international financial institutions like BTCB to adjust to the continuously changing requirements of globalization in general and financial market integration, in particular. Therefore, since its establishment, BTCB has been enhancing its capabilities to compete effectively with other institutions that provide similar products and services. In this regard, the bank has followed and will continue to follow two basic principles: teamwork and adaptability to a changing world. The bank's goal will always be quality service, personal and efficient; continued investment in the most advanced technological solutions; and keeping attention to the most recent financial product and service innovations.

This publication provides a profile of BTCB. It demonstrates BTCB's commitment to being a responsible corporate citizen in the international financial and banking community, to retaining the most talented personnel, to offering an increasingly improving quality of client services, and to maintaining a flexible organizational as well as a technologically advanced operational system.



Rodolfo Requena Perez
President



JHS 000043

UNIVERSAL BANKING

PAYS
BIG DIVIDENDS



George E. Betts
Executive Vice President - Caus Financial, Greece

Experience: George E. Betts, C.P.A. (U.S.A.) has more than 35 years of accounting, auditing and financial controls experience. Mr. Betts served 22 years with the Big Six accounting firm of Deloitte & Touche, with responsibility for quality of services for U.S. clients in the Far East. Under Mr. Betts' supervision, Deloitte & Touche opened offices in Korea, Macau and Shanghai. For six years, Mr. Betts also was executive vice president and chief operating officer of Taxalite International Inc., a U.S. public company with operations in 15 countries.

BTGB Expertise: Mr. Betts is responsible for accounting and financial operations of BTGB and its subsidiaries.

JHS 000045



UNIVERSAL BANKING

PAYS
BIG DIVIDENDS

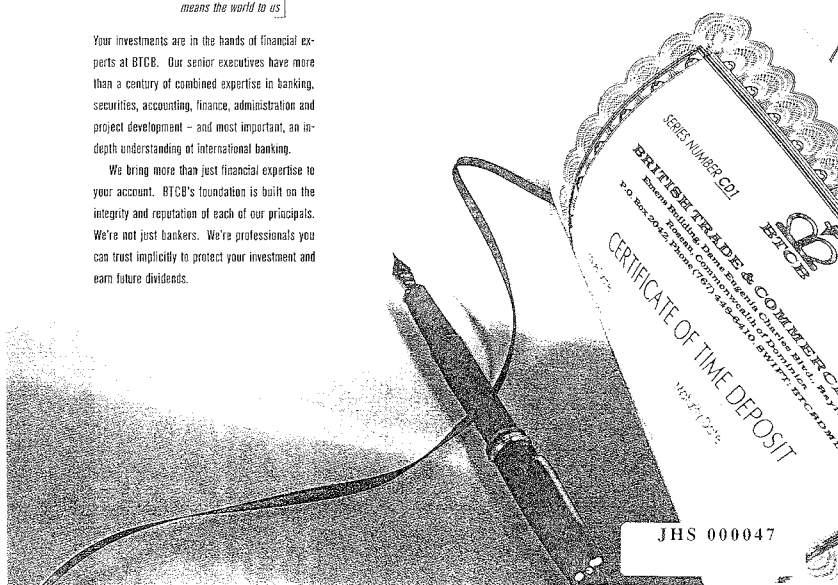
Banking overseas is a viable option for an increasing number of today's investors. A strategy once only employed by the wealthy, banking abroad is an opportunity for any corporation or individual seeking asset protection, superior returns, tax savings and privacy. International banking is a legal and sound investment alternative.

At British Trade & Commerce Bank (BTCB), our mission is to help you conduct business or earn maximum returns on your investments - with minimum risk - outside your home country. When you bank with us, you'll enjoy the advantages of universal banking.

*Your financial security
means the world to us*

Your investments are in the hands of financial experts at BTCB. Our senior executives have more than a century of combined expertise in banking, securities, accounting, finance, administration and project development - and most important, an in-depth understanding of international banking.

We bring more than just financial expertise to your account. BTCB's foundation is built on the integrity and reputation of each of our principals. We're not just bankers. We're professionals you can trust implicitly to protect your investment and earn future dividends.



A SECURE INVESTMENT

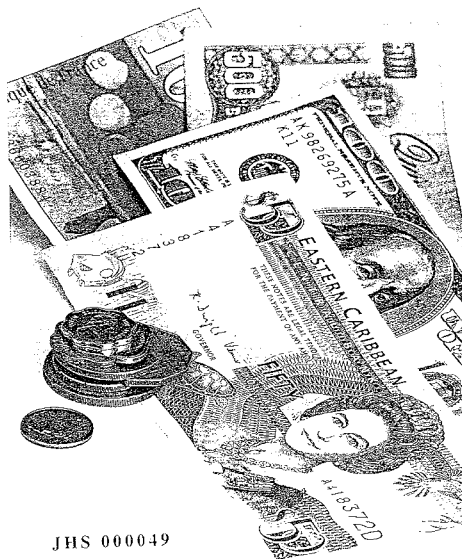
WITH
THE RIGHT BANK



Charles L. Brazie
Vice President - Managed Accounts

Experience: In the past 32 years, Charles L. Brazie, B.Sc. (E.S), S.M., Ph.D. (U.S.A.), has served as management consultant, financial planner, operations research specialist and corporate executive with full financial and operations responsibilities. He has held positions with telecommunications companies, a major government consulting company and the world's largest international consulting company. Mr. Brazie also has served as special advisor/consultant to the Executive Office of the President of the United States.

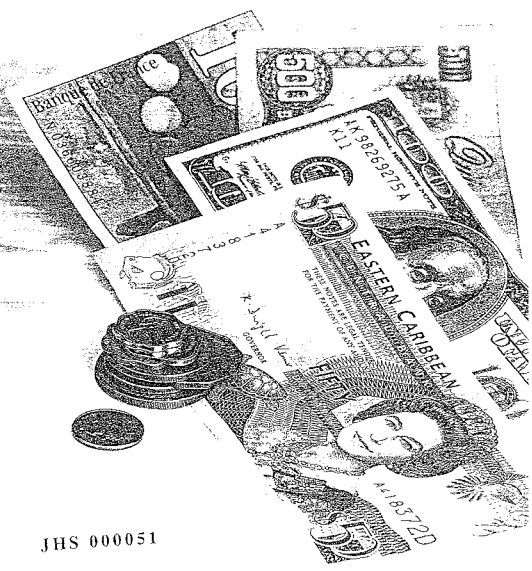
RYCB Expertise: Mr. Brazie and his staff are responsible for managed accounts. As the assets generate returns, Mr. Brazie also finds opportunities to finance humanitarian, infrastructure and economic development projects.



JHS 000049

A SECURE INVESTMENT
WITH
THE RIGHT BANK

We've taken exceptional measures to ensure you the protection you deserve. Since our inception in 1997, we've earned our reputation as the Caribbean's financial leader. As one of the few international banking corporations to open a home office in the Commonwealth of Dominica, West Indies, we set the standard for other banks operating in the Caribbean. BTCC is the only universal bank in the region that has formally requested the Eastern Caribbean Central Bank to supervise its activities. By accepting such supervision, we've agreed to adhere to strict controls that require us to operate in a safe and sound manner and in compliance with the standards of international banking.



JHS 000051

DOMINICA A SAFE
HAVEN FOR
YOUR INVESTMENTS

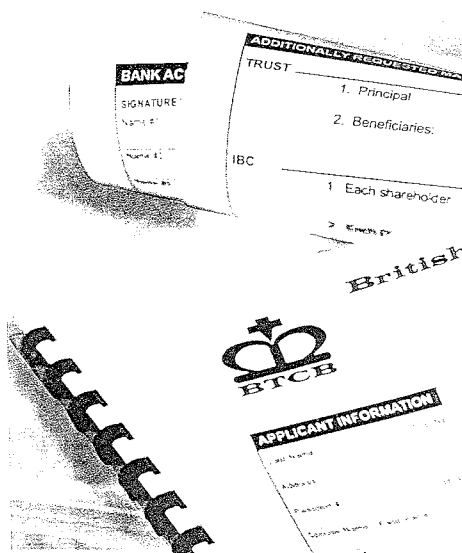


Patricia E. Garraway-Inglis
Vice President - Commercial Banking Operations

Experience: Patricia E. Garraway-Inglis has more than 30 years of commercial banking experience with Barclay's and Banque Française Commerciale, including 23 in executive management positions. Her family is one of the most established in Dominica, boasting 200 years of involvement in commercial, legal and administrative affairs. Ms. Garraway-Inglis has served in leadership roles for the Chamber of Commerce, Dominica Broadcasting Corporation and Dominica Cancer Society. As Honorary French Consul in Dominica, she is responsible for issuing visas on behalf of France to Dominica nationals.

BTGB Expertise: Ms. Garraway-Inglis serves as the local representative for BTGB in Dominica. She is bank liaison to regulatory agencies and customers.

JHS 000053



DOMINICA A SAFE
HAVEN FOR
YOUR INVESTMENTS

BTCCB also is supervised by its home country regulator, the International Business Unit of the Commonwealth of Dominica's Ministry of Finance - a strict government agency that has limited the number of international banks on its shores.

We also have our own standard of ethics and adhere to a very strict know your customer policy. In addition to the controls and ethics we've agreed to operate under, your privacy is strictly protected by Dominican law. Client information is strictly confidential.

*Preserve your wealth - and
grow it - with BTCCB*

Your BTCCB account is more than just a promise of wealth preservation. Our vast investing experience and ability to participate in non-traditional markets allow us to generate higher returns than most institutions. We offer a variety of investment opportunities to address your particular goals and meet all of your needs.



JHS 000055

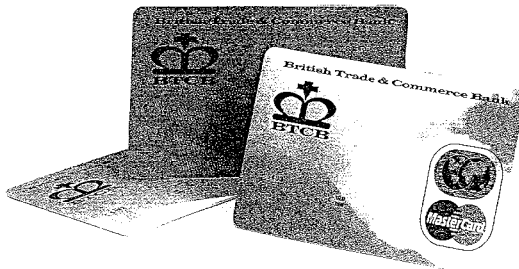
SUPERIOR

SERVICES

YOU CAN BANK ON

Credit Card Services: One of the few universal banks to offer credit card services, BTCB is a principal MasterCard member. As a result, we can offer you every product and service available through MasterCard - including credit, debit, check, gold or corporate cards. Principal membership also allows you to take advantage of travel, entertainment, annuity and insurance offerings exclusively available to MasterCard card holders. But most importantly, when you need immediate access to your BTCB account, you can use your MasterCard any time, anywhere in the world.

When you need immediate access to your account, you can use your BTCB International MasterCard - a service that few universal banks offer. It's good any time, any place in the world. With BTCB, you also have quick access to your account information and cash when you need it. Through our password-protected web site, you can manage your international business corporation, transact business or track credit card charges. And when you need cash, you can use your BTCB MasterCard at any ATM machine on the Cirrus worldwide network. Or, you can call or go on-line through the Internet and we'll wire you the money to any account you choose.



JHS 000058

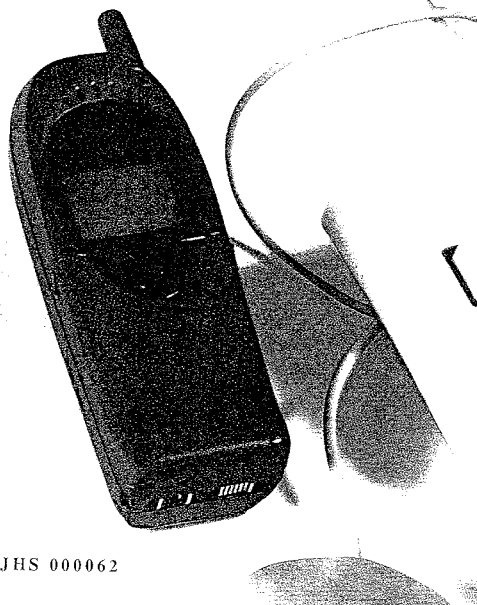
IMMEDIATE ACCOUNT
ACCESS AND
FAST CASH



Pablo Urbano Torres
Director

Experience: Pablo Urbano Torres is an actuary with 23 years of experience in the insurance and risk management fields. He has served Pan American Life Insurance Company and Seguros Nuevo Mundo, among others, in executive positions. Mr. Urbano's background is in development of insurance plans, services and products, budget formulation, financial projections, and contract negotiations with insurers, reinsurers and clients. In addition, Mr. Urbano has been a long-time college professor.

ATCB Expertise: Mr. Urbano serves as a board member and is responsible for operating ATCB subsidiary General International Assurance.



JHS 000062

IMMEDIATE ACCOUNT

ACCESS AND

FAST CASH

Asset Protection: International banking protects your assets with total privacy against lawsuits, garnishee actions, forfeitures, claims, unnecessary taxation, duties and levies. BTCB offers you a number of banking alternatives designed to preserve your wealth – and enhance it. We can help you establish and administer a trust, international business corporation, limited liability company or bank account.

Exceptional investment strategies: BTCB officials are not restricted by your home country's laws from investing in certain types of companies and securities, nor limited as to the percentage of funds they can invest in a particular company. That translates into higher-than-normal yields for our clients. With BTCB, you have a choice of investment opportunities: Certificates of Deposit (an unusual option in international banking), global investment funds or managed accounts.

*We can make a world of difference
in your financial future*

BTCB has the experience to protect your wealth and grow your investments. To learn more about securing your financial future, call us at 767-448-6410 or e-mail us at btcbank@cwdom.dm.

British Trade & Commerce Bank

British Trade & Commerce Bank
EMENS Building Dame Eugenia
Charles Boulevard, Bayfront
P.O. Box 2042
Roseau, Commonwealth of Dominica
Tel 767-448-6410 Fax 767-448-6477
SWIFT: BTCBDM0M



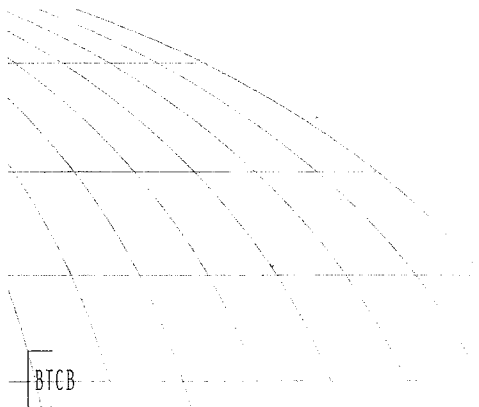
JHS 000064



Wilbert O. Bascom
Vice President
CORRESPONDENT BANKING/CHIEF COMPLIANCE OFFICER

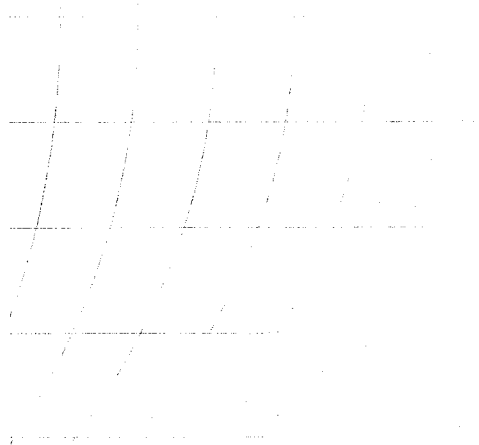
Experience: Wilbert O. Bascom, Ph.D., has 33 years of experience in international banking management. Mr. Bascom helped establish the Guyana National Cooperative Bank in 1970 and managed its operations as chief executive officer until 1978. In 1981, he was appointed the first chief, Bureau of International Banking, Florida Department of Banking and Finance and was responsible for the supervision of the activities of state licensed international banking corporations. Most recently, Mr. Bascom was president/chief executive officer of a BTGB affiliate First Equity Corporation of Florida. He is a published author in the area of bank management and supervision in developing financial markets.

BTGB Expertise: Mr. Bascom is responsible for designing and implementing BTGB compliance programs and policies, as well as establishing and monitoring the bank's relationship with correspondent banks.



BTGB

SUBSIDIARIES



BTGB subsidiaries: a world of services:

BTGB offers an array of related financial services through our independent subsidiaries. Our partnership companies provide services designed to meet all of your investment, banking and commercial needs. As added protection for your investments, each business unit must adhere to strict BTGB performance guidelines.

InSatCom Limited

Licensed by Cable and Wireless and the Commonwealth of Dominica, InSatCom is the first private satellite communication network offering encrypted data, Internet web hosting and reliable video transmissions from the Caribbean. Through InSatCom, clients enjoy a password-protected Internet site to manage their international business corporations, transact business or track industry trends – as well as peace of mind knowing that unauthorized entry is virtually eliminated. InSatCom's advanced technology also allows larger clients to co-locate their servers or use the system for emergency backup.

General International Assurance

With 23 years of risk management experience, General International Assurance (GIA) insures transactions in new issue and secondary markets for creditworthy issuers in domestic and international public and private sectors. GIA generally is focused on emerging markets in developing countries with relatively stable political, legal and currency risks. As client demand warrants, GIA is poised to offer traditional insurance products such as deposit, automobile, health and home insurance.

JHS 000070

ITC Subsidiaries:*International Corporate Services*

International Corporate Services provides secretarial services so that clients can concentrate on their own businesses. Services include provision of a registered office – along with answering mail and e-mail, maintaining and safekeeping corporate records and renewing the company's registration. Also offered: appointment of local nominee directors, preparation of bylaws, resolutions and share certificates, attendance at organizational meeting of directors and shareholders, as well as registration of shareholders, directors and agents.

EZ Webhosting

An international web commerce center in the Commonwealth of Dominica, ezwebhosting.com offers Internet-based entities a safe and reliable alternative for generating and protecting income outside of their home country. Drawing on a thorough investigation and planning process, ezwebhosting.com was launched into a five-year-old Internet mall that attracts thousands of daily customers. Ezwebhosting.com clients' products and services are highlighted in the new vendor section. For businesses already established on the World Wide Web, ezwebhosting.com uses algorithms to bring these listings to the forefront of most search engines. Designed to facilitate business expansion, ezwebhosting.com helps cultivate link exchanges with non-competitive sites, deploy banner advertising and position client businesses in targeted news groups. Also available is the creation of list servers, BBS Chats, Guestbooks, news groups and other communication tools.

Worldwide Asset Protection

Worldwide Asset Protection (WWAP) informs motivated individual and corporate investors to consider banking overseas as a viable opportunity to protect assets, enjoy superior returns and save taxes. Potential clients learn about legal offshore alternatives and the multitude of worldwide services – and how these options translate into financial empowerment and wealth preservation.

IBC Now, Limited

Offered in conjunction with the Commonwealth of Dominica, this unique web site allows individual or corporate clients to check for name availability when establishing an international business corporation. Once availability is determined, clients use IBC Now to complete necessary forms for business registration. As part of the service, name selections are held for 72 hours.



Isilio Arriaga
Vice President - Business Development

Experiencia: Isilio Arriaga has extensive consulting and managerial experience in the start up of national and international companies. His expertise is in financial-sector and governmental ventures. As a consultant, Mr. Arriaga most recently re-engineered and advised a Miami-based, high-tech information consulting company, and promoted new business opportunities for three Texas entities. During his distinguished career, Mr. Arriaga has been CEO of Miranda Savings and Loan Association in Caracas, Venezuela, Congressman in the House of Representatives in Venezuela and foundation member of the World Economic Forum in Davos, Switzerland.

BTCB Expertise: Mr. Arriaga is responsible for new business development.

Filiales de BTCB: un mundo de servicios

BTCB ofrece un conjunto de servicios financieros relacionados, a través de sus filiales independientes. Nuestras compañías asociadas proveen servicios diseñados para satisfacer todas sus necesidades de inversión, banca y comerciales. Como protección agregada para sus inversiones, cada unidad comercial debe cumplir con estrictas pautas de desempeño de BTCB.

FILIALES

DE BTCB

InSatCom Limited

Licenciada por Cable and Wireless y por la Commonwealth de Dominica, InSatCom es la primera red privada de comunicaciones por satélite que ofrece datos cifrados, servicio de anfitrión de web de Internet y transmisiones confiables de video desde el Caribe. A través de InSatCom, los clientes disfrutan de un sitio en Internet protegido por contraseña para administrar sus corporaciones comerciales internacionales, conducir negocios u observar las tendencias de la industria - así como tener la tranquilidad de saber que el acceso no autorizado queda virtualmente eliminado. La avanzada tecnología de InSatCom también permite a los clientes grandes coubitar sus servidores o usar el sistema como respaldo de emergencia.

General International Assurance

Con 23 años de experiencia en administración de riesgos, General International Assurance (GIA) asegura transacciones en nuevas emisiones y mercados secundarios para emisores dignos de crédito en los sectores público y privado a nivel nacional e internacional. GIA generalmente se concentra en mercados emergentes de países en desarrollo con riesgos políticos, legales y de moneda relativamente estables. A medida que la demanda de los clientes lo justifica, GIA

JHS 000072

BRITISH TRADE & COMMERCE BANK



Everyday, hundreds of individuals take their first step towards ensuring their financial preservation. International banking, once reserved for the select few, has blossomed to a multi-billion dollar industry. After ten years of worldwide research, careful competitor review, and months of strategic planning, the founders of British Trade and Commerce Bank established the finest international banking corporation in the Commonwealth of Dominica. Within a few years of its 1995 charter, BTCB has risen to the Caribbean's banking leader with innovative strategies fostering its customers' desire for asset protection and wealth preservation with a proven dividend. Through its affiliated companies, BTCB provides its clients secure and confidential access to the world's financial, real estate, internet and securities markets. Our solid foundation is the result of more than a century of executive expertise in accounting, portfolio management, securities trading, and project financing. We congratulate your decision to discover BTCB and welcome your participation in the new millennium of universal banking.

Address: Emens Building, Dame Eugenia Charis Blvd. || Commonwealth of Dominica West Indies
Voice: 767-448-6410 || Fax: 767-448-6477 || Email: btcbank@cwdom.dm

SERVICES

INVESTMENTS

WORLD GROUP

OPEN SITE

SERVICES AND FEES



British Trade and Commerce Bank's core financial services include Asset Protection Accounts and Credit Cards. Institutions and individuals understand the benefits of wealth preservation with minimized taxation as a compelling reason to explore international banking. Typically, our clients enter takes the form of a trust, international business corporation, limited liability company, or bank account. Each safeguards their assets with total privacy against confiscation, garnishee actions, forfeitures, claims, unnecessary taxation, duties and levies. Further, the Basel Agreement requires all international banks to be adequately regulated and supervised to ensure that they are managed and operated in a safe and sound manner and in compliance with the law. BTCB is supervised by its home country regulator, the International Business Unit of the Commonwealth of Dominica's Ministry of Finance, as well as the Eastern Caribbean Central Bank, the banking regulator for the eastern Caribbean region. However, the secrecy and confidentiality of BTCB's clients' affairs are respected by these regulatory agencies, protected by the laws of the Commonwealth of Dominica, and strictly guarded by the management of BTCB.

Asset Protection Accounts

Below are the various forms that we will require to process your application. All forms can be read by Adobe Reader 3.0. If you do not have this FREE software, please download from the following button. After opening the forms - just print.

IBC/Trusts and Bank Account Forms

- [Account Opening including IBC and Trust](#)
- [Appointment of Bankers](#)
- [Directors Resolution](#)



Credit Cards - are perfect for clients whose life-style demands immediate access. BTCB offers an universal credit card for each International Business Corporation account holder.

[HOME](#) || [SERVICES](#) || [INVESTMENTS](#) || [GROUP](#) || [CLIENT SERVICES](#)

INVESTMENTS



Our philosophy validates wealth preservation, but accommodates additional customer incentives. Our investing experience coupled with the fact that BTCB is not bordered from participating in nontraditional markets allows us to generate higher yields than most institutions. These instruments are available to our clients through Certificate of Deposit's, the Global Investment Fund or Managed Accounts.

Certificate of Deposit's

British Trade & Commerce Bank offers a comprehensive Certificate of Deposit program with exceptionally high rates of return coupled with complete safety of the United States banking system. Our team of professional investment advisers are able to invest the assets of BTCB clients in investments that yield unusually high rates of return with investment grade financial instruments. These yields are passed on to BTCB clients. Contact a bank officer for a schedule of guaranteed rates of returns.

Managed Accounts

Our Managed Accounts Department provides a broad spectrum of Investment Banking Services to select, qualified investor clientele. Our qualified professionals manage client assets in a secure, tax friendly environment with access to both traditional and private-placement international finance opportunities. This Department couples measures that protect our corporate and trust clientele's principal assets with substantial earnings potential all within a structure designed to afford maximum privacy considerations. This component of BTCB's client services affords sophisticated investors, having substantial assets that can be committed for periods of at least one year under our Managed Account Custody Agreement, the opportunity for high periodic portfolio growth under the dedicated expertise and experience of our acknowledged professionals.

[HOME](#) || [SERVICES](#) || [INVESTMENTS](#) || [GROUP](#) || [CLIENT SERVICES](#)

WORLD WIDE GROUP



British Trade and Commerce Bank's related financial services are available through independent subsidiaries. These services include insurance, corporate management, real estate, private placement, and telecommunications. Generally, our participation in the various industries was a direct result of our "Know Your Customer Policy" and listening to our clients investment, banking and commercial needs. Each "unit" must adhere to strict performance guidelines established by the Executive Committee.

Our clients receive significant benefits from our "partnership program".

FIRST EQUITY CORPORATION

First Equity Corporation of Florida - The oldest brokerage firm in Miami, Florida allows our banking clients instant access to the worlds security and bond markets. First Equity Corporation offers a full range of brokerage products to meet the objectives of investors including listed and unlisted equity securities, and taxable / tax-exempt fixed income alternatives. Individual clients can also select from a variety of investment programs including cash management accounts, asset and portfolio management, IRA and Keogh Master Plans. First Equity Corporation has an active syndicate department that regularly participates as an underwriter in public offerings of securities. In addition, First Equity Corporation is a NASDAQ "market maker" for selected securities with an emphasis on Florida companies. The philosophy of First Equity Corporation emphasizes long-term relationships, senior level attention, strict confidentiality and, most importantly, delivery of the highest quality of service. Thank you for taking the time to review our Internet program. Our different partnerships offer innovative solutions perfect for the internet entrepreneur. Our offer enhances your presence on the world wide web while our products position your Company to gain from the internet's explosive growth.

FEC Holdings-FEC offers a variety of investment banking services which emphasize raising capital for emerging growth companies, projects and advise on corporate financial matters. The increasing sophistication of the worlds capital markets has provided companies with a variety of financing choices. Private placements offer reasonable financing terms and flexibility, as well as lower transaction costs and greater ease in execution. FEC's advisory services include a wide range of financial matters and assists in the execution of mergers and acquisitions as well as corporate reorganizations, recapitalizations, divestitures.



Swiss Atlantic Corporation-A sound wealth preservation strategy includes protecting a clients property. With a broad range of competitive funding sources including high loan to values and ability to finance a wide variety of applicants, SAC complements our clients desire for the most cost effective purchase or refinancing of their domestic equity. Internationally, SAC has revolutionized strategies for the transferring of assets to working accounts. Many clients access SAC's worldwide knowledge for developing commercial projects in emerging and tourist based countries.

Our clients welcome the services of our international group.



InSatCom Limited - The centerpiece for our high speed digital data center is a fully redundant private satellite communication network. Licensed by Cable and Wireless and the Government of Dominica, InSatCom is the first private network offering encrypted data, internet web hosting and reliable video transmissions from the Caribbean. InSatCom's nine meter satellite dish is able to simultaneously broadcast to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated because InSatCom operates its own proprietary software and hardware. BTCB's clients enjoy a password protected interactive web site to manage their international business corporations, transact business, track credit card charges, or follow the trends of the industry. Many of our larger partners co-locate their servers in our

complex or use our services for emergency back-ups. Our clients enjoy the same benefits once only available to the richest and most technologically advanced corporations.



General International Assurance-GIA, based on 23 years of risk management experience, provides an efficient financing alternative to the world's capital market. The company insures transactions in both the new issue and secondary markets for creditworthy issuers in the domestic and international public and private sectors. Generally, GIA is focused on the emerging markets in developing countries with relatively stable political, legal and currency risks. As client demand increases, GIA is poised to offer the traditional insurance products of deposit, automobile, health and home insurance.



International Corporate Services-Our clients time is better spent managing their business, thus ICS provides the necessary corporate secretarial services for their structures. General services include provision of a registered office including the answering of all mail and e-mails, maintenance and safekeeping of corporate records and renewal of the company's registration. Individual services include appointment of local nominee directors, preparation of bylaws, resolutions and share certificates, attendance at the organizational meeting of the directors, shareholders and their registration as shareholder(s), directors and agents.



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

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



Worldwide Asset Protection - Every time we hear the phrase offshore banking or international banker we envision shady characters, carrying briefcases full of cash, flying to tropical paradises for closed door meetings. These images could not be more inaccurate. The free use of offshore as a haven for personal wealth preservation has been available for decades, but most people believe this privilege to be an exclusive tool of the rich. Daily, we hear from a multitude of satisfied clients whose first steps began with WWAP, and now they live a life free from the pressures of regulation, litigation and over taxation. It is our mission to inform the motivated 1% about legal offshore alternatives and its multitude of worldwide services. We welcome you into this \$5 trillion industry that fosters financial empowerment through sophisticated and legitimate wealth protection strategies.



IBCNOW, Limited - Our unique web site is designed for individuals and/or corporations who desire the benefits of immediate confidential wealth preservation. In cooperation with the Government for the Commonwealth of Dominica, you can conduct a check to insure that the name for your International Business Corporation is available. Once you have determined the name - complete the remaining forms and we will reserve it for seventy two hours. To fulfill the process continue following the online registration steps. This service is made available to the general public as a service of the Government for the Commonwealth of Dominica.



IBCNOW.com Account Opening Form

Date: _____

APPLICANT INFORMATION <i>Please type or print clearly</i>				
Last Name	First Name	Middle Initial	Daytime Phone ()	Evening Phone ()
Address		City	State/Country	Zip/Postal Code
Passport #	Issued at:	Date Of Birth	E-mail Address	Fax Number ()
Spouse Name (if applicable)			Daytime Phone ()	Evening Phone ()
Passport #	Issued at:	Date of Birth	E-mail Address	Fax Number ()
Communication Preferences <input type="checkbox"/> Fax <input type="checkbox"/> Phone <input type="checkbox"/> Mail <input type="checkbox"/> E-mail <input type="checkbox"/> All <input type="checkbox"/> Other _____				
Are you a named party in any litigation or are there any outstanding judgements filed against you or your assets? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Initial Bank Deposit	Initial Fee Total	Form of Transfer		
\$ _____	\$ _____	<input type="checkbox"/> Personal Check <input type="checkbox"/> Money Order <input type="checkbox"/> Cashier's Check <input type="checkbox"/> Wire Transfer		
The Certificate of Incorporation and/or Trust Documents should be:				
<input type="checkbox"/> Mailed to the above address <input type="checkbox"/> Retained on File at BTCB				

INTERNATIONAL BUSINESS CORP. (IBC)		<small>NOTE: A Company name must end with the words(s) "Limited", "Corporation", "Societe Anonyme", "Sociedad Anonima" or an abbreviation thereof. The use of the words "Finance", "Trust", "Bank", "Insurance", "Royal" or "Imperial" is not allowed.</small>		
Proposed Name Option #1		Proposed Name Option #2		
Activities/ Purpose of Company				
Authorized capital (\$5,000 USD Minimum)	# of Authorized shares	Par Value of shares	How is the Capital of the IBC to be divided ?	
\$ _____	_____ shares	_____ each	<input type="checkbox"/> According to % list below <input type="checkbox"/> Other: please attach list	
OWNERS/SHAREHOLDERS				
Name #1	Passport #	Address	%	Position
Name #2	Passport #	Address	%	Position
Name #3	Passport #	Address	%	Position
I request BTCB to provide Nominee Shareholder and Director Services: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other _____				
NON-SHAREHOLDER DIRECTOR(S) <i>(Only when Directors are not Shareholders or when Directors services are provided by BTCB)</i>				
Name	Phone Number ()	Fax Number ()		
Address	City	State/Country	Zip/Postal code	
Instructions to BTCB for this IBC will come from:				
<input type="checkbox"/> Any one owner <input type="checkbox"/> Any two owners <input type="checkbox"/> All owners <input type="checkbox"/> Only following owner: _____				
ORGANIZER - if different than Applicant above				
Last Name	First Name	Middle Initial	Daytime Phone ()	Evening Phone ()
Address		City	State/Country	Zip/Postal Code

TRUST PROPOSAL		Indicate if Principal (or Organizer) is: <input type="checkbox"/> Individual <input type="checkbox"/> IBC	
Name of Organizer (if different from Applicant)			
Name of Trust			
Type of Trust <input type="checkbox"/> Asset Protection <input type="checkbox"/> Tax Planning <input type="checkbox"/> Business <input type="checkbox"/> Charitable <input type="checkbox"/> Other			
Appointment of Trustee <input type="checkbox"/> BTCB <input type="checkbox"/> Other: Name _____ Address _____			
Appointment of Protector <input type="checkbox"/> BTCB to Appoint <input type="checkbox"/> Other: Name _____ Address _____			
BENEFICIARIES OF TRUST (Either check box to determine later or list Beneficiary Information below) <input type="checkbox"/> Beneficiaries to be determined later			
Are the proceeds distributed as either: <input type="checkbox"/> Per Sepis - Children of a deceased Beneficiary shall share that Beneficiaries portion equally. <input type="checkbox"/> Per Capita - All living Beneficiaries receive an equal share.			
Name of Beneficiary #1	Phone Number ()	% Of Participation	
Address	City	State/Country	Zip/Postal Code
Name of Beneficiary #2	Phone Number ()	% Of Participation	
Address	City	State/Country	Zip/Postal Code
Name of Beneficiary #3	Phone Number ()	% Of Participation	
Address	City	State/Country	Zip/Postal Code

BANK ACCOUNT		Indicate if Bank Account Owner is: <input type="checkbox"/> IBC <input type="checkbox"/> Trust	
Name of Account Holder			
BANK REFERENCES			
Bank Reference #1	Location	Acct#	Since Phone#
Bank Reference #2	Location	Acct#	Since Phone#
SIGNATURE SPECIMENS			
Name #1	Signature	Title	
Name #2	Signature	Title	
Name #3	Signature	Title	
ACCOUNT DETAILS			
Signatures required per transaction: <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three		Currency <input type="checkbox"/> U.S. Dollars <input type="checkbox"/> Canadian Dollars <input type="checkbox"/> English Pounds <input type="checkbox"/> Other	
I would like monthly statements and other correspondence <input type="checkbox"/> Mailed <input type="checkbox"/> E-mailed <input type="checkbox"/> Faxed <input type="checkbox"/> Held by BTCB			
I would like the following issued on this account: <input type="checkbox"/> Secured Credit Card (please complete separate agreement)			
I would like more information about: <input type="checkbox"/> Certificate of Deposits <input type="checkbox"/> Securities Trading Account <input type="checkbox"/> Mutual Fund Account <input type="checkbox"/> Mortgage Refinancing <input type="checkbox"/> Internet Products			

SIGNATURES

I/We certify the information given herein is true and correct; the persons mentioned do exist and are persons with integrity and respectability; and that all funds sent to British Trade and Commerce Bank (BTCB) are clean and of legal origin and are owned or lawfully managed by the persons signing below. I/We authorize BTCB to conduct the proper verification of the above information, if necessary. In addition, I/We agree to hold BTCB, its Directors, Officers, employees and agents free from any liability incurred when acting on facsimile (fax) instructions provided by me, provided such fax instructions bear my signature or any close proximity thereto. The undersigned shall at all times be liable for the payment upon demand of any debit balance or other obligation owing in any account(s) of the undersigned. BTCB is expressly given the right, upon failure of the undersigned to make full payment of any obligations due to BTCB within ten (10) business days of such notice of debt being issued by BTCB, to charge against such other accounts or assets as may be held in the joint or several names of the undersigned, such sums due to BTCB. Such taking of funds or assets shall be without recourse to BTCB, its Directors, Officers, employees, agents and assigns. Any false statement with regard to any funds or any false statement made in this application shall allow BTCB to close the account and offset any such costs against the balance of the account. I/We shall at all times hereafter indemnify and keep indemnified BTCB against all costs, charges, expenses which BTCB may now or hereafter be liable to pay or sustain in connection with any matter which may arise as a result of any false statement with regard to any such funds or any false statement made in this application or in relation to any unlawful transaction of any trust, bank account or international business corporation named in this application and also against all sums of money whether for damages, costs, attorney fees, charges, expenses or otherwise howsoever which BTCB may be liable to pay or may sustain in this regard. BTCB reserves the right to offset against the balance of the account such damages, costs, charges or other expenses and to implement such measures incidental thereto as BTCB may consider necessary. I/We authorize the persons signing as organizer to control such funds on my/our behalf. I/We confirm that I/we am/are making this declaration for my/our protection as well as for BTCB and hereby give consent to BTCB to disclose this transaction to law enforcement authorities subject to the confidentiality laws of the Commonwealth of Dominica. I/We hereby certify that I/we have not received legal advice or tax advice associated with my/our decision to form this structure and I/we have been encouraged to consult my/our attorney and tax advisor for such advice on my/our personal situation.

Organizer / Principal of Trust

Organizer of International Business Corporation

Signed _____
 Printed Name _____ Date _____

Signed _____
 Printed Name _____ Date _____

Organizer of Bank Account

Bank Officer

Signed _____
 Printed Name _____ Date _____

Signed _____
 Printed Name _____ Date _____

ADDITIONALLY REQUESTED MATERIALS

1. Applicants, Organizers, Directors, Shareholders
 - Written bank references
 - Copy of passport or driver's license
 - Resolution appointing Directors
 - Resolution appointing BTCB as the Bank
2. Trust Beneficiaries:
 - Copy of passport or driver's license
 - Copy of a Birth Certificate
3. Existing IBC's opening a bank account
 - Copy of Articles & Memorandum of Association
 - Copy of Certificate of Incorporation
 - Resolution appointing Directors
 - Resolution appointing BTCB as the Bank

BANK INTERNAL USE ONLY

IBC:
 Approved Number: _____
 Declined Reason: _____

TRUST:
 Approved Number: _____
 Declined Reason: _____

BANK ACCOUNT:
 Approved Number: _____
 Declined Reason: _____

Processed By:
 Signature _____
 Date: _____

REPRESENTATIVE

IBC NAME _____ ID NUMBER _____

Appointment of Bankers

To: The **British Trade and Commerce Bank**

At the meeting of the Board of Directors of _____ whose registered office is at _____

held the _____ day of _____, _____ It was resolved:

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

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

1. To honor and comply with all cheques drafts bills of exchange promissory notes acceptance negotiable instruments and orders expressed to be drawn accepted made or given on behalf of this Company at any time or times whether the banking account or accounts of this Company are overdrawn
2. In the event of the said account becoming overdrawn at anytime we hereby agree that you shall be entitled to charge compound interest on the sum by which that said account is overdrawn calculated on daily balances charged monthly and that the rate of interest charged from time to time shall be at your sole discretion up to but not exceeding _____% above the minimum _____rate in force at that time. You shall not be bound to notify us in advance of any change in the rate of interest but on receipt of a written request from us you shall be obligated to specify the rate of interest being charged at the time of such request.
3. To honor and comply with all instructions to deliver or dispose of any securities or documents or property held by the Bank on behalf of the Company, to hold the Company liable on all agreements and indemnities in connection with the issue of letters of credit, drafts and telegraphic transfers and with all banking transactions.

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

Name: _____ Title/Office: _____ Name: _____ Title/Office: _____
 Name: _____ Title/Office: _____ Name: _____ Title/Office: _____

and countersigned by:

Name: _____ Title/Office: _____ Name: _____ Title/Office: _____
 Name: _____ Title/Office: _____ Name: _____ Title/Office: _____

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

Name: _____ Title/Office: _____ Name: _____ Title/Office: _____
 Name: _____ Title/Office: _____ Name: _____ Title/Office: _____

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

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

We hereby certify the above to be a true copy from the minutes.

 Chairman

Date: _____

 Secretary

 Witness

Resolution of Directors

CORPORATION: _____ BANK: British Trade and Commerce Bank

WHEREAS the Corporation gave British Trade & Commerce Bank ("Bank") a certified copy dated the _____ day of _____, 19____ of the Corporation's resolution (the "authorization") authorizing the person(s) named in the authorization (the "authorized persons") to carry out with the Bank the transactions specified in the authorization (the "authorized transactions"):

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

NOW THEREFORE be it resolved that:

- 1) The authorized persons may give instructions on behalf of the Corporation to the Bank by facsimile machine to carry out authorized transactions.
- 2) The Bank may act on instructions received by it from, or purporting to be from, authorized persons to the same extent as if they had been given in writing under the authorization.
- 3) The Corporation acknowledges that the Bank will not have to constantly monitor its facsimile machines, but need only use reasonable efforts to determine if it has received any instructions. Instructions given in accordance with this resolution will not be considered to have been received by the Bank until they are brought to the attention of the addressed Bank employee.
- 4) Although the Bank will not have any duty to conform any signature on any instructions given by facsimile, if the signature purports to be the signature of an authorized person, the Bank may decline to act if it doubts that the instructions have been properly authorized, accurately transmitted or properly understood by it.
- 5) If the Bank acts on instructions received by it that are, or purport to be, given under the authority of this resolution, those instructions will be conclusively deemed to be valid instructions, even if they did not, in fact, come from authorized persons, or were not accurately transmitted or properly understood by the Bank. This does not, however, apply if the Bank is grossly negligent or its action amounts to willful misconduct.
- 6) Unless the Bank is grossly negligent in its action or inaction amounts to willful misconduct, it will not be responsible for anything it does or cannot do, due to any of the following:
 - Delays, breakdowns, slowdowns or failures in performance or otherwise resulting, whether directly or indirectly, from acts or circumstances beyond its control including, without limitation, computer or access equipment or facsimile machine breakdown, slowdown, malfunction or delay.
 - The action of, or any failure to act, any third party.
 - Any inaccuracy or inadequacy in, or lack of authenticity of, any instructions received by it.
- 7) Any liability of the Bank connected with this resolution or any instructions delivered or purporting to be delivered to the Bank under this resolution will be limited in the aggregate to actual and direct money damages, not to exceed the aggregate of the total fees and charges paid by the Corporation to the Bank for the operation by the Bank of the Corporation's bank accounts during the one year period immediately prior to the first event giving rise to that liability. This will apply no matter what form of action or claim may be brought by the Corporation against the Bank. The Bank will not, in any event, be liable for any indirect, consequential or exemplary damages whatsoever, including loss of profits. In addition, the Bank will not be liable for any claim against the Corporation by, or other liabilities of the Corporation to, any third party, whether that claim or those liabilities are for breach of warranty, negligence or otherwise, even if the Bank has been advised or given notice of such a possibility.
- 8) The Corporation will indemnify and save harmless the Bank from any loss, cost, damage or expense which the Bank may suffer or incur from acting or declining to act upon any instructions it may receive which are or purport to be made under this resolution, including, without limitation, legal and other professional fees and disbursements reasonably incurred by the Bank. This indemnity shall not exceed to any loss, cost, damage or expense resulting from the gross negligence or willful misconduct of the Bank or any Bank employee.
- 9) If the Corporation passes any resolutions (the "new resolutions") in the future that add to, amend or replace the authorization, then the terms "authorization", "authorization persons" and "authorized transactions" in this resolution will include those new resolutions and any persons or transactions specified in them.
- 10) The Bank has given a copy of this resolution certified by the secretary of the Corporation, and that this resolution has been binding on the Corporation until the Bank receives a notice in writing from the secretary of the Corporation that this resolution has been rescinded, and the Bank has duly acknowledged receipt of that notice.

CERTIFICATE

The undersigned Secretary of the Corporation hereby certifies that this is a Resolution of the Directors of the Corporation, and that the Resolution is still in full force and effect.

Signature _____ Dated this _____ day of _____, 19____



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Corporate Members

These members have joined WorldWide Asset Protection.Org and maintain the highest standards of International Business Responsibility. Click there logo's to visit their sites.

	International banking, once reserved for the select few, has blossomed to a multi-million dollar industry. After ten years of worldwide research, careful competitor review, and months of strategic planning, the founders of British Trade and Commerce Bank established the finest international banking corporation in the Commonwealth Of Dominica.
	InSaCom's enterprise for high speed digital data center is a fully redundant private satellite communication network. Licensed by Cable and Wireless and the Government of Dominica, InSaCom is the first private network offering encrypted data, internet web hosting and reliable video transmissions from the Caribbean.
	ICS provides the necessary corporate secretarial services for the management of international structures. General services include provision of a registered office including the answering of all mail and e-mails, maintenance and safekeeping of corporate records and renewal of the company's registration. Individual services include appointment of local nominee directors, preparation of bylaws, resolutions and share certificates.
	Daily, the media heralds the rewards of internet commerce. Billions of potential consumers offer an unrestricted market for the cyber entrepreneur. The new frontier has forced Governments to hastily enact legislation, policies and laws to control the unforeseen future. E2webhosting's concept offers the internet community a safe and reliable alternative for generating and protecting income outside of their home country.
	A sound wealth preservation strategy includes protecting your personal property. With a broad range of competitive funding sources including high loan to values and ability to finance a wide variety of applicants, SAC complements your desire for the most cost effective purchase or refinace of domestic equity. Internationally, SAC has revolutionized strategies for the transferring of assets to working accounts.
	GIA, based on 23 years of risk management experience, provides an efficient financing alternative to the world's capital market. The company insures transactions in both the new issue and secondary markets for creditworthy issuers in the domestic and international public and private sectors. Generally, GIA is focused on the emerging markets in developing countries with relatively stable political, legal and currency risks.

Individual Members

These members contribute to the overall strategy of WorldWide Asset Protection Organization and offer individual services that benefit our members.

	This unique web site is designed for individuals and/or corporations who desire the benefits of immediate confidential wealth preservation. In cooperation with the Government for the Commonwealth of Dominica, you can conduct a check to insure that the name for your International Business Corporation is available and register online.
	Offers the savvy marketer the opportunity to open an internet business with worldwide appeal. Daily, millions of dollars are wagered by gamblers hoping that lady luck will grant them a fortune. With our casino program you eliminate chance by becoming the house.

To learn more about our services or to join, please e-mail us at:

membership@worldwideassets.org

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[ORGANIZATION](#)

The definition of "offshore" includes having your assets in an entity organized in a jurisdiction foreign to your own. Offshore structures offer a multitude of alternatives for personal wealth preservation, asset protection and tax minimization. Your account can be a trust, a corporation, a limited liability company, or a bank account. Each safeguards your assets against confiscation, garnishee actions, forfeitures, claims, taxation, duties and levies, while permitting asset enhancement. Before deciding on the best vehicle, you should consider your motivation and long term financial objectives.

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Will I be conducting business internationally ?
 Should I shield my assets from potential litigation?
 Am I sustaining the best return for my investments?
 Will I be buying or selling securities?
 Should I defer part of my income from taxes?

There is no single combination of offshore options (Banking/Trusts/IBC's) that is suitable for everyone. There are a myriad of combinations depending upon your individual requirements. However 90% of the offshore participants use only two vehicles - International Business Corporations and Trusts.

[What is an International Business Corporation ?](#)

[What is a Trust?](#)

The following examples of offshore structures were furnished by our membership. They are examples and may not provide the protection that you may require. Always consult with an attorney, accountant and/or qualified professional prior to opening any offshore structure.

[Ultimate Asset Protection Strategy](#)

[The Wall](#)

The Wall Structure

In order to protect assets properly you should consider setting-up a specific structure to assure privacy and avoid unnecessary reporting and taxation issues. Make sure there are no taxes on IBC/trust income or capital gains taxes in your chosen Domicile. You should always seek independent tax and legal advice before proceeding in these matters. The specifics for our structure are as follows.

First, establish an International Business Corporation (IBC) in the same name as the one in which you have a contractual identity and/or funds could be received. This will allow for an orderly and mostly invisible transition of the assets. This IBC should have a Bank Account in order to receive assets "granted" to it, to place such assets into Asset Enhancement Scenarios, to receive the earnings/proceeds of such Scenario's, and to disburse such, after receipt, as instructed. This IBC should be 100% owned by bearer shares to be held by a Business Trust.

Simultaneously, establish a Business Trust in your chosen domicile. This trust would not hold any bank accounts nor hold any assets, except the bearer shares of the IBC(s) in trust. Any dividends from the IBC will pass through the Business Trust for immediate distribution in accord with the instructions that accompany the dividend.

You should select an "Organizer" of the IBC and Business Trust, generally the Director-Designee is a Corporate Services company and the Trustee is the Bank in your chosen domicile. Any documents executed by the Director-Designee would, first, be provided for review by the Organizer, who advises that "they see no reason why the IBC should not execute such documents as provided to the Organizer." Generally, the Director-Designee will not execute any documents without having received such review comments. The IBC Bank Account should be setup requiring dual signatures, including an officer of the Director-Designee and officer of the Bank.

One or more Asset Trusts (Your choice of structure, trustees, and such) should be established, filed and activated. The Asset Trust's can receive the assets of the Business Trust, in effect establishing a protective and impenetrable wall between the two trusts. Any interface with U.S. activities could be restricted to interface with these Asset Trust(s), or in certain desirable cases, with other IBC(s) you may wish to setup under those Asset Trusts and all of assets accruing to such interface would be from/through those Asset Trusts (e.g., such Trusts or their IBC(s) could purchase goods and services, hold international debit cards, reinvest assets, purchase and hold stocks or property, and such).

This structure provides: a) access to various asset enhancement investments without significant burden on your resources; b) assurance that the subject assets and earnings are always under joint control of the Director Designee and the Bank; c) accrual of substantial assets under the Asset Trusts with maximum flexibility on their utilization while maximizing the preservation of capital and earnings; and, all of the Privacy and fiscal advantages of your chosen Domicile.

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

Worldwide Assets cannot be held liable for any of the above claims, representations and/or implied benefits for specific structures. Please consult your attorney, tax advisor, or financial planner for further information. This structure was submitted by the Managed Account Division for British Trade and Commerce Bank - for further information, please contact them at hcbank@cwtdom.dm

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STRUCTURES

International Business Corporation (IBC)

As of 1996, the total number of IBC's in the world's 12 largest offshore centers is close to 500,000. The British Virgin Islands is the current leader with close to 200,000 companies. The Bahamas has more than 53,000 companies incorporated, followed by the Cayman Islands with 38,000, The Isle of Man 34,300, Cyprus (over 30,000), Jersey 34,000 and Guernsey with close to 17,000. IBC's are the least expensive level of participation in the industry, but play an important role in generating sheltered and unencumbered offshore income.

IBC's can:

- Convey, hold, disburse, acquire, and administer all of your personal or business assets;
- Start, expand, manage and administer your businesses; and
- Manage your personal finances and build your personal wealth through participating in profitable and suitable investment opportunities.

Generally, however, an IBC may not:

- Carry on business with the local residents or own real estate in its domicile;
- Serve as a registered office for other companies;
- Conduct business as a bank, agent, broker or insurance company.

Generally IBC's are exempt from all local income and sales taxes including:

- Profits or gains from activities carried on within the domicile.
- Securities or assets owned by an exempt corporation or transferred to another such corporation.
- Increment in value of property or other assets
- Dividends, interest or other returns from any securities, deposits or borrowings.

Further benefits for an IBC include:

- Complete Privacy and Confidentiality - corporations established in a country that preserves the confidentiality of the directors and owners.
- Single shareholder/subscriber permitted and Shares may be held by another IBC or Trust.
- Single Director allowed and may be a Corporation or a Trust.
- No requirement to disclose beneficial owners.
- Bearer shares are permitted.
- No statutory accounting or auditing of records and no filing requirements.
- No minimum capital requirements.
- No securities exchange accounting or auditing of records.
- Exempt from exchange control regulations.
- Meetings not required but if held may be outside Country or by Proxy.
- Companies can be re-domiciled.
- An IBC must maintain a registered Agent and Registered Office.
- Certificate of Incorporation issued and renewed each year.

IBC Processing

Generally, establishing an IBC and a bank account require the confidential submission of the application forms for name reservation, a bank reference and a notarized copy of the identity page of the applicants' or signatories' passports or driver's licenses, and the wire deposit of a minimum opening balance. The processing company or bank, through its legal counsel, will prepare and file the articles of incorporation and charter. After government authentication, the processing company will return the original Articles of Incorporation to you. Other administrative and management services, available for a nominal or annual fees, are:

- Preparation of bylaws;
- Attendance at the organizational meeting of the directors;
- Preparation of the resolution in writing of the directors in lieu of an organizational meeting;
- Preparation of share certificates;
- Preparation of a register of shareholder(s);
- Preparation of a register of the directors;

- Provision of a registered agent;
- Provision of registered office;
- Maintenance of corporate records;
- Attendance at the annual meetings of the shareholders;
- Renewal of the company's IBC registration;
- Corporate Secretarial Advisory Services
- Serve as nominees/designees
- Provide an offshore server for all client E-mail and full safekeeping of records.

An IBC is multifaceted, but typical forms include:

Trading Companies - An importing or exporting company might establish itself in an offshore jurisdiction. The offshore company would take orders directly from the customer, but have the goods delivered directly to that customer from the manufacturer or place of purchase. The profits arising out of the difference between purchase price and sales price would then be accumulated in either a tax-free or low tax areas.

Investment Companies - Funds accumulated through investment companies set up in offshore centers can be invested or deposited throughout the world and while returns or interest payable in respect of these funds may be subject to local taxation, there are a number of offshore centers in which funds may be placed either in tax free bonds or as bank deposits with interest is paid on a gross basis. Similarly, in many offshore centers no capital gains taxes are applicable.

Holding Companies - An offshore holding company may be used. This company may fund the operation of subsidiaries in various countries so that the subsidiaries obtain the benefit of tax deductions on interest paid. If the holding company is situated in an offshore area where there are no income or corporation taxes and no requirement that dividends must be paid, then the profits which are accumulated in the tax free center can be used to fund the requirement of subsidiaries or reinvested as business convenience suggests.

Probate and Privacy - A high net worth individual with properties or other assets in a number of countries may wish to hold these through the medium of a personal holding company so that upon his demise probate would be applied for in the country in which his company was incorporated rather than in each of the countries in which he might hold assets. This saves legal fees and avoids publicity. Again, not everybody wishes to advertise wealth and an individual may wish to hold property through an offshore entity simply because of the privacy which the offshore arrangement gives.

Property Owning Companies - There are often great advantages in using an offshore property owning company for the purpose of holding an overseas property. Advantages of offshore property ownership include avoidance of inheritance tax, avoidance of capital gains tax, ease of sale which is achieved by transferring the shares in the company rather than transferring the property owned by the company and reduction of property purchase costs to the onward purchasers.

Professional Services - Individuals who receive substantial fees in respect of their professional services (e.g. designers, consultants, authors or entertainers) may assign or contract with an offshore company the right to receive those fees. The offshore employment company may not have to pay tax on its profits which may be reinvested in a tax free center to generate further income from the offshore company. Payments to the individuals concerned can be structured in such a way as to minimize their tax liabilities.

Shipping Companies - The use of offshore shipping companies can eliminate direct or indirect taxation on shipping. Shipping companies may own or charter ships, the profits from which activities can be accumulated tax free. Tax and legal requirements generally dictate that the shipping vessel should be incorporated in the jurisdiction whose flag the ship flies.

Patent, Copyright and Royalty Companies - An offshore company can purchase or be assigned the right to use a copyright, patent, trademark or knowhow by its original holders with a power to sublicense. Upon acquisition of the intellectual property right the offshore company can then enter into agreement with licensees around the world who would be able to exploit the intellectual property right in various countries. It is thought preferable to acquire, for example, a patent at the patent pending stage before it becomes very valuable so that the capital payment for the acquisition of the patent can be set at a lower amount. Often royalties paid out of a high tax area attract withholding taxes at source. In many cases an interposing holding company may allow a reduction in the rate of tax withheld at source.

Banking Companies - Many offshore banking institutions have been established in tax havens in recent years. Many of these institutions are subsidiaries of major international banks. Such institutions pay interest free of withholding tax and engage in international financing from offshore bases which are free from exchange controls. Such banking institutions and their associated trust companies are able to provide a wide range of financial services to their international clientele. Offshore banking institutions are also used by the smaller business organization and indeed in some cases by individual owners to act as offshore cash management centers.

In summary, the reasons to go offshore are many. Your privacy, lower taxes, the national debt, the exploitative banking system, the national budget (which furthers our nation's debt risk), your constant risk of litigation, the risk of an ordered environmental cleanup on property you own, your security, your protection, stronger investments... the list is long. International Business Corporations (IBC) are the most popular vehicle for conducting business outside of one's country. Generally, they are the easiest to setup and thus are the least expensive.

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STRUCTURES

Trusts

Trusts have evolved as an effective means for protecting assets and minimizing taxation of those assets. The use of trusts in asset protection and estate planning find their origin in the concepts of medieval English equity. They allow for property to be held or controlled by one person for the benefit of another, eventual holder. Generically, a trust is a legal relationship in which property is held/controlled by one party (the "Trustee") for the benefit of other persons or class of persons (the "beneficiary"). The person who establishes the trust (typically the "Settlor") generally has no further control or participation in the functioning of the trust.

The trust document is a written instrument which:

- Enumerates the duties of the Trustee, and
- Identifies the beneficiaries and the specific body of assets, and
- Prescribes/proscribes the use and application of such assets, and
- Establishes beneficial interests.

Typically a trust is created by deed or will. The deed or will (the "trust instrument"), together with the general law of trusts, governs the administration of the trust assets. Trustees normally charge a fee for their professional services.

Classifications - A trust can be adapted to specific requirements, by including different clauses to setup a variety of trust "types" such as:

- Asset protection trusts
- Discretionary trusts
- Interest in possession trusts
- Purpose trusts

Applications - Generally, a Trust provides an offshore instrument that can be used to:

- Preserve family wealth by avoidance of death duties;
- Provide continuity of ownership and management of business assets;
- Protect assets against future unknown claims;
- Plan for emigration/immigration in the event of changes in law;
- Reduce or avoid taxes in relation to income or assets;
- Avoid or reduce probate formalities where assets are held in several countries;
- Provide pensions for retired employees and their dependents;
- Protect infant children, aged parents or persons of unsound mind;

Services - Professional providers of trust services, including banks, can prepare trust instruments to meet the specific requirements and circumstances of the client and the intended beneficiaries. To provide flexibility to adapt to possible changes in circumstances the instruments usually contain provisions for:

- Acceptance of additional property/assets into trust;
- Appointment of additional beneficiaries and exclusion of any beneficial interests;
- Changing the governing law/jurisdiction;
- The appointment of additional trustees or trustees outside the trust jurisdiction.

The trust instrument can be written to prescribe the way in which the trustees must administer and apply the assets of the trust and can provide the beneficiaries with fixed entitlements respecting distributions of trust property (a fixed trust). However, it is more common today to provide the trustee with wide discretion regarding investment and/or distributions and guidance as to how the trustee is to exercise these discretions (a discretionary trust).

An offshore trust may be compared with a living trust. Living trusts are designed strictly for estate planning. They are an attempt to avoid probate. They are, however, revocable and do not offer protection from lawsuits, or civil judgements. A professionally structured offshore trust provides for complete confidentiality and protection.

Advantages - There are many advantages to holding your estate, business, income, and personal affairs and effects in an offshore trust. The four primary reasons are:

An offshore trust provides the means by which a person, business or entity can legally and lawfully reduce or even eliminate certain taxes under provisions allowed by the Internal Revenue Service code itself. The Internal Revenue Code is very specific on this issue.

"Foreign Estate or Trust. The terms "foreign estate" and "foreign trust" means an estate or trust, as the case may be, the income of which, from sources without the United States, is not includable in gross income under subtitle A." (IRS Code: §7701(a)(31))

A person, business or entity that is properly set up in an offshore trust is virtually lien and judgement proof. How? The answer is simple: all assets set up in an offshore trust are owned by the trust, not the person, business or entity. Your litigator would have to find an attorney versed in the laws of your selected offshore domicile. And, most attorneys are border bound in that they have no jurisdictional knowledge or expertise outside their own country. Aside from that, most foreign jurisdictions make offshore trusts they hold lien-proof.

An offshore trust can lower capital gains taxes substantially. Anyone with the need or opportunity to sell real property or high-value assets would understand and appreciate the advantages of a low or no-capital gains tax jurisdiction for wealth retention or wealth conservation. This is one of the contributing reasons the wealthy have so much. Those utilizing offshore trusts don't have to pay capital gains taxes when a property or asset is sold and the money goes into the holdings of the offshore trust.

Properly set up, those holding an offshore trust have total privacy in the management of their affairs. In today's society of massive computer banks and easy access to stored databases, the information that can readily be put together about you or your business is profound. Privacy has become an important issue and a major concern for nearly everyone.

Your offshore trust virtually assures no access by anyone other than those assigned as administrator(s) of the trust. That means complete CONFIDENTIALITY.

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The Ultimate Asset Protection Strategy

Did you know that one of the most common reasons asset protection plans fail is because they are not set up in such a way as to provide for the people who establish them?

There is now a way to maximize your privacy and minimize your exposure to creditors. All that is required is a very simple plan. You will need one foreign Asset Protection Trust (APT), two foreign International Business Corporations (IBC) and a Nevada Family Limited Partnership (FLIP). Here is how it works...

The Asset Protection Trust

The APT is an irrevocable trust formed for the purpose of owning the majority of the non-voting stock of the two IBCs. The non-voting stock of the IBCs represents 98% of the value of the assets held by the IBCs. The trustee is the person who operates the trust. The trustee of the APT is a registered trust company in the Caribbean. You and anyone else you specify are the contingent beneficiaries of the trust, subject to the ability of the trustee to "sprinkle" or distribute in the trustee's discretion, the assets and income of the trustee among the various beneficiaries. That way, the trustee can elect not to sprinkle any assets to a beneficiary with creditor challenges.

The Inbound IBC

The inbound IBC investments in the form of cash wire transfers, stock, securities or other assets you wish to transfer directly into it. In exchange for your payments into the inbound IBC, you receive non-voting stock in that IBC. This way you are receiving something in exchange for your investment. Many asset protection plans fail because the people who set them up pay huge sums of money to foreign country with nothing to show for it. With this plan, you'll never have that problem!

The Outbound IBC

After the inbound IBC receives the funds, it transfers them to the second IBC, which we call the outbound IBC. In return for those funds, the outbound IBC gives non-voting stock of the outbound IBC to the inbound IBC, which is inbound IBC then distributes to the APT as a dividend. The outbound IBC then invests the funds in whatever US or international investments you desire with virtually bullet-proof protection from creditors. Because the transfers for the inbound IBC to the outbound IBC occur outside the United States banking system, and because of the strict banking secrecy laws of the country where those transfers do occur, it is virtually impossible for creditors, no matter how powerful they may be, to trace the transfers and connect the funds of the outbound IBC to those received by the inbound IBC.

The Family Limited Partnership (FLIP)

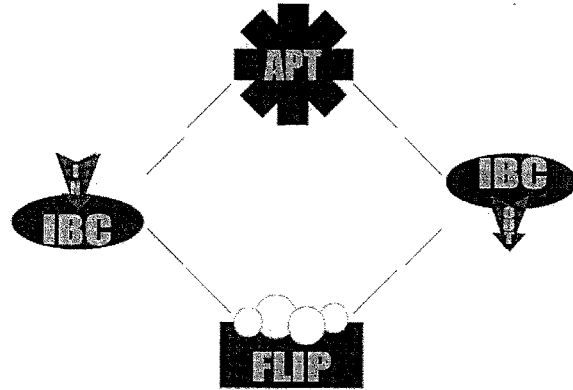
While offshore IBCs and APTs are wonderful asset protection devices for liquid assets like cash and securities, there are certain assets that you just can't keep private. These are assets like homes, cars, and other assets that you just can't keep private. These assets are best protected using a FLIP. FLIPs are perfect for this because the law generally provides creditors of a partner in a FLIP cannot access the assets of the partnership to satisfy their claims against less than all of the partners. Unless the creditor has a claim against all partners of the FLIP, they generally are not allowed to touch any of the FLIP assets. Instead, they have to wait until the FLIP distributes property to the partner whom the creditor has a claim. Clearly, friends and family members who are also in your FLIP won't declare distributions to you if those distributions would then be paid to a creditor. You and your spouse are typically the general partners and controllers of the FLIP. Your friends, children or other family members, along with you and your spouse, are limited partners.

Your Financial Fortress Protects Your Assets From Creditor Claims

Worldwide Assets cannot be held liable for any of the above claims, representations and/or scenarios. Please consult your attorney, tax advisor, or financial planner for further information. This structure was submitted by Mr. Williams - for further information, please contact him at bill@lls.gov.com

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STRUCTURES



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IBCNOW.COM

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

IBC Name Check

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

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

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

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Service and Fees

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

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

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

British Trade and Commerce Bank

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



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

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

Ezwebhosting

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



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

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

Casino del Sol

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



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

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

Worldwide Asset Protection

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



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

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

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

InSatCom, Limited

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

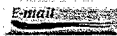


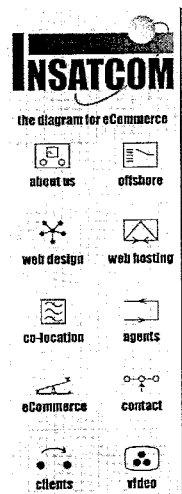
Product Type	Commissioned	Included in Group Sales
International Business Co.	Yes	Yes
Limited Family Partnership	No	No
Free E-mail	No	No

* Includes both the set-up fee and annual residual

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

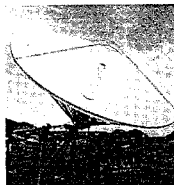
For more information - on the pricing for the various services or to become a Representative - contact us at





welcome

InSatCom offers the most advanced digital Network Operations Center in the Caribbean. All client data services including internet web hosting and server co-location are transmitted through a fully redundant satellite earth station. Our nine meter dish simultaneously broadcasts to multiple transponders ensuring a reliability factor of 99.9%. The threat of unauthorized entry is virtually eliminated with advanced firewall software and hardware. Further, customers' transactions and personal information are encrypted to retain complete privacy. Best of all, your business is protected from all outside inquires by the Offshore Privacy Act of 1996 which sets severe penalties for any release of information including corporate identity, revenues and profits.



For a fraction of the cost, clients enjoy the same benefits once only available to the richest and most technologically advanced corporations. A basic web hosting package includes secure email, cgi scripts, plenty of storage space and Web Trends reporting. As your business flourishes - upgrade to increased capacity, SSL transactions, ecommerce plus much more. The broadband network offers advanced switching technologies coupled with bandwidth management software ensuring the highest performance levels. Your server or site connects directly to the Internet's back bone, allowing for "true" dedicated rates of 64k, 256k, 512k, T-1 and T-3. Further, you can choose to utilize less expensive burstable options to ensure an acceptable level of client accessibility.



AGREEMENT OF SALE

THIS AGREEMENT (this Agreement) is made as of this 22nd day of May, 1998 by and among EASTGLO INVESTMENTS, LTD. % of Ward & Company, 202 Saffrey Square, Nassau, Bahamas (hereinafter referred to as "EASTGLO") and BRITISH TRADE AND COMMERCE BANK, Dominica ("BTCB").

WHEREAS, EASTGLO has a contract for the acquisition of 100% of the shares of First Equity Corporation (FEC), a corporation duly organized under the laws of the State of Florida, with principal place of business located at 201 S. Biscayne Boulevard, Suite 1400, Miami, Florida 33131 hereinafter referred to as ("FIRST EQUITY"), to which EASTGLO has already committed a total of 6% of said shares to others, leaving EASTGLO 94% of the stock of FIRST EQUITY.

WHEREAS, First Equity is authorized to operate as a full-service broker dealer of securities; it also has a Real Estate Agency License.

WHEREAS First Equity is presently a wholly owned subsidiary of the Eagle Financial Group which was acquired March 14, 1997, by the Financial Sector Adjustment Company Limited, a company owned by the Government of Jamaica and duly incorporated under the Laws of Jamaica (hereinafter "FINSAC"), awaiting acquisition and closing by EASTGLO on or before May 28, 1998.

3215
+ 12
2626
= 3227
579

WHEREAS, BTCB has agreed to negotiate with EASTGLO for its 82% of the 100% of the shares it will receive in the acquisition of FIRST EQUITY.

WHEREAS, EASTGLO and BTCB desire to execute this agreement to set forth their respective rights, duties and obligations with regard to the acquisition 82% of FIRST EQUITY.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

EASTGLO REPRESENTATIONS

[Handwritten initials and signatures]

1. EASTGLO hereby agrees to sell 82% of all of the issued and outstanding shares it is acquiring in FIRST EQUITY CORP. to BTCB for \$2,750,000; ~~plus \$250,000~~ to cover EASTGLO'S expenses, including its closing costs.
2. EASTGLO agrees to approve, appoint and vote for 4 out of 7 members to its Board of Directors in FIRST EQUITY, which directors are to be named by BTCB. This will effectively give BTCB control of the Board of FIRST EQUITY; and the present director's resignation will be assigned to BTCB.

- 3. EASTGLO agrees to deliver to BTCB the full 82% of all the issued and outstanding shares in FIRST EQUITY immediately upon transfer and receipt by EASTGLO of same, or to any entity so designated in writing by BTCB, and only after receipt of the full purchase price as provided below.
- 4. The judgment entered against FIRST EQUITY in January, 1998 in favor of the WATKIN'S case in the amount of approximately \$639,000 is the liability which will be assured and assumed by FINSAC.
- 5. The purchase is subject to review and the price adjusted in accordance with financial statement to be issued April 30, 1998 and no material changes to May 31, 1998.

BTCB REPRESENTATIONS

- 1. That it is a financial institution, validly organized and existing under the laws of Dominica.
- 2. That it has no current or pending S.E.C. or N.A.S.D. problems, nor does it have any outstanding lawsuits or other regulatory problems.
- 3. BTCB agrees to pay to EASTGLO \$2,750,000 for 82% of the shares in FIRST EQUITY.
- 4. Payment in full is to be made by wire transfer and all cleared funds must be received by EASTGLO on or before ~~May 31~~ ^{May 30}, 1998 with the concurrent transfer of 82% of the shares in FIRST EQUITY.

Wire Transfer Instructions: - As per Escrow Agreement (initials)

Name: Citibank N.A.
 Address: 111 Wall Street, New York, N.Y.
 ABA #: 021000089
 Swift Code: Citi4533
 Acct. Name: Suisse Security Bank and Trust
 Account #: 801726
 Transfer Detail: Gloworm

Handwritten signature and initials, including a circled 'R' and other scribbles.


5. That BTCB is a sophisticated and astute financial institution, and that it has not independently reviewed the financial statements of FIRST EQUITY.
6. Governing Law. The rights and obligations of Seller and Buyer hereunder shall be governed by and construed in accordance with the internal laws of the state of Florida without giving effect to its choice of law principles. Nothing in this Agreement shall require any unlawful action or inaction by Seller or Buyer.
7. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original.
8. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand, by overnight courier, or by registered or certified mail, return receipt requested, postage prepaid, addressed to the parties at such addresses as shall be specified by like notice to addresses below:
- A) EASTGLO % Ward and Co., 202 Saffrey Square, Nassau, Bahamas.
- B) BTCB - British Trade and Commerce Bank, Dominica.
9. DEFAULT. In the event BTCB for any reason whatsoever fails to conform with the terms and conditions contained herein and the transaction as proposed does not close as contemplated, then EASTGLO, BTCB and SHAREHOLDERS individually agree that this Agreement is null and void.
10. CLOSING on or before ^{June 28} ~~July 28~~, 1998. At time of closing, FIRST EQUITY CORP. will have \$350,000 in subordinated capital which must be replaced by BTCB at closing which is included in the purchase price of \$2,750,000. And all of those assets which appear on its financial statement will show *no liabilities* other than the new long term lease for First Equity Corporation's new premises at Rivergate Plaza, Main Lobby Floor, 444 Brickell Avenue, Miami, Florida 33131, which will include assets, furniture and equipment at the new premises. At time of closing, there shall be no employment contracts in place with any First Equity personnel. However, Buyer agrees that the long term contractual clearing agreement with Paine Weber Securities shall remain in full force and effect.
11. If all of the funds totaling \$2,750,000, which constitute the full purchase price are not cleared and in the EASTGLO account by the agreed upon date, then this contract shall automatically cancel, without further notice to either party.

Handwritten signature and initials, including a circled 'D' and 'L' above the signature.

12. It is hereby agreed that the shares of *FIRST EQUITY* will be delivered to Jan Ward, Esquire against payment of \$2,750,000 and Ward, the escrow agent, is hereby irrevocably and unconditionally instructed to pay the \$2,750,000 upon receipt of 82% of the shares.

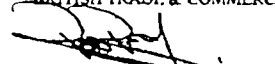
A handwritten signature in black ink, appearing to be "J. Ward", written in a cursive style.

BRITISH TRADE & COMMERCE BANK



John U. Long
Chairman, Advisory Committee

BRITISH TRADE & COMMERCE BANK



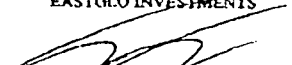
Dr. Rudolfo Requena
President

EASTGLO INVESTMENTS



Steve Weil
President

EASTGLO INVESTMENTS



Edward Kruger
Vice President

FEC Financial Holdings, Inc.

**MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS OF
FEC FINANCIAL HOLDINGS, INC.**

Friday, June 25, 1999

The undersigned, being all the Directors of FEC Financial Holdings, Inc., a Florida corporation ("FECH") hereby waive all statutory and by-law requirements as to the call, notice of time, place, objects and purposes of this Special Meeting and hereby adopt, by this written consent the following Resolutions and each and every action affected thereby.

The meeting commenced at 11:00 AM on June 25, 1999 at FECH's offices located at 444 Brickell Avenue in Miami, Florida, and after reading and discussing the minutes from the last Directors' meeting, the Directors took the following actions:

WHEREAS FECH is a subsidiary of British Trade and Commerce Bank (BTCB) and as such operates under its complete dominion and control and not independently; and

WHEREAS FECH owns 100% of the stock of First Equity Corporation of Florida; and

WHEREAS First Equity Corporation of Florida owns 100% of the stock of Swiss Atlantic Corporation and First Equity Properties, Inc., all Florida corporations, each of which it operates as wholly owned subsidiaries; and

WHEREAS FECH's Directors have ongoing concern about the effect foreign ownership has and will have in the future on FECH in its dealings, direct and indirect, with the Securities and Exchange Commission, Florida Division of Securities and Investor Protection, National Association of Securities Dealers and other regulatory groups and agencies; and

WHEREAS the Directors are aware that such a relationship, if it continues, will create delays for both FECH and its subsidiaries in their endeavors to do business in Florida and elsewhere, in its ability to perform stock registrations and offerings, and to engage in other activities; and

WHEREAS the Directors believe it would be in the best interests of both BTCB and FECH if FECH were to sell 100% of the Control Stock of FEC Financial Holdings and its wholly owned subsidiaries to the shareholders of BTCB and in return the shareholders would exchange the same shares with a United States based public, fully reporting entity; in consideration for the assumption as co-guarantors of the debt that FEC Financial Holdings owes to BTCB.

WHEREAS FECH has informally requested permission from BTCB to merge the shares of FEC Financial Holdings, Inc. (FECH) and its wholly owned subsidiaries to an American public, fully reporting company and BTCB's Directors, at a Special Meeting held earlier this morning responded to FECH's request and concerns by issuing Resolutions for the purposes of overcoming the problems FECH has been encountering, by authorizing the sale of the capital stock, so it is therefore:

RESOLVED that FECH, pursuant to BTCB's Directors' resolutions will sell 100% of the control stock of FEC Financial Holdings, Inc. (FECH) and its wholly owned subsidiaries, named above, including all assets and liabilities, to BTCB shareholders in exchange and consideration for the assumption as co-guarantor of the outstanding debt between FECH and BTCB; and it is

FURTHER RESOLVED that FECH will not receive any consideration from BTCB shareholders for the conveyance of shares of the said companies but shall require that FECH sell 100% of the shares according to the internal agreement of the shareholders of BTCB to distribute the shares of FEC FH as per the specified schedule hereunder:

Sent By: BTC Financial Services;

305 980 2120;

GARNER LAW

Esp-12-00 8:41AM;

PAGE 04

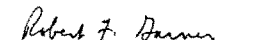
Page 4/4

BTCB SHAREHOLDERS	BTCB %	ORIGINAL FECH %	NEW ISSUED DEBT/CONV	TOTAL	%
BTCB Bancorp	50	1,239	29,456	30,695	49.41
Rodolfo Requena	10	248	5,890	6,138	9.88
Baillet Int'l	10	248	5,890	6,138	9.88
George E. Betts	5	123	2,948	3,071	4.94
Pablo Urbano	2.5	62	1,472	1,534	2.47
Oscar Rodriguez	2.5	62	1,472	1,534	2.47
Henry Royer	2.5	62	1,472	1,534	2.47
Clarence Butler	2.5	62	1,472	1,534	2.47
Employee Trust	15.0	372	8,838	9,210	14.82
	100%	2,478	58,910	61,388	98.81%
EastGlo		544		544	0.87
Treasury		193		193	0.32
		3215		62,125	100%

FINALLY RESOLVED that FECH shall require BTCF to assume and absorb all costs for the dividends including, but not limited to, legal, regulatory printing, filing and other expenses.

There being no further business to discuss or transact, and upon motion which was seconded, the Special Directors' Meeting was adjourned at 11:25 A.M.

These Minutes were dated the 25th day of June, 1999 at Miami, Florida.


Secretary

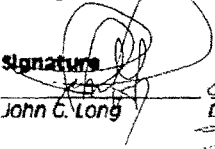
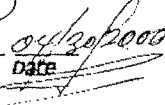
FEC Financial Holdings, Inc.

FEC Financial Holdings, Inc.

**Shareholder
 Written Consent**

We, the undersigned, being a majority of the shareholders of FEC Financial Holdings, Inc., and each owning and being entitled to vote the number of shares set forth opposite his or her name below, approve and consent to the adoption of the attached Plan of Merger of the corporation with Autostack International, Inc.

Executed by each of the undersigned on the date set forth opposite name, below.

<p>Name of Shareholder BTCB Bancorp Trust Republic Products Corp. Blue Eyes MIC INV. INC. J.C. & D. Long, JT. Ten. Templier Caisse, S.A.</p>	<p>Signature  John C. Long</p>	<p>Date  Date</p>
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<p>Rodolfo Requena VRF Financial Holdings, LLC Crop Investment Holdings</p>	<p>_____ Dr. Rodolfo Requena</p>	<p>_____ Date</p>
---	---	--

<p>Baillet International LTD. Scott Brett Aurora Investments S.A.</p>	<p>_____ Scott Brett</p>	<p>_____ Date</p>
---	---	--

<p>George E. Betts G.E. & M.L. Betts, JT. Tenants Encore S.A.</p>	<p>_____ George E. Betts</p>	<p>_____ Date</p>
---	---	--

<p>Herry Royer Arrahe, Ltd.</p>	<p>_____ Herry Royer</p>	<p>_____ Date</p>
--	---	--

<p>Clarence Butler Buttamdoe, Ltd.</p>	<p>_____ Clarence Butler</p>	<p>_____ Date</p>
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<p>BTCB Employee Trust</p>	<p>_____ George E. Betts</p>	<p>_____ Date</p>
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Attn: Raquel



FEC Financial Holdings, Inc.

FEC Financial Holdings, Inc.

**Shareholder
Written Consent**

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Executed by each of the undersigned on the date set forth opposite name, below.

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Rodolfo Requena VRF Financial Holdings, LLC Crop Investment Holdings	<u></u> Dr. Rodolfo Requena	<u>08/18/2000</u> <u> </u>
Baillet International LTD. Scott Brett Aurora Investments S.A.	<u></u> Scott Brett	<u>8/25/2000</u> <u> </u>
George E. Betts C.E. & M.L. Betts, JT. Tenants Encore S.A.	<u>George E. Betts</u>	<u> </u>
Herry Royer Arrahe, Ltd.	<u>Herry Royer</u>	<u> </u>
Clarence Butler Buttamdoe, Ltd.	<u>Clarence Butler</u>	<u> </u>
BTCB Employee Trust	<u>George E. Betts</u>	<u> </u>


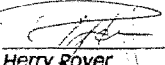
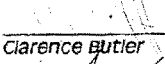
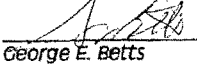
FEC Financial Holdings, Inc.

FEC Financial Holdings, Inc.

**Shareholder
Written Consent**

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Executed by each of the undersigned on the date set forth opposite name, below.

Name of Shareholder	Signature	
BTCB Bancorp Trust Republic Products Corp. Blue Eyes MIC INV. INC. J.C. & D. Long, JT. Ten. Templer Calsse, S.A.	<u>John C. Long</u>	<u> </u> Date
Rodolfo Requena VRF Financial Holdings, LLC Crop Investment Holdings	<u>Dr. Rodolfo Requena</u>	<u> </u> Date
Baillet International LTD. Scott Brett Aurora Investments S.A.	<u>Scott Brett</u>	<u> </u> Date
George E. Betts G.E. & M.L. Betts, JT. Tenants Encore S.A.	<u></u> George E. Betts	<u>8/22/2000</u> Date
Herry Royer Arrahe, Ltd.	<u></u> Herry Royer	<u>8-22-2000</u> Date
Clarence Butler Buttamdoe, Ltd.	<u></u> Clarence Butler	<u>8/22/2000</u> Date
BTCB Employee Trust	<u></u> George E. Betts	<u>8/22/2000</u> Date



BTC Financial Services

The Rivergate Plaza • 444 Brickell Avenue • Suite F16 • Miami, FL 33131
Telephone 305.960.2100 • Facsimile 305.960.2120

**MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS OF
BTC FINANCIAL SERVICES**

Friday, June 25, 1999

The undersigned, being all the Directors of BTC Financial Services, a Nevada corporation, ("BTCF") hereby waive all statutory and by-law requirements as to the call, notice of time, place, objects and purposes of this Special Meeting and hereby adopts, by this written consent the following Resolutions and each and every action affected thereby.

The meeting commenced at 12:00 PM on June 25, 1999 at BTCF's offices located at 444 Brickell Avenue in Miami, Florida, and after reading and discussing the minutes from the Special Proxy Meetings of Shareholders and Directors held on April 28 and April 30, 1999 in Fort Lauderdale at which it was approved for the Directors to take whatever actions were necessary so as to expedite the closing of the BTC Financial Services transaction and after discussing said meeting, the Directors took the following actions:

WHEREAS BTCF has been furnished copies of minutes of Special Meetings of the Directors of British Trade and Commerce Bank (BTCB) and FEC Financial Holdings, Inc. (FECH) which were held earlier today; and

WHEREAS said companies have made certain accommodations to facilitate and are desirous of BTCF acquiring 100% of the control shares of First Equity Corporation of Florida and its wholly owned subsidiaries, Swiss Atlantic Corporation and First Equity

Properties, Inc., all Florida corporations, each of which operates as a wholly owned subsidiary; and

WHEREAS the Directors believe that regulatory and compliance issued will create delays for FECH and its wholly owned subsidiaries being able to do business in Florida, the USA and elsewhere, doing stock registrations and offerings, and engaging in other activities under the auspices of the U.S. Banking, Securities, Insurance and other regulatory agencies concerned; and

WHEREAS the Directors of BTCB and FECH also believe such regulatory issues could affect the operations of First Equity Corporation of Florida, Swiss Atlantic Corporation and First Equity Properties, Inc., its profitability and the interests of its shareholders; and

WHEREAS the undersigned Directors believe it would be in the best interests of BTCF shareholders to acquire in a tax free shares exchange 100% of the capital shares of FECH and its subsidiaries upon terms and conditions that have been requested by the BTCB and FECH Directors, and the transaction be structured as a tax free exchange of shares, so it is therefore:

RESOLVED that BTCF will acquire FECH's control stock and the wholly owned subsidiaries named above, including all their assets and liabilities; and it is

FURTHER RESOLVED that BTCF, upon receipt of the current list from BTCB of its shareholders, will issue directly to such shareholders Eleven Million Two Hundred and Forty Three Thousand Five Hundred and Twenty-Two (11,243,522) Common Restricted Shares to the shareholders of BTCB on a pro rata basis, in the percentages as shown in the included schedule which reflects the internal agreement among the shareholders of BTCB and FECH their ownership interests in BTCB; and it is

NAME	SHARES	PERCENTAGE
BTC Bancorp Trust		
-- Blue Eyes MIC Investments, Inc.	1,000,000	38.31
-- Republic Products Corp.	1,000,000	
-- John G. Long/Doris Long	2,307,163	
BTCB Equity Participation	1,815,608	14.37
Employee Trust	475,575	4.23
Rodolfo Requena	614,484	14.36
-- VRF Financial Holdings LLC	1,000,000	
Arrahe Ltd.	268,706	2.39
Buttandoo Ltd.	268,706	2.39
Encore S.A.	538,536	4.78
Scott K. Brett/Dr. Dana Bailey	2,514,144	19.16
Shaw Hwei Lee	600	

FINALLY RESOLVED that BTCB shall be responsible for all costs of the acquisition of the First Equity Corporation of Florida and its subsidiaries.

There being no further business to discuss or transact, and upon motion which was seconded, the Special Directors' Meeting was adjourned at 12:50 P.M.

These Minutes were dated the 25th day of June, 1999 at Miami, Florida.

Robert F. Hammer

Secretary



British Trade & Commerce Bank.

Licensed for Full Trust Business.

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

RESOLUTION TO LOAN FEC HOLDINGS

(Passed in writing)

We the undersigned, being all the Directors of the British Trade & Commerce Limited, entitled to attend and vote at meetings of the Board of Directors of the said Company hereby take the following action:

BE IT RESOLVED that BTCB be allowed to loan First Equity Holdings, Inc. a sum not exceeding Fifteen Million United States Dollars (US\$15,000,000.) for the purchase of First Equity Corporation of Florida and its subsidiaries First Equity Properties and Swiss Atlantic Corporation and for subsequent sums for operating expenses.

Dated the 25th day of May 1998

Rodolfo Requena Perez
Chairman of the Board of Directors

Pablo Urbano Torres
Director

Oscar Rodriguez
Director

Clarence Butler
Director

Dana Bailey
Director

Herry Royer
Secretary/Director

Ref. No.



British Trade & Commerce Bank.

Licensed for Full Trust Business.

Emery Bldg., Dame Eugenia Charles Blvd. Baytown,
Roxbury Commonwealth of Dominica.
PO Box 2042, Phone: (767) 448-6410 Fax: 446-6477
e-mail: btcbank@qowdom.dm - SWIFT: BTCEBMDM

RESOLUTION TO LOAN FEC HOLDINGS


(Passed in writing)


We the undersigned, being all the Directors of the British Trade & Commerce Limited, entitled to attend and vote at meetings of the Board of Directors of the said Company hereby take the following action:

BE IT RESOLVED that BTCB be allowed to loan First Equity Holdings, Inc. a sum not exceeding Fifteen Million United States Dollars (US\$15,000,000.) for the purchase of First Equity Corporation of Florida and its subsidiaries First Equity Properties and Swiss Atlantic Corporation and for subsequent sums for operating expenses.

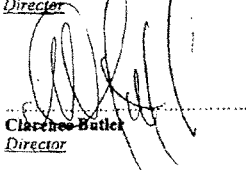
Dated the 25th day of May 1998

.....
Rodolfo Requena Perez
Chairman of the Board of Directors


.....
Pablo Urbano Torres
Director


.....
Oscar Rodriguez
Director

.....
Dana Bailey
Director


.....
Clarence Butler
Director


.....
Herry Royer
Secretary/Director

Ref. No.



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

Emena Bldg., Dame Eugenia Charles Blvd. Bayfront,
Roseau Commonwealth of Dominica
PO Box 2042. Phone: (767) 446-6410 Fax: 446-6477
e-mail: btcbank@bdom.dm - SWIFT: BTCBDMOM

RESOLUTION TO LOAN FEC HOLDINGS


(Passed in writing)

We the undersigned, being all the Directors of the British Trade & Commerce Limited, entitled to attend and vote at meetings of the Board of Directors of the said Company hereby take the following action:

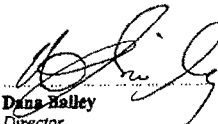
BE IT RESOLVED that BTCB be allowed to loan First Equity Holdings, Inc. a sum not exceeding Fifteen Million United States Dollars (US\$15,000,000.) for the purchase of First Equity Corporation of Florida and its subsidiaries First Equity Properties and Swiss Atlantic Corporation and for subsequent sums for operating expenses.

Dated the 25th day of May 1998

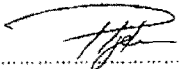
.....
Rodolfo Requena Perez
Chairman of the Board of Directors


Pablo Urbano Torres
Director

.....
Oscar Rodriguez
Director


Dana Balley
Director

.....
Charles Butler
Director


Herry Rayer
Secretary/Director

Ref. No.

COMMONWEALTH OF DOMINICA

AGREEMENT FOR LINE OF CREDIT

AN AGREEMENT made this thirtieth day of June 1999 between **BRITISH TRADE & COMMERCE BANK**, an off-shore bank licensed under the Offshore Banking Act, 1996 of the Commonwealth of Dominica and having its registered office at Emens Building, Dame Eugenia Charles Boulevard, Bay Front, Roseau (hereinafter called "the Bank" of the ONE PART and **BTC FINANCIAL SERVICES** a public liability company registered under the laws of Florida, United States of America and having its registered office at 444 Brickell Avenue, Miami Florida (hereinafter called "the Borrower" of THE OTHER PART

WHEREBY IT IS AGREED AS FOLLOWS: -

1. In this agreement
 - (1) All sums of money are stated in United States Currency.
 - (2) "Line of credit" means a credit facility whereby the Borrower would be entitled to cash advances on demand not exceeding the limit stated herein and subject to the terms of this Agreement.
2. The Bank shall grant to the Borrower a line of credit up to a maximum limit of \$15,000,000
3. The Bank shall charge the Borrower interest on such facilities at the rate of Libor plus 2% per annum together with all other banker's charges.
4. The Borrower shall deposit forthwith into the Bank the securities mentioned in the Schedule as collateral security for the said advance and interest until repayment or satisfaction thereof and shall at the same time execute a Memorandum of Deposit of the said securities which shall be annexed to and form part of this Agreement.
5. The said securities are hereby charged by the Borrower with the payment of the said advance and interest and shall not be sold or encumbered by the Borrower in any way without the written consent of the Bank, so long as anything shall remain due to the Bank in respect of the said advance or from the Borrower under this Agreement.
6. The Borrower undertakes, whenever required by the Bank to do so, to execute at the Borrower's expense such documents as the Bank may require for the purposes of enforcing

this security.

7. The line of credit shall expire on the thirtieth day of June 2000 following which a new limit may be negotiated at the absolute discretion of the Bank and, depending on the circumstances prevailing at the time of the review, the Bank may renew the limit of the line of credit, extend it or demand the immediate payment of all outstanding sums due to the Bank by the Borrower under this Agreement.

8. As a condition of granting the line of credit, the Bank reserves the following rights:-

- (1) To terminate the line of credit and to demand immediate payment of any sums outstanding if,
 - (1) In the opinion of the Bank the Borrower uses the funds for an illegal purpose.
 - (2) The Borrower fails to keep up to date payment on securities held by the Bank to secure the line of credit, including, but not restricted to, premiums on insurance policies, rates and taxes, mortgage payments on property.
- (2) On the termination of the line of credit, if the Bank considers it fit, to convert any amount outstanding into a loan repayable by fixed monthly installments.
- (3) To request any information from the Borrower regarding the use of the funds advanced.
- (4) To request additional collateral security from the Borrower to further secure the indebtedness hereunder or to secure the indebtedness in the event of the line of credit being converted to a loan.
- (5) To vary the rate of interest payable on the line of credit as the Bank may consider fit.
- (6) To waive in whole or in part the interest and other bank charges payable hereunder.

9. In consideration of the line of credit being granted or continued the Borrower hereby gives the Bank a continuing lien and/or the right to set up upon all and any monies now or hereafter on deposit with the Bank, securities or other property of the Borrower and proceeds thereof in possession of the Bank, hereby authorizing the Bank at any time and without prior notice to appropriate and apply such deposits or the proceeds of sale of the properties held as security for the indebtedness to any of the liabilities, although contingent and although immature, it being understood that the Bank shall be under no obligation to affect such appropriation and application.

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10. The Borrower hereby covenants with the Bank that full disclosure to the Bank has been made of all present circumstances and contingencies which may materially affect the purpose for which the line of credit is granted or the discharge of the obligations of the Borrower under this Agreement and further that the Bank will be promptly informed by the Borrower of any future circumstances which impede or which appear likely to impede the foregoing whether or not such information is requested by the Bank.
11. Should the Borrower wish at any time to settle all sums due and to become due hereunder the borrower may pay the balance of the advance and any overdue payments of interest, together with interest on the said balance and on any overdue interest as aforesaid calculated to the end of the third month following the date when payment is made.
12. If at any time one of the following events occur:-
 - (a) The Borrower fails to comply with any of the provisions contained herein;
 - (b) Any representation or warranty made by or on behalf of the Borrower with respect to obtaining the line of credit or made or required to be made herein is incorrect in any material sense;

The Bank may opt to declare the entire or any part of the amount advanced to the Borrower to be due and payable immediately and upon any such declaration, unless the default is cured within a time specified by the Bank, such amount together with all interest and other charges thereon shall become immediately due and payable.

SCHEDULE

LIST OF SECURITIES

1. All the issued and outstanding shares of stock of FIRST EQUITY CORPORATION OF FLORIDA of a total value of not less than the maximum credit allowed under this Agreement plus the interest payable thereon

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY
SIGNATURE PAGE FOLLOWS

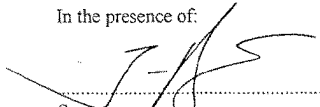


IN WITNESS WHEREOF the parties have hereunto set their hands and seals the day and year first above written in the presence of the subscribing witnesses


The Common Seal of BRITISH TRADE AND COMMERCE BANK is hereunto affixed by

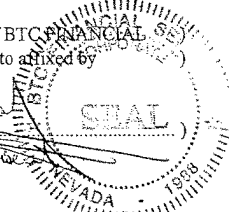

Director Executive *Richard [unclear]*

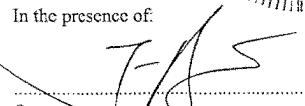


In the presence of:

Secretary *WITNESS*

The Common Seal of BTC FINANCIAL SERVICES is hereunto affixed by


Director *R. [unclear]*



In the presence of:

Secretary *WITNESS*

**PROMISSORY NOTE**

Principal amount \$7,979,482.00

Date: January 31, 2000


FOR VALUE RECEIVED, the undersigned hereby jointly and severally promise to pay to the order of British Trade & Commerce Bank the sum of seven million nine hundred seventy nine thousand four hundred eighty two United States Dollars (\$7,979,482), together with interest thereon at the rate of eight per cent (8%) per annum on the unpaid balance. Said sum shall be paid in the manner following:


1. All payments shall be first applied to interest and the balance to principal. This note may be prepaid, at any time, in whole or in part, without penalty.
2. This note shall at the option of any holder thereof be immediately due and payable upon the occurrence of any of the following: 1) Failure to make any payment due hereunder within ten days of its due date. 2) Breaches of any condition of any security interest, mortgage, loan agreement, pledge agreement or guarantee granted as collateral security for this note. 3) Breach of any condition of any loan agreement, security agreement or mortgage, if any, having a priority over any loan agreement, security agreement or mortgage on collateral granted, in whole or in part, as collateral security for this note. 4) Upon the death, incapacity, dissolution or liquidation of any of the undersigned, or any endorser, guarantor to surety hereto. 5) Upon the filing by any of the undersigned of an assignment for the benefit of creditors, bankruptcy or other form of insolvency, or by suffering an involuntary petition in bankruptcy or receivership not vacated within thirty (30) days.
3. In the event this note shall be in default and placed for collection, then the undersigned agree to pay all reasonable attorney fees and costs of collection. Payments not made within five (5) days of due date shall be subject to a late charge of 10% of said payment. All payments hereunder shall be made to such address as may from time to time be designated by any holder.
4. The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto, and further agree to remain bound, notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion.



5. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding, upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Florida.

Signed and sealed for and on behalf of
BTC Financial Services borrower:


Rodolfo Requena
President


George Betts
Treasurer

SEAL

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British Trade & Commerce Bank (US\$)
 Account QuickReport
 As of February 11, 2000

Type	Date	Num	Name	Memo	Split	Amount	Balance
Loans Receivable							7,604,217.85
BTCF Group							7,604,217.85
BTCF Services							981,347.83
Check	12/01/1999	SB6915	BTC Financial Services	First Union Nation...	Checking - Security...	40,000.00	941,347.83
Check	12/09/1999	SB7314	BTC Financial Services	First Union Nation...	Checking - Security...	40,000.00	901,347.83
Check	12/14/1999	FU0158	FEC Financial Holdings Inc	First Union Bank...	Checking - First Un...	45,000.00	856,347.83
Check	12/21/1999	FU11312	BTC Financial Services	BTCB transfer to ...	Checking - First Un...	55,000.00	801,347.83
General Journal	12/31/1999	BTCF8		BTCB Dec'99 exp	Advertising and Pro...	-9,997.70	811,345.13
Check	01/07/2000	FU23739	BTC Financial Services	BTCB transfer to ...	Checking - First Un...	11,000.00	800,345.13
Check	01/14/2000	SB9815	BTC Financial Services	First Union Nation...	Checking - Security...	60,000.00	740,345.13
Check	01/26/2000	SB8150	BTC Financial Services	First Union Nation...	Checking - Security...	70,000.00	670,345.13
General Journal	01/31/2000	BTCBC...			Advertising and Pro...	-6,338.15	664,006.98
Check	02/11/2000	SB2114	BTC Financial Services	First Union Nation...	Checking - Security...	70,000.00	594,006.98
Total BTCF Services						375,264.15	1,258,611.58
FEC Financial Holdings Inc							401,870.00
Total FEC Financial Holdings Inc							401,870.00
First Equity							70,000.00
Total First Equity							70,000.00
First Equity Holdings Inc							6,096,000.00
Total First Equity Holdings Inc							6,096,000.00
Swiss Atlantic Corp							155,000.00
Total Swiss Atlantic Corp							155,000.00
Total BTCF Group						375,264.15	7,979,482.00
Total Loans Receivable						375,264.15	7,979,482.00
TOTAL						375,264.15	7,979,482.00

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PREMIUM INTERNATIONAL BANKING

We would like to thank you for your interest in **Lugano Synergy Investment Group, Ltd.**, products and services. We specialize in developing and implement technique for tax reduction strategies, asset protection plans, and sophisticated wealth management techniques. You will have access to a full array of some of our products and services.

Lugano Synergy Investment Group, Ltd. is now in its third year of operating. The company operates through the world and has offices in, [Antigua & Barbuda](#), [Bahamas](#), [Belize](#) and [St. Kitts & Nevis Islands](#) and [Panama](#).

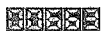
Lugano Synergy (Antigua), Ltd., is a subsidiary of **Lugano Synergy Investment Group Ltd.**, private registered incorporator and management group devoted to excellence in all that it does. The group utilizes the delicate balance of skills of its senior term, from the entrepreneurial to the control and diligence of our Legal Affairs and Finance directors.

Lugano Synergy Investment Group, services also includes the management and organization of [International Business Companies \(IBC's\)](#) facilities, [offshore trust facilities](#), [offshore banking facilities](#), and mutual funds, for clients who require a complete investment services.

We offer you the added resources and products reliability that stem from our Strategies Partnership working with major world financial institutions and under contract to Imperial Consolidated Securities, S.A British Trade & Commerce Bank, Ltd., and several other organizations.

All of the group directors have had experience into the banking and Finance industries for a considerable time. Our portfolio in this respect includes graduates in Law, Marketing and Accounting as well as time served industry professionals.





Contact Information

Postal Address

Mr. G. Hamilton, Esq.
5 Lozack Road
P.O. Box 450

Ms. Fung, Esq.
Marble Hill Road,
P.O. Box W640

St. Kitts and Nevis Islands
British West Indies
Phone 268.560.1513
Fax.

St. Johns
British West Indies
Phone 268.560.1513
Fax 268.560.

Electronic mail

General Information: lsynergy@lsynergy.com
Sales: synergy@lsynergy.com
Customer Support: bluganoag@sprintmail.com
Webmaster: webmaster@lsynergy.com

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- incorporation documents required by law.
- Standard notarized General Power of Attorney giving an authorization to your personal corporate account officer to set up an account and to work with it on your behalf.

Not incorporated private businesses (for example, sole proprietorships) will be asked to submit a notarized copy of Registration Certificate or its equivalent and a notarized copy of the owner's passport.

We invite you to mail the above paperwork to our address:

**Lugano Synergy Global
Services, S.A.**
Roseau, P.O. Box 2042
Commonwealth of Dominica

The opening fee should be paid at this time. Payment can be made by a [Western Union](#), [wire transfer](#), [check/money order](#) or [VISA/MasterCard credit card](#).

Upon receipt of the above documentation Lugano Synergy Investment Group will send you Bank Account Agreements for your signature as well as banking signature card that also should be signed and duly notarized in accordance with your local legal requirements. [Remote Banking tools](#) will be enclosed in the mail at this time. Your new account will be fully activated as soon as these items are received in good order by the Bank.

Now you are ready to [Open an Account](#) for your business.

Our customer service representatives are standing-by in order to answer any questions you might have via form or [e-mail](#). Please allow us at least 24 hours for processing. All the correspondence will be handled in a confidential manner. Messages sent via e-mail might be intercepted by a third party. We encourage you to use regular mail or private courier services in order to send us documents whose content might not be compromised.

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http://lsynergy.com/whats_new.htm

What's New

Lugano Synergy Investment Group's.

Trust Account with On Line Dealing Capacity, Gold Master Card, Mail Forwarding and International Business and Investment Trust Program.

This is a new product offered through British Trade & Commerce Bank All records will be handled so that they reside in a tax and regulatory haven such that they are not discloseable without the consent of Trust Account beneficiary, credit and debit cardholder. It is intended to meet the needs of persons who are starting to internationalize and professionals who offer services in the international marketplace as well as employees, partners, marketers and associates of the Lugano Synergy Investment Group of Companies.

All of our clients receive personal and strictly confidential service. A significant proportion of the wealth pouring into Tax Havens comes from major corporations, highly placed politicians, and others "with knowledge" of the benefits of going Offshore. How do you gain this knowledge?

Read this website and other publications that will educate you about the advantages of going Offshore and consult with professionals.

Financial Advertising Network

British Trade &
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Mastercard® is the most widely recognised and accepted card in the world
- ▼ **CASH ADVANCES**
Anytime, anywhere from any ATM displaying the Mastercard® or Cirrus® logo
- ▼ **TELEPHONE CARD**
Card doubles as a calling card

▼ Quick & Easy application procedure

British Trade & Commerce Bank is a secured credit card so the application procedure is quick and easy. No financial information on the applicant need be submitted and no credit checks are required but each applicant must submit either:

- (a) one reference from a bank; OR
- (b) a reference from a lawyer AND an accountant.

▼ Low Application Fee

The application fee is only US\$450 (but this can quickly be recouped from the discounts obtainable with the new card) and the interest rate on outstanding balances is extremely competitive - currently 14%

▼ Annual Fees Discount

Clients who agree to pay their annual company fees by direct debit from their British Trade & Commerce Card will receive a *DISCOUNT OF 5% ON ALL FEES* (but not disbursements).

▼ Low Security Deposit

The card is secured by placing an amount into trust with us equal to 135% of your chosen monthly credit limit.

▼ Apply for multiple cards !

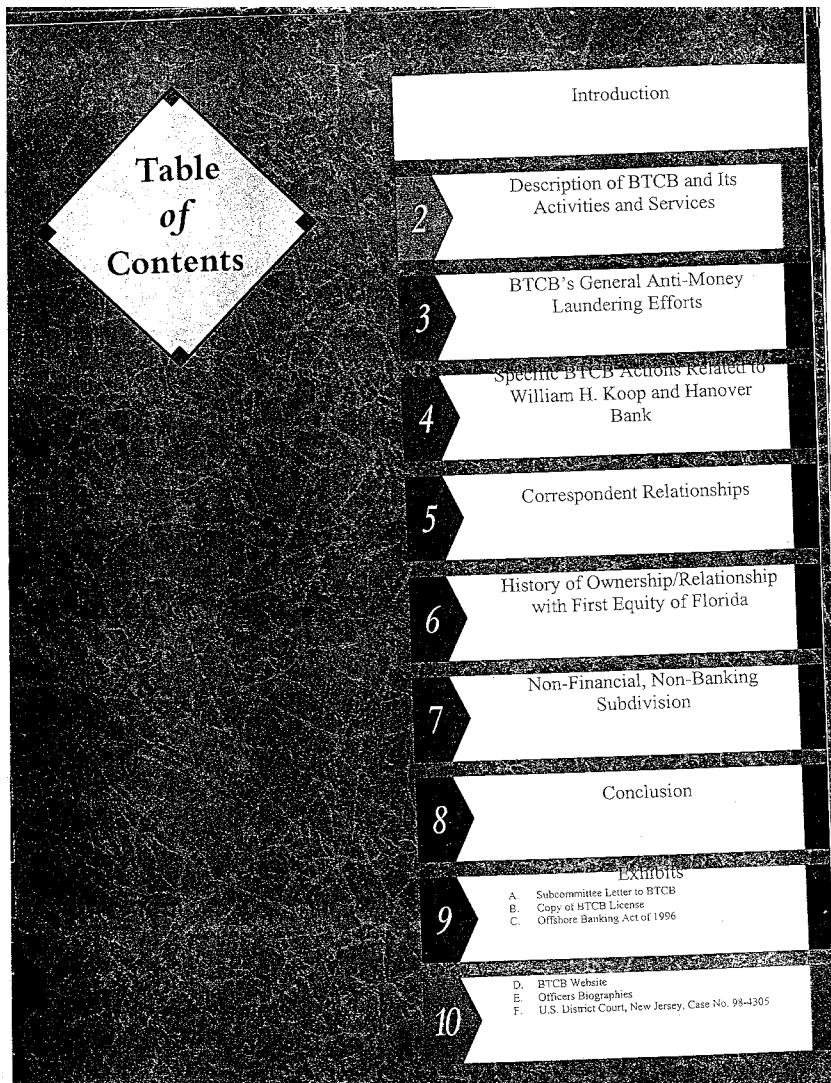
Your company can apply for as many cards as you like so all directors, employees, spouses, etc may obtain separate cards giving ready access to offshore funds in the most discreet and convenient manner possible.

N.B. Only to be used in conjunction with an offshore structure administered by LSIG, or BTCS

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Submission from the
British Trade & Commerce Bank
To the Senate Governmental Affairs Permanent
Subcommittee on
Investigations

September 18, 2000



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of
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2	Description of BTCB and Its Activities and Services
3	BTCB's General Anti-Money Laundering Efforts
4	Specific BTCB Actions Related to William H. Koop and Hanover Bank
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6	History of Ownership/Relationship with First Equity of Florida
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8	Conclusion
	Exhibits
9	A. Subcommittee Letter to BTCB B. Copy of BTCB License C. Offshore Banking Act of 1996
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**Submission from British Trade & Commerce Bank to the
Senate Governmental Affairs Permanent Subcommittee on Investigations
18 September 2000**

I. Introduction

Pursuant to your request (exhibit A), the British Trade and Commerce Bank (BTCB) has prepared this more detailed submission for your Committee because the bank prides itself on its ethics and good banking practices. We want to be cooperative because of our good working relationship with U.S. banks. In response to your series of questions, we have answered everything that is legally allowable, but, of necessity, are required to omit some details that are prohibited by the laws governing our operations and license under the Commonwealth of Dominica. The information is grouped so as to be responsive to the Subcommittee's questions.

The Submission begins with a description of BTCB and its services, then lists the bank officers and important personnel, including Directors and Counsel; continuing with BTCB's general anti-money laundering efforts and specific action relating to Mr. Koop and Hanover Bank; leading to an explanation of BTCB's correspondent relationships, history of ownership and relationship with First Equity Corporation of Florida, and concluding with BTCB's non-banking subsidiaries.

This Submission supplements and amplifies BTCB's previous responses to you of May 29, 2000, June 20, 2000, and July 13, 2000.

II. Description of BTCB and Its Activities and Services

British Trade & Commerce Bank is an independently owned and operated bank; specifically a duly-incorporated company in the Commonwealth of Dominica, operating under a license granted by the Government of the Commonwealth of Dominica pursuant to the Offshore Banking Act 1996. A copy of BTCB's license is attached here as Exhibit B. This license grants BTCB the right to operate from Dominica under certain rights and restrictions, and to operate only from Dominica. Under the Offshore Banking Act, we may not provide local banking services to residents of Dominica. A copy of the Offshore Banking Act of 1996 is attached as Exhibit C.

BTCB operates from its sole premise at Emens Building, Bayfront, Dame Eugenia Charles Boulevard, Roseau, Commonwealth of Dominica, West Indies. This is the sole location of the bank. BTCB does not have any agents, salesmen or any other persons operating on behalf of the bank in any other territory or country. This means that BTCB has no banking subsidiaries or affiliate institutions, and there are no offices or "addresses" or "managing agents" for the bank in any other countries.

BTCB may be the only offshore bank in the region that has specifically requested that the Eastern Caribbean Central Bank (ECCB) supervise its activities. By requesting such supervision, we have agreed to adhere to controls that require us to operate in a safe and sound manner in compliance with the standards of international banking.

BTCB formally requested the Minister of Finance of Dominica to allow BTCB to be supervised by the ECCB. Since that time, Dominica has passed legislation to allow the ECCB to assist the banking supervisor in the International Business Unit of the Ministry of Finance and to request the ECCB to assist in the examination and regulation of the offshore banks in Dominica. We understand that the Ministry and the ECCB have developed a program and a schedule to audit all offshore banks before the end of the year. BTCB is also supervised by its home country regulator, the International Business Unit of the Commonwealth of Dominica's Ministry of Finance---a government agency that oversees and regulates international companies on its shores.

BTCB is a member of the Dominica Association of Industry and Commerce (DAIC). The bank participates in numerous charitable activities. For example, the bank sponsors a contestant in the Miss Dominica Queen pageant, and it is an annual Title Sponsor of the Dominican International Sportfishing Tournament and "Dive Fest 2000". BTCB sponsors the Dominica Cricket Association and two youth soccer teams, in Grand Bay and Newtown. BTCB also sponsors a full scholarship for a handicapped student, and we underwrite the world championship Swansea Dominican National Domino Team for international competition. The bank has also "adopted" a school and purchased its computers and internet services.

Along with Dominican government entities, BTCB was one of the founders of the Dominica Unit Trust Corporation (DUTC) and currently owns 20% of the outstanding shares. DUTC was created to start investment funds for Dominicans, giving them the opportunity to earn higher rates of return on their investments, and a bank officer serves as a director and member of the Investment Committee. The DUTC is not involved in Dominican infrastructure or venture capital. Its investment goals include investments in public companies in the Caribbean, if possible, or Dominican companies that have an earnings record consistent with the investment philosophy of the fund. The only Dominican investment is in National Commercial Bank. However, much of the funds are invested in U.S. companies.

BTCB is a full service bank that provides standard services in the areas of private banking, investment banking, and securities trading. Our private banking services include money management services and financial planning, as well as investment accounts of securities for long-term appreciation, global investment funds, and Certificates of Deposit (CD's) with competitive interest rates. We plan to add insurance products and services. See also our website at www.btc.com. (Exhibit D)

Our investment banking activities include: debt financing for both private and public companies in the form of senior, mezzanine, subordinated or convertible debt; bridge loans for leveraged and management buyouts; and recapitalization transactions. BTCB assists in the establishment and administration of trusts, international business corporations, limited liability companies, and bank accounts. Finally, the securities trading services include foreign securities trading on behalf of our clients.

BTCB's latest audited financial statement (for calendar year 1999) is currently being prepared. When it has been reviewed and finalized, the balance sheet and income statement will be published in the Government Gazette. This is the only legally-releasable public record. BTCB is prohibited by the Laws of the Commonwealth of Dominica from releasing any other data or explanations regarding its clients, accounts, or activities.

BTCB offers credit card services as a principal MasterCard Member. BTCB can offer a variety of products and services available through MasterCard. Our current offering is limited to a basic credit card. The bank's association with MasterCard membership also allows clients to take advantage of special travel, entertainment, annuity, and insurance offerings exclusively available to MasterCard holders. The BTCB MasterCard participates in the Cirrus worldwide ATM network.

BTCB's Personnel: Officers, Consultants, and Directors:

An overview of the Officers, Consultants, and Directors of BTCB shows the breadth, depth and integrity of the senior management. The level and type of their previous positions attest to the honesty and quality of their character and expertise. Unlike some "offshore" banks, this is no haven for misfits; rather, BTCB is composed of officers whose backgrounds compare to those at high levels in the United States. (For additional detail, see attached biographical information attached in exhibit E)

OFFICERS:Dr. Rodolfo Requena Perez, President and Chairman of the Board.

Former Director and Acting President of the Industrial Credit Fund (FONCREI) and Director of Corpoindustria, a government-owned financial corporation in Venezuela. A specialist in finance, marketing, and commerce, with extensive experience in both the public and private sectors. Senior Management positions at Consolidated Bank, American Express, Warner Lambert, and American Can Company. [A Chemical engineer, M.B.A. PhD. (Canada) and Magister in Business (Japan)]

Mr. George E. Betts, Executive Vice-President, Chief Financial Officer.

Former Partner-In-Charge of Far Eastern operations (from Hong Kong) for Deloitte & Touche--the Big Six accounting firm, who opened new offices in Korea, Macau, and Shanghai, Peoples Republic of China. Also former Executive Vice-President and Chief Operating Officer of Herbalife International, Inc., a U.S. public company with operations in 65 countries. [A Certified Public Accountant, C.P.A. with a B.A. (Acct), Albertson College]

Dr. Charles L. Brazie, Vice-President, Managed Accounts.

Former CEO of LDX Telcom, Partner, Manager of International Division for Arthur Young & Co.(Ernest & Young). Also, Special Consultant to the Executive Office of the President. [B.S.(EngSci) USAF Academy, S.M.(Operations Research) M.I.T., PhD.(Econometrics), Cornell University]

Mrs. Patricia E. Garroway-Ingليس, Vice-President, Commercial Banking Operations.

Former bank executive with Barclays and Banque Francaise Commerciale. Also, Board Member of Dominican Association of Industry and Commerce, and Dominica Broadcasting Corporation. Director of Dominica Banana Corp. and Dominica Banana Trust. Functions as Honorary French Consul in Dominica, issuing visas on behalf of France to Dominican nationals.

Mr. Pedro Jose Baptista, Vice-President, Credit Cards

Former Manager of Banco Mercantil's Diner's Club and Banco Consolidado's American Express operations. Also served in management at Colgate-Palmolive and at Pepsi Cola Bottling Company.

Dr. Wilbert O. Bascom, Consultant on Compliance Issues

Former Chief, Bureau of International Banking, State of Florida Department of Banking and Finance, that supervised the activities of all state licensed international banking corporations. Also former Chief Executive Officer of the Guyana National Cooperative Bank.

Mr. Isilio Arriaga, Consultant for Business Development

Former CEO of Mirando Savings and Loan Association in Caracas, Venezuela and Congressman from the Venezuelan House of Representatives, Founding Member of the World Economic Forum in Davos, Switzerland.

COUNSEL:

Mr. Michael E. Bruney, L.L.B, Attorney at Law, serving as barrister, solicitor, and notary public in private practice dealing with all aspects of corporate, contract, and land law. Mr. Bruney has served in a number of distinguished posts, including: 1) State Attorney, 2) Registrar of the High Court, 3) Registrar General and Provost Marshal. He serves as registered agent under the International Business Companies Act formally listed on the approved national government list for the Commonwealth of Dominica

DIRECTORS:Mr. Herry Royer:

Director of International Corporate Services, Ltd., Former Director of the Dominican Government Information Service, Dominican Businessman with extensive experience in communications, government, and commerce. Twenty-one years media experience includes the Dominica Broadcasting Corporation, Photo One, Video One TV, and Omega One Productions.

Mr. Clarence Butler:

Director of Administration, Board of Directors, Ross University Medical and Veterinary school of Medicine. Dominican Businessman and industrialist in the agriculture, tourism, and transportation industries. Has served as General Manager or Director of the Marketing Board, the Tourism Board, Citrus Association, External Trade Bureau, Agricultural Marketing Board, and Public Services Boards of Appeal. Former Chairman of the Nature Island Express Airline, and Director Shareholder of EuroCarib.

Mr. Oscar Rodriguez Gondelles:

Twenty years experience in Venezuelan banking and credit card institutions, including CANTV (Telecommunications Company), Credimatico (Credit Card Holding) Consolidated Bank, American Express, and the Royal Bank of Canada (Venezuela).

Mr. Pablo Urbano Torres:

Actuary formerly of Pan American Life Insurance Company, and Seguros Nuevo Mundo; college professor; will be responsible for Generale International Assurance.

III. BTCB's General Anti-Money Laundering Efforts.

It is very important to note that all of BTCB's deposits are held in the bank's regulated accounts inside the United States. (Because BTCB operates under the Offshore Banking Act and does not operate as a domestic banking institution in Dominica, we do not belong directly to the Eastern Caribbean Central Bank.)

Moreover, with rare exceptions, all our transactions are denominated in United States dollars and indeed, all transfers to BTCB's accounts flow through the United States Federal Wire System or the SWIFT (Society for Worldwide Interbank Financial Telecommunications). As you are aware, any transaction approved and flowing through the U.S. Fed Wire System via SWIFT is already deemed or approved to be "good, clean, legitimately earned funds of non-criminal origin."

Thus, BTCB's Know Your Customer Policies are the same as all U.S. banks' policies, since we must satisfy the regulated U.S. banks with respect to any deposit BTCB receives in our corporate banking account at their institution. If a transaction occurs that raises questions at BTCB, we always enlist the U.S. bank's support to assist us in proving the authenticity of the transfer.

Please note that our bank officers have distinguished U.S. government service as well as significant executive level management from the private sector. In addition, BTCB has a special compliance consultant who had a long and distinguished career with the Florida Department of Banking Regulation and advises on our regulatory policies and compliance issues. But, again, the fact that our bank's movement of funds utilizes the U.S. Fed Wire Transfer System itself or via SWIFT speaks for itself.

Our bank's Know Your Customer Policies require, among other things, that a senior bank officer conduct an interview with each new customer. This interview covers such things as the nature of the customer's business, how their profits are earned and where those profits are earned. In many cases, we require audited financial statements from their auditors or in the case of individuals, we require bank reference letters from the financial institutions in which they have a history of holding accounts. We require copies of their passports, and if warranted, BTCB will have a security check conducted in their home country.

BTCB employs a full-time staff person who monitors for suspicious activity in customer accounts, and reports weekly to the Chief Financial Officer. If the CFO has any questions or concerns, these are discussed with other bank officers, counsel, or a compliance consultant, who may then discuss them with the U.S. banks where BTCB maintains accounts or has correspondent relationships. This is done to enlist the U.S. banks' cooperation and resources in monitoring the movement of funds through the U.S. Fed Wire system and tracing the funds to the source to be certain of compliance, or to determine a final source, wherever that may be. BTCB is very protective of its U.S. correspondent banking relations, since this is our only way to transfer and move funds. Because of this, BTCB endeavors to ensure that all measures necessary are taken to preserve those relationships.

IV. Specific BTCB Actions Relating to William H. Koop and Hanover Bank

As our earlier response to you indicated, BTCB has never had any relationship whatsoever with Hanover Bank. No banking relationship of any kind ever existed between us, nor was Hanover Bank ever a client or correspondent institution of BTCB. BTCB has absolutely no knowledge of, nor involvement with, any of the cases you cited in your letter to us (U.S. v. William H. Koop, U.S. v. Johnny William McCabe & Shelton J. Shirely, and U.S. v. Terrence Stanley Victor Wingrove.)

We hope that you will correct your records for the future, as, contrary to paragraph two of your May 15, 2000 letter to BTCB, no allegations in those cases were made against BTCB in regard to maintaining correspondent accounts. Your letter stated that, "public pleadings in several recent criminal cases.....allege that funds related to multi-million frauds and money laundering violations were deposited into correspondent accounts maintained by BTCB and Hanover Bank." (See Exhibit E) Again, BTCB had no involvement of any kind with any of these cases that you cited, and no such allegations were made against our bank. Naturally, we are concerned about these inaccurate allegations of money laundering, and we must request that you immediately cease improperly linking us in writing to these cases.

However, we did assist one court in New Jersey in a different case, Glenn H. Schmidt v. William H. Koop. This was Case No. 98-4305 (WHW) in the United States District Court, District of New Jersey. BTCB was contacted by U.S. magistrate Judge Joel A. Pisano. Certain legal procedures had to be followed, and BTCB had to receive written instructions from the client and permission to release information only to and directly to the Court. This is because, as noted earlier, the laws of the Commonwealth of Dominica prohibit release of information about accounts and bank operations. However, after receiving such written client instructions, BTCB was able to provide the Court with appropriate information. BTCB was dismissed from further participation in the court case after the judge reviewed our good banking procedures and our tangential involvement in the matter under the Court's consideration.

We would refer you to "U.S. District Court, District of New Jersey, Case No 98-4305 (WHW)". The relevant quote is as follows: "The plaintiff's claims against the defendant British Trade and Commerce Bank (BTCB) are hereby dismissed without prejudice and without costs." (See Exhibit F).

V. Correspondent Relationships

As you know, a full correspondent bank relationship between banks means that a specific and special legal and contractual relationship exists between the banks. The banks then have a ledger relationship, and they actually endorse each other's financial instruments. BTCB has no such formal correspondent relationships with any other banks.

BTCB does maintain from time to time customary commercial banking accounts with a few reputable institutions as needed. These limited transactional accounts are often considered a limited type of correspondent relationship, and are for the receipt, transfer, and holding of U.S. dollar funds. Pursuant to your question, BTCB has had in the past, such commercial accounts at various times with the following United States banks: 1) First Union; 2) Security Bank of Miami NA; and 3) Banco Internacional de Costa Rica (Miami). These are transactional bank accounts held at another bank, with a relationship similar to that of any other client of that bank.

Even though technically some of these BTCB accounts could have been used as full correspondent relationships (with check clearing, letters of credit, and credit lines), BTCB has in the past utilized them only as depository accounts. BTCB's use of these transparent, depository accounts has been fully recorded and monitored by the United States banks and their regulatory agencies, with no allegations of criminal activity ever made. Furthermore, all transfers into and out of such capital accounts utilize the Federal Reserve Wire System, and are fully visible to U.S. authorities.

However, we have had one recent difficulty with our correspondent accounts because of malfeasance by a Canadian client and lawyer. A longstanding Canadian client had an existing account with BTCB, and his background fully checked out. He subsequently placed an additional \$3 million into this BTCB account. This Canadian client committed these funds under a year long investment contract with BTCB to place the funds; which the bank in turn committed for a year. The first sign of trouble BTCB had was when a company completely unknown to us surfaced, and alleged that the \$3 million was actually its money given to the lawyer in Trust.

Unfortunately, it turned out later that the Canadian lawyer had obtained the \$3 million from a client company under the false pretense, that the \$3 million would be used as collateral for a loan from BTCB of \$12 million, a situation completely unknown to us and contradicted by all paperwork between BTCB and this Canadian client and lawyer regarding the placement of \$3 million with us in December 1999. When the lawyer's client company did not receive the \$12 million loan it believed had been promised, the company sued our Canadian client, that lawyer and BTCB.

BTCB has the \$3 million invested under the signed contract, and will return the funds when the contracted one-year period expires in December 2000. Although BTCB was not served in Dominica, we voluntarily accepted jurisdiction in Canada in order to provide the evidence of our complete lack of knowledge about the lawyer's representations to his client. We are vigorously defending this action as BTCB had no knowledge of the lawyer's client, the contract or supposed loan arrangement.

In the meantime, BTCB has filed an affidavit explaining our lack of knowledge and documenting the Canadian client and lawyer's signed documents submitted to our bank; thus requesting a complete dismissal from the action. However, the unfortunate effect of these discovery actions was that our U.S. banks elected to close our accounts because they wanted to avoid being affected by the discovery and litigation.

BTCB predominantly holds all its U.S. funds in these type of commercial accounts in the United States. These accounts are subject to all the rules pertaining to the banks in which they are held. As you are well aware, these banks are diligent in obeying and enforcing the relevant laws. In addition, we comply with the laws, rules, and good banking practices that banks are subject to in the Commonwealth of Dominica.

For the record, BTCB has never had any type of correspondent relationship whatsoever with Hanover Bank or any of Hanover Bank's affiliates.

VI. History of Ownership/Relationship with First Equity Corporation of Florida.

BTCB is a privately owned, independent foreign bank with no banking or brokerage subsidiaries. BTCB has no ownership, management, nor any other affiliation with First Equity Corporation of Florida except for a routine corporate account, line of credit, and loan as would be the case for any other corporate client. However, there was a brief period of overlap in the past and this may have given rise to your question.

To be specific, in mid-1998, BTCB acquired the stock of First Equity Corporation, a licensed broker-dealer in Miami, Florida. BTCB legally held First Equity's stock for approximately eight months, when the stock was transferred into a U.S. publicly traded company in exchange for the money which BTCB had put forward for First Equity. Thus, First Equity Corporation of Florida is a subsidiary of a publicly-traded U.S. corporation, BTC Financial. For further information and ease of research, we refer you to United States public regulatory records which are readily available to you---and which constitute the public information and required disclosures previously made regarding this transaction. BTCB continues as an independently owned and operated private foreign bank.

As to the current ownership of BTCB, the stock shares of ownership are those of a privately held, foreign, (non-U.S.) corporation; and we are prohibited from disclosing such owners. BTCB's officers and activities reflect the bank's desire to continue and enhance its activities in promoting good banking practices, and its policies to discourage any attempts at money laundering through our bank..

VII. Non-Financial, Non-Banking Subsidiaries :

In the interest of full disclosure, there are several independent, but related companies associated with BTCB. These are not banks or banking subsidiaries, but are different types of entities. As you will see, these have no relevance to the matters under your investigations, but they are mentioned here in the spirit of full cooperation.

InSatCom Limited: BTCB owns 55% of this company which holds a telecommunications license from the Government of Dominica to provide data transmission services to customers and web hosting services. InSat Com operates a satellite earth station in conjunction with Cable & Wireless of Dominica.

Generale International Assurance: Inactive company that may be used in the future to offer insurance products and services to clients; set-up and owned by BTCB as a Commonwealth of Dominica International Business Company for future services.

International Corporate Services, Ltd.: A separate, corporate services company affiliated with BTCB to incorporate IBC's in Dominica and to provide routine nominee, director, and shareholder services to various International Business Corporations in Dominica.

Websites Only (Not Subsidiaries)

To avoid confusion, in case the names below have appeared in the course of your research, please be advised that these are not companies, these are merely websites for the specific purposes noted:

WorldWideAsset Protection:

WORLDWIDE ASSET PROTECTION-WEB SITE SET UP TO PROVIDE ASSET PROTECTION INFORMATION TO PEOPLE ON THE INTERNET AND TO PROMOTE THE BOOKS AND PAPERS OF DR. BASCOM.

IBC Now, Limited

IBCNOW-WEB SITE FOR POTENTIAL BANK CUSTOMERS TO OBTAIN ACCOUNT OPENING FORMS FOR THE BANK.

EZ WebHosting:

EZWEB HOSTING-WEB SITE FOR POTENTIAL CUSTOMERS OF INSATCOM TO OBTAIN INFORMATION ON HOW TO HAVE INSATCOM HOST THEIR WEB SITES AND TO HELP PEOPLE SET UP WEB SITES.

VIII. Conclusion

We hope that this submission gives the Subcommittee a better idea about BTCB and its operations. Although we are an independent, foreign owned bank, operating under the laws of another sovereign nation-state, we share your concern about money-laundering activities, and try to protect our clients from such illegal activities. We also work very hard to insure that our bank is not used for such purposes. The Know Your Customer Policy is the area where we are trying to be even more vigilant, to avoid a problem like that created by the Canadian client and lawyer's malfeasance.

The bank has a history of visible, U.S. dollar transactions, with no record of, nor any allegation of, criminal activity or money-laundering. Moreover, given that all our transactions are in U.S. dollars and are visible to the U.S. regulatory authorities, we are concerned that you may have confused certain court cases, and may have therefore reached the erroneous conclusion that our bank might be involved in money-laundering. We must respectfully ask that you immediately cease circulating letters suggesting such allegations without ascertaining if its alleged facts are correct or if the court cases you cited actually apply to our bank. Unfortunately, of necessity, you will be hearing directly and specifically from our Counsel in this regard.

However, BTCB is pleased to provide the foregoing information, and knows that you understand and will respect the legal constraints and barriers under which the bank operates and under which certain disclosures are prohibited.

1592

SEP-19-2000 12:46

P. 12/17

FACSIMILE COVER PAGE

To : WILLIAM H. KOOP

From : DR. CHARLES L. BRAZIE

Sent : 6/4/88 at 11:51:38

Pages : 2 (Including Cover)

Subject

Please use the attached transfer coordinates, with the appropriate IBC Name and Account #, for all incoming transfers. There are some equipment and other problems at Benco Industrial de Venezuela.

Please advise BTOB of such transfers so that they may be properly tracked, as previously discussed.

Best regards,

Chuck Brazie

SEP-19-2008 12:46

P.13/17



British Trade & Commerce Bank
Licensed for Full Trust Business

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

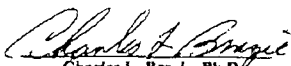
The recommended routing for the transfers we discussed is as follows:

BANK NAME : BANK OF NEW YORK
 : NEW YORK, NY
 ABA NUMBER : 021 000 018
 BENEFICIARY : CORRESPONDENT SERVICES CORP
 ACCOUNT NUMBER : 8900186968
 FURTHER CREDIT TO : BRITISH TRADE & COMMERCE BANK
 ACCOUNT NUMBER : IE 12307-1-45
 FINAL CREDIT TO : {IBC NAME}
 ACCOUNT NUMBER : {IBC A/C #}

For the transfer of initial fees to set-up the IBC, and/or Business Trust and the minimum opening balance, the missing data is not required. Merely advise us of the sending Bank and the amount of the transfer, and it will be credited appropriately. Once you have already received the reference information, then include such in each transfer.

In any case, please provide us with pre-advise so we make assure prompt tracking and credit. I will be away from the bank for the next several weeks and can be reached through the coordinates listed below.

Sincerely,


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

Phone: (703) 256-8483
 Fax: (703) 256-1596
 Cellular: (703) 304-8236

To: WENDY DE WALDEN

British Trade & Commerce Bank

Licensed for Full Trust Business

Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph: (787) 448-5410 Fax: (787) 448-8477
E-Mail: btcbank@btcbank.dm SWIFT: BTGB DM 01



minimum opening balance, the IBC Name or A/C Number is not required. Merely advise us of the sending Bank and the amount of the transfer and it will be credited appropriately. Once these IBCs/Trusts have been established and you receive that information, then include such in each subsequent transfer.

2. ALL TRANSFERS IN AMOUNTS EXCEEDING US\$1,000,000 AND OTHER AMOUNTS, IF DESIRED - Should be sent as follows:

BANK NAME	: CITIBANK N.A.
BANK ADDRESS	: 111 WALL STREET, NEW YORK NEW YORK
ABA NUMBER	: 021-000-089
SWIFT CODE	: CITI 43 33
ACCOUNT NAME	: SUISSE SECURITY BANK & TRUST
A/C NUMBER	: 36021989
TRANSFER INFO	: 212712.0602

ostr *X* *X* Do not use IBC Name or Account Number, if necessary to track sensitive transfers, we can utilize a Transaction Code along with these transfers.

In all cases, please provide us with pre-advise so we make assure prompt tracking and credit.

Sincerely,

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

SEP-19-2000 12:46

P.10/17

BT & CB
Wire transfer
Just



British Trade & Commerce Bank

Licensed for Full Trust Business

Dame Eugenia Charles Blvd. Bayfront, Roseau
Commonwealth of Dominica
Ph: (787) 448-6410 Fax: (787) 448-6477
E-Mail: btcb@btcb.com SWIFT: BTGB DM DM

BTGB Clientele:

We are happy to announce that we have completed our acquisition of First Equity Securities of Florida, one of the older American securities firms. Please be advised of the following routing instructions that are EFFECTIVE IMMEDIATELY:

1. Refrain from using Suisse Security Bank & Trust via Citibank because of delays in their processing requested funds' transfers.
2. Transfers of SECURITIES (e.g. none-funds assets such as bank Instruments, T-Bills) and for transfers of LARGER SUMS of USD, please utilize these coordinates.

BANK NAME : BANK OF NEW YORK
ABA NUMBER : NEW YORK, NY
BENEFICIARY : 021 000 018
ACCOUNT NUMBER : CORRESPONDENT SERVICES CORP
FURTHER CREDIT TO : 8900188988
ACCOUNT NUMBER : BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER : IE 12307-1-46

THEN EITHER

FINAL CREDIT TO : {IBC NAME}
ACCOUNT NUMBER : {IBC A/C #}

OR

REFERENCE: : {TRANSACTION CODE}

3. Transfers less than US\$1,000,000, please utilize these coordinates.

BANK NAME : SECURITY BANK N.A.
BANK ADDRESS : 444 BRICKELL AVENUE, MIAMI, FLORIDA 33131
ABA NUMBER : 067-010-512
BENEFICIARY:
ACCOUNT NAME : BRITISH TRADE & COMMERCE BANK
A/C NUMBER : 0400101400-01
FINAL CREDIT TO:
ACCOUNT NAME : {IBC NAME}
A/C NUMBER : {IBC A/C NUMBER}

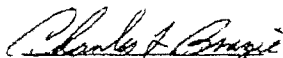
SEP-19-2008 12:46

P.11/17

For the transfer of initial fees to set-up IBCs, Business Trusts, and/or Asset Trusts as well as the minimum opening balance, the IBC Name or A/C Number is not required. Merely advise us of the sending Bank and the amount of the transfer and it will be credited appropriately. Once these IBCs/Trusts have been established and you receive that information, then include such in each subsequent transfer (unless further confidentiality is desired).

In all cases, please provide us with pre-advise so we make assure prompt tracking and credit. I will be away from the bank for the next several weeks and can be reached through the coordinates listed below.

Sincerely,



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

Phone: (703) 256-8483
Fax: (703) 256-1596
Cellular: (703) 304-8236

SEP-19-2008 12:44

P.03/17

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

Dame Eugenia Charles Blvd. Bayfront, Roseau
 Commonwealth of Dominica
 Ph: (767) 448-8410 Fax: (767) 448-8477
 E-Mail: btandc@btandc.com SWIFT: BTCB DN DM

BT&C Clientele:

We are happy to announce another correspondent bank that will facilitate transferring funds and our provision of services. Please be advised of the following routing instructions that are **EFFECTIVE IMMEDIATELY**:

1. Transfers **LESS THAN US\$2,000,000**, please utilize these coordinates.

BANK NAME : SECURITY BANK N.A.
BANK ADDRESS : 444 BRICKELL AVENUE, MIAMI, FLORIDA 33131
ABA NUMBER : 087-010-612
BENEFICIARY:
ACCOUNT NAME : BRITISH TRADE & COMMERCE BANK
A/C NUMBER : 0400101400-01
FINAL CREDIT TO:
ACCOUNT NAME : {IBC NAME}
A/C NUMBER : {IBC A/C NUMBER}

2. Transfers of **LARGER THAN \$2,000,000**, please utilize these coordinates.

BANK NAME : CORESTATES BANK INTERNATIONAL
BANK ADDRESS : 180 MAIDEN LANE, NEW YORK, NY 10038
SWIFT CODE : PNBPUS33NYC
ABA NUMBER : 028-006-092
CREDIT TO : ANGLO IRISH BANK CORPORATION DUBLIN
ACCOUNT NUMBER : 18350190
REFERENCE : ISLE OF MAN
SUB-REFERENCE : BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER : {IBC A/C # WITH BT&C}

For the transfer of initial fees to set-up IBCs, Business Trusts, and/or Asset Trusts as well as the minimum opening balance for either of the above, the IBC Name or A/C Number is not required. Merely provide us with a copy of the transfer confirmation, and it will be credited appropriately. Once these IBCs/Trusts have been established and you receive A/C information, then include such in each subsequent transfer (unless further confidentiality is desired).

SEP-19-2000 12:44

P.04/17

3. Transfers of **SECURITIES** (e.g. non-funds assets such as Bank Instruments, T-Bills) for deposit, or **LARGE SUMS OF USD** for the specific purposes of **ACQUIRING SECURITIES** to hold or sell/discount/hypothecate/forfeit, please utilize these coordinates.

BANK NAME : BANK OF NEW YORK
ABA NUMBER : NEW YORK, NY
BENEFICIARY : 021 000 018
ACCOUNT NUMBER : CORRESPONDENT SERVICES CORP
FURTHER CREDIT TO ACCOUNT NUMBER : 8900186668
ACCOUNT NUMBER : BRITISH TRADE & COMMERCE BANK
ACCOUNT NUMBER : IE 12307-1-48

THEN EITHER
FINAL CREDIT TO ACCOUNT NUMBER : {IBC NAME}
ACCOUNT NUMBER : {IBC A/C #}

OR
REFERENCE: : {TRANSACTION CODE}

REGARDLESS OF ROUTING for any amounts in excess of FIFTY MILLION USD, please provide us with a PRE-ADVICE so that we may pre-advise the transfer to the Banks. In all cases, please provide us with a copy of transfer confirmations so that we make assure prompt tracking and credit.

I will be returning to Dominica on September 12-13 for extended stay and can be reached at BTCB after that date. In the interim, I can be reached through the coordinates listed below.

Sincerely,



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

Phone: (703) 256-8483
 Fax: (703) 256-1596
 Cellular: (703) 304-8236

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

Dame Eugenia Charles Blvd, Bayfront, Roseau

Commonwealth of Dominica

Ph: (767) 448-6410 Fax: (767) 448-6477

E-Mail: btcb@btcb.com SWIFT: BTCB DM DM

101-011200-9

BTCB Clientele:

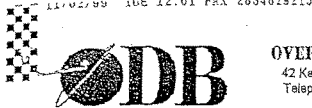
We are happy to announce that we have completed our acquisition of First Equity Securities of Florida, one of the older American securities firms. Please be advised of the following routing instructions that are **EFFECTIVE IMMEDIATELY**:

1. Refrain from using Suisse Security Bank & Trust via Citibank because of delays in their processing requested funds' transfers.
2. Transfers of **SECURITIES** (e.g. non-funds assets such as bank Instruments, T-Bills) and for transfers of **LARGER SUMS** of USD, please utilize these coordinates.

BANK NAME : BANK OF NEW YORK
ABA NUMBER : NEW YORK, NY
BENEFICIARY : 021 000 018
ACCOUNT NUMBER : CORRESPONDENT SERVICES CORP
FURTHER CREDIT TO : 8900188988
ACCOUNT NUMBER : BRITISH TRADE & COMMERCE BANK
THEN EITHER : IE 12307-1-45
FINAL CREDIT TO : {IBC NAME}
OR **ACCOUNT NUMBER** : {IBC A/C #}
REFERENCE: : {TRANSACTION CODE}

3. Transfers less than US\$1,000,000, please utilize these coordinates.

BANK NAME : SECURITY BANK N.A.
BANK ADDRESS : 444 BRICKELL AVENUE, MIAMI, FLORIDA 33131
ABA NUMBER : 067-010-512
BENEFICIARY:
ACCOUNT NAME : BRITISH TRADE & COMMERCE BANK
A/C NUMBER : 0400101400-01
FINAL CREDIT TO:
ACCOUNT NAME : {IBC NAME}
A/C NUMBER : {IBC A/C NUMBER}

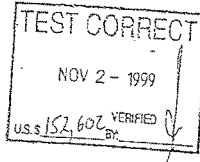


OVERSEAS DEVELOPMENT BANK & TRUST COMPANY LTD.
42 Kennedy Avenue, P.O. Box 525, Roseau, Commonwealth of Dominica, West Indies
Telephone - (767) 448-0886 * Telefax - (767) 448-0882 * e-mail - odb@odbgroup.com

TEST# [redacted]

November 2, 1999

Amtrade International Bank
777 Brickell Avenue
Penthouse
Suite 1300
Miami
Florida 33131
USA



NOV 2 2 41:11:00

Attention: Thelma S. Meynard

Dear Ms. Meynard

We would appreciate your executing the following wires on our behalf and debit our account #130003433 accordingly:-

1. \$4,000.00 Bank of Nova Scotia New York Agency
1 Liberty Plaza, New York, N.Y.
Swift Code: NOSC-US33
For credit to: Bank of Nova Scotia
Hillsborough Street, Roseau, Dominica
Account #: 9650
FOR FURTHER CREDIT TO:
British Trade & Commerce Bank, Dominica
Account #: 94565
In favor of: Sarrant & Associates

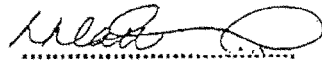
1559
60

2.

Redacted Information
in Subcommittee Files

4.

**Redacted Information
in Subcommittee Files**



Mariette Matthew



Malcolm West

1602

PHONE NO. :

Jun. 09 1998 09:27AM PT

PRIVATE AND CONFIDENTIAL
FAX TRANSMISSION FROM THE DESK OF:
William H. Koop

TO: SHARON WEEKS FROM: BILL KOOP
COMPANY: DATE:
FAX NUMBER: 268-462-9215 TOTAL PAGES INC. COVER: (2)
PHONE NUMBER: CC:
RE: DOCUMENTS REQUESTED YOUR REF. #
URGENT FOR REVIEW COMMENTS PLEASE REPLY RECYCLE

NOTES / COMMENTS:

Dear Sharon,
Please wire 100,000.00 to the
following instructions attached.
Please send verification of transfer
from (Account # 010-001-988) Thank you for your help.
Regards,
William H. Koop

INTERNATIONAL FINANCIAL SOLUTIONS, LTD.

17 STANLEY GARDENS,
LONDON, ENGLAND
UNITED KINGDOM

799 FRANKLIN AVENUE, SUITE 500
FRANKLIN LAKES, NEW JERSEY 07417
UNITED STATES OF AMERICA
PHONE: (201) 847-9764-65 FAX: (201) 847-9287

CHAMBERS GOMEZ BLDG
HIGH STREET,
ST. JOHNS, ANTIGUA

WIRE TRANSFER INSTRUCTIONS
FOR INTERNATIONAL FINANCIAL SOLUTIONS,S.A.
TRANSACTION # CP-100-SPECIAL

BANK NAME: : FIRST UNION NATIONAL BANK OF
FLORIDA
200 SOUTH BISCAYNE BOULEVARD
P.O. BOX 025475
MIAMI, FLORIDA 33131

ABA NUMBER : 063000021
SWIFT CODE : FUNB US 3F
VALUE DATE :

FURTHER CREDIT TO : BANUQE FRANCAISE COMMERCIALE/
ANTILLES-GUYANE -

ACCOUNT NUMBER : (2090001408334 -)

FINALCREDIT TO : BRITISH TRADE AND COMMERCE
BANK

ACCOUNT NUMBER : 1273201
REFERENCE : (IFS) INFOSEEK }
ACCOUNT NUMBER : 101-011065-8 }

NOTE : PLEASE INCLUDE VALUE DATE AND SEND EXPEDITIOUSLY.
PLEASE SEND WIRE TRANSFER CONFIRMATION ASAP TO:
FAX NUMBER (201) 847 9287

THANK YOU,
William H. Koop
WILLIAM H. KOOP

PRODUCT: CP-100-986	INPUT
AMOUNT: 112,224	SEEN
DATE: 06/14/98	CHECKED
INITIALS: [Signature]	

1604

Senate Permanent Subcommittee
On Investigations
EXHIBIT # 57b

Exhibit 57b.

BTCB financial documents

CONFIDENTIAL



REPORT OF EXAMINATION OF
BRITISH TRADE & COMMERCE BANK LTD
AS AT 31 DECEMBER 2000

Prepared by the
Bank Supervision Department
Eastern Caribbean Central Bank
February 2001

FOREWORD

In accordance with the provisions of the Commonwealth of Dominica Offshore Banking Act 1996 (No. 8 of 1996), as amended, an examination of **British Trade & Commerce Bank Limited** was undertaken during the period 30 January - 2 February 2001. The examination was conducted at the request of the Minister for Finance, Industry & Planning under Section 13 of the Act to assess the current state of the bank's affairs. The examination was based on data and information included in the books and records of the bank as at 31 December 2000, as well as representations made by management and staff of the bank.

The detailed report on the findings is appended hereto. In reviewing the report, it should be borne in mind that while the examination includes some audit tests, it is not to be construed as an audit, and this report should not be considered an audit report.

The report is prepared for the Minister for Finance - Commonwealth of Dominica. If it is provided, in whole or in part, to the bank examined, then this is for the bank's **confidential** use. Under no circumstances should the bank or its staff disclose or make public, in any manner, the report or any portion thereof.

**BANK SUPERVISION DEPARTMENT
EASTERN CARIBBEAN CENTRAL BANK**

FEBRUARY 2001

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REPORT OF EXAMINATION OF
THE BRITISH TRADE & COMMERCE BANK LIMITED
AS AT 31 DECEMBER 2000

I. INTRODUCTION

The British Trade & Commerce Limited (BTCB) is an offshore bank and trust company, incorporated in February 1997 under the Companies Act, Chapter 318 of the Laws of the Commonwealth of Dominica. The bank was granted a licence under Commonwealth of Dominica Offshore Banking Act 1996 (No. 8 of 1996) (the Offshore Banking Act), in July 1997, and commenced business in January 1998.

On 20th March 2000, a team from the Bank Supervision Department of the Central Bank carried out a preliminary assessment of the institutions licensed in Dominica to carry on offshore banking business. The objective of this exercise was to determine the extent of their operations, in order to plan a course of action to facilitate the transition to a new regulatory and supervisory framework, consequent on the amendment to the Offshore Banking Act 1996, No 8 of 1996.

The assessment revealed that the bank's adherence to the Ministry's reporting requirements was unsatisfactory. Reporting on the quarterly reporting cycle was sporadic, and there was no evidence that audited financial statements were submitted.

Of great concern was the number of complaints and/or allegations of fraudulent or otherwise unsavoury practices and disreputable behaviour against the bank, that were received both by the Ministry of Finance and the Central Bank. These complaints or allegations ranged from the refusal to repay or otherwise acknowledge depositors' claims to false advertising calculated to mislead the unwary investor.

It was therefore recommended that a full examination of the bank be conducted, which, in addition to assessing the financial soundness of the bank, would attempt to determine the nature of the activities that give rise to these complaints and allegations.

It was further recommended that this exercise be undertaken and completed with some degree of urgency, to ensure that the weaknesses/deficiencies identified could be promptly addressed.

At the request of the Minister for Finance, in accordance with section 13 of the Offshore Banking Act, the Central Bank conducted an examination of the bank during the period 30 January to 2 February 2001. The examination was undertaken in conjunction with the Supervisor of Financial Institutions of the Commonwealth of Dominica.

The scope of the examination included a review and assessment of:

- (a) the adequacy of capital;
- (b) the quality of the bank's assets;

- (c) the bank's management and nature of its operations;
- (d) the quality of the bank's earnings;
- (e) the liquidity position and;
- (f) compliance with Laws and Regulations.

The progress of the examination was hampered by the absence of the Executive Vice President & Chief Financial Officer to whom the team was directed for answers to most of its queries. As a result, it was not possible to determine the precise relationship between the bank and its numerous subsidiaries and affiliates, and to fully investigate a number of issues.

The bank is insolvent and has been facing a liquidity crisis for several months. Despite promises made to the Ministry of Finance several months ago to seek capital injection, the bank has failed to attract new capital funds. In addition, since the completion of the examination, a US Senate Committee report has implicated the institution in financial fraud and money laundering.

The bank's accounts, financial transactions and records are primarily denominated in United States currency. Accordingly, unless otherwise specified, all amounts stated in this report refer to US dollars.

2. EXECUTIVE SUMMARY

The bank's overall condition is rated poor.

2.1 CAPITAL ADEQUACY

The bank is insolvent.

The repurchase of \$5.0M of shares has eroded the bank's paid in capital, and the accumulation of losses in each year of its operations has resulted in a deficit on the capital accounts of \$17.7M at 31 December 2000. Depositors' funds were therefore being used to finance operating expenses. In the absence of an immediate and sufficient capital injection, depositors' funds could be completely dissipated.

The bank was in violation of Section 6 (1) (e) of the Offshore Banking Act of Dominica, which requires the maintenance of permanent capital of at least \$1.0M or, 5% of deposit liabilities.

2.2 ASSET QUALITY

The quality of the bank's assets was considered poor. Although the exact level of unsatisfactory assets could not be determined due to lack of documentation on file, most loans were not serviced. In addition, credit extended to subsidiaries and affiliates was excessive and there were several deficiencies in credit administration.

2.3 EARNINGS PERFORMANCE

The earnings performance has been poor.

Since its inception, the bank has made, and continues to make, substantial losses on its operations. This has contributed to the current insolvent condition and liquidity crisis.

It appears that the bank has had very little realised earnings over the period of its existence. Most of the income reported in its financial statements represented estimated investment transaction fees, which it purports to receive in return for investing funds on behalf of its customers. Most of these earnings were recognised in the 1998 financial year, but have not been collected. Earnings also include interest on loans and advances, most of which were granted to related parties and in most cases no payments are made. Interest continues to accrue, in some cases, for over two years. As a matter of prudence, interest should not be recognised on these loans.

2.4 LIQUIDITY

The bank is facing a liquidity crisis.

Due to the repurchase of its own shares, and the utilisation of depositors' funds to finance its own operations and that of subsidiaries and affiliates, the bank has been unable to meet its contractual obligations to depositors and creditors.

By the bank's own admission, in a letter to its depositors dated 9 November 2000, it was unable to meet its obligations to them and other creditors. At examination date, accounts payables amounted to \$0.4M, which included deposits on an account that a customer had closed, a short-term loan from a local non-bank financial institution, rent and other local expenses. It is very unlikely that these obligations could be readily settled, as there was no evidence of liquid assets.

This contravenes section 6(1)(f) of the Offshore Banking Act.

2.5 MANAGEMENT

Management of the bank is considered poor. The Board of Directors and senior management did not exercise prudence in conducting the affairs of the institution. The bank has operated without due regard for the laws and regulations, prudence, and safety and soundness. This is evident in the numerous infractions and violations of the provisions of the Offshore Banking Act.

Management appeared unable to recapitalise the bank, despite promises to the Ministry of Finance to regularise the situation. Further, the affairs of the bank were conducted in a manner that poses a reputational risk to Dominica as an offshore jurisdiction.

2.6 CONCLUSION

From the findings of the examination the following can be concluded:

1. The bank has no liquid assets and is unable to meet its obligations to depositors and creditors as they fall due. The continuation of its activities appears to be detrimental to the interests of its depositors.
2. The bank's operations are being carried on in an imprudent manner that is detrimental to the public interest and the interest of its depositors and other creditors.
3. The bank has contravened several of the provisions of the Offshore Banking Act.
4. The manner in which the bank's offshore business is carried on will affect Dominica adversely as an offshore banking centre.
5. The bank is insolvent. The realisable value of the bank's assets is less than the sum of its liabilities.
6. The bank has failed to pay the prescribed annual licence fee.

2.7 RECOMMENDATIONS

Based on the foregoing, it is recommended that the Minister:

- (1) **without delay, revoke the licence of British Trade & Commerce Bank Limited**, pursuant to section 13 of the Offshore Banking Act; and
- (2) **immediately appoint a receiver for British Trade & Commerce Bank Limited**, in accordance with the provisions of section 34 of the Offshore Banking Act.

BANK SUPERVISION DEPARTMENT
EASTERN CARIBBEAN CENTRAL BANK

FEBRUARY 2001

3. EXAMINATION FINDINGS

The detailed findings of the examination are as follows:

3.1 CAPITAL

The indicators show the bank to be insolvent. The table below reveals that there was an accumulated deficit of \$17.7M on the capital account at examination date.

CAPITAL INDICATORS

COMPONENTS	Dec 00*	Dec 99	Dec 98	Sep 00 / Dec 99		Dec 99 / Dec 98	
	\$M	\$M	\$M	\$M	%	\$M	%
Paid-up Capital	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Share Premium	2.4	2.4	2.4	0.0	0.0	0.0	0.0
Less: Treasury Stock	(5.0)	(1.1)	(1.1)	(3.9)	354.5	0.0	0.0
Accumulated Deficit	(18.7)	(12.0)	(1.3)	(6.1)	20.8	(10.3)	700.0
Total Capital	(17.7)	(7.7)	2.8	(10.0)	129.9	(10.5)	(375.0)

This indicated that the bank was in violation of Section 6(1)(e) of the Offshore Banking Act of Dominica which requires that a company maintains permanent capital of at least \$1.0M or 5% of deposit liabilities, whichever ever is greater. Deposit liabilities at examination date was \$79.1M, which meant that the minimum capital at the bank should be \$4.0M.

The bank's capital base was eroded by the repurchase of shares and accumulated losses from operations. The original share capital of the company was \$3.0M divided into 30,000 shares of \$100 each, and a share premium account of \$2.4M that appeared on the financial statements as additional paid in capital. Within its first year of operation, however, the bank had repurchased \$1.1M of its shares and on 15 December 2000 another \$3.9M was acquired. These purchases, shown in the statements as 'treasury stock', left only \$0.4M of the paid up capital outstanding.

By the end of 2000, the bank had an accumulated deficit of \$18.1M. This deficit arose from losses on its operation and on the operations of related companies, which include an airline operation used for transporting customers and bank officials free of charge and a satellite networking company. The deficit was concealed in the audited financial statements through the recognition of fees and interest on advances, which were mere estimates and not realised earnings. These receivables were long outstanding and appear unlikely to be realised.

The existing capital position suggested that depositors' funds could only be repaid with the injection of new capital. The bank, in recognition of its insolvent position, has written to depositors informing them that it was unable to repay their funds. Depositors were given the option of converting their deposits to convertible preferred stock in the bank at the rate of one share for every \$500 held with an option to resell these stocks for \$750 a year later. Up to the time of the examination, there was no evidence to suggest that any depositor had accepted the offer.

There was no evidence to suggest that the existing shareholders were willing, if able, to inject further capital into the bank. In fact, the purchase of the 'treasury stock' indicates otherwise. All efforts seemed to be focussed on finding new equity investors, which appeared unlikely to materialise given the bank's financial condition.

3.2 ASSETS

The bank reported total assets of \$615.6M at 31 December 2000. This was overstated due primarily to the inclusion of \$500.0M, which management claimed was invested on behalf of one client, and fees receivable of \$49.4M, most of which was associated with that account. Following adjustments made by the examination team, the bank's assets was estimated at \$61.8M, comprised as follows:

TOTAL ASSETS

	DEC 2000	
	\$M	%
Accounts receivable	0.8	10.0
Loans and Advances	57.7	85.3
Due from Related Parties	1.8	2.7
Investments	0.9	1.3
Fixed Assets	0.2	0.3
Pre-organisational Expenses	0.1	0.1
Other Assets	0.2	0.3
Total	61.8	100.0

An adjusted detailed Balance Sheet is included in Appendix I.

(a) Loan Portfolio

At examination date, the loan portfolio, amounted to \$57.7M. Of this amount, \$40.0M (69.3%) represented a promissory note issued under the terms of a joint investment agreement with a Dominica incorporated IBC. Under the terms of the investment agreement, the IBC purchased a \$50.0M Certificate of Deposit (CD) from the bank in exchange for the promissory note, under the same terms, amount and conditions as the CD. The bank then undertook to discount the CD on a 'best effort basis' to provide funds to enable the IBC to comply with an investment agreement with a Malaysian company. The maturity date of the certificate of deposit and, by extension, the promissory note was 1 February 2001.

Of the remaining \$17.7M of the portfolio, facilities extended to the BTCB group of related companies, most of which are based in the United States, accounted for \$9.5M or 53.7%. This high level of exposure to related parties, is exacerbated by the fact that these facilities are not being serviced.

Earnings advances, which are loans against future returns on investments to customers participating in the high yield programs, amounted to \$2.9M. These advances were interest free, unsecured and there appeared to be no documented agreement between customers and the bank. Correspondence from the bank's external auditors indicated that substantiation notices sent to some customers had been returned by the post office with the notation "Not Known".

The bank had credit card accounts receivables amounting to \$0.8M, the collectibility of which could not be determined. Balances on the International Corporate Services (ICS) credit cards, which the bank issues to staff for business purposes, accounted for \$0.2M (25 %). Charges on the credit card accounts are recorded as advances to holders, pending the receipt of expense reports. The accountant stated that the balance on the account was due to tardiness in officers' submission of these expense reports.

The remaining \$0.6M was due from the bank's customers. All these credit card facilities were unsecured and the files lacked sufficient documentation to undertake a proper assessment of these facilities.

(i) **Quality**

The bank's portfolio appeared to comprise mainly of fictitious loans. The \$40.0M promissory note is offset by the CD issued in favour of the IBC that is the maker of the note. The transaction would result in a claim against the bank, if the CD was discounted to a third party, which could only be met at maturity if the IBC is able to pay out the note. If the proceeds from the negotiation of the CD were advanced to the IBC to finance an investment, then repayment at maturity may not be possible, resulting in another obligation that the bank is unable to meet.

The \$9.5M shown on the books as facilities extended to group companies does not appear to represent loans in the conventional sense. These appear to be funds expended to finance the operations of these companies, as the records indicate that

these comprised mainly wire transfers to meet employee salaries and other operational expenses. While these do represent an asset of the bank, their collectibility is doubtful as some of these affiliates do not appear to be generating revenues or to hold sufficient realisable assets.

The earnings advances to third party customers may at best amount to little more than a partial repayment of depositors' funds. To the extent that there were no repayment terms and no formal documented evidence of the debt, these are unlikely to be repaid, particularly in the current circumstances, where the bank may be unable to redeem the original investment. Further, some of the reported advances may be to related parties, or may be fictitious, given the apparent self-dealing, and the inability of the auditors to contact these customers to confirm the balances.

Due to the absence of proper documentation, the level of unsatisfactory assets could not be determined during the examination. The bank's staff did not appear to be aware of the extent of the unsatisfactory assets. In the few cases where there were repayment terms on file, payments were not always made as scheduled, several facilities were past due and the interest due was capitalized. Most of these facilities were unsecured, which may adversely affect their collectibility and, by extension, exacerbate the poor financial condition of the bank.

(ii) **Credit Administration**

The bank's administration of its loan portfolio was poor. All the credit files reviewed lacked proper documentation. In most instances, there was no authorisation or loan applications forms and the only documentation on file were requests and/or approvals for electronic funds transfer on behalf of clients.

(b) **Investments**

The investments of \$0.9M stated by the bank included \$0.5M deposited in a bid to acquire an insurance company in Venezuela. Such an investment is prohibited by the provisions of section 20(1)(b) of the Offshore Banking Act, except with the written approval of the Minister. While no documentation of this transaction was produced during the examination, the accountant stated that the bid was unsuccessful and as the deposit was non-refundable, the amount would be written off.

The remaining \$0.4M represented an equity participation in the Dominica Unit Trust Corporation.

3.3 **EARNINGS**

The bank has experienced a poor earnings performance, as depicted in the table below.

EARNINGS INDICATORS (adjusted)

INDICATORS	DEC 2000	DEC 1999	DEC 1998	DEC 2000/DEC 1999	
	\$M	\$M	\$M	\$M	%
Total Income	0.2	2.2	0.4	(2.0)	(90.9)
Total Expenses	6.2	7.4	1.8	(1.2)	(16.2)
Pre-Tax Income	(6.0)	(5.2)	(1.4)	(0.8)	15.4
Interest Income	0.0	1.5	0.1	(1.5)	(100.0)
Interest Expense	3.7	3.9	0.2	(0.2)	(5.1)
Net Interest Income	(3.7)	(2.4)	(0.1)	(1.3)	54.2
Investment Transaction Fees	0.0	0.0	0.0	0.0	n.a

NB: The information for financial year ended 31* December 1998 is for 15 months.

Actual realised earnings have been practically negligible for the period since inception. Most of the bank's reported earnings represented exaggerated estimates of investment transaction fees that it purports to receive in return for investing funds on behalf of its customers. These investments are marketed to clients as high yielding, earning rates of interest as high as 18.0% per annum and a maturity period of one year.¹ Most of these earnings were recognised in the 1998 financial year when, according to the audited financial statements, the bank earned transaction fees of \$16.3M. This translates to a return of 60.3% to the bank on investment funds of \$27.1M, exclusive of the return to the beneficial owners, unachievable on any legitimate investment. These fees are yet to be collected.

¹ These investments at one point paid interest of 46.8% per annum.

Earnings also include interest earned on loans and advances. Most of these loans are granted to related parties and in most cases no payments are made, yet the bank continues to accrue interest, in some cases, for over two years. These loans are unsatisfactory and interest should not be recognised on these as a matter of prudence. Further, the bank should create a provision for loan losses to cover the credit risk in these accounts. This would have the effect of further increasing the deficit.

The bank has a high level of expenses, most of which are not directly related to its core activities. Most of these expenses are in relation to the operations of related companies, which themselves are not revenue generating.

The bank, due to the lack of equity capital and the high level of operational losses, is using depositors' funds to finance not only its own operations, but also that of subsidiaries and affiliates. This has caused a significant, perhaps irrecoverable, dissipation of deposits.

3.4 LIQUIDITY

The bank is facing a severe liquidity crisis.

At examination date the bank had no liquid assets, as shown in the table below. This was a violation of the provisions of section 6(1)(f) of the Offshore Banking Act, which prescribes the maintenance of a ratio of liquid assets to total assets of at least 12%.

LIQUIDITY INDICATORS

	Dec 2000 (Adjusted)
	\$M
Deposits	79.1
Liquid Assets	0.0
Net Liquid Assets	(0.4)
Loans	57.7
Total Assets	61.8
Ratios (%)	
Liquid Assets/Total Assets	0.0
Loans/Deposits	72.9
Net Liquid Assets	(0.5)

The bank's operations are funded entirely by customer deposits, as capital funds were repaid to shareholders, and the bank continues to generate losses on its operations. By the bank's own admission, in a letter to its depositors dated 9 November 2000, it was unable to meet its obligation to them and its creditors. Customers' deposits have been depleted in funding the operations of the bank and its affiliates, or are tied up in non-productive assets.

At examination date, accounts payables amounted to \$0.4M, which included the balance on a deposit account that was closed by the customer but which the bank is unable to pay out, a short-term loan from a local non-bank financial institution, rent and other local expenses. It is unlikely that these obligations would be settled, as the

At examination date, total deposits amounted to \$79.1M, comprising demand deposits of \$15.7M (19.8%) and Certificate of Deposits (CDs) of \$63.4M (80.2%). This included a \$40.0M CD in favour of an IBC, which matured on 1 February 2001, and is backed by a promissory note. The bank had undertaken to discount this CD in the international market and advance the proceeds to the IBC for investment purposes. If this CD was negotiated to a third party, then the holder has a claim against the bank that could only be met if the promissory note is repaid.

The bank also reported Customer Term Deposits of \$27.1M, but the Accountant reported that this represented estimated earnings to be received on behalf of investors. This has been on the balance sheet since 1998, but has not been collected. This was excluded due to the uncertainty of it being realised.

The loans to deposits ratio was 72.9%. An analysis of the loan portfolio shows that \$40.0M is in the form of a promissory note to an IBC, which represents the consideration for a CD. The remaining \$17.7M was granted mainly to related parties. These loans were not being serviced and do not generate any cash flow, resulting in an inability to repay customer deposits. This has led to many allegations of fraudulent activities levied against the bank.

3.5 MANAGEMENT

Management of the bank was poor.

The bank's affairs were not conducted in a prudent manner. The Directors and Senior Management have failed in their fiduciary responsibility. This was evident in the use of a significant portion of customers' deposits to fund the bank's operations and that of its subsidiaries and affiliates. Such actions and the bank's repurchase of \$5.0M of its own shares, again using depositors' funds, led to insolvency. Customers' deposits could not be repaid when they became due, forcing the bank to make a proposal that depositors convert existing accounts to one-year certificates of deposits or to purchase preferred stock of the bank.

The bank's accounting system was deficient and the financial statements misleading. The over-estimation of income since inception and inclusion on the balance sheet of funds that the bank purports to have invested on behalf of a client, have resulted in a gross overstatement of the bank's financial condition. As a result, the bank was able to hide its losses since inception and its insolvency. An amount of \$0.2M was capitalised on its lease despite the non-existence of a lease agreement with the tenant.

There appeared to be a high level of conflict of interest and excessive self-dealing among the bank's senior management. There was no evidence in the minutes of the Board of Directors' meetings that loans and advances to Directors and their related

parties were discussed or that these persons were excused from meetings during such deliberations. Further, there was no approval on file for most of these facilities.

The bank claimed to hold a 55% share in InSatCom Ltd, a private satellite communication network; the son of the Executive Vice President and Chief Financial Officer (EVP/CFO) owned the remaining shares. No share certificates were produced to substantiate investments in this company or any of the bank's other subsidiaries. A receivable of \$1.3M due from InSatCom was attributed to the bank's practice to fund the company's operational costs. This company reported a loss of \$616,527 for financial year ended 31 December 2000.

Some of the bank's practices appeared to be deceptive. Prospective customers of the Project Financing Program are required to sign a secrecy agreement with the bank. It is claimed that this agreement is guided by the Official Secrets Act 1989 of the United Kingdom and that the projects must be approved by the G-7 countries. The management claimed to be bound by this secrecy code, which it considered to take precedence over the Laws of Dominica, although the bank is incorporated and licensed under the Companies Act and the Offshore Banking Act, respectively, of the Commonwealth of Dominica.

The management refused to disclose the exact nature of these activities or to provide information necessary to make a proper assessment of their nature, to the examination team.

(a) Corporate Structure

The bank appears to be a part of a complicated web of corporate entities, owned and/or controlled by the same or related parties. The examination revealed a number of subsidiaries and affiliates, including, First Equity Corporation (FEC), a Miami based securities house that appears to be a majority owned subsidiary; International Corporate Services SA (ICS), a Dominica incorporated IBC through which the bank manages customer and group IBCs and trusts; InSatCom Ltd, a satellite communication network, owned jointly with the EVP/CFO's son; FEC Holdings Inc; Swiss Atlantic Inc; Global Investment Fund SA; Generalc International Assurance Inc, a Dominica incorporated exempt insurance company that has not yet commenced trading; and Crown Air Ltd, an aircraft operator.

The precise relationship between the bank and these associated companies, and true structure of the group could not be discerned due to the absence of the EVP/CFO whom, according to the staff, could provide the required information.

The bank is governed by a six member Board of Directors, which comprises the following persons:

Rodolfo Requena - President and Chairman of the Board

Pablo Urbano

Herry Royer - Secretary

Oscar Rodriguez

Clarence Butler

Dana Bailey

The management comprised, in addition to the President, the following officers:

George E Betts	-	Executive Vice President & Chief Financial Officer (EVP/CFO)
Charles Brazie	-	Vice President - Managed Accounts
Patricia Inglis	-	Vice President - Commercial Banking
Pedro Baptista	-	Vice President - Credit Cards
Wilbert Bascom	-	Vice President - Banking Relations

The EVP/CFO appeared to be the officer who has full knowledge of all of the bank's operations. From the information gathered during the examination, he appeared to be the single most important person who is based at the bank's offices in Dominica. There was little evidence that the President and Chairman of the Board of Directors maintained a presence in Dominica. He appeared to be based in Miami.

The other critical person to the bank's operations in Dominica, appeared to be the Vice President (VP) - Managed Accounts. It became apparent, during the examination, that this officer had almost complete control over the bank's investment programs. Most of the questions about the funds under management were directed to this officer.

(b) Nature of Operations/Activities

The bank appears to be carrying on fraudulent or highly suspicious activities. Its main business seemed to be the operation of 'Prime Bank Notes' and 'High Yield Investment Programs' schemes. These schemes are known to be sophisticated scams designed to defraud unwitting investors, lured by the prospect of supernormal returns.

The VP - Managed Accounts, who was the officer responsible for marketing these schemes, claimed to be bound by a strict code of secrecy pursuant to the 1989 UK Official Secrets Act. Accordingly, he operated in relative secrecy, and most of the staff, with the possible exception of the management team, was apparently unaware of the nature of his activities.

One of the schemes operated by the bank is what they have termed an 'investment scenario', wherein it is claimed that the G-7 countries have approved certain of the world's largest banks to offer a high yield investment. The terms of this 'investment scenario' is set out in a quite complex document that incorporates a strict secrecy clause to which the customer is bound. The 'scenarios' require minimum investment levels of tens of millions of dollars; however, customers with smaller amounts available for investment are able to participate through an investment fund managed by the bank.

The bank's customers are required to establish trusts or IBC in order to participate in the bank's investment programs. The customer is then required to vest their

investment funds into these IBCs or trusts, and to nominate the bank's trust company, ICS as the sole trustee or director, thereby placing full control over the investment into the hands of the bank.

During the examination the bank produced what it purports to be five Letters of Credit (L/Cs) of \$500.0M each, from Bank of Tokyo-Mitsubishi on behalf of a customer whom they claim to be an Asian Imperial family. The bank claimed to have invested the proceeds in the high yield investment scenarios, on which the bank's share of the return on the investment will be \$50.0M for each of the five L/Cs. The bank has included the value of only one of the five L/Cs, \$500.0M, on its balance sheet.

The VP - Managed Accounts was unable to give a plausible reason for the bank to be chosen to hold these assets on behalf of this customer and failed to show a justifiable economic reason for the transaction. When questioned why the bank, he responded that it was because of his contacts.

During the examination, the VP - Managed Accounts also stated that the bank was involved in the repatriation of a huge quantity of large value US Treasury Notes. He claimed that the notes, which are supposedly of \$100,000 and \$500,000 denominations, were secretly issued after World War II by the US Treasury to surreptitiously finance the purchase of weapons by certain Far Eastern countries. These notes were purportedly stolen, and have been trading in the underground market. However, he stated that since they represent a claim on the US Government, the US Treasury was

anxious to withdraw them from circulation and was therefore secretly offering a large fee to a few agents for their redemption.

The VP - Managed Accounts stated that bank was involved in redeeming trillions of dollars of these notes, and the fees to the bank would be in the billions of dollars. He claimed that he was a trusted agent of, and was in daily contact with, the US Treasury. When asked why the bank was chosen, he stated that it was because of his extensive contacts in the Far East and at the US Treasury.

(c) Compliance

The Dominica Offshore Banking Act

The bank was in contravention of the provisions of the Offshore Banking Act, as follows:

(1) Section 6 (1) of the Offshore Banking Act states that:

"No license shall be granted to a company or allowed to be retained by a company unless -...

(d) It conducts its business in a manner consistent with the interest of depositors and the public

The bank operated in a manner that did not appear to be in the interest of depositors and the public. Depositors' funds were put at undue risk due to substantial credit extended to the bank's subsidiaries and affiliates, with no specified repayments terms. Further, due to its insolvency and lack of liquid assets, the bank was unable to repay

depositors' funds on maturity. As a result, several complaints/allegations have been made to the Central Bank and the Ministry of Finance.

Consequent to a depositor's lawsuit filed against the bank in the Ontario Superior Court of Justice for refund of \$3.0M, the court ordered the bank to issue a letter of credit for the stated amount. The facility expired on 15th December 2000, and the bank did not appear to have the resources to meet this obligation. However, information on the outcome or any further developments could not be obtained due to the absence of the EVP/CFO.

This situation is detrimental, not only to the bank's depositors and other creditors, but also has wider reputational implications for the Commonwealth of Dominica as an offshore jurisdiction. This is inimical to the public interest.

(d) it maintains permanent capital of at least one million United States dollars or five per cent of deposit liabilities, whichever ever is the greater, or such other percentage as shall from time to time be fixed by Order made by the Minister acting on the recommendation of the Central Bank;

At examination date the bank was insolvent. Accumulated losses since inception and the bank's repurchase of \$5.0M of its shares resulted in complete erosion of the capital base. The paid up capital at examination was \$0.5M and the accumulated deficit, \$18.1M.

- (e) *it maintains adequate liquidity by way of cash or marketable securities, including treasury bills or any other convertible securities or time call deposits with a maturity of less than 12 months with a prime or other acceptable international bank amounting to at least twelve per cent of the total assets or such other percentage as may be determined from time to time by the Minister by Order;*

The bank had no liquid assets. As a result, it was unable to repay depositor's funds and a loan of \$0.1M from the Dominica Unit Trust when they became due.

- (f) *it provides adequate provisions against loan defaulters, devaluation of currency and deposits.*

There were several promissory notes that were past their maturity dates; the bank has not established provisions against unsatisfactory assets and inherent losses in the loan portfolio.

- (g) *it establishes and maintains an accounting system to the satisfaction of the Minister acting in consultation with the Central Bank;*

The bank uses the Quick Books accounting package that is inadequate to maintain a proper accounting system for a bank. In addition, the statements presented by the bank were misleading. Funds amounting to \$500.0M, which the bank claimed to invest on behalf of a customer, were reported on the balance sheet. Further, fees which had not been collected were reported as income, thus resulting in overstatement of the financial condition.

- (2) Section 14 (2) of the Offshore Banking Act states that:

"Every licensed financial institution shall maintain its affairs in such a way that the total of its paid-up together with its reserves of accumulated profits less accumulated losses amount to not less than one million United States dollars or its equivalent in other convertible currency."

There appeared to be a violation of this provision. Based on the findings of the examination, the bank had an accumulated deficit on its capital accounts of \$17.7M at 31 December 2000.

- (3) Section 16 of the Offshore Banking Act states that:

"No licensed financial institution shall pay any dividend on its shares until all its capitalised expenditure (including preliminary expenses, organisation expenses, share selling commission, brokerage and amounts of losses incurred) not represented by tangible assets has been completely written off."

The bank reported unamortised organisation and pre-operating expenses of \$0.1M and the examination revealed losses on operation to date of \$18.1M. However, dividends of \$90,000 were paid in 1998, in contravention of this provision of the Act.

- (4) Section 19 (1) of the Offshore Banking Act states that:

"A licensed financial institution shall not -

(a) grant to any person, firm, company or any group of companies or of persons which group is under the control or influence of one and the same person, any advance or credit facility, or give any financial guarantee or incur any other liability on behalf of such persons, firm, company or group so that the total value of the advances, credit facilities, financial guarantees and other liabilities in respect of such person, firm, company or group is at any time more than twenty-five per centum of the sum of the paid up capital and published reserves of the licensed financial institution."

With paid up capital of \$0.5M and no reserves, the bank's legal limit for extension of credit and guarantees was \$0.1M; most of the loans and advances were granted in violation of the Act.

(c) grant or permit to be outstanding unsecured advances or unsecured credit facilities of an aggregate amount in excess of two thousand five hundred United states dollars or of one per centum of the sum of the paid up capital and published reserves of such financial institution, whichever is greater or give any financial guarantees in excess of such amount without security, or incur any other liability in excess of such amount without security to or on behalf of any –

(i) of its directors, whether such advances, facilities, guarantees or other liabilities are obtained by or on account of such directors jointly or severally;

Unsecured credit granted to three directors exceeded the statutory limit.

- (ii) *firm, partnership or private company in which it, or any one or more of its directors is interested as a director, partner, manager or agent, or to or on behalf of any individual, firm, partnership or private company of which or of whom any one or more of its directors is guarantor*

Unsecured advances totaling \$11.3M were granted to ten of the bank's subsidiaries and affiliates. There were no clear repayment terms for these advances, which were not being serviced.

- (d) *grant or permit to be outstanding to its officers and employees unsecured advances or unsecured credit facilities which in aggregate amount for any one official or employee exceeds one year's emoluments of that official or employee*

Total unsecured advances due by one employee exceeded her annual emoluments.

- (5) Section 20 (1) of the Offshore Banking Act states that:

"Except with the written approval of the Minister no licensed financial institution shall –

- (a) *engage, whether on its own account or on a commission basis, in the wholesale or retail trade, including the import or export trade, or otherwise have a direct interest in commercial, agricultural, industrial or other undertaking except as permitted under paragraph (b) and except insofar as may be necessary*

with respect to it but all such interests shall be disposed of at the earliest suitable opportunity.

(b) acquire or hold to an aggregate value exceeding twenty-five per centum of the sum of the paid up capital and published reserves of any other bank, any part of the share capital of any financial, commercial, agricultural, industrial or other undertaking except such shareholding as a bank may acquire in the course of the satisfaction of debts due to it which shareholding shall, however, be disposed of at the earliest suitable moment

The bank had a 55% ownership interest in INSATCOM Limited, a private satellite communication network, and reported an investment of \$0.5M that represented a bid to acquire an insurance company in Venezuela. The accountant indicated that the amount would be written off as the bid was unsuccessful and the funds were non-refundable, but no documentary evidence was provided.

"(d) Knowingly accepts or keeps a resident of Dominica as a customer for any of its offshore banking services."

The beneficial owners of some deposit accounts were residents of Dominica. It is the bank's practice to establish International Business Companies (IBCs) on behalf of potential customers and then conduct business with these companies. While the deposits are not held directly by these persons but by their IBCs, section 56(1)(c) deems such companies to be residents.

- (6) Section 22 (1) of the Offshore Banking Act states:

“Every licensed financial institution shall in relation to its operations submit to the Financial Secretary in English, in such form as he may from time to time approve, a statement of the assets and liabilities at the close of the last business day of each quarter within thirty days of the end of each quarter.”

A review of the returns submitted to the Ministry of Finance revealed that the bank has consistently submitted its returns late.

- (7) Section 23 of the Offshore Banking Act states that:

“Not later than four months after the close of each financial year of each licensed financial institution or such longer period as the Financial secretary acting on the recommendation of the Central Bank may, in any particular case permit, the financial institution shall forward to the Financial Secretary and the Central Bank copies of its balance sheet and profit and loss account and the full correct names of the directors of the financial institution. The balance sheet and the profit and loss account shall bear on their face the certificates of an auditor who is an approved auditor in accordance with section 27(5). The license date shall be deemed to be the date of commencement of operations for the purpose of determining the due date for the first set of audited accounts unless previously agreed otherwise with the Financial Secretary acting on the recommendation of the Central Bank.”

According to information obtained from the Ministry of Finance, the bank has consistently submitted its audited accounts late. Further it has never submitted the audited accounts and names of directors to the Central Bank.

(8) Section 27 (10) of the Offshore Banking Act states that:

“Every Licensed financial institution shall within four months of the end of its financial year publish in the Dominica Official Gazette a true and full yearly statement of all its operations as certified by its auditor. The statement shall be signed by the manager or by another officer of the financial institution as may from time to time be authorised by the financial institution to sign such statement on behalf of the financial institution.”

Due to tardiness in preparation of the statement of accounts, they have not been published within the period prescribed in the Act.

(9) Section 64 (1) of the Offshore Banking Act states that:

“Every financial institution to which a license is granted shall on or before the 15th day of January in each year, pay the prescribed annual licence fee payable in respect of the year of issue of the licence however, shall be paid upon the issue of the licence and on a pro rata basis up to December 31 of that year.”

Up to 2 February, when the examination was completed, the bank had not paid its annual licence fee for 2001.

The Companies Act, Chapter 318

The bank was in contravention of Section 39 (2) of the Dominica Companies Act, which states that:

"A company shall not make any payment to purchase or otherwise acquire shares issued by it, if there are reasonable grounds for believing that -

(a) the company is unable, or would, after that payment, be unable to pay its liabilities as they become due; or

(b) the realisable value of the company's assets would, after that payment, be less than the aggregate of its liabilities and stated capital of all classes."

The bank has repurchased \$5.0M of its shares, although it was incurring losses on its operations and did not have any retained earnings with which to do so. This contributed to the bank's insolvency and exacerbated the tight liquidity position that resulted in the bank's inability to meet its obligations to shareholders and creditors.

(d) Other Areas of Concern

There were a few other areas of concern that call into question the character of the bank's business or may imply activities of a questionable nature.

- (i) The bank and the EVP/CFO are among several co-defendants in a matter before the Ontario Supreme Court of Justice. The Plaintiffs in the matter are claiming the refund of \$3.0M held by BTCB. The Court ordered the bank to issue a L/C for the amount to be assigned to the Accountant of the Court.

The L/C matured on 15 December 2000.

- (ii) By letter dated 17 January 2001, the bank's external auditor advised the Ministry of Finance that the Board of Directors of the bank had been informed that effective 12 January 2001, the firm no longer wished to continue serving as auditors. The bank's accountant seemed unaware of this development, and due to the unavailability of the EVP/CFO, it could not be ascertained if the bank has since appointed new auditors.
- (iii) It appeared that the bank was used primarily to serve the interest of the directors and executive management. A significant portion of the loan portfolio was extended to related parties, and the customers' funds were used to finance their business interests.

4. POST- EXAMINATION DEVELOPMENTS

In the period since the completion of the examination, a US Senate Committee has published a Report on Correspondent Banking: A Gateway to Money Laundering. This report has extensively cited the bank's correspondent banking activities as being of a suspicious nature. The report, which contains allegations of money laundering and financial fraud, is the result of a year-long investigation by the Senate Committee. These developments have exacerbated the situation at the bank.

5. CONCLUSION

The bank's condition is deemed poor.

At examination date, the bank was insolvent. This has resulted from the significant losses on its operations and purchase of its own share with depositors' funds. Customers' deposits are also used to fund the operations of subsidiaries and affiliates.

For several months the bank has been facing a severe liquidity crisis. This liquidity crunch has led to a breach of contractual arrangements with depositors, as the bank has been unable to meet its obligations as they fall due.

In order for the bank to attempt to continue as a going concern, an immediate and massive injection of capital funds is necessary. However, the principals do not appear to be willing or able to inject equity funds. In fact the shareholders have substantively recouped their investment to the detriment of depositors.

Management appeared to have operated the institution with little regard for the provisions of the Offshore Banking Act, and for fiduciary responsibility. There were a number of violations of the Act, and there was little adherence to prudent or sound banking practices. The bank's activities appear fraudulent, or at best, highly

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questionable. A major fraud appears to have been perpetuated against the bank's depositors.

The following can therefore be concluded:

1. The bank has no liquid assets and is unable to meet its obligations to depositors and creditors as they fall due. The continuation of its activities appears to be detrimental to the interests of its depositors.
2. The bank's operations are being carried on in an imprudent manner that is detrimental to the public interest and the interest of its depositors and other creditors.
3. The bank has contravened several of the provisions of the Offshore Banking Act.
4. The manner in which the bank's offshore business is carried on will affect Dominica adversely as an offshore banking centre.
5. The bank is insolvent. The realisable value of the bank's assets is less than the sum of its liabilities.
6. The bank has failed to pay the prescribed annual licence fee.

6. RECOMMENDATION

Based on the foregoing, it is recommended that the Minister:

(1) without delay, revoke the licence of **British Trade & Commerce Bank Limited**, pursuant to section 13 of the Offshore Banking Act; and

(2) immediately appoint a receiver for **British Trade & Commerce Bank Limited**, in accordance with the provisions of section 34 of the Offshore Banking Act.

BANK SUPERVISION DEPARTMENT
EASTERN CARIBBEAN CENTRAL BANK

FEBRUARY 2001

APPENDIX I

British Trade & Commerce Bank
Adjusted Balance Sheet
as at December 31, 2000

ASSETS	US\$
Cash and Bank Balances	(5,509)
Accounts Receivable	816,203
Due from Related Parties	1,790,132
Loans and Advances	54,226,361
Earnings Advances	3,581,532
Less: Unearned Interest	(124,017)
Investments	870,370
Pre-organisational Expenses	145,892
Net Fixed Assets	242,260
Other Assets	225,059
TOTAL	61,768,283
LIABILITIES	
Deposits	79,056,321
Demand Deposits	15,673,517
Certificate of Deposits	63,382,804
Accounts Payable	406,607
Letter of Guarantee	45,000
Shareholder's Equity	(17,739,645)
Capital Stock	3,000,000
Additional Paid-in capital	2,437,276
Less: Treasury Stock	(4,966,853)
Accumulated Deficit	(12,253,715)
Net Operating Loss	(5,956,353)
TOTAL	61,768,283

COMMONWEALTH OF DOMINICA

NOTICE



TO: British Trade & Commerce Bank

TAKE NOTICE THAT I AMBROSE GEORGE, Minister for Finance, in the Exercise of powers conferred on me under Sections 34 and 35 of the Offshore Banking Act, have appointed a receiver for the British Trade and Commerce Bank.

The appointment shall take effect on the 9th day of February, 2001.

Given under my hand this 9th day of February, 2001.

AMBROSE GEORGE
MINISTER FOR FINANCE

- 1 -

IN THE HIGH COURT OF JUSTICE
(CIVIL)
COMMONWEALTH OF DOMINICA
2001 No. Dom 66

In the Matter of an Application for the Revocation of the Appointment of the Receiver

- and -

In the Matter of Section 36 of the Offshore Banking Act 1996

- and -

In the Matter of the Rules of the Supreme Court

BETWEEN:

BRITISH TRADE & COMMERCE BANK LTD.

Plaintiff

AND:

PRICE WATERHOUSECOOPERS (W.I.) INC.

1st Defendant

and

**AMBROSE GEORGE, THE MINISTER FOR FINANCE AND
ECONOMIC PLANNING**

2nd Defendant

and

**THE ATTORNEY GENERAL OF THE COMMONWEALTH OF
DOMINICA**

3rd Defendant

AFFIDAVIT

I, MARCUS A. WIDE, of the Regional Municipality of Halifax, Province of Nova Scotia, Canada, Financial Specialist, make oath and say as follows:

1. That I am a Director of PricewaterhouseCoopers (W.I.) Inc. ("PWC") and I am authorized to swear this Affidavit on behalf of PWC.
2. I am a licensed Trustee in bankruptcy, a certified insolvency practitioner and have 26 years experience in the area of corporate insolvency, private receiverships, court appointed

receiver and liquidator acting as agent of courts in Canada and the Caribbean and providing insolvency and financial restructuring advice generally to clients.

3. PWC was appointed by the Honourable Ambrose George, Minister for Finance and Economic Planning, of the Commonwealth of Dominica ("Minister") as Receiver for the British Trade & Commerce Bank Ltd. ("BTCB") on February 15, 2000 pursuant to Section 34 of the *Offshore Banking Act* ("Act").
4. David Boyd of Halifax aforesaid is a Manager of PWC and I have reviewed the Affidavit sworn by him under date February 27, 2001 ("Boyd Affidavit") and filed in the within proceeding and I am familiar with all of the facts and issues referenced therein and verify and confirm the matters deposed in as if such Affidavit was sworn by me.
5. PWC was advised by Bernard Wiltshire, the Honourable Attorney General of the Commonwealth of Dominica, that the ex parte Order issued by this Honourable Court under date February 23, 2001 made on the application of the Plaintiff was stayed by this Honourable Court pending a hearing originally scheduled for Friday, the 9th day of March, 2001.
6. Since the date of the Boyd Affidavit, PWC has continued with its exclusive power of management and control of the BTCB pursuant to Section 40(1) of the Act including the ongoing review of its business affairs and operations.
7. During the continued course of such investigation and review, PWC cannot substantiate any of the facts as to the solvency and the good business prospects of BTCB as is alleged by Charles Brazie and contained in his Affidavit ("Brazie Affidavit") filed with this Honourable Court and sworn the 23rd day of February, 2001.
8. I have reviewed the financial statements of BTCB for the year 2000 and filed as "CB2" of the Brazie Affidavit and advise this Honourable Court that:
 - Assets recorded thereon are without reference to the corresponding liabilities.
 - Assets are shown in these financial statements for which BTCB does not hold title, but are shown as if owned by BTCB.
 - Other assets shown thereon are without value under generally accepted accounting principles.
 - These financial statements are at best grossly misrepresentative of the true financial affairs of BTCB as at their date and are not prepared under generally accepted accounting principles.

- 9. I have undertaken a preliminary review of the financial statements of BTCB for the year ended December 31, 1999 and prepared by Moreau Winston & Co. ("Auditors"), ("99 Statements"), and identified as "CB1" in the Brazie Affidavit.
- 10. It is my opinion based on information available to PWC that the 99 Statements are misrepresentative of the true financial affairs of BTCB.
- 11. The 99 Statements were likely relied upon by the Minister of Finance as to the continuing solvency of BTCB and therefore the continuation of BTCB's license under the Act which license may have been subject to revocation had the true facts been known.
- 12. I make specific reference to paragraph 14(b) of the Boyd Affidavit wherein he referenced that the claims of depositors are in the range of US Thirty Million Dollars (US\$30,000,000) which claim is now expected as a result of continuing investigations to be in the approximate amount of US Sixty Million Dollars (US\$60,000,000).
- 13. We note that under the provisions of the Act a reorganization plan for persons such as BTCB among other things requires bringing in of new funds so as to establish adequate ratios between capital and deposits and liquid assets and deposits and on the basis of our information the amount of unencumbered capital required in any plan of restructuring would not be less than US Sixty Million Dollars (US\$60,000,000).
- 14. My opinion based on my professional experience and my knowledge of the affairs of BTCB that it has conducted its business in a manner not consistent with the interest of its depositors and the general public and not in the interest of the Commonwealth of Dominica as an appropriate jurisdiction for the operation of offshore banking.
- 15. This Affidavit is filed in support of a rejection of the injunction relief sought in the within proceeding.

SWORN TO at Halifax, Nova Scotia)
 this 7th day of March,)
 2001, before me:)
)
)
)
)
) MARCUS A. WIDE
)

07/02/97

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

	<u>Jun 30, '97</u>
ASSETS	
Current Assets	
Checking/Savings	8,602,056.93
Other Current Assets	<u>10,802.51</u>
Total Current Assets	6,612,859.44
Fixed Assets	208,268.35
Other Assets	<u>434,813.97</u>
TOTAL ASSETS	<u>7,255,739.76</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	23,092.30
Other Current Liabilities	<u>1,558,503.20</u>
Total Current Liabilities	1,579,595.50
Long Term Liabilities	<u>246,144.28</u>
Total Liabilities	1,825,739.78
Equity	<u>5,430,000.00</u>
TOTAL LIABILITIES & EQUITY	<u>7,255,739.76</u>

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

ASSETS

CASH AND DUE FROM BANKS	\$	6,230,253.80
ACCOUNTS RECEIVABLE	\$	10,000,000.00
GOVERNMENT SECURITIES HELD	\$	202,500,000.00
BANK PREMISES AND EQUIPMENT	\$	287,266.91
PREPAID EXPENSES AND OTHER ASSETS	\$	<u>667,913.59</u>
TOTAL ASSETS	\$	<u>219,685,434.30</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

DEMAND DEPOSITS	\$	1,210,128.15
CERTIFICATES OF DEPOSIT	\$	2,900,000.00
GOVERNMENT SECURITIES	\$	<u>200,000,000.00</u>
TOTAL	\$	204,110,128.15
ACCRUED EXPENSES AND OTHER LIABILITIES	\$	29,833.65
LONG-TERM LIABILITIES	\$	239,301.85

STOCKHOLDERS' EQUITY

CAPITAL STOCK	\$	3,000,000.00
ADDITIONAL PAID IN CAPITAL	\$	2,429,868.89
RETAINED EARNINGS	\$	<u>9,876,301.76</u>
TOTAL	\$	<u>15,306,170.65</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>219,685,434.30</u>

APPROVED BY:

GEORGE E. BETTS, VICE PRESIDENT, FINANCIAL CONTROLLER

BRITISH TRADE AND COMMERCE BANK
Balance Sheet (U.S. Dollars)
June 30, 1998

ASSETS

CASH AND DUE FROM BANKS	\$	76,499,782
LOANS, DEBENTURES AND OTHER RECEIVABLES	\$	10,190,000
GOVERNMENT SECURITIES HELD	\$	401,116,760
BANK PREMISES AND EQUIPMENT	\$	407,729
PREPAID EXPENSES AND OTHER ASSETS	\$	<u>608,275</u>
TOTAL ASSETS	\$	<u>488,822,546</u>

LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES**

DEMAND DEPOSITS	\$	38,832,224
CERTIFICATES OF DEPOSIT	\$	34,950,000
GOVERNMENT SECURITIES	\$	<u>401,116,760</u>
TOTAL	\$	474,898,984
ACCRUED EXPENSES AND OTHER LIABILITIES	\$	2,980
LONG-TERM LIABILITIES	\$	186,200

STOCKHOLDERS' EQUITY

CAPITAL STOCK	\$	3,000,000
ADDITIONAL PAID IN CAPITAL	\$	2,429,869
LESS: TREASURY STOCK	\$	(1,100,000)
LESS: DIVIDENDS PAID	\$	(87,750)
RETAINED EARNINGS	\$	<u>9,480,263</u>
TOTAL	\$	<u>13,722,382</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>488,822,546</u>

APPROVED BY:
GEORGE E. BETTS, VICE PRESIDENT, FINANCIAL CONTROLLER

1655

BRITISH TRADE AND COMMERCE BANK LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 1998

MOREAU, WINSTON & CO
Accountants

BRITISH TRADE AND COMMERCE BANK LIMITED
INDEX TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 1998

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Schedule of other operating expenses	8

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MORREAU, WINSTON & CO.

CHARTERED CERTIFIED ACCOUNTANTS

P.O. Box 326/411 • 13 Hanover Street • Roseau • Commonwealth of Dominica
Tel. (767) 448-2252/8800 • Fax. (767) 448-0489

AUDITORS' NOTE

August 21, 1998

The Directors
British Trade and Commerce Bank Limited
ROSEAU

Attached are financial statements of British Trade and Commerce Bank Limited for the nine months ended June 30, 1998.

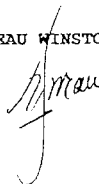
These statements belong to British Trade and Commerce Bank Limited management and were extracted from its records.

We did a select review of the statements and the underlying data, were shown schedules in support of the balances recorded, and obtained explanations to clarify all the select issues that were raised.

It was not within the terms of our engagement to carry out an audit, and consequently, no audit opinion is expressed.

The annual accounting terminal date of the company is September 30, 1998. It is expected that the mandatory audit will then be carried out.

for MORREAU WINSTON & CO



Gordon Moreau (M.Sc., CA)

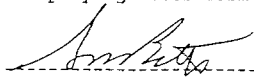
Austin Winston. (FCCA)

1658

BRITISH TRADE AND COMMERCE BANK LIMITED
 BALANCE SHEET (IN US DOLLARS) (UNAUDITED)
 AS AT JUNE 30, 1998

	NOTES	US\$
ASSETS		
Cash and due from banks	3	76,245,076
Loans debentures and other receivables		10,190,020
Securities held for investment and financing	4	401,116,760
Bank premises and equipment	5	362,190
Other assets	6	<u>528,732</u>
TOTAL ASSETS		<u>488,442,778</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Demand deposits		38,586,585
Certificates of deposit		34,950,000
Due for securities		<u>401,116,760</u>
Accrued expenses and other liabilities		474,653,345
Long-term liabilities	7	<u>41,836</u>
		<u>193,980</u>
TOTAL LIABILITIES		<u>474,889,161</u>
STOCKHOLDERS' EQUITY		
Capital stock		3,000,000
Additional paid in capital		2,429,869
Less: Treasury stock		(1,100,000)
Retained earnings	8	<u>9,223,748</u>
TOTAL STOCKHOLDERS' EQUITY		<u>13,553,617</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>488,442,778</u>

The accompanying notes form an integral part of these financial statements.



 APPROVED BY
 GEORGE E. BETTS (C.P.A.)
 VICE-PRESIDENT AND FINANCIAL CONTROLLER

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BRITISH TRADE AND COMMERCE BANK LIMITED
 INCOME STATEMENT (IN US DOLLARS) (UNAUDITED)
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

	US\$
REVENUES FROM OPERATIONS (Note 8)	<u>10,184,348</u>
EXPENSES	
Salaries and related costs	395,966
Depreciation	64,199
Amortization	57,013
Rent of premises	36,027
Other operating costs	<u>317,395</u>
TOTAL EXPENSES	<u>870,600</u>
NET INCOME (Note 8)	9,313,748
RETAINED EARNINGS - At start of the period	<u>---</u>
	9,313,748
LESS: DIVIDEND PAID	<u>(90,000)</u>
RETAINED EARNINGS - At end of the period (Note 8)	<u>9,223,748</u>

The accompanying notes form an integral part of these financial statements.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

1. INCORPORATION AND NATURE OF BUSINESS

British Trade and Commerce Bank Limited, was incorporated on February 26, 1997 under the Companies Ordinance Chapter 318 of the Laws of the Commonwealth of Dominica.

The objects of the Company include, but are not limited to, the carrying on in Dominica and other countries of the business of banking, including off-shore banking.

The authorized share capital of the company is US\$3 million, divided into 30,000 shares of US\$ 100. each.

The Government of the Commonwealth of Dominica, issued to the Bank, a licence to conduct off-shore banking business dated March 27, 1997. These financial statements relate to business transacted in accordance with that licence.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Generally accepted accounting principles

The statements are drawn up on the accrual basis and on historical cost conventions, and are in compliance with generally accepted accounting principles.

(b) Depreciation

Depreciable assets are depreciated on the straight line basis at the following rates estimated to write them off over the period of their useful lives.

Motor vehicles	20%
Computer equipment	25%
Other office equipment, furniture & fittings	15%

(c) Amortization

Organization and Pre-operating expenses, and leasehold improvements are amortized on a straight line basis over a five-year period (at 20%).

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Leasehold

The Bank signed a lease agreement for five years effective August 1, 1997, at an annual rent of EC\$ 129,500. The total rent payable over the five - year period was recorded in the financial statements as a debit to "Office Lease" account and a credit to "Office Lease Payable".

3. CASH AND DUE FROM BANKS

These comprised the following balances:

	US\$
Security Bank, USA	4,682,055
Barclays Bank, UK	4,200,000
First Equity Corporation, USA (FEC)	160,595
Banque Francaise Commerciale, Roseau	71,484
Suisse Security	10,009,998
Cash in hand and at other Dominica Banks	944
Jan Ward Trust	2,750,000
R. J. O'Brien	<u>2,000,000</u>
	23,875,076
Deposits due to be received	28,370,000
Certificates of deposits due to be received	<u>24,000,000</u>
	<u>76,245,076</u>

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

4. SECURITIES HELD FOR INVESTMENT AND FINANCING/DUE FOR SECURITIES

In the normal course of business the Bank acquires Government securities and other debt instruments for the purpose of arranging various credit lines and financing arrangements. These securities are acquired and held in a variety of methods. However, the ownership and right to manage these investments rests with the Bank.

At June 30, 1998, these investments consisted of the following:

	US\$
Government of Grenada Guarantees	130,000,000
Bolivian Municipal Bonds	76,116,760
Russian Government Guarantees	140,000,000
Other	<u>55,000,000</u>
	<u>401,116,760</u>

5. BANK PREMISES AND EQUIPMENT

These comprise:

	COST	DEPRECIATION	NET BOOK VALUE
	\$	\$	\$
Automobiles			12
Computer hardware			39
Computer software			24
Leasehold improvements			71
Furniture			34
Other equipment			34
Paintings			<u>36</u>
			<u>20</u>

Government Guarantees

Bolivia ?

Russia ?

Grenada ?

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

6. OTHER ASSETS

These comprise:

	US\$
Unexpired period of office lease (asset)	191,556
Staff advances	<u>14,100</u>
	<u>205,656</u>
Organization and pre-operating expenses	380,089
Less: Amortization	<u>57,013</u>
	<u>323,076</u>
	<u>528,732</u>

7. LONG-TERM LIABILITIES

These comprise:-

	US\$
Lease payable - Automobile	2,424
Office lease payable (see note 6)	<u>191,556</u>
	<u>193,980</u>

8. REVENUES

The Bank earns various fees and income through the direct participation in the proceeds of the financing of the instruments described in note 4 to the financial statements and/or investment and management of the principal from the proceeds of the financing. At June 30, 1998 management estimates that approximately \$ 10 million has been earned from various transactions in process, primarily the financing of bonds from the Government of Venezuela.

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BRITISH TRADE AND COMMERCE BANK LIMITED
 SCHEDULE OF OTHER OPERATING EXPENSES (UNAUDITED)
 FOR THE NINE MONTHS ENDED JUNE 30, 1998

	US\$
Advertising and promotion	4,217
Audit	1,450
Bank charges and wire	351
Bank fees	2,308
Board of Directors	459
Brokerage fees	67
Client services	524
Computer operations	327
Credit card charges	5,000
Directors' fees	3,000
Domestic supplies	55
Donations and charities	556
Electricity	6,936
Employee allowances	1,387
Entertainment	3,946
Filing fees	3,673
Freight and transportation	1,245
Foreign exchange gain or loss	(2)
General and administration	358
Government Licence fee	12,000
Import fees and taxes	122
Insurance	3,637
Interest expense	9
Interest expense - customers' account interest	39,652
Legal fees	14,000
Office equipment rental	882
Office expenses	5,554
Office supplies and expenses	3,884
Postage, air express	1,537
Registration and subscription fees	556
Repairs and maintenance	1,193
Security services	1,214
Swift charges	16,407
Telephone	43,555
Travel	136,060
Water and sewerage	245
Vehicle	1,031
	<u>317,395</u>

BRITISH TRADE AND COMMERCE BANK
Balance Sheet (U.S. Dollars)
December 31, 1998

ASSETS

CASH AND DUE FROM BANKS	\$	51,708,428
LOANS, DEBENTURES AND OTHER RECEIVABLES	\$	18,516,143
SECURITIES HELD FOR INVESTMENT AND FINANCING	\$	301,120,867
BANK PREMISES AND EQUIPMENT	\$	418,969
INVESTMENTS IN SUBSIDIARIES	\$	4,008,000
PREPAID EXPENSES AND OTHER ASSETS	\$	589,378
TOTAL ASSETS	\$	376,481,806

LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES**

DEMAND DEPOSITS	\$	15,100,088
CERTIFICATES OF DEPOSIT	\$	18,125,797
LETTERS OF GUARANTEE	\$	22,280,000
DUE FOR SECURITIES	\$	300,000,000
TOTAL	\$	355,505,885
ACCRUED EXPENSES AND OTHER LIABILITIES	\$	7,706
UNREALIZED GAINS	\$	384,017
LONG-TERM LIABILITIES	\$	180,879

STOCKHOLDERS' EQUITY

CAPITAL STOCK	\$	3,000,000
LESS: TREASURY STOCK ACQUIRED	\$	(1,100,000)
ADDITIONAL PAID IN CAPITAL	\$	2,437,276
RETAINED EARNINGS	\$	15,181,089
LESS: DIVIDENDS PAID	\$	(80,000)
TOTAL	\$	19,438,345
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	376,481,806

APPROVED BY:
 GEORGE E. BELTS, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER



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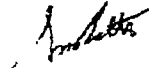
British Trade and Commerce Bank(Income Statement (U.S. Dollars))
For the period ended December 31, 1988**INCOME**

TRUST FORMATION FEES	\$ 80,000
IBC FORMATION FEES	\$ 87,596
REALIZED GAINS ON SECURITIES	\$ 120,457
SAFEKEEPING FEES	\$ 100,000
INTEREST AND OTHER INCOME	\$ 25,548
INVESTMENT TRANSACTION FEES	<u>\$ 18,330,000</u>
TOTAL INCOME	\$ 18,723,601

EXPENSES

DIRECTORS' FEES	\$ 11,000
GOVERNMENT LICENCE FEE	\$ 12,000
SWIFT LICENCE AND USAGE	\$ 17,908
INTEREST	\$ 62,831
RENT AND UTILITIES	\$ 73,728
LEGAL AND IBC REGISTERED AGENT FEES	\$ 88,360
OFFICE OPERATING EXPENSE	\$ 289,218
TRAVEL	\$ 304,455
SALARIES AND RELATED COSTS	<u>\$ 707,977</u>
TOTAL EXPENSES	\$ 1,892,532
NET INCOME	\$ 15,181,069

APPROVED BY:
GEORGE E. BELTS, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER



British Trade & Commerce Bank
Notes to the Financial Statements
For the period ended December 31, 1988

Revenue Recognition

The Bank provides various services for its clients which are charged for on the basis of percentage fees for the success of the transaction. Therefore, the amount of income and the return on assets is higher than a normal commercial bank. These fees are recorded when earned and therefore cause fluctuations in earnings on a period to period comparison.

4. CASH AND DUE FROM BANKS

At December 31, 1988 the balances were comprised of the following:

Anglo-Irish Bank	\$ 50,048
Security Bank NA	\$ 355,537
First Union	\$ 807,210
US Bank	\$ 1,000,000
Union Bank of Switzerland	\$49,496,038
Total	\$51,709,423

5. LOANS, DEBENTURES AND OTHER RECEIVABLES

At December 31, 1988 the balance was composed of the following:

Employee expense advances	\$ 68,600
Fees receivable	\$ 112,500
Debentures receivable	\$ 585,020
Proprietary Notes receivable	\$ 957,500
Fees Receivable	\$18,781,623
Total	\$19,516,143

The debentures and proprietary notes are interest bearing at rates, which approximate 10% per annum. All payments are current and the balances are due within that year.

6. INVESTMENT SECURITIES

The Bank has placed funds with First Equity Corporation of Florida, a majority owned subsidiary, for investment in United States municipal bonds and equity securities. The value of the investments is carried at market with unrealized gains recorded as a liability.

7. BANK PREMISES AND EQUIPMENT

The balance represents the cost to remodel the offices in Dominica, including office furniture and fixtures and computer equipment.

First Union Trust & Commerce Bank
Notes to the Financial Statements
 For the period ended December 31, 1998

8. INVESTMENT IN AND ADVANCES TO SUBSIDIARIES

Represents the cost of acquisition and advances to First Equity Corporation of Florida, International Corporate Services S.A., Generale International Assurance Incorporated, InSetCom Ltd., Global Investment Fund S.A., FEC Holdings Inc. and Swiss Alliance Inc.

9. PREPAID EXPENSES AND OTHER ASSETS

Consists of Organization and pre-operating expenses and capitalized leases. See note 1.

10. CUSTOMER TERM DEPOSIT

In the normal course of business the Bank receives funds from customers to be used in specialized financing transactions with certain correspondent banks. Such funds are placed with the Bank for the purchase and sale of financial instruments at a profit which is returned to the owner of the funds. The Bank charges an investment transaction fee for this service based upon the amount of profit earned on the transaction.

At December 31, 1998 the Bank held \$38,400,000 of such funds and had earned an investment transaction fee of \$16,330,000 from the management of those funds and execution of such transactions during the year.

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BRITISH TRADE AND COMMERCE BANK LIMITED

FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

MOREAU, WINSTON & CO

BRITISH TRADE AND COMMERCE BANK LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

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MOREAU, WINSTON & CO.

CHARTERED CERTIFIED ACCOUNTANTS

P.O. Box 326411 • 13 Hanover Street • Roseau • Commonwealth of Dominica
Tel. (767) 448-2252/8800 • Fax. (767) 448-0489

AUDITORS' REPORT

The Directors
British Trade and Commerce Bank Limited
ROSEAU


We have examined the balance sheet of BRITISH TRADE AND COMMERCE BANK LIMITED as at December 31, 1998 and the statements of earnings and changes in financial position for the fifteen months then ended. These financial statements are the responsibility of management of British Trade and Commerce Bank Limited; our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 1998 and the results of its operations and changes in its financial position for the fifteen months then ended in accordance with generally accepted accounting principles.

ROSEAU

MAY 7, 1999


Gordon MOREAU, WINSTON & CO

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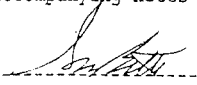
BRITISH TRADE AND COMMERCE BANK LIMITED

BALANCE SHEET (IN US DOLLARS)

AS AT DECEMBER 31, 1998


	NOTES	US\$
ASSETS		
Cash and due from banks	4	12,169,184
Loans, debentures and other receivables	5	51,617,815
Securities held for investment and financing	11	301,225,656
Bank premises and equipment	6	370,823
Investments in subsidiaries	8	4,096,000
Other assets	9	<u>509,287</u>
TOTAL ASSETS		<u>369,988,765</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Demand deposits		22,707,748
Certificates of deposit		447,572
Other customers' deposits	10	<u>27,100,000</u>
		50,255,320
Accrued expenses and other liabilities		16,540
Unrealized gains	7	361,017
Long-term liabilities	12	<u>168,000</u>
TOTAL LIABILITIES		<u>50,800,877</u>
RESERVE FOR PROJECT FINANCING	11	<u>300,000,000</u>
STOCKHOLDERS' EQUITY		
Capital stock		3,000,000
Additional paid in capital		2,437,276
Less: Treasury stock		(1,100,000)
Retained earnings		<u>14,850,612</u>
TOTAL STOCKHOLDERS' EQUITY		<u>19,187,888</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>369,988,765</u>

The accompanying notes form an integral part of these financial statements.



 FINANCIAL CONTROLLER

APPROVED BY



 DIRECTOR

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BRITISH TRADE AND COMMERCE BANK LIMITED
INCOME STATEMENT (IN US DOLLARS)
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

US\$

REVENUES FROM OPERATIONS	
Investment transactions fees	16,330,000
Interest	140,112
Others	<u>309,271</u>
	<u>16,779,383</u>
EXPENSES	
Salaries and related costs	699,457
Depreciation	31,905
Amortization	121,161
Rent of premises and relocation	87,795
Audit and related fees	8,750
Customers' accounts interest	174,222
Other operating costs	<u>715,481</u>
TOTAL EXPENSES	<u>1,838,771</u>
NET INCOME	14,940,612
RETAINED EARNINGS - At start of the period	<u>---</u>
	14,940,612
LESS: DIVIDEND PAID	<u>(90,000)</u>
RETAINED EARNINGS - At end of the period	<u>14,850,612</u>

The accompanying notes form an integral part of these financial statements.

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BRITISH TRADE AND COMMERCE BANK LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

	US\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest	140,112
Safekeeping fees	100,000
Investment transaction fees	16,330,000
Other fees	209,271
Interest paid	(174,222)
Cash paid to suppliers and employees	(1,664,549)
Adjustment : depreciation add-back	<u>79,146</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,019,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment securities (Note 11)	(301,225,656)
Loans and debentures made to customers	(51,269,191)
Capital expenditures	(449,969)
Investments and advances to subsidiaries	(4,444,624)
Increase\decrease) in other assets and liabilities requiring funds	36,270
Dividends paid	(90,000)
Purchase of treasury stock	<u>(1,100,000)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(358,543,170)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital stock and additional paid in surplus	5,437,276
Demand deposits	22,707,748
Certificates of deposit	447,572
Other deposits	27,100,000
Reserve for project financing (Note 11)	<u>300,000,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>355,692,596</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>12,169,184</u>

The accompanying notes form an integral part of these financial statements.

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

1. INCORPORATION AND NATURE OF BUSINESS

British Trade and Commerce Bank Limited, was incorporated on February 26, 1997 under the Companies Ordinance Chapter 318 of the Laws of the Commonwealth of Dominica.

The objects of the Company include, but are not limited to, the carrying on in Dominica and other countries of the business of banking, including off-shore banking.

The authorized share capital of the company is US\$3 million, divided into 30,000 shares of US\$ 100. each.

The Government of the Commonwealth of Dominica, issued to the Bank, a license to conduct off-shore banking business dated March 27, 1997. These financial statements relate to business transacted in accordance with that license.

2. FINANCIAL STATEMENTS PRESENTATION

The accompanying financial statements present the assets, liabilities and operations of the various entities which operate the various investment programs for British Trade and Commerce Bank Limited. They do not reflect any of the assets or liabilities of any of the various wholly-owned or controlled subsidiaries of the Bank. Operations of those subsidiaries were reported as not material for the period.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Generally accepted accounting principles

The statements are drawn up on the accrual basis and on historical cost conventions, and are in compliance with generally accepted accounting principles.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Depreciation

Depreciable assets are depreciated on the straight line basis at the following rates estimated to write them off over the period of their useful lives.

Motor vehicles	20%
Computer equipment	25%
Other office equipment, furniture & fittings	15%

(c) Amortization

Organization and Pre-operating expenses, and leasehold improvements are amortized on a straight line basis over a five-year period (at 20%).

(d) Leasehold

The Bank signed a lease agreement for five years effective August 1, 1997, at an annual rent of US\$ 48,000. The total rent payable over the five - year period was recorded in the financial statements as a debit to "Office Lease" account and a credit to "Office Lease Payable".

(e) Revenue Recognition

The bank provides various services for its clients which are charged for on the basis of percentage fee for the success of the transaction. Therefore, the amount of income and the return on assets is higher than a normal commercial bank. These fees are recorded when earned. Such a policy may tend to cause fluctuations in earnings on a period to period comparison.

4. CASH AND DUE FROM BANKS

At December 31, 1998 the balance included \$10m in Union Bank of Switzerland.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

5. LOANS, DEBENTURES AND OTHER RECEIVABLES

At December 31, 1998 the balance comprised the following:

US\$	
Employee expense advances	24,590
FEC Financial Holdings Inc.	348,624
Debentures receivable	802,692
Promissory notes receivable	1,032,293
Fees receivable	<u>49,409,616</u>
	<u>51,617,815</u>

The debentures and promissory notes are interest bearing at rates which approximate 10% per annum. All payments are current and the balances are due within the next year.

6. BANK PREMISES AND EQUIPMENT

These comprise:

	COST	AMORTIZATION & DEPRECIATION	NET BOOK VALUE
	\$	\$	\$
Automobiles	14,219	3,031	11,188
Computer hardware	33,772	6,289	27,483
Computer software	80,768	15,626	65,142
Furniture	67,953	6,796	61,157
Other equipment	1,630	163	1,467
Paintings/Artwork	<u>8,210</u>	---	<u>8,210</u>
SUB-TOTAL	206,552	31,905	174,647
Leasehold improvements	<u>243,417</u>	<u>47,241</u>	<u>196,176</u>
	<u>449,969</u>	<u>79,146</u>	<u>370,823</u>

Leasehold improvements represent the cost to remodel the offices in Dominica.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

7. UNREALIZED GAINS

The Bank has placed funds with First Equity Corporation of Florida, a majority owned subsidiary, for investment in United States municipal bonds and equity securities. The value of the investments is carried at market with unrealized gains recorded as a liability.

8. INVESTMENT IN AND ADVANCES TO SUBSIDIARIES

These represent the cost of acquisition and advances to First Equity Corporation of Florida, International Corporate Services S.A., Generale International Assurance Incorporated, In SatCom. Ltd., Global Investment Fund S.A., FEC Holdings Inc. and Swiss Atlantic Inc.

9. OTHER ASSETS

These include Organization and Pre-operating expenses and capitalized lease. (See note 1.) They comprise:

	US\$
Organization and Pre-operation Expenses	359,598
Less: Amortization thereon	<u>(73,920)</u>
	295,678
Office Lease (unexpired)	158,000
Credit Card Investment	35,000
Prepayments	9,000
Swift Shares	<u>1,609</u>
	<u>509,287</u>

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

10. CUSTOMERS' TERM DEPOSIT (OTHER)

In the normal course of business the Bank receives funds from customers to be used in specialized financing transactions with certain correspondents banks. Such funds are placed with the Bank for the purchase and sale of financial instruments at a profit which is returned to the owner of the funds. The Bank charges an investment transaction fee for this service based upon the amount of profit earned on the transaction.

At December 31, 1998 the Bank held \$ 27,100,000. of such funds and had earned an investment transaction fee of \$ 16,330,000 from the management of those funds and execution of such transactions during the year.

11. SECURITIES HELD FOR INVESTMENT AND FINANCING

These comprise assets (and liabilities that relate to them) under management of British Trade and Commerce Bank Limited (BTCB).

BTCB and its affiliates are commissioned to invest and trade in such funds and securities.

12. LONG-TERM LIABILITIES

This relates to the office lease referred to in note 3(d) above. The \$168,000 asset balance to which this liability relates is included in "Other Assets" (Note 9).

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BRITISH TRADE AND COMMERCE BANK LIMITED

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

MOREAU, WINSTON & CO
Chartered/Certified Accountants

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BRITISH TRADE AND COMMERCE BANK LIMITED
ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

AUDITORS' NOTE

The following schedule of other operating expenses is appended for additional information only and was audited only to the extent necessary to express an opinion on the financial statements.

ROSEAU
MAY 7, 1999

MORRAU, WINSTON & CO
CHARTERED/CERTIFIED ACCOUNTANTS

BRITISH TRADE AND COMMERCE BANK LIMITED
 SCHEDULE OF OTHER OPERATING EXPENSES
 FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 1998

	US\$
Air charter lease	20,000
Advertising and promotion	5,027
Bank fees	4,917
Brokerage fees	1,897
Client services	1,367
Computer operations	2,125
Credit card charges	10,007
Directors' fees	13,459
Domestic supplies	522
Donations and charities	2,596
Electricity	13,673
Entertainment	7,095
Filing fees	7,157
Freight and transportation	10,569
Functions	45,132
General and administration	5,148
Government License fee	12,100
IBC trust agent fees	30,850
Import fees and taxes	5,689
Insurance	4,464
Legal fees	58,500
Office equipment rental	1,928
Office supplies and expenses	16,886
Postage, air express	4,538
Registration and subscription fees	970
Repairs and maintenance	5,512
Security services	1,454
Swift charges	17,903
Telephone	102,276
Travel	299,656
Vehicle	<u>2,054</u>
	<u>715,481</u>

Bruney's Law Offices

Michael E. Bruney LL.B. (Hons.)
ATTORNEY-AT-LAW

September 15th 1999

Messrs. Montague Santer Wells
Solicitors
44-44a Longbridge Road
Barking
Essex IG 11 8RT
England

Dear Messrs. Montague Santer Wells:

Re: British Trade & Commerce Bank

Please be advised that I have always been associated with the above-named bank which is licensed under the provisions of the Offshore Banking Act of Dominica and I have served as the general legal counsel of the said bank since the commencement of its operations.

I have examined the most recent financial statement of the bank and I am satisfied that it is in a financial position to satisfy any obligation of the High Court of Justice of England with regard to costs or damages.

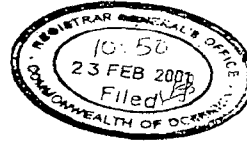
Yours faithfully,



Michael E. Bruney
Attorney-at-Law

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IN THE HIGH COURT OF JUSTICE
(CIVIL)
COMMONWEALTH OF DOMINICA
2001 No. *Dom 66*



In the Matter of an Application for the Revocation of the Appointment
of the Receiver

-And-

In the Matter of Section 36 of the Offshore Banking Act 1996

-And -

In the Matter of the Rules of the Supreme Court

BETWEEN:

BRITISH TRADE & COMMERCE LTD. *Plaintiff*

AND:

PRICE WATERHOUSECOOPERS (W.I.) INC. *1st Defendant*

and

AMBROSE GEORGE, THE MINISTER FOR
FINANCE AND ECONOMIC PLANNING *2nd Defendant*

and

THE ATTORNEY GENERAL OF THE
COMMONWEALTH OF DOMINICA *3rd Defendant*

CERTIFICATE IDENTIFYING AFFIDAVIT

"CB 1"

This is the 1999 financial statement of BTCB referred to in the Affidavit of Charles
Brazie sworn before me this 23rd day of February 2001

Dated the 23rd day of February 2001


.....
A COMMISSIONER FOR OATHS

"A1"

BRITISH TRADE AND COMMERCE BANK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1999

MOREAU, WINSTON & CO.
Chartered Certified Accountants
P.O. Box 326, Roseau
Commonwealth of Dominica

BRITISH TRADE AND COMMERCE BANK LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

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Auditors' report	1
Balance sheet	2
Income statement	3
Statement of changes in financial position	4
Notes to the financial statements	5 - 11

MOREAU, WINSTON & CO.

CHARTERED CERTIFIED ACCOUNTANTS

P.O. Box 326/411 - 13 Hanover Street - Roseau - Commonwealth of Dominica
Tel. (767) 448-2252/8800 - Fax. (767) 448-0489

AUDITORS' REPORT

The Directors
British Trade and Commerce Bank Limited
ROSEAU

We have examined the balance sheet of BRITISH TRADE AND COMMERCE BANK LIMITED as at December 31, 1999 and the statements of earnings and changes in financial position for the year then ended. These financial statements are the responsibility of management of British Trade and Commerce Bank Limited; our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 1999 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

ROSEAU

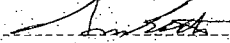
September 29, 2000


For MOREAU, WINSTON & CO

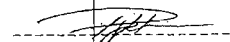
BRITISH TRADE AND COMMERCE BANK LIMITED
BALANCE SHEET (IN US DOLLARS)
AS AT DECEMBER 31, 1999

	NOTES	1999 US\$	1998 US\$
ASSETS			
Cash and due from banks	4	3,784,912	12,169,184
Loans, debentures and other receivables	5	112,177,931	51,617,815
Securities held for investment and financing	11	500,000,000	301,225,656
Bank premises and equipment	6	340,626	370,823
Investments in subsidiaries	8	1,300,450	4,096,000
Other assets	9	1,788,418	502,287
TOTAL ASSETS		<u>619,392,327</u>	<u>369,988,765</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Demand deposits		14,041,203	22,707,748
Certificates of deposit	9a	58,238,477	447,572
Other customers' deposits	10	27,103,189	27,100,000
		99,382,879	50,255,320
Accrued expenses and other liabilities		86,845	16,540
Unrealized gains	7	361,017	361,017
Long-term liabilities, office lease	12	---	168,000
TOTAL LIABILITIES		<u>99,830,731</u>	<u>50,800,877</u>
RESERVE FOR PROJECT FINANCING	11	500,000,000	300,000,000
STOCKHOLDERS' EQUITY			
Capital stock		3,000,000	3,000,000
Additional paid in capital		2,437,276	2,437,276
Less: Treasury stock		(1,100,000)	(1,100,000)
Retained earnings		15,224,320	14,850,612
TOTAL STOCKHOLDERS' EQUITY		<u>19,561,596</u>	<u>19,187,888</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>619,392,327</u>	<u>369,988,765</u>

The accompanying notes form an integral part of these financial statements.


FINANCIAL CONTROLLER

APPROVED BY


DIRECTOR

BRITISH TRADE AND COMMERCE BANK LIMITED
 INCOME STATEMENT (IN US DOLLARS)
 FOR THE YEAR ENDED DECEMBER 31, 1999

	1999 US\$	1998 US\$
REVENUES FROM OPERATIONS		
Investment transactions fees	5,500,000	16,330,000
Interest	1,531,582	140,112
Others	<u>702,222</u>	<u>302,271</u>
	<u>7,733,804</u>	<u>16,772,383</u>
EXPENSES		
Salaries and related costs	1,415,643	699,457
Depreciation	50,987	31,905
Amortization	122,050	121,161
Rent of premises and relocation	48,217	87,795
Audit and related fees	14,000	8,750
Customers' accounts interest	3,877,795	174,222
Trading/exchange losses	313,864	---
Other operating costs	<u>1,517,540</u>	<u>715,481</u>
TOTAL EXPENSES	<u>7,360,096</u>	<u>1,838,771</u>
NET INCOME	373,708	14,940,612
RETAINED EARNINGS - beginning of year	14,850,612	---
LESS: DIVIDEND PAID	---	(90,000)
RETAINED EARNINGS - end of year	<u>15,224,320</u>	<u>14,850,612</u>

The accompanying notes form an integral part of these financial statements.

BRITISH TRADE AND COMMERCE BANK LIMITED
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999 US\$
OPERATING ACTIVITIES	
Net income	373,708
Depreciation	50,987
Amortization	122,050
Increase in accrued expenses	546,745
NET PROCEEDS FROM OPERATING ACTIVITIES	617,950
INVESTING ACTIVITIES	
Net change in securities held for investment	(198,774,344)
Increase in loans and debentures/ other receivables	(60,560,115)
Purchase of equipment	(60,615)
Decrease in investment in subsidiaries	(2,795,550)
Increase in other assets	(1,351,356)
NET FLOWS USED IN INVESTING ACTIVITIES	(257,960,881)
FINANCING ACTIVITIES	
Reserve for project financing	200,000,000
Decrease in demand deposits	(8,666,545)
Increase in certificates of deposit	57,790,905
Increase in other customers' deposits	3,195
Decrease in long term liabilities	(168,000)
NET FLOWS FROM FINANCING ACTIVITIES	248,959,559
NET DECREASE IN CASH/AND CASH EQUIVALENTS	(8,384,272)
CASH AND CASH EQUIVALENTS - beginning of year	12,169,184
CASH AND CASH EQUIVALENTS - end of year	3,784,912

The accompanying notes form an integral part of these financial statements.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

1. INCORPORATION AND NATURE OF BUSINESS

British Trade and Commerce Bank Limited, was incorporated on February 26, 1997 under the Companies Ordinance Chapter 318 of the Laws of the Commonwealth of Dominica.

The objects of the Company include, but are not limited to, the carrying on in Dominica and other countries of the business of banking, including off-shore banking.

The authorized share capital of the company is US\$3 million, divided into 30,000 shares of US\$ 100. each.

The Government of the Commonwealth of Dominica, issued to the Bank, a license to conduct off-shore banking business dated March 27, 1997. These financial statements relate to business transacted in accordance with that license.

2. FINANCIAL STATEMENTS PRESENTATION

The accompanying financial statements present the assets, liabilities and operations of the various entities which operate the various investment programs for British Trade and Commerce Bank Limited. They do not reflect any of the assets or liabilities of any of the various wholly-owned or controlled subsidiaries of the Bank. Operations of those subsidiaries were reported as not material for the period.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Generally accepted accounting principles

The statements are drawn up on the accrual basis and on historical cost conventions, and are in compliance with generally accepted accounting principles.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Depreciation

Depreciable assets are depreciated on the straight line basis at the following rates estimated to write them off over the period of their useful lives:

Motor vehicles	20%
Computer equipment	25%
Other office equipment, furniture & fittings	15%

(c) Amortization

Organization and Pre-operating expenses, and leasehold improvements are amortized on a straight line basis over a five-year period (at 20%).

(d) Leasehold

The Bank signed a lease agreement for five years effective August 1, 1997, at an annual rent of US\$ 48,000. The total rent payable over the five - year period was recorded in the financial statements as a debit to "Office Lease" account and a credit to "Office Lease Payable".

(e) Revenue Recognition

The bank provides various services for its clients which are charged for on the basis of percentage fee for the success of the transaction. Therefore, the amount of income and the return on assets is higher than a normal commercial bank. These fees are recorded when earned. Such a policy may tend to cause fluctuations in earnings on a period to period comparison.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

4. CASH AND DUE FROM BANKS

These included:

	US\$
Checking account, USS -BTCE, S.A.	3,000,000
Security Bank	387,809
Pacific National Bank	171,380
St. Kitts National Bank	154,925
Other banks	71,020
	<u>3,787,134</u>

5. LOANS, DEBENTURES AND OTHER RECEIVABLES

These comprised the following:

	1999 US\$	1998 US\$
Credit Card accounts	140,569	---
Employee advances	450,231	24,590
BTCE Group and related parties	8,631,688	348,624
Debentures receivable	---	802,692
Promissory notes receivable	42,417,831	1,032,293
Others	5,384,510	---
Fees receivable	55,153,102	49,409,516
	<u>112,177,931</u>	<u>51,617,815</u>

The debentures and promissory notes are interest bearing at rates which approximate 10% per annum.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

6. FIXED ASSETS	COST					TOTAL
	AUTOMOBILES	COMPUTER HARDWARE	COMPUTER SOFTWARE & EQUIPMENT	FURNITURE & IMPROVEMENTS	OTHER ARTWORK	
Balance - beginning of year	14,219	33,777	80,768	65,653	8,210	143,417
Additions for the year	24,824	16,549	11,393	---	---	52,766
Balance - end of year	41,047	50,321	92,161	65,653	8,210	197,382
DEPRECIATION						
Balance - beginning of year	3,011	6,289	15,626	6,959	---	21,885
Charge for the year	7,351	40,361	17,245	8,165	---	63,022
Balance - end of year	10,362	46,650	32,871	15,124	---	104,907
NET BOOK VALUE						
- December 31, 1999	30,685	4,671	59,290	50,529	8,210	143,385
- December 31, 1998	11,188	27,483	62,442	62,474	8,210	171,797

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

7. UNREALIZED GAINS

The Bank has placed funds with First Equity Corporation of Florida, a majority owned subsidiary, for investment in United States municipal bonds and equity securities. The value of the investments is carried at market with unrealized gains recorded as a liability.

8. INVESTMENT IN AND ADVANCES TO SUBSIDIARIES

These represent in 1998 the cost of acquisition and advances to First Equity Corporation of Florida, International Corporate Services S.A., Generale International Assurance Incorporated, In SatCom Ltd., Global Investment Fund S.A., FEC Holdings Inc. and Swiss Atlantic Inc.

At December 31, 1999, a balance of 5500,000 represented an investment in Seguros Avila, and a balance of \$800,450 was invested in INSATCOM.

9. OTHER ASSETS

These include Organization and Pre-operating expenses and capitalized lease. (See note 1.) They comprise:

	1999 US\$	1998 US\$
Organization and Pre-operation Expenses	369,598	369,598
Less: Amortization thereon	(148,728)	(73,920)
Office Lease (unexpired)	220,870	295,678
Credit Card Investment	419,569	35,000
Prepayments	---	9,000
Unquoted, joint venture, IBC Now Inc	776,000	---
Unquoted, investment in Dominica Unit Trust Corporation	370,370	---
Swift Shares	1,609	1,609
	<u>1,788,418</u>	<u>509,287</u>

At December 31, 1999, capitalised lease asset, and liability that relates to it were recorded as \$124,000.

BRITISH TRADE AND COMMERCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

9a. CERTIFICATES OF DEPOSIT (1999)

These comprised:

Certificate of deposit principal	US\$ 57,215,042
Certificate of deposit interest	<u>1,022,435</u>
	US\$ <u>58,238,477</u>

10. CUSTOMERS' TERM DEPOSIT (OTHER)

In the normal course of business the Bank receives funds from customers to be used in specialized financing transactions with certain correspondents banks. Such funds are placed with the Bank for the purchase and sale of financial instruments at a profit which is returned to the owner of the funds. The Bank charges an investment transaction fee for this service based upon the amount of profit earned on the transaction.

At December 31, 1998 the Bank held \$ 27,100,000 of such funds and had earned an investment transaction fee of \$ 16,330,000 from the management of those funds and execution of such transactions during the year. For the year ended December 31, 1999 a transaction fee of \$5.5m was earned.

11. SECURITIES HELD FOR INVESTMENT AND FINANCING

These comprise assets (and liabilities that relate to them) under management of British Trade and Commerce Bank Limited (BTCB).

BTCB and its affiliates are commissioned to invest and trade in such funds and securities.

BRITISH TRADE AND COMMERCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

12. LONG-TERM LIABILITIES

This relates to the office lease referred to in note 3(d) above. The \$168,000 asset balance to which this liability relates is included in "Other Assets" (Note 9).

At December 31, 1999 the asset balance and the liability to which it relates equated at \$124,000, and were netted off for reporting purposes.

13. CURRENCY

Unit of account is the US\$ which translate for approximately EC\$2.70.

BRITISH TRADE AND COMMERCE BANK LIMITED
ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

MOREAU, WINSTON & CO
Chartered/Certified Accountants

BRITISH TRADE AND COMMERCE BANK LIMITED
ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

AUDITORS' NOTE

The following schedule of other operating expenses is appended for additional information only and was audited only to the extent necessary to express an opinion on the financial statements.

ROSEAU
September 29, 2000.

MOREAU, WINSTON & CO
CHARTERED/CERTIFIED ACCOUNTANTS

BRITISH TRADE AND COMMERCE BANK LIMITED
 SCHEDULE OF OTHER OPERATING EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1999

	1999	1998
	US\$	US\$
Air charter lease	32,400	20,000
Advertising and promotion	269,663	5,027
Bank fees	23,857	4,917
Brokerage fees	2,696	1,897
Client services	31	1,367
Computer operations	4,010	2,125
Credit card charges	46,176	10,087
Directors' fees	49,775	13,459
Domestic supplies	765	522
Donations and charities	12,247	2,556
Electricity	17,897	13,673
Entertainment	27,576	7,095
Filing fees	8,715	7,157
Freight and transportation	2,858	10,569
Functions	1,731	45,132
General and administration	707	5,148
Government License fee	12,000	12,100
IBC trust agent fees	---	30,850
Import fees and taxes	2,120	5,689
Insurance	6,214	4,464
Legal fees	52,528	58,500
Office equipment rental	2,092	1,928
Office supplies and expenses	22,808	16,886
Postage, air express	11,579	4,538
Registration and subscription fees	1,675	970
Repairs and maintenance	5,532	5,512
Security services	---	1,454
Swift charges	18,621	17,903
Telephone	114,356	102,276
Travel	376,610	299,656
Advances and interest write off	17,503	---
Consulting fees	270,295	---
ICB credit card authorisation	58,074	---
Investment charges	7,034	---
Uncategorised	7,427	---
Translation	927	---
Housing allowances	6,000	---
Professional licence	---	444
Staff training	2,675	---
Sponsorship	15,475	---
Vehicle	4,445	2,064
	<u>1,517,540</u>	<u>715,481</u>

British Trade and Commerce Bank answers questions about its liquidity

After being told that Dominica-registered British Trade and Commerce Bank was experiencing liquidity problems and had suspended clients' credit cards, Offshore Alert asked the bank what was going on.

Below is a letter sent by us to the bank and the reply that we received from Dr. Rodolfo Requena, BTCB's Chairman and President.

By way of background, BTCB obtained a banking license in Dominica in 1997 and a local newspaper called The Independent reported on April 16, 1997 that its directors were Pablo Urbano and Diran Sarkisian, both from Venezuela, and Clarence Butler and Herry Royer, both from Dominica.

BTCB, which operates a web-site at www.btcb.com, and is one of five banks licensed in Dominica, with the others being Banc Caribe Limited, Euro Bank Inc., Grifon Bank Limited and Overseas Development Bank and Trust Company Limited.

From: Offshore Alert
To: George Betts (General Manager)
Date: July 28, 2000

I have been told by a source that British Trade & Commerce Bank is experiencing liquidity problems, causing it to cancel some clients' credit cards and not be in a position to meet requests for withdrawal of funds.

I intend to publish an article on the above subject matter in the edition of Offshore Alert that will be published on the evening of Monday, July 31.

The questions I have for you are these:

1. What is the extent of the liquidity problems currently being experienced by the bank?
2. What has caused the liquidity problems?
3. Do you expect to overcome these problems?
4. What impact is the liquidity problem having on the operations of the bank? Have you withdrawn certain services and are you unable to meet some or all withdrawal demands?
5. Is the bank able to meet its operating expenses?
6. How old is the bank and who owns it?

From: Rodolfo Requena, Chairman and President of British Trade & Commerce Bank
To: David Marchant, Offshore Alert
Date: July 31, 2000

Mr. Marchant,

You have raised two questions. One regarding the liquidity of the Bank and the second regarding the cancellation of customers credit cards. They are two unrelated issues and I will deal with them separately.

Questions 1 thru 4 are related to liquidity and I will deal with those in the following paragraphs. Questions 5 and 6 will be dealt with separately and the Credit Card situation will be addressed separately.

Let me address questions 1 thru 4. Approximately May 15 we were indirectly informed of a lawsuit that had been filed in Canada against one of our customers. We found this out when one of our correspondent bank called to say our account had been frozen because of an inquiry from Canadian lawyers and an injunction which had been obtained in Canada. We had no knowledge of the lawsuit and at that time were not a party to the lawsuit. The lawsuit was subsequently amended to include the Bank but we have never been served in Dominica.

We explained the situation to our correspondent bank and our account was released. We did find out some information and discovered that a company in Canada had sued one of our customers for taking funds from them with a promise that a project would subsequently be funded using the funds a collateral. When the lawsuit was filed the Court in Canada issued an order which the lawyers for the plaintiff used to obtain records from one of the banks' operating account in the United States into which the funds had been transferred. The court also issued a Morava (sic) injunction to freeze all the assets of the defendants. With the records they obtained from the banks' operating account in the United States they followed all the incoming and outgoing transactions and demanded that the recipients of wires from our account return the funds subject to the injunction. We were

unaware of this until our customers contacted us to question why their accounts were being frozen.

After many days of investigation and consultation with lawyers in Canada, United States and Dominica the Bank agreed to accept service of the suit in Canada so we could have access to all the documents relating to the lawsuit from the plaintiffs' and the named defendants lawyers in order to fully understand the suit and to determine the Banks' involvement. All the relevant documentation was obtained two weeks ago and after several days of meetings we contend the Bank had nothing to do with the contract for the loan between our customer and the owner of the funds. Last week we filed an affidavit with the Court in Canada to have the Bank dismissed from the suit.

How does this impact the liquidity of the Bank? Because of the injunction against the defendants of the lawsuit and the egregious actions of the plaintiffs' lawyers we had to be very careful which of our various correspondent bank accounts we used for customer transactions.

This required careful planning in the movement of our funds and resulted in numerous delays in wire transfers being executed. We have been very open and honest with our customers and for the most part they have been very understanding of the problem and willing to work with us to resolve the situation. We now believe the situation has been dealt with and we expect to be back to normal operations by the end of the first week in August.

We hope the above adequately and correctly answers your questions about this very complicated legal situation regarding the laws of Canada, United States, Commonwealth of Dominica and many other legal jurisdictions such as India, China, Middle East and other various countries.

As you can appreciate we must be very careful not to break the laws of Dominica in order to comply with the laws of other countries.

With regard to questions 5 and 6. The bank is conducting business as usual and has met
(Continued on page 9)

British Trade and Commerce Bank answers questions about its liquidity

(Continued from page 8)

all of its' operating expenses. No services have been withdrawn because of this temporary situation. The Bank obtained its' Banking License in March of 1997. We consider the shareholders of the Bank confidential and decline to provide this information.

Following is the situation with regard to our credit cards. We are involved in an in-

depth internal audit for security reasons, some of our cards have been cloned and without going to far into details, one belonging to our President has been hit with \$75,000 of fraudulent charges. That is why we are taking the steps we have with regard to the credit cards to solve this situation. Also, some cards have been cancelled, but only under the normal course of business.

Mr. Marchant, we have attempted to be as open as we possibly can under Dominica Law in answering your questions. We hope you will use this information in a sensible and responsible manner.

Sincerely

For and on behalf of the
British Trade and Commerce Bank
Dr. Rodolfo Requena
Chairman and President

FRED THOMPSON, TENNESSEE, CHAIRMAN

WILLIAM V. ROTH, JR., DELAWARE	JOSEPH I. LIEBERMAN, CONNECTICUT
TED STEVENS, ALASKA	CARL LEVIN, MICHIGAN
SUSAN M. COLLINS, MAINE	DANIEL K. AKAKA, HAWAII
GEORGE V. VORNOWICH, OHIO	RICHARD J. DURBIN, ILLINOIS
RETV. DOMENICI, NEW MEXICO	ROBERT G. TORRICELLI, NEW JERSEY
THAD COCHRAN, MISSISSIPPI	MAX CLELAND, GEORGIA
MICHAEL SPECTER, PENNSYLVANIA	JOHN EDWARDS, NORTH CAROLINA
JUDD GREGG, NEW HAMPSHIRE	

HANNAH S. SISTARE, STAFF DIRECTOR AND COUNSEL
JOYCE A. RECHTSCHAFFEN, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

August 22, 2000

Mr. Austin Winston
Moreau, Winston & Company
32 Bath Road
Roseau, Commonwealth of Dominica

Sent By Fax to 767-448-0489

Dear Mr. Winston:

The U.S. Senate Governmental Affairs Permanent Subcommittee on Investigations is conducting an investigation, at the request of Senator Carl Levin, into money laundering activities which make use of services provided by financial institutions operating in the United States. The current phase of the investigation is an examination of correspondent banking services and anti-money laundering safeguards in the correspondent banking field.

Public pleadings in several recent criminal cases in the United States, including United States v. William H. Koop in New Jersey, and United States v. Johnny William Cabe and Shelton Joel Shirley and United States v. Terrence Stanley Victor Wingrove in South Carolina, allege that funds related to multi-million dollar frauds and money laundering violations were deposited into correspondent accounts in the United States maintained by British Trade and Commerce Bank (BTCB). As part of the ongoing investigation, we are trying to obtain a better understanding of BTCB operations. As I explained in our telephone conversation earlier today, because Moreau, Winston & Company audited BTCB's published financial statement for the fifteen months ending December 31, 1998, copy attached, we are interested in obtaining your firm's understanding of the following information in BTCB's audited balance sheet.

- (1) Please describe the steps taken by your firm to verify the entry on the balance sheet for over \$300 million in "[s]ecurities held for investment and financing." Please identify the securities involved, the approximate value of each type of security, and who held custody of the securities on behalf of BTCB.
- (2) Please explain the entry for \$300 million described as a "reserve for project financing." Please describe the steps taken by your firm to verify this figure and whether and how it relates to the prior entry on the balance sheet for over \$300 million in securities held for investment and financing.
- (3) Please describe the steps taken by your firm to verify the entry for over \$51 million in "[l]oans, debentures and other receivables." Note 5 indicates that over \$49.4 million of this total involves "fees receivable." Please describe the nature of these fees, who is expected to pay them, and the steps taken by your firm to verify their collectibility.

Mr. Austin Winston
August 22, 2000
Page Two

(4) Please describe the steps taken by your firm to verify the entry for over \$4 million in "[i]nvestments in subsidiaries." Note 8 lists seven subsidiaries: First Equity Corporation of Florida, International Corporate Services S.A., Generale International Assurance Inc., In SatCom.Ltd., Global Investment Fund S.A., FEC Holdings Inc., and Swiss Atlantic Inc. Please describe BTCB's ownership interests in each of these subsidiaries and the allocation of the \$4 million among them.

(5) Please describe the steps taken by your firm to verify the entry for over \$12 million in "[c]ash and due from banks," including the statement in Note 4 that this amount includes \$10 million at Union Bank of Switzerland (UBS). Please indicate whether it is true that the \$10 million at UBS was deposited into an account associated with Robert McKellar and McKellar Solicitors and, if so, the relationship between the account holder and BTCB.

(6) Please describe the steps taken by your firm to verify the entry for over \$27 million in "[o]ther customers' deposits."

(a) Note 10 states that, in connection with this \$27 million entry, BTCB "receives funds from customers to be used in specialized financing transactions with certain correspondent banks." Please describe the steps taken by your firm to verify this information, including your firm's understanding of what "specialized financing transactions" were provided by BTCB and the specific correspondent banks involved. If these transactions involved high yield investment programs, trading in bank notes, or trading in environmental paper, please provide any documentary evidence the firm obtained explaining these types of investments and the returns promised by BTCB to investors.

(b) Note 10 states that as of December 31, 1998, BTCB "held "\$27,100,000 of such funds and had earned an investment transaction fee of \$16,330,000 from the management of those funds and execution of such transactions during the year." Please describe the steps taken by your firm to verify the \$16.33 million figure, provide your firm's understanding of the nature of the fee charged, and whether the \$27.1 million in deposits in any way served as collateral or security to ensure the collectibility of the transaction fee.

(7) On the balance sheet, please describe the steps taken by your firm to verify the entry for over \$2.4 million in "[a]dditional paid in capital," including your firm's understanding of the source of this additional capital.

(8) On the balance sheet, please describe steps taken by your firm to verify the entry for \$1.1 million in "[t]reasury stock," including from whom the stock was purchased and whether it was paid for with cash or some other form of payment.

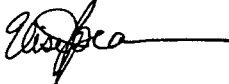
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Mr. Austin Winston
August 22, 2000
Page Three

We would appreciate your firm's providing the requested information by August 31, 2000. Because these matters may be addressed in a public setting, this letter is intended to provide Moreau, Winston & Company with the opportunity to present this and any other information to the Subcommittee that it believes would lead to a more accurate understanding of BTCB's audited financial statement and the role of your firm in auditing it. Please send the requested information to my attention at the Permanent Subcommittee on Investigations, 193 Russell Senate Office Building, Washington, D.C. 20510, or fax them to my attention at (202) 224-1972. I can also be reached at (202) 224-9505, or by email at elise_bean@govt-aff.senate.gov.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Bean', with a long horizontal line extending to the right.

Elise J. Bean
Deputy Chief Counsel to the Minority
Permanent Subcommittee on Investigations

Enclosure

cc: Rena Johnson, Acting Staff Director and Chief Counsel for the Majority

1706

LENNOX LAWRENCE, B.A. (HONS), LL.B, L.E.C.
ATTORNEY-AT-LAW

10 Old Street
P. O. Box 320, Roseau
Commonwealth of Dominica
West Indies

Phone: (767) 44 84771 / 44 84791
Fax: (767) 44 87376
Voice-mail: (767) 44 73903
e-mail: investments@cwdom.dm

LL/jb

23rd August 2000

Ms. Elise J. Bean
Deputy Chief Council to the Minority
Permanent Subcommittee on Investigations
Committee on Government Affairs
193 Russell Senate Office Building,
Washington D.C 20510

Dear Madam,

We represent our clients Messrs Moreau Winston and Co. with instructions to reply to your letter dated August 22, 2000.

We are instructed that the accounts of the British trade and Commerce Bank were audited in accordance with Generally Accepted Auditing Standards (GAAS) which are the very auditing practices applicable in the North Atlantic.

Our clients having complied with GAAS, details of every facet of the balances on transactions requested may best be provided by the British Trade and Commerce Bank to whom a request may be made.

Our clients are surprised that questions of that nature would be raised directly with them – some initially by telephone. Notwithstanding this jurisdiction being a small-island-state with an estimated population of seventy (70) thousand persons materially of African extraction, there are (as in every other jurisdiction) rules, conventions and laws which its citizens must respect.

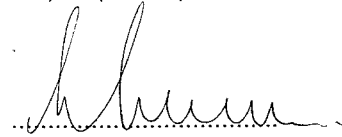
1707

Ms. Elise J. Bean
23rd August, 2000
...../2

We advise further that the British Trade and Commerce Bank is a private bank chartered under the Offshore Banking Act of the Commonwealth of Dominica. Our clients are constrained by the provisions of the governing statute. All information might better be provided by the British Trade and Commerce Bank itself or as otherwise allowed under the said statute.

We assure you of our best wishes and of our concern about illegal acts.

Very Respectfully

A handwritten signature in cursive script, appearing to read 'Lennox Lawrence', written over a horizontal dotted line.

LENNOX LAWRENCE

cc. Moreau, Winston & Co.

British Trade & Commerce Bank: Financial troubles deepen

Dominica-registered British Trade & Commerce Bank appears to be on its last legs, if a recent letter to clients from the bank's President, Rodolfo Requena, is anything to go by.

In the letter, Requena seems to be digging the bank into a deeper hole by offering rates of return of up to 50 per cent for clients who delay making withdrawals.

In one part, Requena effectively admits to running a Ponzi scheme by stating that old depositors must wait until money comes in from new depositors before they can be paid. Some clients said they have been told verbally that they will not be able to make withdrawals until April/May, 2001 at the earliest. The letter, in full, is below:

November 9, 2000

Dear Sir,

You may be aware our bank has been suffering from a temporary liquidity situation. This situation has continued to the point that the bank is unable to meet its obligations with its depositors and creditors.

As President of the bank, it is my responsibility to bring this matter to your attention and outline to you the causes and the measures that management is implementing to re-capitalise the bank, rebuild its liquidity, and meet its obligations with its depositors and creditors.

1. In May of this year, the major shareholder of the bank retired from the organization due to severe health problems. The retirement resulted in a large withdrawal of deposits from the bank due to the close relationship of the depositor with the shareholder.
2. During the month of June, the bank was served with a lawsuit from a court in Canada for actions taken by one of our customers. The bank was never involved in or aware of those actions. The customer obtained funds from his client under some pretense and wired the funds from his client to our bank. The lawyers for the plaintiffs convinced the Canadian Court that BTCB was part of the action. The lawyers for the plaintiffs spread all kinds of erroneous information and allegations against the bank. They circulated information considered private and con-

fidential about the movement of the bank's funds, creating delicate situations not only for our bank but also for some of our customers. Some of our operating and correspondent accounts in other banks were closed or frozen. Wire transfers received by BTCB in those banks in the past few months have been rejected and returned for security reasons. All this has created a very difficult environment for BTCB to conduct its normal business, dramatically affecting our liquidity position.

3. Due to these circumstances many of our customers have withdrawn their deposits and many have not made any new ones thus compounding the liquidity problem because most of our funds are invested in long term investments that do not allow us to withdraw funds until their maturity. Due to the above reasons we have taken the following measures to solve this temporary situation:

1. The bank has retained lawyers to represent us in all the jurisdictions that are affected by the Canadian lawsuit. A strong and affirmative action has been taken to prove to the Canadian court that BTCB has no involvement at all in this action. Personally, I have been heavily involved in these activities to make sure that we succeed in our actions.
2. We are currently holding conversations with three different investor groups, two from Latin America and one from Japan. These discussions are to bring fresh capital to the bank. The range of these investments are between \$5,000,000 to \$25,000,000. These groups are very serious and are doing their due diligence on the bank before committing the funds. We are confident that these discussions will bring good results.
3. An aggressive marketing action has been taken in order to bring new customers to the bank from Latin America. We are offering a full array of combined services through a strategic alliance with a group of financial companies in South Florida. The services include asset management, stock brokerage services, mortgage banking, credit cards and real estate operations. This com-

bined package is very attractive for Latin Americans.

4. In order to give us time to bring the new investors, attract new customers and implement our marketing plan we would like to offer you the following options for the funds you presently have with the bank:
 - 4.1 Convert your existing account to a one-year Certificate of Deposit earning interest at a 15% per annum. Interest will be paid every six months.
 - 4.2 Offer all customers the option to purchase convertible preferred stock of the bank. One share will be offered for every \$500 of bank deposit you have. There will be a repurchase agreement in one year for the same amount of stock at a price of \$750 per share for those of you that want to retire the investment after that period of time.

Customers requesting withdrawals from their accounts must wait for new investors or wait until the bank works its way out of the liquidity problem.

We sincerely believe in the strong potential of the bank and hope that as customers who have believed in our institution in the past, that you will help us in these difficult moments to overcome the adversity and give us the opportunity to solve the situation.

We encourage and invite you to choose any of the first two options in order to make the bank financially stronger and create earnings for the benefit of all of us.

If you would like to discuss your options with a bank officer, please do not hesitate to contact George Betts, Charles Brazie, Patricia Inglis or me.

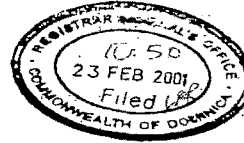
Let us keep serving you in your banking needs.

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

Rodolfo Requena
President

Cc Honourable Ambrose George
Minister of Finance, Industry and Planning
Government of the Commonwealth of Dominica

IN THE HIGH COURT OF JUSTICE
(CIVIL)
COMMONWEALTH OF DOMINICA
2001 No. *Dom 66*



In the Matter of an Application for the Revocation of the Appointment
of the Receiver

-And-

In the Matter of Section 36 of the Offshore Banking Act 1996

-And -

In the Matter of the Rules of the Supreme Court

BETWEEN:

BRITISH TRADE & COMMERCE LTD. *Plaintiff*

AND:

PRICE WATERHOUSECOOPERS (W.I.) INC. *1st Defendant*

and

AMBROSE GEORGE, THE MINISTER FOR
FINANCE AND ECONOMIC PLANNING *2nd Defendant*

and

THE ATTORNEY GENERAL OF THE
COMMONWEALTH OF DOMINICA *3rd Defendant*

CERTIFICATE IDENTIFYING AFFIDAVIT

"CB 2"

This is the 2000 financial statement of BTCB referred to in the Affidavit
of Charles Brazie sworn before me this 23rd day of February 2001

Dated the 23rd day of February 2001


A COMMISSIONER FOR OATHS

"A2"

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

Dec 31, '00

ASSETS		1,165.00
Current Assets		103.16
Checking/Savings		1,025.84
Cash on Hand		
Checking - Natl Comm Bank US\$		
Checking - St. Kitts Natl US\$		2,294.00
Total Checking/Savings		
Accounts Receivable		
Accounts Receivable		
Credit Card Receivable		
IBC Credit Card	571,919.93	
ICS Credit Card	243,628.98	
Total Credit Card Receivable		785,548.91
Accounts Receivable - Other	54,900,000.00	
Total Accounts Receivable		55,685,548.91
Total Current Assets		55,685,548.91
Other Current Assets		
Credit Card Clearing A/c		
Due From Related Parties		-62,590.79
Crown Air, Ltd		
GIA	201,325.09	
InSatCom Ltd	2,500.00	
Swiss Atlantic	1,322,072.29	
United State Comm. & Reins. Co	17,155.74	
Total Due From Related Parties		194,700.00
Employee Advances		1,737,753.12
Brazle		
Gabriella Laville	37,817.71	
George Batts	17,731.00	
Isilio Ariaga	426.00	
Josiah Joseph	508.00	
Leonard Bedneau	1,032.81	
Patricia Inglis	3,680.50	
Rodolfo Requena	4,500.00	
Simon Butler	47,229.65	
Total Employee Advances		3,500.00
Loans Receivable		116,423.67
BTCF Group		
BTCF Services		
FEC Financial Holdings Inc	1,935,850.47	
First Equity	475,434.71	
First Equity Holdings Inc	280,498.23	
Swiss Atlantic Corp	6,610,140.00	
Total BTCF Group		184,785.01
Cariba Ltd	9,466,878.42	
		487,332.67

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Earnings Advances	
Aquarius Age Ltd	278,000.00
Asset Enhancement S.A.	40.00
B & B Asset Enhancement	350,000.00
B&B Asset Enhancements S.A.	20,950.00
Capital Alliance S.A.	248,500.00
Cartouche Ltd	19,840.00
Classic Autos Ltd	20,080.00
First Horizon Ltd	35,040.00
First Quest Ltd	100,000.00
G.J.S.J. Development S.A	4,685.00
H.S.F. Ltd	48,206.28
International Commerce S.A	850,850.88
Lona Willow S.A	470,040.00
Mercator Ltd	85,000.00
Orphan Advogados Ltd	1,000,000.00
P & E S.A	20,140.00
Val Vista Ltd	20,040.00
Total Earnings Advances	3,581,521.88
Employees	
Cesar Esmeral	24,232.81
George Betes	110,851.41
Isilio Arriaga	53,863.08
Pablo Urbano	12,213.93
Pedro Baptista	50,403.56
Rodolfo Requena	130,513.17
Total Employees	381,977.96
Other Advances	
Crop Investment Ltd	1,474.00
Grassy Groves Inc	427,408.16
Mariela Centeno De Pasce	60,000.00
VRH Financial Holdings LLC	304,324.24
Total Other Advances	793,146.40
Promissory Notes	
Cerro Verde S.A.	44,333,160.00
Program Accounts	
Incoemaker Intl Projects Ltd	48,990.95
International Commerce S.A.	1,090,884.12
KPJ S.A	553,336.33
McGown Intl Marketing	120,106.82
T. Group Co. Ltd.	1,113,013.76
Total Program Accounts	2,924,331.78
Total Promissory Notes	47,257,491.78
Total Loans Receivable	61,958,049.19
Total Other Current Assets	63,759,635.19
Total Current Assets	119,447,478.10

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Fixed Assets	
Fixed Assets (Net)	
Accumulated Assets	
Computer Hardware	45,664.73
Computer Software	75,500.00
Furniture & Fixings	68,825.15
Other Equipment	974.08
Paintings	8,210.00
Total Accumulated Assets	189,173.94
Accumulated Depreciation	
Computer Hardware	-23,580.49
Computer Software	-45,299.94
Furniture & Fixings	-17,022.51
Other Equipment	-293.17
Total Accumulated Depreciation	-86,196.11
Leasehold Improvements	7,209.59
Total Fixed Assets (Net)	120,187.52
Total Fixed Assets	120,187.52
Other Assets	
Inter-Co. Fund Transfer	
Investment & Finance Securities	1,810,772.04
Other Assets	500,000,000.00
Credit Card Investment	
M. card Intl /Chase Manh. CD	190,058.99
M/Car Intl - Fees Deposit	35,000.00
Total Credit Card Investment	225,058.99
Organization & Pre-Operating Ex	294,053.81
Pre-Op & Org. Accum. Amortize	-178,432.15
SWIFT Share	1,508.51
Total Other Assets	344,289.16
TOTAL ASSETS	502,155,081.20
LIABILITIES & EQUITY	
Liabilities	621,722,728.82
Current Liabilities	
Accounts Payable	
Accounts Payable	
Total Accounts Payable	259,022.00
	259,022.00

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Other Current Liabilities	
CD Principle & Interest	
Certificates of Deposit	
General CD Accounts:	
Anval-P Ltd.	200,000.00
Avund Ale Securities Inc	250,000.00
Bayfront Ltd	100,000.00
Cerro Verde S.A.	40,000,000.00
Corporations-International A.S.	100,000.00
Foundling Ltd	800,000.00
Green Thumb Ltd	140,000.00
Kairi Investments Corp.	350,000.00
Legal Mgmt & Proxy Services S...	800,000.00
Nu Kung Holding Ltd	50,000.00
Peak Business Corp.	25,000.00
PSJJ Ltd	100,000.00
Ramada Group Ltd	47,700.00
RCK Liquidators	500,000.00
Romeo Investment Inc	50,000.00
Semicircle Estate Inc.	50,000.00
Solebury Investments Limited	9,000.00
State Collections Inc.	100,000.00
Venice Resources Inc.	50,000.00
Wakefield Roberts Ltd	8,700.00
Worldwide Enterprises Ltd	100,000.00
Zenna Capital Corporations	100,000.00
Total General CD Accounts	43,930,400.00
J.V.Holdings Inc	
Program Deposit CD Accounts	100,000.00
Asset Enhancement S.A.	
Aurora Investments S.A.	1,005,000.00
Int'l Business Consultant Ltd	250,000.00
Lone Willow S.A.	3,878,000.00
Orphans Advocates Ltd	200,000.00
Overseas Projects Co. Ltd	2,000,000.00
Total Program Deposit CD Accoun...	7,723,731.40
Total Certificates of Deposit	51,654,131.40
Certificates of Deposit Interest	
General CD Accounts	
Anval-P Ltd	
Arte S.A.	42,758.62
Avund Ale Securities Inc	408.71
Bayfront Ltd	59,500.00
Caribbean Investors Ltd	41,812.90
Corporations International S.A.	3,750.00
Foundling Ltd	23,032.26
Green Thumb Ltd	75,333.33
Infinity Investments Trading Ltd	2,028.69
J.V. Holdings Inc	9,000.00
Kairi Investment Corp.	7,808.33
Landon S.A.	29,803.45
Legal Mgmt & Proxy Services S...	7,425.00
Nu Kung Holding Inc.	28,840.00
Peak Business Corp	22,750.00
PSJJ Ltd	2,623.29
	8,211.85
	59,087,131.40

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00	
RCK Liquidator	74,183.52	
Rockdale Holdings Int'l	34,608.00	
Romeo Investment Inc	13,218.49	
Semicircle Inc	6,943.54	
State Collection Inc	16,965.16	
Tad Inc	2,500.00	
Vanice Resources Inc	5,214.75	
Worldwide Enterprises Ltd	20,935.45	
Zenna Capital Corp.	8,186.67	
Total General CD Accounts	549,547.21	
Program Deposit CD Accounts		
Asset Enhancement S.A.	243,593.00	
Aurora Investments S.A.	45,671.24	
Free Trade Bureau #3	30.00	
Free Trade Bureau 2 S.A.	58,780.00	
Intl Business Consultants Ltd	1,336,421.55	
Lone Willow S.A.	2,810.96	
Orphana Advocates Ltd	451,365.00	
Overspak Projects Co. Ltd	1,021,293.28	
Total Program Deposit CD Accounts	3,159,785.03	
Total Certificates of Deposit Interest		3,709,312.24
Total CD Principle & Interest		62,796,443.54
Credit Card Payment in Advance		
C.J. Harris		1,850.48
IBWeb Inc		2,103.20
Kate Miller0533		100.62
P.Baptista0052		3,057.88
Total Credit Card Payment in Advance - O...		6,273.95
Customer Term Deposits		13,386.13
Demand Deposits		27,100,000.00
1122 Investment Ltd.	71,720.46	
A Financing Technique Ltd	-129.00	
Ace In The Hole S.A.	-2,915.81	
Active Enterprises Ltd	-125.35	
Air Systems Corp	-100.00	
Airyt Holding Corp	4,720.00	
American Investment Finance Cor	6,770.00	
American Pacific Bank & Trust	28,585.88	
American Pacific Trade Corp	5,010.00	
American Pacific Trust Serv.	5,040.00	
Amie Export S.A	2,360.00	
Arval-P Ltd.	5,184.65	
Apriba Ltd	-2,868.34	
Arcadia Global Services	10,000.00	
Arte S.A	22,500.00	
Asendus Financial Ltd	5,679.54	
Asset Management S.A.	1,300.00	
Augustus Capital Corp.	9,050.00	
Avund Ale Securities Inc	229,748.45	
B.F.C.B. Ltd	2,323.30	
B.W.S.L. Ltd	4,810.00	
Bayfront Investment Ltd.	49,866.52	

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Beck & Rose Publishing Ltd	-120.00
Bell Consultants Fund	9,720.00
Bibimpex Ltd.	22,172.09
British Avalon Ltd.	5,746.53
British Standard Corp.	65.00
B T & C Bancorp Trust	99,950.00
BTC-IB1013PRA Ltd	4,770.00
Buffalo Jays Ltd	520.00
Buttamdoe Ltd.	82.11
Canude Ltd.	-534.77
Capital Management S.A.	5,016.61
Caribbean Housing Solution Ltd	84,269.33
Caribbean Investors Ltd	33,674.75
Caribbean Invests. Hold. Corp	1,535.61
Caribe Global Management Co.	9,790.00
Caribe Management Ltd.	13,486.43
Carpe Diem Ltd.	60.00
Casino Del Sol Ltd	13,287.17
Castle Group Services Inc	7,720.00
Castle Works	-127.68
Centurion Fin. Management Serv	6,260.46
Cheerakee Ridge Ltd.	50.00
Children Of Aisha F. Inc	5,408.05
ChinookWest Limited	28,188.84
Cola Management Services Inc	7,394.64
Consigna Asociada Y Produccion	920.00
Coopman Ltd	6,127.12
Cornerstone Concepts Services C	3,225.00
Corporacion Corepli de Venezuela	18,450.00
Corporate Accounting Serv. Ltd	36,726.81
Corporate Managmt Services S.A.	-80.00
Corporations International S.A.	92,275.33
Covenant Limited	56,041.96
Crescent Institute Management C	89,369.25
Cyber Betz	757.75
Cyber Enterprises Ltd.	203.82
Cyber Lotto Inc	145.57
D.V.I. Group Ltd.	-4,200.00
Dai Riata Ltd.	5,125.38
Darley Ltd	-10.00
Desarrolladores Impres S.A.	4,240.00
Desert Global Investment	64,870.00
Dogwood Estate Inc.	40,480.00
Dominion O'Seas Investment Corp	5,355.16
Dominion Overseas Invest. Corp.	150.00
Don Air Ltd	2,287.10
Dragon Concepts Inc.	-120.00
Duke Management Inc	4,875.00
Dunscat Worldwide Management C	173,362.80
E-Base Marketing Solutions Inc	861.38
Earth Keys Services S.A.	138,180.52
ED FND Ltd.	370.00
El Gato Invertemta Limited	966.89
El Pao Caribbean Export S.A.	9,512.53
epic Industries Ltd.	-548.80
Ere Global Limited	6,850.00
Euro WorldWide Man. Services Co	23,835.00
Evergreen Assurance Company	780.00

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
EZWebhosting Ltd.	25,098.50
Falcon Capital Ltd	10,222.12
Firat Management Company Ltd	9,795.00
First Up Ltd	-73.34
Founding Ltd	43,424.30
Fugu Ltd	21,003.24
G.A.C. Ltd.	-2.00
G.T.T. Inc. C.A. De Veñezueta	3,533.50
Galileo Funds Inc.	2,045.00
Galt Overseas Development Corp.	-1,353.88
GEM Investments S.A.	3,010.00
GFG Investment Corp	180,500.00
Global Health Ltd.	1,058.39
Global Investment Fund S.A.	-120.00
Global Investment Network Ltd	37,250.83
Global Marketing Corp.	2,645.65
Global Traders Limited	9,820.00
Globalvest S.A.	4,800.00
Granjazul Overseas Inv. & Trad	5,790.00
Green Thumb Ltd.	5,212.00
GS Holdings Ltd	4,950.00
Harbour Center Services Inc	9,700.00
Haskell Resources Fund S.A.	10,801.73
Heindel Family Ltd. Partnership	170,440.95
Heller Securities Inc	9,090.00
HNS Ltd	-60.00
Horizon Center Services Corp.	9,710.00
Horseshoe Enterprises Ltd	-151.20
Hyper Ltd.	882.61
IB Web Inc	41,948.42
IBCNaw Inc	-351.15
Icemaker Int. Projects Ltd.	-1,146.57
Image Holdings Ltd.	13,038.14
Infinity Investments & Trading	74,619.37
Infinor (Inversiones F D N) Ltd	4,970.00
InSatCom Inc.	31,983.41
Int'l Mgt & Trust- NF	5,147.37
Int'l Mgt & Trust Services Ltd	42,238.68
International Asset Devel Corp.	-60.00
Interlink Investment Management	-75.00
International Business Associat	-2,660.96
International Gaming Ltd	31,459.45
International Investments Ltd	5,310.00
Intl Worldwide Investment Ltd	20.00
Investing Selectively Inc	12,440.00
Investment & Devel. Fund Ltd	12,955.00
IRG S.A.	19,787.27
Island Trading Inc.	50.00
J.V. W. Investments Ltd	-60.00
J.V. Holding Inc.	10,900.00
Janton Resources	79.71
Jerome Materials Corp	26,665.00
Jet Marketing	-50.00
Kairi Investments Corp.	-8,111.50
Kargo Commodities Corp	4,720.00
L.Hawac Ltd.	8,220.00
Ladybug Ltd.	770.93
Lasar Ltd	1,835.00

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Legal Mgt. & Proxy Services SA.	29,830.00
Legal Serv. Asoc. Trust SA	31,596.87
Level "4" Ltd	231.00
LMB Accounting Services Ltd	590.00
Logan Ltd.	2,441.52
Loki Ltd.	-37.50
Loma Linda Investments S.A	23,500.00
Lubin Ventures Inc	6,175.00
Ludwick Management Services Ltd	-90.00
Lugano Synergy (Andgua) Ltd.	4,830.00
Lugano Synergy Global Serv.	99,357.23
Lundy Group WorldWide Corp.	97,705.00
M & C Ltd	-40.00
M & S Finance Trust S.A	597,365.00
Mad Hatter Software, Ltd.	5,831.10
Mainstreet Ventures Inc.	24,935.00
Mastaba Holding Inc	12,188.00
Mateo Investments Limited	-60.00
MaxLoto Enterprises Inc.	16,042.51
Meikim Holdings S.A.	5,150.00
Micomiconic Fin. Mgt. Ltd.	1,485.00
Mikroast Ltd.	245.21
Millenium Lists Limited	123,166.35
Millenium Millonare	4,310.00
Millenium Securities Int'l	1,580.00
Milly Institute Management Inc	32,850.83
MJ. Enterprises Ltd.	2,540.00
Montego Bay Ltd	5,150.00
MTS Investment Mgt Co.	-60.00
Mustaba Holding Inc.	1,490.00
Napoli Resource Center S.A	11,114.79
National Baxter Medical Inc	15,910.00
Nebula Holding Co. Inc	3,740.00
New Business Corporation S.A.	11,105.00
Nile Silt Holding Corp.	4,840.00
Nippon Persta Nikan Co.	4,833.47
NuKung Holding Co. Ltd	135,029.20
Odin Enterprises Ltd	-1,945.56
Olympic Consultancy Corp	9,990.00
Omega Construcciones S.A.	10,040.00
Online Commerce Inc.	-13,832.49
Optel Resources Inc	4,980.00
Pacific Vegas International Ltd	9,981.12
Paradox S.A.	4,970.00
Peak Business Corporation	19,557.85
Players Guide	17,559.13
PML Holding Ltd.	5,061.64
Polk Enterprises Consultants S.	8,766.50
Power-Phil Corp.	38.00
Prepare To The Way Foundation I	5,420.00
Pr-Jlex Administration Inc	22,208.00
Probaxpo Investment Ltd	40,920.00
Professional Managers Int'l	4,334.30

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Program Demand Deposit	
A & D Aero Limited	5,384.30
Advantage S.A.	4,960.00
Agape Holdings Ltd	41,362.00
Anderson J. L. Holdings Ltd.	-44.00
Aquarius Age Int'l Ltd	260,733.53
Aquarius Age Int. S.A.#2	23,790.00
Arzathe Ltd.	13,640.00
Asset Enhancements S.A.	-250.00
Atlantic Marine Bancorp	-40.00
Aurora Investments S.A.	4,789.23
B & B Assets Management S.A.	349,750.00
Blake Enterprises Ltd	2,304,780.00
BSI Corporation Ltd	106,391.48
Cadogan Asset Management Ltd	-60.00
Capital Alliance S.A.	245,652.75
Cartouche Ltd	24,920.00
Celtech Precious Metals Ltd	5,848.82
Classic Autos Ltd	25,190.00
Crop Investment Holdings S.A.	168,590.00
CTI Ltd	4,930.00
Epsilon S.A.	188,857.47
First Horizons Ltd	39,830.00
First-Quest Ltd.	117,910.00
Free Trade Bureau 2 S.A.	-100.00
Free Trade Bureau S.A.	-46,403.24
Free Trade Bureau#3 S.A.	2,999,990.00
Future Limited	4,940.00
G.J.S.J. Development S.A.	4,525.00
H.S.F. Ltd.	-20,120.05
Hanover B Ltd	-190.00
Iceberg Ltd	-40.00
IJHST Ltd	4,950.00
Info-Seek Asset Management Ltd	-90.00
Int'l Bus. Consult. 2 Ltd	36,347.71
Int. Buss. Cons. Ltd.	-366,963.86
International Commerce S.A.	1,272,405.84
K. P. J. Trust S.A.	1,018,763.68
Kenfield S.A.	-70.00
Key Group International Ltd	-60.00
Loric Willow S.A.	610,085.00
McGown International Marketing	-130.00
Megrah Limited	4,950.00
Mercator Ltd	99,780.00
Nanjo Limited	504,840.00
One Won Limited	4,950.00
Orphans Advocata Ltd.	-70.00
Overseas Project Company Ltd	0.15
P&E S.A.	21,900.00
Quartemans Investments S.A.	4,470.00
Rainbow River Holdings Ltd	40.00
Rayfield Ltd	-4,940.00
Staffire Ltd	-20.00
Summarset Ltd	5,130.00
The T Group Co. Ltd.	-555.00
Thumbprints Corp.	1,510.00
Val Vista Ltd	24,830.00
VW 2000 Corp.	4,845.00

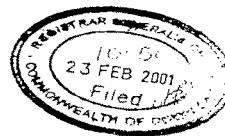
British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2009

	Dec 31, '09
Wakefield Roberts Ltd	230.00
Waverly Associates Ltd	2,000.00
Windsor Vinyl S.A.	3,420.00
Program Demand Deposit - Other	-500.00
Total Program Demand Deposit	10,141,462.34
PSJJ Ltd	-50.00
Quanta Corp	4,860.34
Quest Leasing Management Corp.	19,533.00
Quest Management Co. Corp.	14,870.00
R. D. Robertson Ltd.	4,980.00
R.A.F. Ltd.	340.00
Rainbow Global Ltd.	14,422.65
Ramada Group Limited	232.58
RedBud Group, Inc.	15,865.00
Regal Concepts Corp.	13,475.00
Regnant Securities S.A.	9,950.00
Resource Management Ltd	99,380.00
Rockdale Holdings Ltd.	8,660.28
Romaso Investments Ltd.	78,178.77
Ronans Ltd.	-982.04
RopsJa Ltd.	9,432.60
Rosac Inc.	-432.00
Rotary Institute Management Cor S. A. Ltd.	18,700.00
Sage Resource Center Inc	930.00
SAIG Trading Ltd	128,553.44
Samana Inc	34,907.83
Satellite Systems Ltd.	-664.40
Sea Wind Holdings Ltd	15,653.37
Semitec Estate Inc.	-70.00
Seyeh Securities Inc	4,730.00
Sherrandeah Resources Corp	4,640.00
Siber S.A.	12,425.00
Simbo Ltd	-80.00
Sineku Machinery Distributors L Solance S.A.	1,694.50
Solbury Investment Ltd.	180.00
State Collections Inc	4,970.00
Strategic Capital Alliance Ltd.	6,537.00
Strategic Investment Inc.	54,870.00
Swiss Atlantic Corp (Miami)	4,810.00
Tab Incorporated	275.00
Templer Caisse S.A.	28,598.00
The Bailister Group Inc.	26,143.25
The Bently Group	1,988.38
The Share Company Inc	17,067.71
The Sterling Corporation	29,886.38
The Stewart Grp. Gbl. Ltd.	688.61
The Three Italians Ltd	15,895.38
Trans World Management (D) Ltd.	89.00
Yri-Corn Ltd.	9,681.28
Tropical Tourism & Devel. Ltd	-2,502.85
Underhill Investments Ltd.	4,860.00
United Sports Media Services	4,392.00
Universal Fin. Trading Ltd	-379.10
USNG Corp	-90.00
Vegas Books	7,378.88
	4,950.00
	19,538.03

British Trade & Commerce Bank (US\$)
Balance Sheet
 As of December 31, 2000

	Dec 31, '00
Venice Resources Inc.	9,137.43
Vesuvia Ltd.	3,397.22
Virtual Gaming Enterprises Ltd.	70,185.36
Wasabi Ltd	8,250.00
West Horizons Corporation S.A.	15,474.70
West Indies Equipment Ltd	4,840.00
West Tone Ltd	10,529.35
White Tiger Inc.	18,356.01
Wild Rose Holding, Ltd.	5,150.00
Winslow Group Ltd.	9,990.00
Worldwide Enterprises Ltd	8,895.63
WorldWide Financial Trading Ltd	-5,470.00
Wynot S.A.	4,890.00
Zenith Int. Resources Corp.	51,970.00
Zenna Capital Corporations	-70.00
Zereja S.A.	73,352.00
Total Demand Deposits	16,229,833.78
Letters of Guarantee Lugano Synergy Global Services	45,000.00
Total Letters of Guarantee	45,000.00
Loans Payable Dominica Unit Trust	100,000.00
Total Loans Payable	100,000.00
Uncleared Funds	13,045.61
Unrealised Gains	298,760.73
Total Other Current Liabilities	106,590,269.89
Total Current Liabilities	106,849,291.89
Long Term Liabilities Reserve Reserve For Project Financing	500,000,000.00
Total Reserves	500,000,000.00
Total Long Term Liabilities	500,000,000.00
Total Liabilities	606,849,291.89
Equity Opening Bal Equity	
Retained Earnings	1,290.00
Shareholders Equity Additional Paid Up Capital	15,934,755.85
Dividend Paid	2,400,000.00
Paid In Capital (30,000 Sh.)	-90,000.00
Treasury Stock	3,000,000.00
Total Shareholders Equity	-4,986,853.00
Net Income	343,147.00
Total Equity	-1,403,757.92
TOTAL LIABILITIES & EQUITY	14,873,434.93
	621,722,726.82

IN THE HIGH COURT OF JUSTICE
(CIVIL)
COMMONWEALTH OF DOMINICA
2001 No. *Dom 66*



In the Matter of an Application for the Revocation of the Appointment
of the Receiver

-And-

In the Matter of Section 36 of the Offshore Banking Act 1996

-And -

In the Matter of the Rules of the Supreme Court

BETWEEN:

BRITISH TRADE & COMMERCE LTD. *Plaintiff*

AND:

PRICE WATERHOUSECOOPERS (W.I.) INC. *1st Defendant*

and

AMBROSE GEORGE, THE MINISTER FOR
FINANCE AND ECONOMIC PLANNING *2nd Defendant*

and

THE ATTORNEY GENERAL OF THE
COMMONWEALTH OF DOMINICA *3rd Defendant*

AFFIDAVIT IN SUPPORT OF SUMMONS AND FOR EX PARTE APPLICATION
FOR INTERIM RELIEF

I, Charles Brazie of Checkhall in the parish of St. George in the
Commonwealth of Dominica, financial specialist, make oath and say as
follows:


1. I am the Vice President, Managed Accounts at the British Trade
and Commerce Bank ("BTCB") and I am duly authorized to swear
this Affidavit on behalf of the Plaintiff.
2. The Plaintiff company was incorporated on the 26th day of
February, 1997 under the Companies Ordinance Chapter 318 of the

laws of the Commonwealth of Dominica ("Dominica"). The objects of the company include but are not limited to the carrying on in Dominica and other countries of the business of banking, including offshore banking.

3. The Government of Dominica issued to the Plaintiff a licence dated the 27th March, 1997 to conduct offshore banking business following which the Plaintiff carried on business as British Trade & Commerce Bank (BTCB).
4. Annually, audited financial statements of BTCB are prepared as is required by law but the completion of such statements are at times unintentionally delayed. Exhibited hereto and marked "CB 1" and "CB 2" respectively are the audited statements of BTCB for the fiscal year ended 31st December, 1999 and the in-house unaudited fiscal statements for the year ended 31st December, 2000. The latter statement reflects the prevalence of a liquidity problem in BTCB.
5. The concern of the Supervisor of Financial Institutions ("the Supervisor") with respect to the liquidity problems of BTCB is reflected in the correspondence passing between BTCB and the Supervisor from the 13th November, 2000, to the 2nd December, 2000 exhibited hereto and marked "CB 3" "CB 4" and "CB 5".
6. On the 5th February, 2001, the Supervisor wrote BTCB reminding them that payment of their Annual Licence Fee was past due and allowed BTCB until the 28th February, 2001, to settle the same. (see exhibit hereto marked "CB 6").
7. On 5th February, 2001, BTCB was one of several banks (including some of the largest prime banks in New York) named in a report on Correspondent Banking and Money Laundering prepared and finalized for the U.S. Senate Permanent Sub-Committee on investigations. BTCB promptly issued a press release in response to the said report (see Exhibited hereto Press Releases dated 5th February, 2001 and 8th February, 2001 respectively marked "CB 7").
8. Earlier this year the Eastern Caribbean Central Bank carried out an examination of BTCB but the Plaintiff has not seen a report of the investigation.
9. On the 11th February, 2001, BTCB wrote to the Honourable Ambrose George, Minister for Finance, Industry and Planning outlining a "Plan of Reorganization" for BTCB which seems to address the liquidity and capital concerns of BTCB. (see letter herewith exhibited and marked "CB 8").
10. The Plaintiff is also expecting funds of over a hundred million dollars which are expected to be received shortly to complement the re-organization plan and which will more than satisfy the capital and liquidity issues.
11. The Honourable Minister for Finance on the 15th day of February, 2001, by notice to BTCB, appointed PriceWaterhouseCoopers (W.I.)

Inc. to be Receiver for BTCB (see exhibited herewith notice dated 15th February, 2001 marked "CB 9").

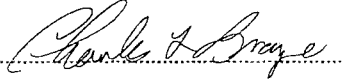
12. The Honourable Minister for Finance by Notice of Intention to Revoke Offshore Banking Licence dated the 15th February, 2001, notified BTCB of his intention to revoke the Offshore Banking Licence granted to BTCB on the 27th March, 1997. (see Notice herewith exhibited and marked "CB 10").
13. On the 15th February, 2001, the business of the Plaintiff BTCB was in effect seized by the said Price WaterHouseCoopers (W.I.) Inc. and persons under their authority direction and control. They have taken over complete possession of the premises and all records including confidential records of the customers' dealings. I fear that this seizure has caused and will continue to cause the Plaintiff BTCB irreparable harm, loss and damage, and, unless restrained, BTCB's imminent destruction.
14. The 1st Defendant has refused to accept any new deposits into any BTCB accounts.
15. I discovered yesterday that the said 1st Defendant has issued letters to each of BTCB's correspondent bank(s) stating that the Ministry of Finance has issued a Notice of Intent To Revoke BTCB's License and has appointed them as Receiver and by the said letters are instructing such Banks to close BTCB's Account(s) and transfer all balances to a Trust Account at the National Commercial Bank.
16. The 1st Defendant has informed BTCB creditors and depositors of the above actions.
17. I fear that such actions on the part of the 1st Defendant will cause the refusal of significant fund transfers which are earmarked for the Plaintiff through one of its correspondent banks of the Plaintiff, the receipt of which funds would solve the liquidity problems of the Plaintiff.
18. The 1st Defendant has written to the Plaintiff's debtors demanding immediate payment of their debts and stating in the said correspondence that its "licence to operate will be revoked", contrary to the law.
19. The 1st Defendant has impounded an airplane leased by BTCB that is the property of a third party unrelated to BTCB.
20. The 1st Defendant has seized certain assets of BTCB that are essential to the ordinary course of business, including a vehicle made available to the officers of BTCB.
21. The 1st Defendant has changed all locks and combinations at BTCB and retain all the keys and combinations, under their custody and control, requiring that the ordinary course of business can only be conducted at their convenience.

22. The 1st Defendant are inspecting and accessing all files at BTCB including the individual client international business company files that are stored at BTCB and held for those companies for which International Corporate Services Ltd. and affiliate of BTCB serves as Director Designee.
23. Communications in and out of BTCB have been severely limited now to only two (2) phone lines and one (1) fax line as opposed to the previous eight (8) phone lines and two (2) fax lines. Even more seriously, the discontinued lines include the dedicated phone and computer lines that the U.S. Treasury / Federal Reserve appointed Entities instructed BTCB to install, and the dedicated SWIFT (interbank communication) line that permits secure communications between BTCB and its correspondent and other world banks and which precludes pre-advise of the deposits and fees expected into BTCB.
24. The 1st Defendant's actions have caused Cable & Wireless to disconnect all phone lines at my residence, including the dedicated lines and mobile phone similarly directed by those Entities because the conduct of those aspects of the business of BTCB require access to me at least seventeen hours a day, seven days a week.
25. The actions by the 1st Defendant and the Ministry of Finance have lent credence to the spurious and egregious half-truth, false statements, accusations and innuendos recently reported in a U.S. Senate Minority Staff Committee Report, in spite of BTCB's written and publicized Response.
26. I have been informed and verily believe that the Honourable Attorney General of the Commonwealth of Dominica was heard to have told the media that "we have served our notices and Receivers are in there to liquidate BTCB".
27. I have been advised by Counsel and verily believe that the said Notices of the Honourable Minister for Finance were rather precipitate and dehors the law and have caused the Plaintiff BTCB severe prejudice.
28. I have been further advised by Counsel and verily believe that the said Notices of the Honourable Minister for Finance have contravened the "audi alterem partem" rule of Natural Justice and are unlawful.
29. The Notice of the Appointment of the 1st Defendant as Receiver of BTCB which is exhibited hereto and marked "CB 1" does not identify the ground for the appointment and BTCB has never been served with any written document which serves the basis of the Minister's decision or to which BTCB may have had an opportunity to respond, nor has BTCB ever been told the reason for such appointment. 
30. The Plaintiff BTCB is in the process of submitting its written statement of objection to the said Notice of Intention to Revoke

Offshore Banking Licence to the Honourable Minister for Finance.

- 31. I am confident that, given the reorganization plan and the pending receipt of the funds as referred to herein, the directors of the bank are in a position to effectively manage and operate the bank in the interest of its shareholders and depositors, subject to any conditions which the Court may impose.
- 32. I fear that if the Defendants were allowed to continue with their actions without the intervention of the Court the shareholders and depositors will suffer irreparable loss.
- 33. In the premises, the Plaintiff humbly prays that in pursuance and by virtue of the powers vested in this Honourable Court, that this Honourable Court will grant the relief sought in the Summons herein both permanently and by interim order as well as such further or other relief as may be just.

SWORN at the High Court, Roseau)
this 23rd day of February, 2001)



BEFORE ME:


.....
A COMMISSIONER FOR OATHS

This Affidavit is filed on behalf of the Plaintiff

- 1 -

IN THE HIGH COURT OF JUSTICE

(CIVIL)

COMMONWEALTH OF DOMINICA

2001 No. Dom 66

In the Matter of an Application for the Revocation of the Appointment of the Receiver

- and -

In the Matter of Section 36 of the Offshore Banking Act 1996

- and -

In the Matter of the Rules of the Supreme Court

BETWEEN:

BRITISH TRADE & COMMERCE BANK LTD.

Plaintiff

AND:

PRICE WATERHOUSECOOPERS (W.I.) INC.

1st Defendant

and

**AMBROSE GEORGE, THE MINISTER FOR FINANCE AND
ECONOMIC PLANNING**

2nd Defendant

and

**THE ATTORNEY GENERAL OF THE COMMONWEALTH OF
DOMINICA**

3rd Defendant

AFFIDAVIT

I, MARCUS A. WIDE, of the Regional Municipality of Halifax, Province of Nova Scotia, Canada, Financial Specialist, make oath and say as follows:

1. That I am a Director of PricewaterhouseCoopers (W.I.) Inc. ("PWC") and I am authorized to swear this Affidavit on behalf of PWC.
2. I am a licensed Trustee in bankruptcy, a certified insolvency practitioner and have 26 years experience in the area of corporate insolvency, private receiverships, court appointed

- 2 -

receiver and liquidator acting as agent of courts in Canada and the Caribbean and providing insolvency and financial restructuring advice generally to clients.

3. PWC was appointed by the Honourable Ambrose George, Minister for Finance and Economic Planning, of the Commonwealth of Dominica ("Minister") as Receiver for the British Trade & Commerce Bank Ltd. ("BTCB") on February 15, 2000 pursuant to Section 34 of the *Offshore Banking Act* ("Act").
4. David Boyd of Halifax aforesaid is a Manager of PWC and I have reviewed the Affidavit sworn by him under date February 27, 2001 ("Boyd Affidavit") and filed in the within proceeding and I am familiar with all of the facts and issues referenced therein and verify and confirm the matters deposed in as if such Affidavit was sworn by me.
5. PWC was advised by Bernard Wiltshire, the Honourable Attorney General of the Commonwealth of Dominica, that the ex parte Order issued by this Honourable Court under date February 23, 2001 made on the application of the Plaintiff was stayed by this Honourable Court pending a hearing originally scheduled for Friday, the 9th day of March, 2001.
6. Since the date of the Boyd Affidavit, PWC has continued with its exclusive power of management and control of the BTCB pursuant to Section 40(1) of the Act including the ongoing review of its business affairs and operations.
7. During the continued course of such investigation and review, PWC cannot substantiate any of the facts as to the solvency and the good business prospects of BTCB as is alleged by Charles Brazie and contained in his Affidavit ("Brazie Affidavit") filed with this Honourable Court and sworn the 23rd day of February, 2001.
8. I have reviewed the financial statements of BTCB for the year 2000 and filed as "CB2" of the Brazie Affidavit and advise this Honourable Court that:
 - Assets recorded thereon are without reference to the corresponding liabilities.
 - Assets are shown in these financial statements for which BTCB does not hold title, but are shown as if owned by BTCB.
 - Other assets shown thereon are without value under generally accepted accounting principles.
 - These financial statement are at best grossly misrepresentative of the true financial affairs of BTCB as at their date and are not prepared under generally accepted accounting principles.

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Senate Permanent Subcommittee
On Investigations
EXHIBIT # 57c

Exhibit 57c.

BTCB management and employee documents

Excerpts from Long Deposition
Complete Text Available in Subcommittee Files as Exhibit #64

In the Matter of:

*The Role of U.S. Correspondent Banking in
International Money Laundering*

*Deposition of John G. Long, IV
February 26, 2001*

*Miller Reporting Company, Inc.
735 8th Street, S.E.
Washington, DC 20003-2802
(202) 546-6666 FAX: (202) 546-1502*

Original File 0226LONG.ASC, 38 Pages
Min-U-Script® File ID: 3590425164

Page 1

UNITED STATES SENATE
 COMMITTEE ON GOVERNMENTAL AFFAIRS
 PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
 In the Matter of: :
 THE ROLE OF U.S. CORRESPONDENT :
 BANKING IN INTERNATIONAL MONEY :
 LAUNDERING :

Washington, D.C.

Monday, February 26, 2001

The deposition of JOHN G. LONG, IV, called for examination by Minority counsel for the United States Senate, Committee on Governmental Affairs, Permanent Subcommittee on Investigations, in Room SD-342, Dirksen Senate Office Building, Washington, D.C., commenced at 9:40 a.m., before Thomas C. Bitsko, a Notary Public in and for the District of Columbia, when were present on behalf of the parties:

Page 2

APPEARANCES:

On behalf of the Majority:
 RENA M. JOHNSON, ESQ.
 Deputy Chief Counsel
 Permanent Subcommittee on Investigation
 100 Russell Building
 Washington, D.C. 20510
 (202) 224-3721

On behalf of the Minority:
 ELISE J. BEAN, ESQ.
 Deputy Chief Counsel to the Minority
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On behalf of the Deponent:
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 TIM MAXCEY, ESQ.
 Stipe Law Firm
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 McAlester, Oklahoma 74502
 (918) 423-0421

ALSO PRESENT:
 CLAIRE BARNARD, Majority Staff
 EILEEN M. FISHER, Investigator

<p style="text-align: right;">Page 10</p> <p>[1] Q: Do you have any professional licenses, such as a [2] law degree or an accounting degree? [3] A: No, I do not. [4] Q: Could you describe your employment or business [5] background since college, just in general? [6] A: In general, banking for several years, and then I [7] became a commodities trader, and then a bond trader.</p>	<p style="text-align: right;">Page 18</p> <p>[9] Q: Could you please describe your involvement with [10] British Trading Commerce Bank? [11] A: On the advice of counsel, I respectfully assert my [12] right to remain silent under the Fifth Amendment to the [13] United States Constitution and decline to respond to the [14] question.</p>
<p style="text-align: right;">Page 15</p> <p>[14] Q: Are you familiar with Republic Products [15] Corporation? [16] A: Yes, I am. [17] Q: Can you tell me little bit about it? [18] A: It was a company that was created—well, it [19] actually goes back for a number of years. It was a filter [20] and fluid pump system manufacturing company that we created [21] to—it did a lot of the installations for plantations in [22] Central America and other places. It was a corporation that [23] had been around for a long time, that I owned, and I have [24] just continued it, even though for the most part, the pump [25] business—you know, the agricultural side of it, we no</p>	<p style="text-align: right;">Page 20</p> <p>[20] Q: My question to you is this document purports to [21] list the owners of British Trading Commerce Bank. Is it [22] accurate? [23] A: On the advice of counsel, I respectfully assert my [24] right to remain silent under the Fifth Amendment to United [25] States Constitution and decline to respond to the question.</p> <p style="text-align: right;">Page 21</p> <p>[1] Q: I'm going to try just one more with this document. [2] It indicates that the largest shareholder of British Trading [3] Commerce Bank is the British Trading Commerce Bank Bancorp [4] Trust. It indicates on here that the beneficial interests [5] of that trust are held by Mr. John Long. Is that accurate? [6] A: On the advice of counsel, I respectfully assert my [7] right to remain silent under the Fifth Amendment to the [8] United States Constitution and decline to respond to the [9] question.</p>
<p style="text-align: right;">Page 16</p> <p>[1] longer—it's more become an investment company in the last [2] seven, eight years. [3] Q: Is that a Texas company? [4] A: Oklahoma—well, no, let me rephrase. It is [5] resided in Oklahoma and registered in Oklahoma. It is a [6] Nevada corporation. It was a Delaware—we changed it to [7] Nevada a couple of years ago. I can't remember, '95 or [8] something, we changed it to a Nevada, and I really can't [9] remember why, some tax reason. [10] Q: How about Templier Caisse, S.A.? [11] A: Caisse? [12] Q: Caisse. I'm sorry. [13] A: It was a dormant company that had little or no—it [14] was created briefly for First Equity, and it died of its [15] own—it never had a function. [16] Q: So it's dormant now? [17] A: It's gone. It was a short-lived thing. It was [18] something I had my mind—and I just— [19] MR. HERRINGTON: Could I have a moment? [20] [Counsel confers with the witness.] [21] BY MS. BEAN: [22] Q: That is a Bahamas company? [23] A: No, that is a Dominican company.</p>	<p style="text-align: right;">Page 22</p> <p>[7] Q: Mr. Long, was British Trading Commerce Bank—did [8] it either offer or participate in transaction selling of [9] prime bank notes? [10] A: On the advice of counsel, I respectfully assert my [11] right to remain silent under the Fifth Amendment to the [12] United States Constitution and decline to respond to the [13] question.</p>

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[1] Q: Did British Trading Commerce Bank ever offer
 [2] certificates of deposit that promised to pay an effective
 [3] annual interest rate of 7.9 percent?
 [4] A: On the advice of counsel, I respectfully assert my
 [5] right to remain silent under the Fifth Amendment to the
 [6] United States Constitution and decline to respond to the
 [7] question.
 [8] Q: Were you aware that William H. Koop was laundering
 [9] fraud proceeds through accounts at British Trading Commerce
 [10] Bank?
 [11] A: On the advice of counsel, I respectfully assert my
 [12] right to remain silent under the Fifth Amendment to United
 [13] States Constitution and decline to respond to the question.
 [14] MR. HERRINGTON: I would also note an objection to
 [15] that question. It assumes facts not in evidence, to say the
 [16] least.
 [17] MS. BEAN: Mr. Koop has pled guilty to money
 [18] laundering, and he has said that he laundered his money, in
 [19] part, through British Trading Commerce Bank.
 [20] BY MS. BEAN:
 [21] Q: Did British Trading Commerce Bank ever knowingly
 [22] accept deposits that included the proceeds of criminal
 [23] activity?
 [24] A: On the advice of counsel, I respectfully assert my
 [25] right to remain silent and the Fifth Amendment to the United

Page 24

[1] States Constitution and decline to respond to the question.
 [2] Q: Have any illegal drug proceeds ever been deposited
 [3] in the British Trading Commerce Bank accounts?
 [4] A: On the advice of counsel, I respectfully assert my
 [5] right to remain silent and the Fifth Amendment to United
 [6] States Constitution and decline to respond to the question.
 [7] Q: Do you know if any British Trading Commerce Bank
 [8] employee, officer or director was withdrawing funds from
 [9] British Trading Commerce Bank accounts that did not belong
 [10] to them?
 [11] A: On the advice of counsel, I respectfully assert my
 [12] right to remain silent in the Fifth Amendment to the United
 [13] States Constitution and decline to respond to the question.
 [14] Q: Have you ever personally withdrawn funds from
 [15] British Trading Commerce Bank accounts that did not belong
 [16] to you?
 [17] A: On the advice of counsel, I respectfully assert my
 [18] right to remain silent under the Fifth Amendment to the
 [19] United States Constitution and decline to respond to the
 [20] question.

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MEMORANDUM

TO: File
FROM: Elise Bean
DATE: July 11, 2000

RE: **Telephone Conversation with John G. Long
regarding British Trade and Commerce Bank**

On July 11, 2000, I called the Farmers Exchange Bank (580-298-5584) in Antlers, Oklahoma and asked the receptionist if John G. Long worked at the bank. She said the Long family used to own the bank but hadn't owned it for about ten years and Mr. Long did not work there. After explaining who I was and she consulted her supervisor, the receptionist gave me the following telephone numbers from the local telephone book for Mr. John G. Long and his son Johnny:

John G. Long 508-██████████
Johnny & Carol 508-██████████

**Redacted Information
in Subcommittee Files**

I then called John G. Long (508-██████████) who immediately answered the telephone. He said to please wait a minute while he finished two other telephone calls – he said he was handling them all since "Carla" wasn't there. About one minute later, he got back on the line and asked how he could help. I indicated that I was with the Permanent Subcommittee on Investigations of the U.S. Senate. Mr. Long said that he talked "to the Senate all the time" and had several "buddies" there. I explained that the Subcommittee was conducting a money laundering investigation into correspondent banking and had become interested in British Trade and Commerce Bank (BTCB). I said that I understood he was Chairman of the BTCB's Advisory Committee.

Relationship with BTCB. Mr. Long said that he used to be on the BTCB advisory committee, but wasn't anymore. He said that he had helped form the bank and get its license in Dominica, since he knew the Finance Minister Julius Timothy. He said he hadn't been to Dominica in two years, until this past spring when he took his son there for some "environmental" activities, including a "swim with the whales" and a look at a volcanic site. He said he "visited with the bank" during that trip and that he still "talks" to the bank "on occasion." When I said that I thought he had owned BTCB, Mr. Long stated, "I never owned one share of stock in the bank." He again said that he helped form the bank and get its license, but insisted he had "never" owned BTCB.

First Equity. Mr. Long said he did help BTCB with the "securities house." He said the bank and the securities firm have "interlocking" directors. In response to a question, he confirmed that the securities house he was referring to was First Equity. He said that he was Chairman of First Equity for a "period of time" but had sold his shares "a long time ago." He said that a "consortium of directors" from BTCB had bought First Equity, along with himself and

"300 others." He said "it is a public company."

When I said that I thought BTC Financial had bought First Equity less than a year ago, he said the purchase was two years ago, "well into 1998." Mr. Long said that BTC Financial had been merged into another company. When I asked if that was Autoworld [the correct name of the company is Autostack], he said yes. When I asked why the bank had selected Autoworld, he said that company "was just a shell" used to complete the "merger." When I said that I thought BTC Financial was a private company, he said, no, it was a public company. He stated that the bank never owned BTC Financial directly – they just had interlocking directors. He said one of the key individuals, whose name he couldn't recall, was a Venezuelan in the insurance business and had access to the Venezuelan stock exchange. When I noted that BTC Financial and BTCB had similar names, he said that the thought was that they would work together, but the bank did not own BTC Financial or First Equity directly. He repeated that he had been involved in the purchase of First Equity as one of the directors and shareholders, but didn't own any shares now.

Koop Fraud. I explained that the Subcommittee had become interested in BTCB because the bank was named in a federal guilty plea to money laundering by William Koop. Mr. Long recalled the Koop matter and said that BTCB had cooperated with investigators and provided them with information about Mr. Koop, including copies of relevant documents. He said that Mr. Wilbert Bascom (305-██████████ in Miami, a former bank regulator with a long record of regulatory experience in the Florida banking industry, had helped BTCB "through the turmoil" associated with the Koop matter. I indicated that I knew the bank had provided documents to the attorney representing one of the defrauded individuals, Glenn Schmidt, and said that the attorney had provided copies of those BTCB documents to me.

Mr. Long said that the Koop matter had led to BTCB's changing their account opening forms to require clients to give the bank a waiver when the account is opened to disclose client information when necessary. He said that not all banks formed outside the United States engage in improper schemes, but "offshore banks are targeted by criminals" and it is hard to discover them and keep them out of the bank. He said that Mr. Koop had targeted BTCB for use in his fraudulent schemes, and the bank had no interest in protecting him, so it had provided information on him.

Mr. Long said that when BTCB later had a problem "with a guy in the Midwest" involved in a "letter of credit scheme," Mr. Bascom again helped the bank. He said Mr. Bascom worked with a gentleman from the U.S. Treasury Department and helped him contact BTCB officials to deal with the issues. He said that Mr. Bascom did not hold any official position with BTCB, but suggested that I might want to call him as well.

Mr. Long also noted that BTCB recently asked the East Caribbean Central Bank to supervise them. He said that "Dominica looked the other way" and allowed BTCB to set up that supervisory situation, since BTCB wanted to do so. He said that Mr. Bascom also assisted in setting up that arrangement.

I indicated that we might telephone Mr. Bascom for help since the reason I was contacting Mr. Long was because we had sent a letter to BTCB over six weeks ago but weren't getting the level of cooperation we had received from other banks. I indicated that BTCB had sent us two letters promising to provide the information requested, in particular about Mr. Koop, but we still hadn't received anything and my phone calls to Mr. Requena and Mr. Betts had not been returned. I said that was when I decided to "go to the top." Mr. Long said he "was not the top," but he would call "Wilbert" and "Rodolfo" and "reach out to them" and encourage them to return my phone calls. He said that Venezuelans often don't return calls, but Mr. Betts did and he might be the best person for me to talk to at the bank. He said that Mr. Bascom was even more helpful, and again recommended calling him.

Antiguan Banks. Mr. Long described an occasion in Dominica when he met with the Dominican Finance Minister Julius Timothy and Attorney General at "8:00 pm at a hotel one night." He said that he had told them he was not going to set up a Venezuelan credit card operation in Dominica because the island wasn't doing enough to ensure legitimate operations there, and he was going to leave the island the next day. He said they came to his hotel with a load of documents to convince him he should locate the business in Dominica. He said that he was wearing "sleep pants," but came out to meet with them. He said that he shook Mr. Timothy's hand and Mr. Timothy promised him that he would not allow any Antiguan bank to "re-license" in Dominica, since they were questionable banks. I asked whether Dominica had kept that promise and mentioned Overseas Development Bank. He responded that he thought they had and ODB was a Cayman rather than Antiguan bank. In response to a question asking him if he knew John Greaves, Mr. Long indicated that he did not.

Hanover Bank. I indicated that the Koop guilty plea had mentioned both BTCB and Hanover Bank. Mr. Long said that Hanover Bank didn't really exist. I said that, in fact, Hanover Bank did exist, and we had interviewed the bank owner, Mr. Fitzpatrick, at length, and were looking for the same cooperation from BTCB. Mr. Long said that he had been told Hanover didn't exist. I said that might be because Mr. Koop had opened an account at BTCB called "Hanover B" and had told his fraud victims that the account was for Hanover Bank, when the account had no actual association with that bank. I said that Mr. Koop had indicated in sworn deposition testimony that he deliberately named the account "Hanover B" to create the impression that the account was associated with Hanover Bank. Mr. Long said that no one at BTCB had known at the time what Mr. Koop was doing.

Global Investment. I said that Mr. Koop had also claimed that, of the \$2.5 million he pled guilty to taking from Mr. Schmidt, he had invested \$1 million with BTCB, specifically by investing the funds with a BTCB entity called Global Investment Fund. Mr. Long indicated that was not correct. In response to questions, Mr. Long said that he had "never heard" of Global Investment Fund and was not associated with it. He also said that BTCB doesn't "run investment funds." He said BTCB's main line of business is credit cards. He said they have a "big credit card operation in Tokyo" as well as credit card operations in Argentina, Brazil and Venezuela. He said that business is extremely profitable, because the countries permit interest rates of 35%

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or more and people will use credit cards with those high rates. He indicated that he had been a strong supporter of BTCB's getting into the credit card business.

Mr. Long completed the conversation by saying that he would contact Mr. Bascom and Dr. Requena about returning my phone calls. I thanked him for his assistance.

Later on July 11, 2000, Mr. Long telephoned me to say that he had placed calls to Mr. Bascom and Mr. Betts without success, but was able to reach Dr. Requena. He said that he had just spent 30 minutes with Dr. Requena and "strongly urged him" to cooperate with the Subcommittee inquiry. He said that Dr. Requena indicated the bank had hired an attorney in Washington, D.C. to answer the Subcommittee letter and that Dr. Requena indicated he had not followed up on the matter since then. Mr. Long said that he gave Dr. Requena my telephone number and suggested he arrange a telephone conference call with the DC attorney, Dr. Requena and the Subcommittee to get things on track. He said to call him again if he could be of more assistance. I thanked him for his help.

FRED THOMPSON, TENNESSEE, CHAIRMAN
 WILLIAM V. ROTH, JR., DELAWARE
 TED STEVENS, ALASKA
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 PETE V. DOMENICI, NEW MEXICO
 THAD COCHRAN, MISSISSIPPI
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 DANIEL K. AKAKA, HAWAII
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 JOHN EDWARDS, NORTH CAROLINA
 HANNAH S. SISTARE, STAFF DIRECTOR AND COUNSEL
 JOYCE A. RECHTSCHAFFEN, MINORITY STAFF DIRECTOR AND COUNSEL

United States Senate

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 WASHINGTON, DC 20510-6250

August 21, 2000

Mr. John G. Long
 East of City
 Antlers, Oklahoma 74523

Dear Mr. Long:

The U.S. Senate Governmental Affairs Permanent Subcommittee on Investigations is conducting an investigation, at the request of Senator Carl Levin, into money laundering activities which make use of services provided by financial institutions operating in the United States. The current phase of the investigation is an examination of correspondent banking services and anti-money laundering safeguards in the correspondent banking field.

On July 11, 2000, pursuant to the ongoing investigation, I telephoned you with questions about British Trade and Commerce Bank (BTCB). You indicated during the conversation that you had helped form the bank, helped obtain its license from the Commonwealth of Dominica, and served for a period of time as the Chairman of BTCB's Advisory Committee. You also indicated that you had assisted BTCB's directors in purchasing First Equity Corporation of Florida (FECF), served a brief term as FECF's Chairman, and was once a FECF stockholder. You also stated that you had never held any shares of stock in BTCB and was never an owner of the bank. At the close of the conversation, you offered to contact BTCB to encourage their cooperation with the Subcommittee investigation. You telephoned later the same day and indicated that you had spoken with BTCB's president Rodolfo Requena and urged him to answer the May 15th letter. Unfortunately, that letter remains unanswered.

The purpose of this letter is to obtain additional information about the ownership of BTCB and FECF, and the relationship between these two entities. Please provide your written answers to the following questions by no later than August 31, 2000.

(1) **BTCB Ownership.** Have you ever held any ownership interest in BTCB, directly or indirectly, including through a trust, corporation or other arrangement?

(a) If the answer is yes, please describe your past and current ownership interests in BTCB, including identifying any entity through which you have held an interest in the bank, the number of shares held, and the dates on which you acquired or transferred these shares.

(b) Please identify by name and job title all other individuals whom you believe have had an ownership interest in BTCB, whether directly or indirectly.

Mr. John G. Long
August 21, 2000
Page Two

(2) **FECF Ownership.** Please describe your past and current ownership interests in FECF, including identifying any entity through which you have held an interest in the corporation, the number of shares held, and the dates on which you acquired any portion of these shares.

(a) Please describe your role in arranging the acquisition of FECF by the directors of BTCB.

(b) Please identify by name and job title all individuals associated with BTCB who participated with you in the acquisition of FECF and describe the nature and extent of their ownership interests in the corporation.

(c) Please describe the roles of FEC Financial Holdings, Autostack, and BTC Financial Services in the acquisition and current ownership of FECF.

(d) Please identify the date on which you sold your shares in FECF, to whom you sold them, and the approximate purchase price.

(e) Please describe your current understanding of who owns FECF and what the relationship is between FECF and BTCB.

Please send your response to these questions to my attention at the Permanent Subcommittee on Investigations, 193 Russell Senate Office Building, Washington, D.C. 20510, or fax it to my attention at (202) 224-1972.

In addition, we would like to arrange an interview with you during the month of September. The interview may be held in Washington or Oklahoma, at your preference. It would not be transcribed, and legal counsel is not required but may be present, again at your preference. To arrange a date and time for the interview, please contact me by telephone at (202) 224-9505; by fax at (202) 224-1972; or by email at elise_bean@govt-aff.senate.gov.

Thank you for your assistance in this matter. I look forward to hearing from you.

Sincerely,



Elise J. Bean
Deputy Chief Counsel to the Minority
Permanent Subcommittee on Investigations

cc: Rena Johnson, Acting Staff Director and Chief Counsel for the Majority

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Date: 8/25/00 11:48 AM
Sender: jglong@
To: elise bean
Priority: Normal
Subject: BTCB etal
Dear Ms. Bean:

I am in receipt of your letter dated August 25, 2000, I would be happy to cooperate with your investigation to the fullest extent of the law.

I am disturbed that Dr. Requena did not respond to your or my request for information. He assured me that he had retained an attorney in Washington DC for the purpose of specifically answering your questions.

I have retained the offices of Senator Gene Stipe to represent me in various matters, and accordingly, this date forwarded your letter to his McAlester, OK office, Mr. Tim Maxcey, Attorney at Law, to answer and schedule any interview. His number is (918) 423-0421.

Sincerely,

John G. Long

**Redacted Information
in Subcommittee Files**

1741

Date: 8/25/00 2:30 PM
Sender: jglong@[REDACTED]
To: elise bean
Priority: Normal
Subject: BTCB etal
Dear Ms. Bean:

I promptly contacted Dr. Requena after your written communication of this date regarding your allegation of his ignoring your request for information.

I was quickly corrected and surprised to find that you have been contacted and in regular communication with a Mr. Jay Stone, an attorney in the Washington DC area, (202) 737-7385 or (202) 638-1950. I was advised that this gentleman is preparing you no less than a "book" of factual data regarding your request.

You have requested me to speculate and provide opinion in addition to the information I might actually be able to provide. I do not appreciate being used as your pawn in a fishing mission. I was more than happy to help you in your legitimate efforts.

I am therefore requesting my attorney to cooperate with your request. While, at the same time to file formal complaints with both Senate offices of the State of Oklahoma in Washington DC.

Sincerely,

John G. Long

**Redacted Information
in Subcommittee Files**

Antlers American
(Feb. 2001)

Local man involved in federal investigation

By
Brad House
Editor

An Antlers man named in a United States Senate investigation into money-laundering has said the committee failed to show or even accuse wrongdoing on his part.

John Long IV, of Antlers, was named in the committee's recent report for his involvement with an off-shore bank in Dominica.

The report, released by the Democratic staff of the Senate's Subcommittee on Investigations on Monday, states that Long formed the British Trade and Commerce Bank in Dominica, and reported finding evidence of "financial frauds" and "suspicious transactions" moving millions of dollars through its U.S. accounts.

According to Long, his involvement with the bank was limited to "helping out some people as a friendship gesture. I introduced them to some authorities....I was never a shareholder or involved in management of the bank."

The report stated, also, that "financial transactions involving Long were found, including some for a company building a house for him in Antlers."

"That 'transaction' was a letter of credit for \$22,000 for concrete while I was building my house," Long said, noting that construction began before the bank was in existence.

Long said that the bank came under scrutiny due to a single incident and that the bank was guilty only of bad judgment and had "no reason to believe the individual was anything other than an ordinary individual."

"The bank was exonerated," Long said. "They did everything they could to make things right, and they assisted with the investigation."

Continued on page two

See 'Bank'

'Bank'

Continued from page one

Long said he believed the Senate investigation is aimed toward tighter legislation of banking practices, forcing the institutions to "dig deeper" into the backgrounds of people doing business with them, a move he says that the banking industry—and most people—will disagree with.

"We're already concerned with Big Brother-type intrusion in our lives," Long said.

Long pointed out that the British Trade and Commerce Bank was still in operation.

"I did nothing wrong," Long said.

"I've never really felt embarrassed about my actions, (embarrassed) by the way it was put forth, but there's nothing for me to be ashamed of."



Inter Office Memo

To: All Officers, Directors, Employees and associated consultants of *Patricia Long*
 British Trade & Commerce Bank, First Equity Corporation of Florida,
 FEC Financial Holdings, Inc., First Equity Properties, Inc., Swiss Atlantic Corporation
 InSatCom & Worldwide Asset Protection

From: *RA* Ralph Hines for John G. Long, Chairman, Advisory Committee

CC: Mr. John G. Long

Date: 03/24/99

Re: April 1999 Monthly Business Development Report

As you may be aware, in March, the attached letter and report was circulated to and completed by most of the employees of the Miami based operations of BTCB and affiliated companies. Mr. Long sincerely appreciates the time and careful thought that many gave in the first report. On the other hand, he is very concerned that some elected not to take the time to share with him their thoughts.

Mr. Long has written the attached letter in which he addresses some of the concerns voiced by a few. I would suggest that if you have concerns or questions about not completing the April and subsequent monthly reports, that you carefully read his letter.

A paper copy of the March 1 letter and reporting format is attached. If you wish to have an electronic copy sent to you, please e-mail your request to me at rahines@1stequity.com. The completed report must be sent to me on or before April 5th, 1999, so that they can be batched together for Mr. Long's review. Your report can be privately faxed to 305 958 8539, sent by e-mail to the above address or hand delivered in a sealed envelope. If your report contains information you do not want anyone to see, please contact me for additional confidential delivery instructions.

TO THE NON-MIAMI BASED AFFILIATES: For various reasons the March 1, 1999 letter and reporting format were not circulated to all employees as was Mr. Long's intention. Please consider this letter your first request and utilize the outline given in the March 1, 1999 letter for completion of the report.



John G. Long, Chairman
Advisory Committee

British Trade & Commerce Bank
Licensed for Full Trust Business

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

MEMORANDUM

To: All Employees of
British Trade & Commerce Bank
First Equity Corporation of Florida
First Equity Properties, Inc.
Swiss Atlantic Corporation
FEC Financial Holdings, Inc.
InSatCom, Inc.

Date: March 1, 1999

From: John G. Long, Chairman
The Advisory Committee

Subject: Monthly Business Development Report

The events of the last nine months have generated tremendous growth in the number of employees of and in the diverse nature of projects which are being undertaken by BTCB and its affiliated companies. In point of fact, the growth has been such that we now need a company-wide, uniform method of reporting the projects that each of us are developing or have completed. With this information in hand, Management can more carefully focus the resources available so that everyone receives the support appropriate. After careful study, it has been determined that one way to accomplish this task is through a monthly Business Development Report.

The Business Development Report will be completed by all employees within our group of companies and shall serve not only as a new business development reporting tool, but also as the employee's direct communications with senior management of the parent company. While some companies do not ask for such reporting from administrative and clerical staff members, it is our feeling that every employee has something to contribute, so we are asking everyone to participate in this forum, especially in this initial Report.

The report is attached in hard copy format to this letter and is also being e-mailed to you in Microsoft Word format as an attachment that can be completed and either e-mailed back or printed and faxed in, depending on your particular desire.

The Report is in three major sections. The first section deals with previously reported projects. Since this is the first time that we have used this format, I would appreciate an overview of your business development efforts for the last several months and the results of your work. Projects that are still in the pending or development stage should be listed together with a time line that shows the anticipated successful results. A brief example would be as follows:

Overview: Met with prospective customer Jones on December 12, 1998. Mr. Jones wishes us to assist his drug company with a private placement for \$5 Million to bring a new drug on line. Clinicals are expected back on March 1, 1999. They should be ready to pay our initial due diligence fee on April 1, 1999 and want the Private Placement completed by June 1, 1999. Anticipated profit \$200,000.

Assistance needed to complete project: Final site visit to plant by Review Committee by 4/10/99; Legal to begin work on contract for delivery to client on 3/15/99.

The second part of the Report deals with your plans for the current month – in this case March, 1999.

The third part of the Report is for your comments. This is an open forum for you to bring to senior management and the stockholders your thoughts, your needs and any other information that you feel should be brought to our attention.

These forms should be completed and either e-mailed or faxed to Ralph Hines at FEC Financial Holdings in Miami. His e-mail address is rhines@1stEquity.com. His fax number is 305 960 2120. Please take the time to complete this form and fax it to Ralph by the end of the business day on Friday, March 5th, 1999, and every 5th of the month.

I appreciate your full cooperation and look forward to reviewing your submissions each month.

###

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MONTHLY BUSINESS DEVELOPMENT REPORT

British Trade & Commerce Bank *and Associated Companies*

Report from:

Company:

Contact Telephone Number:

Date of Report:

Results of Previously Reported Items:

(Use such space as necessary — either below or in attachments)

Development Plans for the Current Month:

Comments:

From the desk of:

John G. Long

TEL:USA (580) 298-3510
FAX:USA (580) 298-3516

March 23, 1999

Ralph Hines
Sent via fax (305) 960-2120

RE: Progress and Business Development Report

Dear Ralph:

Please distribute this memo to EVERYONE in the organization; follow-up with a personal contact to verify that each individual, even those remotely associated, have received it.

I received the requested reports you sent. For those who participated, I have read them and appreciate the information. I especially noted those who elected not to participate. I personally requested this report. Any election not to participate, for whatever reason, I consider it a disrespect of me. Such a blatant action will weigh heavy in my mind.

I have heard several reasons for not responding. In order to eliminate some fears, the originals of these reports are to be sent to me, with no file copies or copying of any kind to be made for any reason. There has been some concerns stated for jurisdictional issues, I very much wish that those stating these concerns would attend law school before practicing law or making legal deductions which they share with others. Legal discovery is a very powerful tool used in both civil and criminal cases. If we have committed an offense under which strong discovery tactics are being employed, then I would certainly like to know about them ahead of time. I very much doubt that anything being brought out in an informational memo is not supported by greater fact obtainable in the same discovery. I would like to think that attorney privilege would hold, but truth is probably not. Confidentiality of client information stands and would be defended based on the same law which creates it. I mostly think that the reasons given were thought up because someone was too lazy or again blatantly disregarding my request.

These reports are necessary for me to be informed. When questions are raised or someone wonders why certain things are being done or not being done, especially those not responding who seem to raise the most questions, it is because the answers are only known by individuals in the various associated firms who have this information and I have no better way to receive it than personal contact. The reports are that opportunity.

Sincerely,


John G. Long



BTCB
12/15/00

Inter- Office Memo

To: LEONARD BEDNEAU

From: GEORGE BETTS

CC:

Date: 12/15/00

Re:

LEONARD

I HAVE BEEN ADVISED BY RODOLFO REQUENA THAT HE HAS SIGNED AN AGREEMENT SOME TIME AGO WITH MR. JOHN LONG TO PURCHASE 10,500 SHARES OF BTCB STOCK BACK FROM MR. LONG FOR THE \$3,000,000 AT UBS AND THE RECEIVABLE FROM REPUBLIC PRODUCTS OF \$866,853. PLEASE CREDIT THESE ACCOUNTS AND DEBIT TREASURY STOCK BEFORE YEAR END.

12/15/00

Account QuickReport
All Transactions

04/08/01

Type	Date	Num	Name	Memo	Split	Amount	Balance	
Shareholders Equity								
Additional Paid Up Capital								
General Journal	05/09/1997	GJ 2				2,400,000.00	2,400,000.00	
General Journal	06/20/1997	GJ 3				(134,481.00)	2,265,519.00	
General Journal	06/20/1997	GJ 4				(134,481.00)	2,131,038.00	
Total Additional Paid Up Capital								
Dividend Paid	04/24/1998	5984	Rodolfo Riquena	Dividend		(3,000.00)	2,128,038.00	
Check	04/24/1998	5985	Clarence Baker	Dividend		(5.00)	2,123,038.00	
Check	04/24/1998	5986	HERBY ROYER	Dividend		(7.00)	2,118,038.00	
Check	04/24/1998	4246817	Frank Riquena	Dividend		(43.00)	2,114,038.00	
Check	04/24/1998	4246818	TEPILAUER COLS...	Dividend		(76.00)	2,107,038.00	
Check	04/24/1998	4246819	BTCB	Dividend		(2,250.00)	1,905,038.00	
General Journal	04/30/1998	ADTORRA	Diran Sarkissian	Dividend on 3000 BTCB shares via AMEX Int'l Bank		(80.00)	1,825,038.00	
Check	05/20/1998	052080LL				(80.00)	1,745,038.00	
Total Dividend Paid								
Paid in Capital (30,000 Sh.)						3,000,000.00	1,745,038.00	
General Journal	06/20/1997	GJ 1				(3,000,000.00)	1,745,038.00	
Total Paid in Capital (30,000 Sh.)								
Treasury Stock								
General Journal	05/28/1998	MAY-2		To convert 6000 redeemed shares of BTCB \$600,000. and additional capital of Temporal Claisse S.A.		(600,000.00)	1,145,038.00	
General Journal	05/28/1998	MAY-2		To convert 6000 redeemed shares of BTCB \$600,000. and additional capital of Temporal Claisse S.A.		(1,100.00)	1,144,038.00	
General Journal	12/15/2000	REDEEMBTCB		purchase of \$1,500 BTCB shares		(3,666,853.00)	(2,521,815.00)	
Total Treasury Stock								
Total Shareholders Equity							343,147.00	343,147.00
TOTAL							343,147.00	343,147.00

1750



U.S. Department of Justice
Justice Management Division
Personnel Staff

Washington, D.C. 20530

October 2, 2000

Mr. Michael Handley
Professional Staff Member
Permanent Subcommittee on Investigations
United States Senate
Committee on Governmental Affairs
Washington, DC 20510-6250

Dear Mr. Handley:

Receipt is acknowledged of your September 18th letter. Your letter requests the Department's reaction to a statement in a document that Mr. John Long served as a Special Attache' of the U.S. Department of Justice (DOJ) based in Geneva specializing in activities for the control of financing of terrorist organizations. You also asked for me to determine if this information is accurate and the years and circumstances surrounding Mr. Long's interaction with this agency.

A search has been completed of DOJ employment records, including a historical review back to 1974. There is no record of Mr. Long's employment.

I trust that this information is useful. If I can be of further assistance, please feel free to contact me on (202) 514-6788.

Sincerely,

A handwritten signature in cursive script that reads "Joanne W. Simms".

Joanne W. Simms
Director of Personnel

1751



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

00 OCT 13 PM 12:32

OCT 5 2000

The Honorable Fred Thompson
Permanent Subcommittee on Investigations
Committee on Governmental Affairs
United States Senate
Washington, DC 20510

Dear Senator Thompson:

Mr. Michael Handley of your staff has requested information concerning Mr. John G. Long and his interactions with the U.S. Agency for International Development (USAID). All of our missions in Central America have checked their personnel records going back at least 30 years, and responded saying that they have no record of the employment of John G. Long. Employees who have been at the overseas missions during this period of time were also spoken to, but none of them recall his employment. Given the situation stated above, we are unable to confirm the accuracy of the statement written for Mr. Long.

If I can provide you with further information, please do not hesitate to contact me.

Sincerely,

Joseph R. Crapa
Assistant Administrator
Bureau for Legislative and
Public Affairs

Sample of BTCB wire transfers
related to John Long

STMT56 96 1135 2382 000 DIRECT INQUIRIES TO: (954) 971-8890
SECURITY BANK N.A.
1450 SOUTH STATE ROAD 7
MIRCH LAUDERDALE, FLORIDA 33068
BRITISH TRADE & COMMERCE BANK
SUITE 2000
1100 BAYFRONT
ROSEAU, DOMINICA, WI
FROM 09/20/98 THRU 09/30/98

NUMBER OF ITEMS ENCLOSED:

DATE	DESCRIPTION OF TRANSACTIONS	CHECKS	DEPOSITS	BALANCE
09/03	MIR 7353	10,000.00		118,490.82
09/03	MIR 7354			
09/03	MIR 7351	10,475.82		108,015.00
09/03	MIR 7351	50,000.00		58,015.00
09/04	MIR 7351 PER CANCELED 9/7/98		35.00	58,050.00
09/04	MIR 4211		10,000.00	68,050.00
09/04	MIR 4212		10,000.00	78,050.00
09/04	MIR 4213		20,000.00	98,050.00
09/04	MIR 4314 CANCELLE DF7351 9/7/98		50,000.00	148,050.00
09/04	MIR 4211 PER	10.00		148,040.00
09/04	MIR 4212 PER	10.00		148,030.00
09/04	MIR 4213 PER	10.00		148,020.00
09/04	MIR 7364 PER	15.00		148,005.00
09/04	MIR 7357	8,000.00		140,005.00
09/04	MIR 7364		20,000.00	120,005.00
09/04	AUTO TRANSFER TO	61,995.00		58,015.00

Redacted Information
in Subcommittee Files

STMT#6 96 1123 2449 000 DIRECT INQUIRIES TO: (954) 971-9890
 SECURITY BANK N.A. FID. 7
 SECURITY BANK N.A. FID. 7
 NORTH LAUDERDALE, FLORIDA 33068
 BRIDGE BLVD. S.W. SUITE 2000
 BLDG. BAYFRONT BANK BRUNER CHARLES
 ROSENBU, DOMINICA, WI 0010140000
 FROM 10/01/98 THRU 10/31/98
 6
 NUMBER OF ITEMS ENCLOSED: 14

CKG-01 ACCOUNT NO. 00101400 01

ACCOUNT TRANSACTIONS DETAIL		CHRG	DEPOSIT	BALANCE
DATE	DESCRIPTION OF TRANSACTIONS			
10/15	WIRE 7658 FEE	15.00		98,971.29
10/15	WIRE 7659 FEE	15.00		98,956.29
10/15	WIRE 7660 FEE	15.00		98,941.29
10/15	WIRE 7661 FEE	15.00		98,926.29
10/15	WIRE 7655 FEE	35.00		98,891.29
10/15	WIRE 7659	452.00		98,439.29
10/15	WIRE 7655	1,500.00		96,939.29
10/15	WIRE 7660	3,484.29		93,455.00
10/15	WIRE 7654	4,000.00		89,455.00
10/15	WIRE 7657 MAVIS BB	5,000.00		84,455.00
10/15	WIRE 7658	6,000.00		78,455.00
10/15	WIRE 7653	8,460.00		69,995.00
10/15	WIRE 7651	20,000.00		49,995.00
10/16	WIRE 4491		6,500.00	56,495.00
10/16	WIRE 4475		15,000.00	71,495.00

Redacted Information
 in Subcommittee Files

1754

12/21/98 14:18 FAX 3059716071 SECURITY BANK NA 0007
Dec-21-98 01:12P BT&C ank/Trust (767) 448-6477 P.01



**British Trade
& Commerce Bank**

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

FAX COVER
Date: 12/21/98

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

NOTES: Urgent For your review Reply ASAP Please comment

Comments:

DEAR FERNANDO:

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

EAST SIDE N.S.W, AUSTRALIA

Redacted Information
in Subcommittee Files

GROUP PTY
00 ✓

BANKERS BANK OKLAHOMA LTD, OK

ABA#: 103-003-616

WITH FURTHER CREDIT TO: FIRST NATIONAL BANK OF ANTLERS, OK

ABA#: 103-103-396

BENEFICIARY: NELSON BROTHERS CONSTRUCTION

ACCOUNT NO.: [REDACTED] AMOUNT: USD\$30,000

REF: TEMPLIER CAISSE / JOHN LONG

Redacted Information
in Subcommittee Files

NICA
0, ROSEAU DOMINICA

TEST KEY FOR ABOVE WIRE BASED ON USD\$60,000 DATED DECEMBER 18, 1998 IS [REDACTED]

SINCERELY,

360,000 - OK 103

GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

TEST KEY VERIFIED BY:	[Signature]
DATE:	12/21/98

Licensed for Full Trust Business

12-21-98
FAXED
12:30 PM

STHT96 96 1123 2455 000 DIRECT INQUIRIES TO: (954) 971-9890
 SECURITY BANK N.A.
 1450 SOUTH STATE ROAD 7
 NORTH LAUDERDALE, FLORIDA 33068
 BRITISH TRADE & COMMERCE BANK
 2011,000/98 THRU 10/31/98
 DWIGGS BLDG. DAVIS EUGENIA CHARLES
 FROM 12/01/98
 ROSEAU, DOMINICA, WI
 NUMBER OF ITEMS ENCLOSED: 14

ACCOUNT NO. 00101400 01

-----ACCOUNT TRANSACTIONS DETAIL-----

POSTED	DESCRIPTION OF TRANSACTIONS	CHEQUES (-)	DEBITS (-)	CHEQUES (+)	DEBITS (+)	BALANCE
10/27	WIRE TRANSFER WELSON					131,704.32
10/27	WIRE 7732	50,000.00				81,704.32
10/27	WIRE 7732	70,000.00				11,704.32
10/27	AUTO TRANSFER TO	1,794.32				9,909.99
10/28	ACCT. -0010140002			311,443.00		321,358.99
10/28	AUTO TRANSFER FROM					321,358.99
10/28	WIRE 4455			60,000.00		261,358.99
10/28	MISCELLANEOUS DEBIT	6,094.00				255,264.99
10/28	MISCELLANEOUS DEBIT	6,094.00				249,170.99
10/28	WIRE 4455			15.00		249,185.99
10/28	WIRE 7754 FEE			15.00		249,200.99
10/28	WIRE 7755 FEE			15.00		249,215.99
10/28	WIRE 7758 FEE			15.00		249,230.99
10/28	WIRE 7751 FEE			35.00		249,265.99
10/28	WIRE 7752 FEE			35.00		249,300.99
10/28	WIRE 7752			210.00		249,510.99
10/28	WIRE 7751			800.00		249,710.99
10/28	WIRE 7754			7,000.00		256,710.99
10/28	RODOLFO BERQUENA					256,710.99
10/28	WIRE 7758			21,500.00		278,210.99

1755
 Redacted Information
 in Subcommittee Files

08/13/98 14:14 FAX 3059710071 SECURITY BANK NA @007
AUG-13-98 THU 12:46 P. 01
Aug-13-98 12:53P BT&C Bank/Trust (809) 448-6477 P. 01



British Trade & Commerce Bank
EMVED Building, Office Expanso Centre Blvd, Bayfront
Rooseau, Commonwealth of Dominica, P.O. Box 2042

FAX COVER
Date: 08/13/98

TO: COMPANY FAX N° PHONE N°	FERNANDO GONZALEZ SECURITY BANK N.A. 305-374-4207 305-374-3723	FROM: FAX N° PHONE N° PAGE	GEORGE BETTS (767) 448-6477 (767) 448-8410 1
--------------------------------------	---	-------------------------------------	---

NOTES: Urgent For your review Reply ASAP Please comment

Comments:
DEAR FERNANDO:
PLEASE MAKE THE FOLLOWING TRANSFERS FROM OUR ACCOUNT 0400101400-G1.
BARCLAYS BANK PLC
BAY STREET BRANCH, NASSAU, BAHAMAS
BENEFICIARY: TEMPLER CAISSE, SA
33 FREDERICK ST., P.O. BOX CB13039, NASSAU, BAHAMAS
ACCOUNT NO. [REDACTED], AMOUNT: USDS 152,000
REF: REDEMPTION - CERT. OF DEPOSIT #10104 TEMPL. CAISSE.

TEST KEY FOR ABOVE WIRES BASED ON USDS152,000 DATED AUGUST 13TH, 1998 IS [REDACTED]

SINCERELY

GEORGE BETTS
VICE PRESIDENT

Redacted Information
in Subcommittee Files

TEST KEY VERIFIED BY: [Signature]
DATE: 8/13/98

1757

SUMMARY OF PRESTO ACTIVITY

Security Bank N.A.

The f

O activity:

**Redacted Information
in Subcommittee Files**

IN

TOTAL

\$2,223.70

SUMMARY OF PRESTO ACTIVITY

=====
Outgoing Message Report Date/Time: 08/14/98 12:03pm
User Name: MARIA ZAPATA
=====

International Wire Transfer Date: 08/14/1998 Time: 10:32 AM

Name ABA Institution

Orig: Karen J. Dillon 067010512 SECURITY BANK NA
Rcvr: 000000000 The Bankers' Bank

Re: INTL WIRE Trace: 19980814103206701051214B
Verified by: MARIA ZAPATA

Date: 08/14/1998
Sending Bank (OGB): SECURITY BANK NA
OGB Acct: ██████████
Currency Code: USD Amount: 152,000.00
Benef Bk Sort/ABA R/T: N/A
Beneficiary Bank Name: BARCLAYS BANK PLC
Address: BAY STREET BRANCH
City: NASSAU
Country: BAHAMAS

1758

Beneficiary Account: ██████████
Beneficiary Name: TEMPLIER CAISSE S.A.
Address 1: 55 FREDERICK ST PO BOX CB 13039
Address 2: NASSAU, BAHAMAS

Detail: REF REDEMPTION CERT OF DEPOSIT
#10104 TEMPL CAISSE

By Order Of: BRITISH TRADE AND COMMERCE BANK

** Message Accepted for Transmission **



British Trade & Commerce Bank

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

FAX COVER

Date:09/24/98

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

NOTES: Urgent For your review Reply ASAP Please comment

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

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Redacted Information in Subcommittee Files	TWORK, LLC USD\$21,000	✓
---	---------------------------	---

BARCLAY BANK PLC BAY STREET BRANCH, NASSAU, BAHAMAS
BENEFICIARY: TEMPLIER CAISSE S.A.
55 FREDERICK ST., P.O. BOX CB13039, NASSAU, BAHAMAS
ACCOUNT NO.: [REDACTED], AMOUNT: USD\$153,000
REF: REDEMPTION OF CERT. OF DEPOSIT #10105 - T. CAISSE

E
E
P
A
F
F

Redacted Information in Subcommittee Files	H ST., ST. JOHN'S, ANTIGUA N'S, ANTIGUA 781.60	✓
E A F A F	LIE USD\$5,000	✓

TEST KEY FOR ABOVE WIRES BASED ON USD\$184,781.60 DATED SEPTEMBER 24, 1998 IS [REDACTED]

SINCERELY,

GEORGE BETTS, VICE PRESIDENT

RECEIVED BY: [Signature]
DATE: 9/24/98
Licensed for Full Trust Business.

1761

08/93 12:25 FAX 30597 71 SECURITY BANK NA 003
0v-05-98 03:41P BT&C Bank/Trust (767) 448-6477 P.01



**British Trade
& Commerce Bank**

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

FAX COVER

Date: 11/05/98

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

NOTES: Urgent For your review Reply ASAP Please comment

Comments:

DEAR FERNANDO:

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

BARCLAYS BANK PLC,
BAY STREET BRANCH, NASSAU, BAHAMAS
BENEFICIARY: TEMPLIER CAISSE S.A.
55 FREDERICK STREET, BOX CB11039, NASSAU, BAHAMAS
ACCOUNT NO.: [REDACTED] AMOUNT: US\$156,900
REF: REDEMP.T. CD#10106 \$154,000 + ACCRD INT. \$1400; \$933.33; \$566.67 - TEMPLIER CASS.

TEST KEY FOR ABOVE WIRES BASED ON US\$156,900 DATED NOVEMBER 5, 1998 IS [REDACTED]

SINCERELY,

GEORGE BETTS
EXECUTIVE VICE PRESIDENT

TEST KEY VERIFIED BY:	
DATE:	11/25/98

Redacted Information
in Subcommittee Files

John F.G.

Licensed for Full Trust Business

1762

=====
Outgoing Message Report Date/Time: 11/06/98 12:13pm
User Name: MARIA ZAPATA
=====

International Wire Transfer Date: 11/06/1998 Time: 11:48 AM

Name ABA Institution

Orig: NILDA RENTAS 067010512 SECURITY BANK NA
Rcvr: 000000000 The Bankers' Bank

Re: WIRE Trace: 199811061148067010512177

Verified by: MARIA ZAPATA

Date: 11/06/1998
Sending Bank (OGB): SECURITY BANK NA
OGB Acct: ██████████
Currency Code: USD Amount: 156,900.00
Benef Bk Sort/ABA R/T: N/A
Beneficiary Bank Name: BARCLAYS BANK PLC
Address: BAY STREET BRANCH
City: NASSAU
Country: BAHAMAS
Beneficiary Account: ██████████
Beneficiary Name: TEMPLIER CAISSE, S.A.
Address 1: 55 FREDERICK STREET, BOX CB 13039
Address 2: NASSAU, BAHAMAS
Detail: REF: REDEMPT. CD#10106 \$154,000 +
ACCRD. INT. \$1,400;\$933.33;\$566.67-
TEMPLIER CASS.
By Order Of: BRITISH TRADE & COMMERCE BANK

** Message Accepted for Transmission **

* Process Completed **

Redacted Information
in Subcommittee Files

STWTS96 96 1116 2384 000 DIRECT INQUIRIES TO: (305) 374-3722

BRITISH TRADE & COMMERCE BANK
EMMS BLDG, DANIE EUGENIA CHARLES
ROSSAU, DOMINICA, WI

0610140000
FROM 11/01/96 THRU 11/30/96

NUMBER OF ITEMS ENCLOSED: 14

DATE	DESCRIPTION OF TRANSACTIONS	CHRGS (-)	DEBITS (-)	CREDITS (+)	BALANCE
11/06	WIRE 7818 FEE	35.00			789,203.17
11/06	WIRE 7816	1,431.61			786,771.56
11/06	WERS 7822 NAVIS BE TIS/LAVERN BRSPAN	1,729.00			785,042.56
11/06	WIRE 7821	4,200.00			790,842.56
11/06	WIRE 7817	8,555.85			782,286.71
11/06	WIRE 7815	12,800.00			769,486.71
11/06	WIRE 7820 BRITISH TRADE & COMMERCE B	15,000.00			754,486.71
11/06	WIRE 7814 TEMPLER CALUSH, S.A.	156,900.00			597,586.71
11/09	WIRE 4519		10,000.00		607,586.71
11/09	WIRE 4514		10,500.00		618,086.71
11/09	WIRE 4522		25,000.00		643,086.71
11/09	WIRE 4528 FEE		10.00		643,076.71
11/09	WIRE 4514 FEE		10.00		643,066.71
11/09	WIRE 4519 FEE		10.00		643,056.71
11/09	WIRE 7834 FEE		15.00		643,041.71

Redacted Information
in Subcommittee Files

1764

Dec-02-98 01:30P BT&C Bank/Trust

(767) 448-6477

P.01



British Trade & Commerce Bank

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

FAX COVER

Date:12/02/98

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

NOTES: Urgent For your review Reply ASAP Please comment

DEAR FERNANDO:

PLEASE MAKE THE FOLLOWING CHEQUE & WIRE TRANSFER FROM OUR ACCOUNT 0400101400-01:

BARCLAYS BANK PLC
 BAY STREET BRANCH, NASSAU, BAHAMAS
 BENEFICIARY: TEMPLIER CAISSE, 55 FREDERICK ST., BOX CB13039, NASSAU, BAH.
 ACCOUNT NO.: [REDACTED], AMOUNT: USD\$156,333.00
 REF: REDEEM CD#10107 \$150,000 + MATURITY INT. \$5000 + ACCRUED INT. \$1,333


NATIONS BANK OF TEXAS, TEXAS
 ABA#: 111-000-025
 BENEFICIARY: REPUBLIC PRODUCTS CORP. - TRAVEL DIV.
 ACCOUNT NO.: [REDACTED], AMOUNT: USD\$3,048.00
 REF: TRAVEL INV#36015 DD 12/01/98

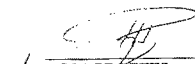
Redacted Information
in Subcommittee Files

ONE PIN CONNECTOR FOR DOMINICA OFFICE

TEST KEY FOR ABOVE WIRES BASED ON USD\$159,640 DATED DECEMBER 2, 1998 IS [REDACTED]

SINCERELY,

TEST KEY VERIFIED BY: 
 DATE: 12-2-98


 GEORGE BETTS
 EXECUTIVE VICE-PRESIDENT

Licensed for Full Trust Business.

PAID
12.5.98

1766

FT BNF BANK AT INCOMING TRANSFER MSG/ACCTG ENRYP####
(2100) Sender: 111800007 NATIONAL BANK TEXAS (2000) Amount: \$14,000.00
(3400) Receiver: 067610012 SECURITY M LINDSAY (300) Ref Function Code: CTP
(1500) Type Code: 1070
(5000) Originator: [REDACTED]
REPUBLIC PRODUCTS INC
ATTN JOHN LONG H C 78
P O BOX 856
ANTLENS, OK 74523
(6000) ORG to BNF Info: CUR CR TO CREDIT ENHANCEMENT SA
ACCT. #101011031-2
(4200) Beneficiary: 0044010140001
RICE
(1520) INRD: 19991221K1930610201363
(3200) Sender Ref: 901221000011363
(1110) Timestamp: 12211032F01
(1120) GRPD: 19981221F60061100000012211032F01
#####

4787

1767

06/07/99 11:42 FAX 305-3716071 SECURITY BANK NA 002
Jun-07-99 10:47A B1 J Bank/Trust (767) 448-6477 P.01



British Trade & Commerce Bank

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

FAX COVER

Date:06/07/99

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

NOTES: Urgent For your review Reply ASAP Please comment


DEAR FERNANDO:


PLEASE MAKE THE FOLLOWING WIRE TRANSFER FROM OUR ACCOUNT 0400101400-01:

APPLE BANK, 42ND STREET BRANCH, NEW YORK
ABA#: 226-070-584
BENEFICIARY: SONG BROWN
ACCOUNT NO.: [REDACTED] AMOUNT: USDS500,000.00
REF: REPUBLICS PRODUCTS - LOAN

TEST KEY FOR ABOVE WIRES BASED ON USDS500,000.00 DATED JUNE 7, 1999 IS [REDACTED]

SINCERELY,


GEORGE BETTS
EXECUTIVE VICE-PRESIDENT

TEST KEY VERIFIED BY:	
DATE	6/7/99

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Licensed for Full Trust Business.

User: FAKJBD1 13:47:59 06/07/1999 Funds Transfers : Verify a Message V2.50.70
File: FLTRINW Record: 5 New Status: TQ Appl Sequ #: 000005 Queued for Transmission

Standard Import Screen

Sender ABA: 067010512 Name: SECURITY BANK N.A.
Receiver ABA: 225070504 Name: APPLE BANK Type Code: 1000
Amt: 500,000.00 Bus Function Code: CTR Ref #: 0T906070004
(2000)0000000000(3100)067010512SECURITY BANK N.A.*(3300)0T906070004*(3400)2260
70504APPLE BANK*(3600)CTR(4200)*****SONG BROWN*, *(5000) *BRITISH TRAD
E & COMMERCE BANK*(6000)BLDG. D. EUGENIA CHARLES BLVD. *BOYFRONT*, ROSEAU-COMMERCE
ALTI OF DOMINICA, *(6000)REF: REPUBLIC PRODUCTS-LOAN*

0T906070004

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FIRST UNION NATIONAL BANK FL Fulltran Run 1-JUN-1999 23:14 Page 20357
 FULL TRANSACTION REPORT For 1-JUN-1999

<< TRN: 990601-009705 >>

**** MESSAGE ENVELOPE **** (Bank : 003)

SRC.PHN CALLER: ROYER, HENRY EXT:
 RPT# AMT:300,000.00 CUR:USD TRDR#
 TEST: VAL:// TYP:FTR/1000 FNDS:S CHG:DB:A CD:Y COM:N CBL:N

 DBT D/0009983871373/ CDT *A/226070584 ADV:FED
 BRITISH TRADE & COMMERCE BANK DEPT:0000001660
 C/O FEC FINANCIAL HOLDINGS INC APPLE BANK FOR SAVINGS
 444 BRICKELL AVE STE P16 NEW YORK, NY
 MIAMI, FL 33131
 SPECIAL INSTRUCTIONS: BNF: ██████████ CHG: BK?N
 ALT PHN 0 767 448 6410
 SONG BROWN

**** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:
 Type Code: 10 (Transfer of funds)
 Subtype Code: 00 (Regular transfer)

 {2000} Amount: \$300,000.00

 {3100} Sending Bank:
 ABA number: 063000021
 Short name: FIRST UNION JAX
 ABA lookup (REL): FIRST UNION OF FLORIDA
 JACKSONVILLE, FL
 .
 .

 {3320} Sender Reference: 990601009705

 {3400} Receiving Bank:
 ABA number: 226070584
 Short name: APPLE BANK NYC
 ABA lookup: Address not on file

 {3600} Business Function Code: CTR (Customer transfer)

 {4200} Beneficiary: ██████████
 SONG BROWN

 {5000} Originator: D/0009983871373
 BRITISH TRADE & COMMERCE BANK
 C/O FEC FINANCIAL HOLDINGS INC
 444 BRICKELL AVE STE P16
 MIAMI, FL 33131

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**** MESSAGE TEXT ****

Docket Sheet for 1:97-CR-11 USDC District of Idaho

TERMED

U.S. District Court
U.S. District Court for the District of Idaho (Southern)
CRIMINAL DOCKET FOR CASE #: 97-CR-11-ALL

USA v. Betts, et al Filed: 02/13/97
Dkt# in other court: None

Case Assigned to: Honorable B. Lynn Winmill

GEORGE ELWOOD BETTS (1) defendant [term 05/18/98]	Dick Rubin [term 07/31/97] [pda: FEDERAL DEFENDER'S OFFICE 350 W 9th St #301 Boise, ID 83702 (208) 388-1600 Teresa A Hampton [term 05/18/98] FAX (208) 384-5476 [COR. LD RTC ret] HAMPTON & ELLIOTT PO Box 1252 Boise, ID 83701 (208) 384-5456
---	--

Pending Counts: Disposition

42:6926(d) (1) -- TRANSPORTING HAZARDOUS WASTE TO A FACILITY THAT DID NOT HAVE A PERMIT (1)	5 yrs probation; \$162,177.34 restitution; 550 special assessment (1)
--	--

Offense Level (opening): 4

Terminated Counts: Disposition

42:6926(d) (4) -- TRANSPORTING HAZARDOUS WASTE WITHOUT A MANIFEST (2)	Counts 2-4 are dismissed on Motion of USA (2)
18-2 & 49:5124 -- TRANSPORTING HAZARDOUS MATERIALS WITHOUT COMPLYING WITH SHIPPING REQUIREMENTS (3)	Counts 2 & 4 are dismissed on Motion of USA (3)
42:6926(d) (2) (A) -- STORING HAZARDOUS WASTES WITHOUT PERMIT (4)	Counts 2 & 4 are dismissed on Motion of USA (4)

Offense Level (disposition): 4 Exhibit u

http://www.id.uscourts.gov/wconnect/wc.dll?usdc_ra...97-CR-11--ON--ALL+DOCUMENTS-PUD=NOBEL 5/16/0

United States District Court 3p
District of Idaho

UNITED STATES OF AMERICA
v.
George Elwood Betts

JUDGMENT IN A CRIMINAL CASE
(For Offenses Committed On or After November 1, 1987)
Case Number: 1:97CR00011-001
Teresa A. Hampton
Defendant's Attorney

THE DEFENDANT:

- pleaded guilty to count(s) One
- pleaded nolo contendere to count(s) _____ which was accepted by the court.
- was found guilty on count(s) _____ after a plea of not guilty.

Title & Section	Nature of Offense	Date Offense Concluded	Count Number(s)
42 U.S.C. § 6928 (d)(1)	Transportation of Hazardous Waste to an Unpermitted Facility	01/31/1996	1
18 U.S.C. § 2	Transportation of Hazardous Waste to an Unpermitted Facility	01/31/1996	1

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

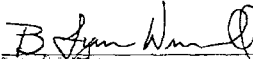
- The defendant has been found not guilty on count(s) _____
- Count(s) 2 and 3 are dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No.: _____
Defendant's Date of Birth: _____
Defendant's USM No.: _____
Defendant's Residence Address:
185 Margot Drive

05/18/1998
Date of Imposition of Judgment

Donnelly ID 83615


Signature of Judicial Officer

B. Lynn Winmill
United States District Judge
Name & Title of Judicial Officer

Defendant's Mailing Address:
P.O. Box 209

Donnelly ID 83615

5/29/98
Date

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DEFENDANT: George Elwood Betts
CASE NUMBER: 1:97CR00011-001

Judgment Page 26 of 54

PROBATION

The defendant is hereby placed on probation for a term of 5 year(s).

The defendant shall not commit another federal, state, or local crime.

The defendant shall not illegally possess a controlled substance.

For offenses committed on or after September 13, 1994:

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of placement on probation and at least two periodic drug tests thereafter, as directed by the probation officer.

The above drug testing condition is suspended based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)

The defendant shall not possess a firearm as defined in 18 U.S.C. § 921. (Check, if applicable.)

If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant shall also comply with the additional conditions on the attached page (if indicated below).

See Special Condition of Supervision - Sheet 4.01

STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: George Elwood Betts
CASE NUMBER: 1:97CR00011-001

SPECIAL CONDITIONS OF SUPERVISION.

- 1) Defendant shall be placed on home detention with the use of an electronic monitor for a period of six months. During this time the Defendant's movements shall be restricted to his residence and place of employment and shall be supervised by the probation officer. Defendant shall maintain a telephone at his place of residence without any special services, modems, answering machines, or cordless telephones for the above period. Defendant shall wear an electronic device and shall observe the rules specified by the Probation Department. Cost of electronic monitoring shall be paid by the Government.
- 2) Defendant shall serve a term of Interim confinement for a period of two consecutive weeks from November 14 through 27, 1998 in a secure facility at the direction of the Bureau of Prisons. Defendant shall surrender to the Bureau of Prisons by reporting to the institution designated before 2:00 pm local time on November 14, 1998.
- 3) Defendant shall comply with the rules and regulations of the Probation Department.
- 4) Defendant shall provide the probation officer with access to any requested financial information. Defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation officer unless the Defendant is in compliance with the installment payment schedule for any outstanding restitution or special assessment.
- 5) Defendant shall not possess a firearm or other dangerous weapon.
- 6) Defendant shall pay any special assessment that is imposed by this judgment.
- 7) Defendant shall submit to a search of his person, place of residence, or automobile at the direction of the probation officer and submit to seizure of any contraband found therein.
- 8) Defendant shall pay restitution in monthly installments of \$3034.63, beginning one month after commencement of supervised release, for the duration of the three year term. Defendant shall notify the United States Attorney for this district within 30 days of any change of mailing or residential address that occurs while any portion of the restitution remains unpaid.

Special conditions of probation shall supersede any standard condition that is inconsistent with the special conditions.

DEFENDANT: George Elwood Betts
CASE NUMBER: 1:97CR00011-001

CRIMINAL MONETARY PENALTIES

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 5, Part B.

	<u>Assessment</u>		<u>Fine</u>		<u>Restitution</u>
Totals:	\$ 50.00	\$		\$	163,177.34

If applicable, restitution amount ordered pursuant to plea agreement \$ 163,177.34
 \$90 special assessment is due immediately. \$163,177.34 restitution to be paid by making a \$60,000 payment on the date of sentencing. Balance to be paid in monthly installments of \$3034.63 beginning one month after commencement of probation for a term of 3 years. Payments to be made to Clerk of the Court, District of Idaho, 550 W. Fort St., MSC 093, Boise, ID 83724 for disbursement to Mellon Bank.

FINE

The above fine includes costs of incarceration and/or supervision in the amount of \$ _____.

The defendant shall pay interest on any fine of more than \$2,500, unless the fine is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

- The court determined that the defendant does not have the ability to pay interest and it is ordered that:
- The interest requirement is waived.
 - The interest requirement is modified as follows:

RESTITUTION

The determination of restitution is deferred in a case brought under Chapters 109A, 110, 110A and 113A of Title 18 for offenses committed on or after 08/13/1994, until _____. An Amended Judgment in a Criminal Case will be entered after such determination.

The defendant shall make restitution to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below.

<u>Name of Payee</u>	<u>** Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
Mellon Bank		\$163,177.34	

Totals: \$ _____ \$ 163,177.34

** Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994.

DEFENDANT: George Elwood Betts
CASE NUMBER: 1:97CR00011-001

STATEMENT OF REASONS

The court adopts the factual findings and guideline application in the presentence report.

OR

The court adopts the factual findings and guideline application in the presentence report except (see attachment, if necessary):

granted a downward departure for 2Q1.2 comment (a.7) of 2 points and for no actual contamination to the environment occurred of 2 points.

Guideline Range Determined by the Court:

Total Offense Level: 9
Criminal History Category: I
Imprisonment Range: 4 to 9 months
Supervised Release Range: 2 to 3 years
Fine Range: \$ 3,000.00 to \$ 30,000.00

Fine waived or below the guideline range because of inability to pay.

Total Amount of Restitution: \$ 163,177.34

Restitution is not ordered because the complication and prolongation of the sentencing process resulting from the fashioning of a restitution order outweighs the need to provide restitution to any victims, pursuant to 18 U.S.C. § 3663(d).

For offenses that require the total amount of loss to be stated, pursuant to Chapters 109A, 110, 110A, and 113A of Title 18, restitution is not ordered because the economic circumstances of the defendant do not allow for the payment of any amount of a restitution order, and do not allow for the payment of any or some portion of a restitution order in the foreseeable future under any reasonable schedule of payments.

Partial restitution is ordered for the following reason(s):

The sentence is within the guideline range, that range does not exceed 24 months, and the court finds no reason to depart from the sentence called for by the application of the guidelines.

OR

The sentence is within the guideline range, that range exceeds 24 months, and the sentence is imposed for the following reason(s):

OR

The sentence departs from the guideline range:

upon motion of the government, as a result of defendant's substantial assistance.

for the following specific reason(s):

0001 UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

3 -----X
SECURITIES AND EXCHANGE COMMISSION,
4 Plaintiff(s),
5
6 vs. Case #
7 FULCRUM HOLDING COMPANY, INC., and 1:94-CV-03352
ARTHUR R. ANDREWS,
8 Defendant(s).
9 -----X


10 Deposition of
11 CHARLES LEO BRAZIE
12 called for examination on Monday, November 7, 1994,
13 held at the office of the Securities and Exchange
14 Commission, 480 Fifth Street, N.W., Washington,
15 D.C., beginning at 3:05 p.m., before Lynell C.S.
16 Abbott, a Notary Public, NPA/CW.
17
18
19
20
21 FRIEDLI, WOLFF & PASTORE, INC.
1735 Eye Street, N.W., Suite 920
Washington, D. C. 20006
22 (202)331-1981

0002 A P P E A R A N C E S
1 On behalf of the Plaintiff(s):
2
3 DANTEL P. BREA, Esq.
4 Securities and Exchange Commission
480 Fifth Street, N.W.
5 Washington, D.C. 20549
202-842-4798

6 C O N T E N T S PAGE
7
8 EXAMINATION BY COUNSEL: 3
9 EXAMINATION BY MR. BREA 3

10 E X H I B I T S PAGE
11
12 MARKED FOR IDENTIFICATION AND ATTACHED:
Deposition Exhibit No.:
13 Exhibit # 110, About Fulcrum Holding 92
Company, Inc. Document
14 Exhibit # 111, Contact List 97
15 Exhibit # 112, Pending Client List 97
16
17
18
19
20
21
22

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exist (5) and so forth which I had. So I'm trying to comply (6) with it.

(7) Q. Okay, that's fine. Why don't you describe (8) where you got that. Is that an extra copy, by the (9) way?

(10) A. No, sir, it's not. It's out of the Federal (11) Register Bulletin, August of '93.

(12) Q. Okay.

(13) A. I've had it for sometime.

(14) Q. Why don't we wait until a break and I'll (15) make a copy of both of these things and then we'll (16) mark them as exhibits and talk about them.

(17) A. Yes, sir.

(18) Q. So you did perform a search for documents (19) responsive to the subpoena and the only two (20) documents you came up with were these two?

(21) A. Yes, sir.

(22) Q. Your agreement with Fulcrum --

Page 9

(1) A. The other documents that would be relevant (2) were documents that have either been produced under (3) the Fulcrum duces tecum subpoena or taken from the (4) offices of Fulcrum. I don't have personally any.

(5) Q. Do you presently have a bank account (6) anywhere?

(7) A. No, sir, I do not. I have not had a bank (8) account in my name for better than two years.

(9) Q. Do you --

(10) A. Nor am I signatory on any bank account (11) anywhere.

(12) Q. All right, you are not a signatory (13) anywhere. Do you use anyone else's bank account, (14) your parents' or your brother's or anybody else's?

(15) A. No. I did back when I was living in (16) Lincoln when I earned consulting fees, used my (17) dad's bank account. But there is nothing in that (18) account.

(19) Q. Since the time that you began working as a (20) consultant with Fulcrum have

you operated entirely (21) on a cash basis?

(22) A. No. I have gotten some checks from

Page 10

(1) Fulcrum. My brother cashed one of them for me (2) through his account. My, a lady friend of mine, Sgt.

(3) Denard from the U.S. Air Force Intelligence has (4) cashed some through her account. But it's always (5) been, "Give me cash," or I've cashed them at (6) Fulcrum's bank. It depends on when it was given to (7) me and so forth.

(8) Q. Do you have a credit card presently?

(9) A. Not in my name. I do have a credit card.

(10) It's issued by Guardian Health Service. I'll show (11) you that, sir.

(12) Q. All right.

(13) A. Which is a deceased friend of mine. The (14) wife owns that company.

(15) Q. Do you have any credit cards issued in the (16) name of Fulcrum Holding Company?

(17) A. No, sir. There was one applied for and (18) received, it was never issued to me from, I believe, (19) First Union Bank. I remember signing the forms, but (20) I never received it, never signed for it, never used (21) it.

(22) Q. All right.

Page 11

(1) A. It was intended as my understanding, sir, (2) in case I had to travel for Fulcrum for direct (3) billings to Fulcrum. The rest of what's in here are (4) airline club cards, not credit cards.

(5) Q. All right.

(6) A. I went through a bankruptcy a year ago.

(7) So you can imagine my not having credit cards, sir.

(8) Q. In what jurisdiction was it that you (9) petitioned for bankruptcy?

(10) A. St. Louis.

(11) Q. St. Louis, Missouri?

(12) A. Yes, sir. Don't ask me which court that (13) was, sir, I can't tell you.

(14) Q. Could you go through your educational (15) background since high school?

(16) A. I was at the Air Force Academy from June (17) of 1961 to March of 1965. I resigned from the (18) academy, went to California, finished my education (19) at the University of California Berkeley.

(20) Q. What degree did you obtain there?

(21) A. It's a bachelor's in mechanical (22) engineering. But there were five majors, sir. I had

Page 12

(1) 220-some semester credits. (2) Q. Any education beyond that?

(3) A. Yes, sir. I was then hired by Bell Labs (4) and as a Bell fellow I was sent to MIT where I did (5) my master's degree. In '68 that was granted. I (6) continued on as a Bell fellow supported by Bell Labs (7) at MIT for two semesters. Then half of my committee (8) moved to Cornell so Bell approved my transfer to (9) Cornell where I finished my doctoral work.

(10) Q. What's your doctorate in?

(11) A. It's called public systems analysis and (12) planning. It's operations research and (13)

econometrics. But they don't have a formal, don't (14) have a school of that, so they have to house you in (15) a school. My master's is in operations research.

(16) Q. Did you work with Bell Labs --

(17) A. Yes, sir, I did.

(18) Q. -- in New Jersey?

(19) A. In Whippany, New Jersey, principally, yes, (20) sir.

(21) Q. Did you work at all with Alex Finer?

(22) A. Yes, I know Alex Finer. I did not work

Page 15

(1) closely, but yes, sir. Most of what I did was (2) defense antiballistic missile systems, etc., sir.

(3) That degree was formally conferred, I believe, in (4) '72. I don't know. I've never taken the thing out (5) of the mailer. I was back at Bell. I did the thesis (6) in absentia.

(7) Q. How long after that did you stay with Bell (8) Labs?

(9) A. I started work for Mathematica in March of (10) '73 which was a think tank in Princeton Junction, (11) New Jersey. Shortly thereafter, I was assigned to a (12) project in the White House and spent a year and a (13) half-plus on a temporary assignment at a remote (14) location. I stayed with Mathematica until March of (15) '75 - yeah, '75. I had staff in Princeton, staff (16) in Philadelphia and myself down here and it was (17) killing me. I was commuting every weekend. I went to (18) work for Arthur Young and Company in March of '75.

(19) And I was with Arthur Young until about March of (20) '79. I was a director, promoted to a director which (21) is a non-CPA partner within Arthur Young. Then I (22) went to work for Booz-Allen for about a year and a

Page 16

(1) half. I believe I left Booz-Allen the end of '80, I (2) believe that's correct. Then I had my own little (3) companies here in Washington in '8 - end of '81, I (4) believe. And I don't have records with me so I'm (5) going to have to reconstruct. I went to work for (6) CACI and was with CACI - oh, I'm sorry. In between (7) I was also hired at the National Graduate University (8) to help them with curriculum development and so (9) forth as a faculty member, but more as a consultant (10) and then with CACI in, I'm going to say August, end (11) of August of '83. I left CACI and joined a firm in

(12) St. Louis called Telcomm engineering, Inc. which (13) then became the LDX Group of Companies. I was with (14) Telcomm until December of '86 and then on my own (15) since then.

(16) Q. What have you been doing since '86, (17) consulting work?

(18) A. Consulting work, primarily.

(19) Q. For what companies?

(20) A. Oh, for the, I forget what the small (21) college is in western Illinois, doing (22) telecommunications consulting for them. I did some

Page 15

(1) work for Sumitomo, Cable and Wireless. I did some (2) work for Southwest Bell and then mostly independent (3) stuff primarily in commodities, trying to do (4) commodities.

I had some people that contracted with (5) me to try and provide oil for them out of Nigeria, (6) places like that.

(7) Q. What was your background in commodities (8) prior to doing this consulting?

(9) A. Only my background within Nigeria where I (10) consulted with part of Telcomm and part of Kanky, (11) sir. It's not commodities in the way you are (12) thinking of. It's trying to arrange for them out of (13) NNPC, Nigeria National Petroleum Company, directly (14) for contracts for crude oil for their tankers to (15) pick them up and so forth, sir.

(16) Q. Where had you been performing this (17) consulting work until the middle of last year when (18) you moved to the Washington, D.C. area?

(19) A. St. Louis, Missouri from when I left (20) Telcomm until - I've got to reconstruct, so bear (21) with me - until the fall of '91. My parents had (22) some very bad health and I was up in Lincoln,

Page 16

(1) Nebraska from about November of '91 until about (2) March or April of '92, returned back to St. Louis in (3) April or so of '92, was there until about the last (4) week of July, first week of August of '92, then back (5) to Lincoln to assist for my folks' fiftieth wedding (6) anniversary and then I was in Lincoln until May 8th (7) of '93. I was in St. Louis for about 26 days waiting (8) to go to Europe for a client which never happened.

(9) They sent me in to Washington to wait four days and (10) it continued on that basis and the client died in (11) Mexico City of a heart attack January of this year.

(12) So that totally fell apart. But I was with my (13) brother with a hang-up bag and a suitcase and a (14) briefcase, and that's it, for a short trip.

(15) Q. How did you come to meet individuals (16) associated with Fulcrum Holding Company?

(17) A. In about '91, and I don't know the exact (18) - roughly spring or summer of '91, telephonically (19) I was introduced to Mr. Andrews.

(20) Q. By who?

(21) A. I believe a gentleman named Bill Newberg (22) out of Nevada. Again, somebody I knew only

Page 17

(1) telephonically, sir.

(2) Q. And what did Mr. Newberg say to you about (3) Mr. Andrews?

(4) A. Mr. Newberg said that Mr. Andrews was (5) interested in entering into a contract for currency (6) exchange for exchange of dollars for Japanese yen (7) under treaty.

(8) Q. And did you speak with Mr. Andrews about (9) that?

(10) A. Yes, I did, any number of times. And, in (11) fact, a corporation that he had at the time, and I (12) am going to say it's something like Zeel or Zeigel (13) or something like

1779

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IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT, IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

GENERAL JURISDICTION DIVISION

CASE NO. 00-13656 CA 21

In re Letter of Request dated May 10, 2000
Issued by the Ontario Canada Superior
Court of Justice, in the Matter of:

Gold Chance Int'l Ltd., CEBY Mgmt.
Ltd., JBG Mgmt., Inc.

Plaintiffs,

VS.

Daigle & Hancock, Douglas H. Hancock,
Peter M. Daigle, Triglobe Int'l Funding, Inc.,
Freetrade Bureau, SA, Free Trade Bureau,
S.A., 1170870 Ontario Ltd operating as
G&S Ents. Ontario Ltd., Sayse Chatterpaul,
Paul Zhernakov, The Bank of Nova Scotia,
and Bank of Montreal, Saysenarine
Chatterpaul (aka) Sayse Chatterpaul),
British Trade & Commerce Bank, and
George Betts,

Defendants.

Court File No.: 00-CV-188866

4000 First Union Financial Center
Miami, Florida
Friday, 10:18 a.m.
August 3, 2000

DEPOSITION OF RODOLFO REQUENA

Taken on behalf of the Plaintiff before
Joannie Fieger, CSR, RMR, CRR, Notary Public in and for
the State of Florida at Large, pursuant to Notice.

ROSENFELD & FIEGER
(305) 374-3532

1 A. Twice to Venezuela and once to Japan.

2 Q. Other than the residence in Venezuela that you
3 told me about, do you own or reside in any other
4 residences in South America?

5 THE INTERPRETER: He's telling me that you asked
6 South America. To clarify that.

7 Q. Let's make it the world.

8 A. Yes, I do have a place that when I'm in Miami I
9 go to that place.

10 Q. Where is that?

11 A. In Aventura.

**Redacted Information
in Subcommittee Files**

12 Q. What is the address?

13 A. [REDACTED] Aventura.

14 MR. LINDSAY: I'd like for to you clarify,
15 please, the number. You said [REDACTED] I want that to
16 be clear. [REDACTED]

17 THE INTERPRETER: No, it's [REDACTED]

18 Q. [REDACTED]?

19 A. Yes.

20 Q. In Aventura?

21 A. Yes.

22 Q. Does that building have a name?

23 A. No. That's a house.

24 Q. Who owns that house?

25 A. I.

- 1 Q. It's in your name?
- 2 A. Yes.
- 3 Q. When did you buy that house?
- 4 A. Well, the purchase date, I don't have it
- 5 exactly. It was this year. But negotiations started last
- 6 year.
- 7 Q. Do you have a Florida driver's license?
- 8 A. Yes.
- 9 Q. Do you have that with you today?
- 10 A. Yes.
- 11 Q. May I see that, please?
- 12 Sir, this Florida driver's license indicates an
- 13 address of 444 Brickell Avenue, Suite P6. That's the
- 14 address of First Equity Corporation; correct?
- 15 A. Yes.
- 16 Q. Your Florida driver's license number is
- 17 [REDACTED]; correct, sir?
- 18 A. Yes.
- 19 Q. Did you ever live on Collins Avenue in Miami
- 20 Beach?
- 21 A. Yes.
- 22 Q. Did you own or rent that unit?
- 23 A. No, I was renting.
- 24 Q. Who were you renting from?
- 25 A. The name of the owner is [REDACTED].

**Redacted Information
in Subcommittee Files**

1 Q. When did you stop living there?

2 A. I think that a month ago.

3 Q. Other than the house in Aventura, the apartment
4 in Venezuela and the residence in Dominica that you don't
5 know the address of, do you have any other residences
6 anywhere in the world?

7 A. No.

8 Q. How many companies are you employed by?

9 MR. COONEY: Do you want to list them?

10 THE WITNESS: I'm trying to see which ones I am
11 on the board. I really work really for the bank.

12 A. As an employee, basically two.

13 Q. You seem to qualify your answer by saying "as an
14 employee." Is there a distinction that you're making in
15 your mind?

16 A. Yes.

17 Q. What is that distinction?

18 A. That I can be a director for a company and I
19 don't have to be employed by that company and I won't get
20 any pay for that.

21 Q. Why don't you list for me all the companies that
22 you are either an officer, director or an employee of.

23 A. British Trade & Commerce Bank, First Equity
24 Corporation of Florida, BTC Financial Services, INSATCOM.
25 I guess that's it. (In English)

1 Q. What does the BTC in BTC Financial Services
2 stand for?

3 A. It doesn't mean anything. BTC Financial
4 Services.

5 Q. Those initials weren't chosen to stand for
6 British Trade & Commerce?

7 A. No.

8 Q. What is your title at British Trade & Commerce
9 Bank?

10 A. I am the president of the board. And also the
11 bank's president.

12 Q. What are your responsibilities as president of
13 the board and president of the bank of British Trade &
14 Commerce Bank?

15 A. Well, basically to represent the bank. Also
16 oversee that the development plans will be completed. And
17 sometimes to look for new businesses for the bank.

18 Q. Do you report to anyone?

19 A. Yes. To the board.

20 Q. Who's on the board?

21 A. Of course, myself, Herry Royer, Clarence Butler,
22 Pablo Urbano and Dana Bailey.

23 Q. Does the board report to anyone?

24 A. Yes, to the shareholders. Yes.

25 Q. Is there an advisory committee to the board?

- 1 A. Yes, there was one.
- 2 Q. There is one or there was one?
- 3 A. There was one.
- 4 Q. Who was on that committee?
- 5 A. John Long, Scott Brett and I think -- that's it.
- 6 Q. Who is John Long?
- 7 A. Who is John Long? John Long is an attorney from
8 the United States.
- 9 Q. Where does he live?
- 10 A. In Oklahoma.
- 11 Q. Where in Oklahoma?
- 12 A. In Antlers.
- 13 Q. When did you first come to know John Long?
- 14 A. I'm not quite sure, but I think that it was
15 twelve years ago.
- 16 Q. How did you first meet him?
- 17 A. We were introduced by a friend.
- 18 Q. Who was the friend?
- 19 A. His name is George Quintero.
- 20 Q. Where was this introduction?
- 21 A. Originally by phone.
- 22 Q. Why were you introduced?
- 23 A. Because John has an interest to buy some
24 products. If I'm not mistaken, I think that it was oil
25 that he wanted to purchase from Venezuela.

1 Q. Are you aware of a company called Republic
2 Products, Inc.?

3 A. Yes.

4 Q. Is that company owned by John Long?

5 A. I don't know who are all the owners of that
6 company.

7 Q. Do you know whether John Long owns any of that
8 company?

9 A. Yes.

10 Q. Approximately how much of that company are you
11 aware that he owns?

12 A. I have no idea.

13 Q. When were you hired at British Trade & Commerce
14 Bank?

15 A. If I'm not mistaken, it was February 1997.

16 Q. Was British Trade & Commerce Bank already a bank
17 when you were hired?

18 A. No.

19 Q. Who hired you?

20 A. John Long.

21 Q. What did he hire you to do?

22 A. To create the bank and also to obtain the
23 license.

24 Q. In Dominica?

25 A. Yes.

1 Q. Did he tell you why he wanted to open a bank in
2 Dominica?

3 A. Because, yes, there were some business
4 opportunities in the financial area that could be
5 established.

6 Q. What business opportunities?

7 A. Investments, credit cards, insurance.

8 Q. What kind of investments?

9 A. Well, it could be on projects or maybe financial
10 papers or in finances.

11 Q. Are any of those investments considered high
12 yield investments?

13 A. Yes.

14 Q. Tell me about your experience with high yield
15 investments.

16 A. I personally have not had a lot of experience
17 with that type of investment.

18 Q. Have you had any experience with that type of
19 investment?

20 A. No.

21 Q. Then why did you say you did not have a lot of
22 experience?

23 A. Not having any experience or not having a lot of
24 experience for me is the same. It's an expression.

25 Q. Do you have any experience in prime bank notes?

1 A. Too little.

2 MR. LINDSAY: Did he say muy poca?

3 THE INTERPRETER: Muy poca. Too little.

4 Q. Tell me what experience you had with prime bank
5 notes.

6 A. Well, I do know that they exist and that some
7 banks issue them to try to get funds, and I know that
8 worldwide that they are being used. I know that they
9 exist, that type of notes.

10 Q. Was British Trade & Commerce Bank ever involved
11 in prime bank notes?

12 A. Yes.

13 Q. What involvement does British Trade & Commerce
14 Bank have in prime bank notes?

15 A. I think that it was trying to be an intermediary
16 between purchase and sale operations.

17 Q. When?

18 A. I don't recall the date.

19 Q. When was the last time, approximately?

20 A. Again, I don't recall the date because that's an
21 area that I don't handle in the bank.

22 Q. Who does?

23 A. Dr. Charles Brazie.

24 Q. Does George Betts handle anything in that area?

25 A. Not that I'm aware of.

- 1 Q. Does George Betts report to you?
- 2 A. Yes.
- 3 Q. Directly?
- 4 A. Yes.
- 5 Q. You are his boss?
- 6 A. Yes.
- 7 Q. Did you hire Mr. Betts?
- 8 A. No.
- 9 Q. Who did?
- 10 A. John Long.
- 11 Q. When was Mr. Betts hired?
- 12 A. I think -- I don't recall the exact date. If
- 13 I'm not mistaken, I think that it was July 1997.
- 14 Q. What is Mr. Betts' job?
- 15 A. Well, he controls the financial and the
- 16 accounting part in the bank. He will be something like
- 17 the financial controller.
- 18 Q. What is his title?
- 19 A. Now it's vice-president. The executive
- 20 vice-president.
- 21 Q. As executive vice-president, is Mr. Betts
- 22 authorized to bind the bank? Is he authorized to make
- 23 representations on behalf of the bank?
- 24 A. Yes.
- 25 Q. When he makes a representation on behalf of the

1 A. Yes, it's a copy.

2 Q. Thank you, sir.

3 Before we went off the record you had just
4 denied that in or around June of 1998, 15,000 shares of
5 British Trade & Commerce Bank were owned by British Trade
6 & Commerce Bank Bancorp Trust represented by Mr. Rodolfo
7 Requena, trustee with the beneficial interests being held
8 by Mr. John Long. Do you remember that testimony, sir?

9 A. Yes, I do recall.

10 Q. Do you know whether British Trade & Commerce
11 Bank ever represented to any entity that 15,000 shares
12 were owned by that trust?

13 A. Well, yes, the stock, they owned part of the
14 trust, but the beneficiary for the trust was not Mr. Long.

15 Q. Was it Mr. Long in 1998?

16 A. No.

17 Q. Who did own the beneficial interest in 1998?

18 A. Sean and Miceala Long.

19 Q. Those are Mr. Long's children; correct?

20 A. Yes.

21 Q. Those children were minors in 1998?

22 A. I'm not quite sure. I think so.

23 Q. Sir, how many shares of British Trade & Commerce
24 Bank do you own?

25 A. Well, 10,000. 25 -- do you have a calculator?

1 It's 25 percent.

2 Q. Do the Long children still own a beneficial
3 interest?

4 A. Not at the present time.

5 Q. When was their beneficial interest in British
6 Trade & Commerce Bank transferred?

7 A. I don't have the exact date, but if I'm not
8 mistaken, I think that it was three months ago.

9 Q. In or about May of the year 2000?

10 A. Probably. I'm not quite sure.

11 Q. How large a percentage of the ownership of
12 British Trade & Commerce Bank was held by the Long
13 children prior to May of 2000?

14 A. I'm not quite sure. I should see the numbers.
15 I think that it was 35 percent, but I am not sure.

16 Q. So they were the largest shareholders prior to
17 May of the year 2000 of British Trade & Commerce Bank;
18 correct?

19 A. Yes.

20 Q. Were their interests represented by Mr. John
21 Long?

22 A. I don't understand the question. Because ---

23 Q. Because why?

24 A. Because that was placed in a trust, but Mr. Long
25 was not representing that trust.

- 1 Q. Who was?
- 2 A. I was the trustee.
- 3 Q. Who appointed you as the trustee?
- 4 A. The organizer of the trust.
- 5 Q. Who was that?
- 6 A. John Long.
- 7 Q. When that 35 percent interest was transferred in
- 8 May of the year 2000, who was it transferred to?
- 9 A. To the bank. Treasury shares.
- 10 Q. Who is Mr. Scott Brett?
- 11 A. He's one of the shareholders of the bank through
- 12 a company that he owns.
- 13 Q. Called Ballite, B-a-l-l-i-t-e, International
- 14 Limited?
- 15 A. Yes.
- 16 Q. Where does Mr. Brett live?
- 17 A. In Spokane, Washington.
- 18 Q. Does he ever go to Dominica?
- 19 A. Yes. Sometimes he goes to Dominica.
- 20 Q. But he does not work there?
- 21 A. No.
- 22 Q. Today, sir, you're the largest percentage owner
- 23 of British Trade & Commerce Bank; is that correct?
- 24 A. No, the bank is the owner of the stocks, the
- 25 larger amount of stocks of the bank.

1 we are under investigation or not.

2 Q. Has anybody from the NASD contacted you
3 regarding an investigation?

4 A. No.

5 Q. What is the current net worth of British Trade &
6 Commerce Bank?

7 A. Well, our financial statements, they reflect
8 like something like 200 or 300 million. I should see the
9 last financial statement.

10 Q. Do you have the financial statements of British
11 Trade & Commerce Bank?

12 A. Not with me.

13 Q. Where are they?

14 A. In Dominica.

15 Q. Of that 200, 300 million, I believe you said?

16 A. Uh-huh.

17 Q. How much of that is in treasury stocks?

18 A. When you talk about treasury stocks, are you
19 talking about the stocks, the bank stocks?

20 Q. No. Treasuries.

21 A. I don't know. I should see the composition
22 because I don't handle that directly. I should see it.

23 Q. What is your understanding?

24 A. I don't recall at the present time.

25 Q. Tell me all the banks that British Trade &

1 Commerce Bank holds accounts at.
2 A. National Commercial Bank of Dominica, Pacific
3 National Bank.
4 Q. In Miami?
5 A. Yes. That's the credit card. National Bank of
6 St. Kitts and Nieves. And also I think that we have an
7 account at Banco Cypress.
8 Q. Where is Banco Cypress?
9 A. In Cypress.
10 Q. Where is the National Bank of St. Kitts and
11 Nieves?
12 A. In St. Kitts.
13 Q. Approximately how much does British Trade &
14 Commerce Bank currently hold at the National Commercial
15 Bank of Dominica?
16 A. I don't know the exact amount.
17 Q. Approximately, sir.
18 A. I don't know. It could be \$50,000, \$100,000.
19 That's an account, an operative account.
20 Q. Approximately, sir, how much does British Trade
21 & Commerce Bank currently hold at Pacific National Bank?
22 A. Like \$250,000.
23 Q. What about the National Bank of St. Kitts and
24 Nieves?
25 A. I have no idea.

1 Q. Over \$250,000?

2 A. Probably.

3 Q. Over 1 million dollars?

4 A. Maybe. I don't know because the balance sheet,
5 it fluctuates every day.

6 Q. When was the last time you saw a balance sheet?

7 A. Maybe two months ago. Something like that.

8 Q. What was reflected on the balance sheet then?

9 A. That there were like 2 million dollars or 3
10 million dollars. I don't recall.

11 Q. Are you aware of any transfers in or out of that
12 account since you last saw the balance sheet?

13 A. Yes, there have been some transfers because
14 that's an operative account and we get money in and out
15 all the time. Every day.

16 Q. What is the largest transfer you're aware of in
17 or out of that account since the last time you saw the
18 balance sheet?

19 A. I don't recall, no.

20 Q. You have no idea is your testimony?

21 A. I have no idea what the last transfer was about.
22 But I've seen like transfers for \$300,000 or \$400,000.

23 Q. Approximately how much does British Trade &
24 Commerce Bank currently hold at its account in the Bank of
25 Cypress?

1 A. I have no idea.

2 Q. Is it over 1 million dollars?

3 A. No, no, I don't think so.

4 Q. At those four accounts you've indicated that
5 there is no more than 4 and a half million dollars in
6 those accounts. Where is the rest of the 2 to 300
7 million?

8 A. No, I didn't indicate that. Because I don't
9 know the exact balances of the accounts, so I cannot tell
10 how much is or how much is not in every account.

11 Q. You're sure, sir, that there is no more at the
12 National Commercial Bank of Dominica than 1 million
13 dollars right now? You're sure of that; right?

14 A. No, I'm not sure.

15 Q. You're not sure.

16 Sir, where is the rest of the money?

17 MR. COONEY: Let me object to the form of the
18 question. Be specific about the rest of what money?

19 Q. Where's the rest of 200 to 300 million that you
20 testified that British Trade & Commerce Bank has?

21 A. Well, the bank assets are not always in cash.

22 Q. Where are they?

23 A. In the bank.

24 Q. In what bank?

25 A. In our bank.

1 Q. At British Trade & Commerce Bank?

2 A. Yes.

3 Q. How are those assets held?

4 A. Financial instruments, papers.

5 Q. What do you mean by financial instruments and

6 papers?

7 A. Well, some instruments that were issued by other

8 banks and also some other instruments that are sovereign

9 debt.

10 Q. Tell me about those instruments.

11 A. About what?

12 Q. Tell me about the financial instruments and

13 papers that BTCB supposedly owns.

14 A. What do you want me to tell you? There are some

15 instruments that were issued by other banks.

16 Q. What other banks? What instruments? That's

17 what I want you to tell me.

18 A. I don't know. I should see the list. I don't

19 have at the present time all ---

20 Q. Do you have any idea sitting here today how

21 British Trade & Commerce Bank, the bank that you're the

22 largest individual shareholder of, the bank that you're

23 the president of, do you have any idea how that bank holds

24 200 to 300 million dollars in assets?

25 A. I cannot recall all the names of all the banks

1 and all the instruments that were issued by the banks. I
2 do know that there are banks from Japan and also banks
3 from Europe.

4 Q. What banks in Japan?

5 A. Now I don't recall which ones.

6 Q. How much in assets of financial instruments or
7 papers does British Trade & Commerce Bank hold from banks
8 in Japan?

9 A. I don't recall the amount.

10 Q. In general.

11 A. I don't recall the amount.

12 Q. More than 5 million dollars?

13 A. Probably, yes.

14 Q. More than 20 million dollars?

15 A. Probably.

16 Q. More than 50 million dollars?

17 A. I don't know. Well, I don't know, I'm going to
18 repeat that again because I should see the list because
19 the list has different instruments with different value.

20 Q. Do you have a copy of that list in your office
21 at 444 Brickell Avenue?

22 A. No.

23 Q. You stated that British Trade & Commerce Bank
24 probably holds 20 million dollars worth of financial
25 instruments and papers of Japanese banks. Tell me

1 specifically what type of financial instruments those are.

2 A. I don't recall what they are.

3 Q. You have no idea?

4 A. Well, I don't know, I don't know if they are
5 debentures or they are bonds. It could be any of them.

6 Q. Are those debentures or bonds liquid? Could you
7 sell them on the open market right now?

8 A. Yes.

9 Q. What about the assets of the bank of European
10 banks?

11 A. Same style, yes.

12 Q. And those are liquid, British Trade & Commerce
13 Bank could sell those bonds or debentures or whatever the
14 instruments are right now?

15 A. Yes. It could be.

16 Q. It could be or it is?

17 A. The sale happens when somebody purchases.

18 Q. So are those liquid assets?

19 A. They are not liquid assets. They could be
20 liquidated.

21 Q. Can they be sold by British Trade & Commerce
22 Bank now?

23 A. Well, I presume some of them, yes.

24 Q. How many is some?

25 A. I have no idea.

1 MR. LINDSAY: Why don't we take a two minute
2 break. I want to find a document.

3 (Recess taken.)

4 (Thereupon, Plaintiff's Exhibits 56 and 56A were
5 marked for identification.)

6 BY MR. LINDSAY:

7 Q. Mr. Requena, approximately how much of your time
8 do you spend in Miami?

9 A. Like two weeks during a month.

10 Q. When you're in Miami, you work at 444 Brickell;
11 correct?

12 A. That is so.

13 Q. And your office is right near Dr. Bascom's;
14 correct?

15 A. Not beside it, but it's close by.

16 Q. Let me show you what we have identified as PX 56
17 and 56A which for the record is a letter that my Canadian
18 co-counsel sent to Dr. Bascom on May 17th of the year 2000
19 along with a voluminous index of brief of documents.

20 A. Yes.

21 Q. Do you recognize those two documents, sir?

22 A. Yes.

23 Q. How is it that you recognize them?

24 A. Because Dr. Bascom showed them to me a couple of
25 days after he received them.

1 transfers by phone.

2 Q. Well, do you have any reason to believe that
3 there was a confirmation done by phone?

4 A. Probably. Probably.

5 Q. And that that phone call went from Florida to
6 Dominica?

7 A. Yes.

8 Q. Let me direct your attention to Tab 22. Have
9 you ever heard of an entity known as Orphans Advocates
10 Trust?

11 A. Superficially.

12 Q. What is your knowledge of that entity?

13 A. I think that's one of the bank clients.

14 Q. Do you know the name of the individual who is
15 the client of the bank or who represents Orphans Advocates
16 Trust?

17 A. No.

18 Q. Have you ever heard the name Tom Johnson?

19 Strike that.

20 Have you ever heard the name Edward Johnson?

21 A. No.

22 Q. In case I was right the first time, have you
23 ever heard the name Tom Johnson?

24 A. No. I have not heard about Tom Johnson either.

25 Q. What relationship does Orphans Advocates Trust

ONTARIO SUPERIOR COURT OF JUSTICE

FILE NO. 00-CV-188866

GOLD CHANCE INTERNATIONAL LTD.,
CEBY MANAGEMENT, LTD., and JBG
MANAGEMENT, INC.,

Plaintiffs,

VS.

DAIGLE & HANCOCK, DOUGLAS H. HANCOCK,
PETER M. DAIGLE, TRIGLOBE INTERNATIONAL
FUNDING, INC., FREETRADE BUREAU, S.A.,
FREE TRADE BUREAU, S.A., 1170870 ONTARIO
LIMITED d/b/a G & S ENTERPRISES, G & S
ENTERPRISES ONTARIO LTD., SAYSE CHATTERPAUL,
PAUL ZHERNAKOV, THE BANK OF NOVA SCOTIA,
and BANK OF MONTREAL,

Defendants.

4000 First Union Financial Center
Miami, Florida
Friday, 10:00 a.m.
June 23, 2000

DEPOSITION OF RALPH HINES

Taken on behalf of the Plaintiff before
Joannie Fieger, CSR, RMR, CRR, Notary Public in and for
the State of Florida at Large, pursuant to Order.

COPY

1 questions. You are sworn to give truthful answers.
2 Please wait for me to finish my questions before you
3 respond. That way we'll have a clear, clean record. If I
4 ask you a question that you do not understand or would
5 like to have clarified, please let me know and I will
6 rephrase it. Otherwise I will assume that you understand
7 the question.

8 I remind you that pursuant to the oath you
9 have just taken, you may be prosecuted for perjury for any
10 false testimony here today. Do you understand that?

11 A. Yes.

12 Q. Have you ever been deposed before,
13 Mr. Hines?

14 A. Yes.

15 Q. How many times?

16 A. Once.

17 Q. What did that involve?

18 A. It was a land case in which my grandparents
19 were arguing about metes and bounds on a track of real
20 estate in 1979, I believe.

21 Q. Is that the only time you've ever been
22 deposed?

23 A. That I remember.

24 Q. Have you ever been convicted of a crime?

25 A. Yes.

1 Q. what crime?
2 A. Obtaining goods and property under false
3 pretenses.
4 Q. when was that?
5 A. 1980, I believe.
6 Q. What jurisdiction was that in?
7 A. In Dare County, North Carolina.
8 Q. Did you serve any jail time with regard to
9 that?
10 A. Yes.
11 Q. How much?
12 A. I think about 14 months.
13 Q. Were there any other charges in the
14 indictment for which you were not convicted?
15 A. Sir, I don't honestly remember.
16 Q. What goods and property were you convicted
17 of having obtained under false pretenses?
18 A. Secretarial services amounting to about 250
19 something dollars.
20 Q. would you please explain that?
21 A. I was working for a fellow by the name of
22 willis wilson. I was told by him to contract for some
23 secretarial help. We did so. I did so. what I offered
24 was not what we were able to provide and it became quite a
25 legal issue over a period of time.

- 1 Q. You stated the name, was it Willis Wilson?
2 w-i-l-l-i-s?
- 3 A. W-i-l-s-o-n.
- 4 Q. Was he a co-defendant in that matter?
- 5 A. No, he was not.
- 6 Q. Was he the person that brought that matter
7 to the attention of the authorities?
- 8 A. No, sir.
- 9 Q. Did you have any co-defendants in that
10 matter?
- 11 A. No, sir.
- 12 Q. Did that matter go to trial?
- 13 A. Yes, sir.
- 14 Q. Was it a jury trial?
- 15 A. Yes, sir.
- 16 Q. Is that the only time you have been
17 convicted of a crime?
- 18 A. There are other -- like I've had several
19 bad check charges that were disposed of. I've had
20 speeding tickets.
- 21 Q. Let's leave traffic violations off the
22 table.
- 23 A. There have been other matters, but how do
24 they relate to this?
- 25 Q. I need to know your background, sir.

1 A. I mean, I don't -- there was a situation in
2 198 -- 1992, I believe.

3 Q. What was that situation?

4 A. Working for a lady named Myra Pratt, she
5 charged that I misappropriated a check that was made
6 payable to me. It was an insurance refund that she said
7 she was entitled to. I was given unsupervised probation,
8 60 days.

9 Q. What jurisdiction was that?

10 A. Raleigh, North Carolina. I guess it was in
11 199 -- in 1980 -- don't remember the exact date, 1984,
12 1985, I was charged with unauthorized use of state
13 equipment.

14 Q. Please explain.

15 MR. COONEY: Let me just state an objection
16 here. Your question has to do with convictions, not
17 charges?

18 MR. LINDSAY: At this time, yes.

19 MR. COONEY: Just so the deponent
20 understands the question is convictions.

21 MR. LINDSAY: Your objection is noted.

22 Q. Go ahead.

23 A. I was convicted of that. I had a computer
24 from the university I was taking after I was no longer
25 working there. I did not turn it back in the appropriate

1 time frame.

2 Q. What university was that?

3 A. University of North Carolina.

4 Q. Were you working for the university?

5 A. Yes, I was.

6 Q. Did it just involve one computer?

7 A. Yes, it was a notebook.

8 Q. You were convicted of that?

9 A. Yes, I was.

10 Q. What was the result of that conviction in

11 terms of penalty?

12 A. Can you hold just a minute?

13 (Discussion off the record.)

14 Q. I'm just going to note for the record that

15 you asked Mr. Garner a question. Did you ask him if he

16 remembered?

17 A. Yes, I did.

18 Q. Why would he have remembered?

19 A. We've been friends for 25 years.

20 Q. Okay. Did he represent you in that action?

21 A. No, he did not.

22 Q. Is he a lawyer?

23 A. Yes, he is an attorney.

24 Q. But he is not representing you here today;

25 is that correct?

1 A. That's correct.

2 Q. Did you serve any jail time for the
3 unauthorized use of state equipment?

4 A. Yes, I think about eight or nine months.

5 Q. Did you serve any jail time for the bad
6 check charge involved with Myra Pratt?

7 A. No, I did not.

8 Q. Have you ever been convicted of another
9 crime other than those three incidents that you told me
10 about so far?

11 A. I don't believe so.

12 Q. Have you ever been charged with another
13 crime other than those three incidents?

14 MR. COONEY: Object to that question
15 insofar as the rules do not provide inquiry into charges
16 of this witness. Leave it at that.

17 MR. LINDSAY: You're objection is noted. I
18 disagree, but you've made your objection.

19 A. Not that I'm aware of. I mean, other than
20 traffic stuff.

21 Q. Okay. So we're clear, have you ever been
22 charged in any jurisdiction, other than what we've talked
23 about, with any activity that relates to fraud in any way?

24 A. Not that I remember.

25 Q. So we're clear, have you ever been charged

1 administrative functions for First Equity Corporation of
2 Florida and for BTC Financial Services and for
3 International Credit Services.

4 Q. Do you ever or have you ever worked in any
5 capacity for British Trade and Commerce Bank?

6 A. Yes, I have.

7 Q. Please explain.

8 A. I've served as their special projects
9 direct for the Y2K renovations, I guess is the best word,
10 for their computer systems. I helped plan some new
11 computer networks for them. That's primarily the work I
12 did for them.

13 Q. Did you ever have a title with them?

14 A. Yes, several.

15 Q. What were all your titles that you had with
16 British Trade and Commerce Bank?

17 A. The first one was special projects
18 director. Second one was group administrative officer.
19 Some version of that.

20 Q. Any others?

21 A. No.

22 Q. What were your job functions with regard to
23 the special projects director job?

24 A. Their equipment was deemed to be not
25 compliant -- Y2K compliant and asked that I design a new

1 system that would be. And the same thing for First Equity
2 Corporation.

3 Q. Was that the only special project that you
4 held with regard to that title?

5 A. That I was asked to do.

6 Q. Did you get actually paid by British Trade
7 and Commerce Bank?

8 A. Yes, I did.

9 Q. What time frame did you hold that position?

10 A. For the bank?

11 Q. Yes, sir.

12 A. Through, I believe, November of '90 --
13 that's not correct. Through March of '98. '99, I'm
14 sorry. March of '99.

15 Q. When did you begin that?

16 A. Sometime in September of '98. I don't
17 remember the day.

18 Q. What was your job function as, I believe
19 you said group administrative officer?

20 A. I believe that's the title they used. I
21 don't remember exactly. But that was close.

22 Q. What did you do as under that title?

23 A. Initially I was asked to write a personnel
24 policy manual, to handle purchases of printing, printed
25 materials. I purchase, of course, computers and office

1 related office supply things for them.

2 Q. For which of their offices?

3 A. They only have one office. It's in Roseau,
4 Dominica.

5 Q. Was that the office you were purchasing
6 office supplies for?

7 A. Yes.

8 Q. Were you in Dominica?

9 A. I was in Dominica on one occasion.

10 Q. How long did you spend there?

11 A. I was there a week.

12 Q. When was that?

13 A. I believe it was in October of '98.

14 Q. What was the time frame that you held the
15 position of group administrative officer?

16 A. From sometime in September of '98 through,
17 I believe, March of '98.

18 Q. So would that be at exactly the same time
19 that were you the special projects director?

20 A. Yes. They hired someone else who was in
21 Dominica full-time who took over those duties.

22 Q. Where did you stay when you were in
23 Dominica?

24 A. At the Fort Young Hotel.

25 Q. Who hired you for those positions?

1 A. A fellow named George Betts.
2 Q. How did you first come to meet George
3 Betts?
4 A. In June 28th or 29th of 1998, I was called
5 to come to Miami by a fellow named John Long. Mr. Betts
6 was in that meeting.
7 Q. That's the first time you ever met
8 Mr. Betts?
9 A. Yes, it is.
10 Q. Why did Mr. Long call you to come to Miami?
11 A. He was in the process of proposing a
12 purchase of First Equity Corporation from another group.
13 Q. Is this John G. Long?
14 A. Yes, it is.
15 Q. Is Mr. Long the majority owner of British
16 Trade and Commerce Bank?
17 A. I don't have any knowledge of that either
18 way.
19 Q. Do you have any knowledge whether Mr. Long
20 is an owner of British Trade and Commerce Bank?
21 A. To my personal knowledge, no. I've hearsay
22 information that he was.
23 Q. Where did you get that hearsay information?
24 A. It was in a board meeting, he was
25 introduced to everybody as the founder of the bank. And

1 at that time I understood that he was a majority owner.
2 He did not tell me he was.

3 Q. I'm sorry to interrupt you. Where was this
4 board meeting?

5 A. In Roseau, Dominica.

6 Q. Mr. Betts attended that board meeting?

7 A. Yes, he did.

8 Q. When you were in Dominica that week, did
9 you have occasion to learn where Mr. Betts was residing at
10 the time in Dominica?

11 A. Actually, no. I know he had a house there,
12 but as to where it was or -- I didn't go there, nobody
13 ever said where it was or even pointed it out. So no, I
14 don't know.

15 Q. Did you ever meet Mr. Betts' wife Mavis?

16 A. Yes, I did.

17 Q. She was there as well?

18 A. No, sir. I don't believe she was there at
19 that meeting.

20 Q. When did you meet Mavis Betts?

21 A. She was here visiting with her son's fiance
22 when they were moving into some property here.

23 Q. What is her son's name?

24 A. Tony.

25 Q. Anthony?

1 Bank.

2 A. That's correct.

3 Q. At that time were you working for any other
4 entity or did you work solely for British Trade and
5 Commerce Bank?

6 A. I was working at First Equity doing their
7 computer work at the same time. Although I was paid
8 solely by -- from BTC, some expenses were paid, I believe,
9 BTC paid everything.

10 Q. When you say BTCB ---

11 A. The bank, they paid everything.

12 Q. What is the name on the paycheck that you
13 receive currently?

14 A. BTC Financial Services.

15 Q. Is BTC Financial Services the only company
16 you work for currently?

17 A. Yes.

18 Q. Are you aware of an entity known as
19 Satellite Software Corporation?

20 A. Yes, I am.

21 Q. Do you have any involvement with that
22 entity?

23 A. I do consulting work for them and it
24 belongs -- yes, I do consulting work for them.

25 Q. What type of consulting work do you do?

1814

MEMORANDUM

TO: File
FROM: Elise Bean
DATE: 8/22/00

RE: BTCB and Wilbert Bascom

At Mr. John Long's suggestion, I telephoned Wilbert Bascom (305-960-2100) at BTC Financial Services, introduced myself, and asked if he could help me with some information about British Trade and Commerce Bank (BTCB), for example to understand its published financial statement from 1998.

Mr. Bascom said that he had "no direct connection" to BTCB, had not studied its financials and could not help me. He said that in 1998, BTCB had bought FEC Financial Holdings, which owns First Equity Corporation of Florida (FECF), but then sold FEC Financial Holdings to BTC Financial Services, which is the company he is associated with. He said BTCB no longer has any direct connection to FECF or BTC Financial Services, and he could not answer any questions about the bank.

He suggested that I contact either George Betts or Pat English at BTCB. I explained that we had sent them a letter 6 weeks ago, but had still not received any information from them, and so had contacted John Long who had suggested we contact Mr. Bascom. I asked Mr. Bascom if he could tell me about an incident involving a letter of credit scheme and the US Treasury Department, which Mr. Long had said he helped BTCB deal with. Mr. Bascom said he "didn't get involved with the bank's activities," didn't know about that incident, and couldn't help me with any information.

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT, IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

GENERAL JURISDICTION DIVISION

CASE NO. 00-13656 CA 21

In re Letter of Request dated May 10, 2000
Issued by the Ontario Canada Superior
Court of Justice, in the Matter of:

Gold Chance Int'l Ltd., CEBY Mgmt.
Ltd., JBG Mgmt., Inc.

Plaintiffs,

VS.

Daigle & Hancock, Douglas H. Hancock,
Peter M. Daigle, Triglobe Int'l Funding, Inc.,
Freetrade Bureau, SA, Free Trade Bureau,
S.A., 1170870 Ontario Ltd operating as
G&S Ents. Ontario Ltd., Sayse Chatterpaul,
Paul Zhernakov, The Bank of Nova Scotia,
and Bank of Montreal, Saysenarine
Chatterpaul (aka) Sayse Chatterpaul),
British Trade & Commerce Bank, and
George Betts,

Defendants.

Court File No.: 00-CV-188866

4000 First Union Financial Center
Miami, Florida
Wednesday, 1:20 p.m.
July 5, 2000

DEPOSITION OF DR. WILBERT BASCOM

Taken on behalf of the Plaintiff before
Joannie Fieger, CSR, RMR, CRR, Notary Public in and for
the State of Florida at Large, pursuant to Notice.

1 A. BTCF is an acronym for BTC Financial Services
2 which is a, the holding company for First Equity and other
3 financial corporations.

4 Q. What does the BTC stand for?

5 A. I don't know. That's just there. It doesn't
6 have any meaning.

7 Q. Your testimony is that the BTC in BTC Financial
8 Services --

9 A. That's the name of the company.

10 Q. -- has no meaning?

11 A. That's the name of the company, BTCF.

12 Q. And the BTC has no meaning?

13 A. It's not an acronym for anything. But that's
14 the name; isn't that correct, Ralph? BTCF?

15 Q. Okay. Let's talk about another company, BTCB.
16 Have you ever heard of that company?

17 A. Oh, yes, I know about BTCB very well.

18 Q. What does that BTC stand for?

19 A. British Trade and Commerce Bank.

20 Q. It's your testimony sitting here that the BTC in
21 BTC Financial does not stand for British Trade and
22 Commerce?

23 A. I don't know. The name -- I did not develop
24 that name. That name was given.

25 Q. What's your understanding?

1 A. Well, my understanding is that it does not --
2 it's an acronym that does not have -- does not represent a
3 fundamental name of anything. I think the founders or the
4 people who created this name just put it together.

5 Q. Who did create it?

6 A. I think this name was created by the principals
7 of BTCB, and the principals, as far as I'm aware, were
8 Dr. Requena, John Long and George Betts. In that order
9 of ---

10 Q. Dr. Requena, your boss, is also the president of
11 BTCB; is that correct?

12 A. I think so.

13 Q. Chief executive officer?

14 A. I don't know what his title is. But he's the
15 head, the executive head of BTCB.

16 Q. And what about George Betts, what does he do?

17 A. George Betts is designated as the executive
18 vice-president of BTCB.

19 Q. What does he do?

20 A. I could only hazard a guess. I think he
21 manages -- he's responsible for the executive operations
22 and day to day management of BTCB.

23 Q. Do you have any management or supervisory
24 relationship with Mr. Betts?

25 A. No. I have a relationship with Dr. Requena in

1 regard to matters pertaining to the entire financial group
2 defined in the form of sort of a consulting, consultancy
3 arrangement on any matters they think that I have the
4 competency to consult about.

5 Q. What is your current job title?

6 A. I have several titles. I'll give you a set of
7 them. First I'm the corporate secretary for BTC Financial
8 Services. Secondly I'm, I'm the supervisory principal for
9 First Equity Corporation. From time to time I consult
10 with British Trade and Commerce Bank on compliance matters
11 and correspondent banking matters. Compliance matters
12 could be very, very broad. But it's much more policy
13 driven than dealing with specifics of compliance issues.

14 Q. What correspondent banking relationships does
15 BTCB have in the United States right now that you're aware
16 of?

17 A. I could only answer the question by telling you
18 what correspondent banks I've introduced BTCB to. Whether
19 or not they established a relationship, I don't take a
20 very active part in that because I leave that normally to
21 BTCB and the correspondent -- and the bank itself.

22 Now, I've introduced BTCB to Hamilton Bank.

23 Q. Is that Bermuda?

24 A. No, no, no. Hamilton Bank in Miami. I know
25 Hamilton management very well. I introduced them. Their

1 correspondent relationship was not established as far as I
2 know.

3 Next I introduce BTCB to Banco Internacional de
4 Costa Rica which is BIXIA. I know the bank's management
5 very well. I think a relationship was established there
6 after a long period of discussion. It was long because
7 BIXIA emphasized the importance of complete documentation.
8 I think that relationship was established. I don't know
9 if the relationship continues. I don't know. Because I
10 do not monitor the day to day operations of relationships.

11 And thirdly, I introduced them to Pacific
12 National Bank. That bank mainly is not for correspondent
13 banking relationship, which is much broader than the
14 settlement or settlement clearing arrangement for credit
15 card transactions which is much narrower than a
16 correspondent banking relationship. That settlement
17 account is there and it's specific to settlement of credit
18 card transactions between BTCB, its clients and the credit
19 card provider.

20 I also introduced them to BAC, BAC Florida.
21 That relationship was not established.

22 Q. Do you know why not?

23 A. I think that it was not established because they
24 wanted -- I think the bank did not -- BTCB did not supply
25 all the information they requested -- all the information

1 that was requested by BAC in a timely manner.

2 Q. What was requested that was not supplied, to
3 your knowledge?

4 A. All banks have a set of information that is
5 consistent with the custom and policy. I don't know what
6 was the documentation deficiency. And I don't want to
7 hazard a guess.

8 Q. So you have no idea?

9 A. I have a general idea.

10 Q. What's your general idea, sir?

11 A. For example, information on the ownership of the
12 bank. That's very, very important. I think that may be
13 one area which was not supplied in a timely manner.

14 Q. Who owns British Trade and Commerce Bank?

15 A. I could tell you what I know. I don't know if
16 this is correct. The first -- British Trade and Commerce
17 Bank, as far as I'm aware, was owned by or is or was owned
18 by a trust. And this was a family trust representing the
19 interest of John Long. I think also Dr. Requena has an
20 ownership interest. And thirdly, I believe that some
21 staff and directors have a very small ownership interest
22 in the bank.

23 Q. Anyone else that you're aware of?

24 A. No, no one else that I'm aware of.

25 Q. What about George Betts? Other than a staff

1 says in the second paragraph, "I would therefore
2 appreciate receiving without any further delay your wiring
3 instructions for the disposition of the funds in this
4 account."

5 Was it your impression that somebody there at
6 British Trade and Commerce Bank had delayed providing
7 those wiring instructions?

8 A. It was my impression that Betts could not make
9 any decision until he speaks to John Long. And I think
10 that may be one of the reasons why John Long called me
11 personally.

12 Q. That impression that Betts can't make a decision
13 without John Long, does that impression continue to this
14 day?

15 A. That's the impression I still have. I could
16 give an example why.

17 Q. Please do.

18 A. When I introduced BIXIA -- when I introduce
19 British Trade and Commerce Bank to BIXIA, the Banco
20 Internacional de Costa Rica for a correspondent
21 relationship, one of the reasons for the delay in
22 establishing this relationship was the fact that George
23 Betts could not make a decision whether or not to sign off
24 on the disclosure requirements that BIXIA stipulated. And
25 he hesitated to sign off on that because he was concerned