

1 (September 29, 2010, United States CFTC and SEC
2 vs. Trevor Cook.)

3
4
5 THE COURT: Let's call this matter, please.

6 THE CLERK: The United States commodity futures
7 and trading commission vs. Trevor Cook et al., civil case
8 number 09-CV-3332 and United States Securities and Exchange
9 Commission vs. Trevor Cook et al., civil case number
10 09-CV-3333. Counsel, will you please state your appearances
11 for the record.

12 MR. SLOVICK: Good afternoon, Your Honor. David
13 Slovick on behalf of the CFTC.

14 THE COURT: Good afternoon.

15 MR. BIRKENHEIER: Good afternoon, Your Honor.
16 John Birkenheier for the SEC.

17 THE COURT: Good afternoon.

18 MR. FULLER: Good afternoon, Your Honor. David
19 Fuller with the U.S. Attorney's Office serving as local
20 counsel for both agencies.

21 THE COURT: Good afternoon.

22 MR. MAUZY: William Mauzy representing Trevor Cook
23 and accompanied by Piper Webb and Casey Rundquist, Your
24 Honor. Mr. Cook is present.

25 THE COURT: Good afternoon.

1 Q. Isn't it a fact that the only car that was surrendered
2 to the receiver was the Lexus, that's true, isn't it?

3 A. I don't believe that to be the case.

4 Q. In fact, didn't the receiver have to locate and seize
5 all of the other automobiles?

6 A. I don't know.

7 Q. So you don't know whether cars were surrendered to the
8 receiver; is that your testimony?

9 A. We told the receiver where they were and they could have
10 them. I didn't know the procedure. Same thing with the
11 Audi. Put it right in the driveway for him to get it. I
12 didn't know where -- what was I supposed to drop it off in
13 the middle of -- I was never notified as to what to do with
14 them.

15 Q. Well, you were driving one of the vehicles even after
16 the court had found -- even after the Government had filed
17 its contempt motion, weren't you?

18 A. I was driving the Lexus, yeah.

19 Q. You didn't turn that one over at that time, did you?

20 A. Not at that time. I wasn't aware that I had to.

21 Q. You were already under an order at that point to
22 surrender all assets to the receivership, weren't you?

23 A. I thought I had to do -- I thought the order had to do
24 with assets relating to the companies. You know, I didn't
25 know certain items, you know, like Fabergé eggs from my dead

1 mom, I didn't know those were related to the companies.

2 Q. You paid for the Lexus with money from -- that you had
3 gotten from investors, didn't you?

4 A. I don't believe that to be the case, but I suppose an
5 argument could be made to say that, yes.

6 Q. Virtually all the money that was deposited into your
7 personal bank accounts during the time period from 2006 to
8 2009 originated with investors, didn't they?

9 A. I believe it to be fees that we made from accounts.

10 Q. Originated with investors, though, didn't it?

11 A. Yes.

12 Q. Now, your attorneys last summer or the summer of 2009
13 obtained forensic images of the computers from your offices
14 at home, didn't they?

15 A. I believe they -- some of them, yes.

16 Q. And those forensic images of those computers, hard
17 drives include all the images that were viewed on those
18 computers, don't they?

19 A. Could you repeat that, please?

20 Q. Yes. When one has a forensic image of a hard drive, one
21 can recover all of the images that have been viewed on that
22 computer, can't they?

23 A. I don't know. I am no means a computer expert. So I
24 don't know much about computer imaging.

25 Q. You used those computers to view online account

1 statements for various of the accounts that have been
2 discussed today, didn't you?

3 A. Yes.

4 Q. And those computers still contain those images of those
5 account statements, don't they?

6 A. I don't know.

7 Q. Didn't you ask your lawyers to find out whether those
8 computers still contained the images of the account
9 statements?

10 MR. MAUZY: I am going to object to the relevance
11 of this line of inquiry.

12 THE COURT: Overruled.

13 MR. BIRKENHEIER: I will restate the question,
14 Your Honor.

15 BY MR. BIRKENHEIER:

16 Q. Did you ask -- you have not directed anyone working for
17 you to determine whether those hard drives still contain
18 images of the financial records, the account statements that
19 you viewed online during the time of your fraud, have you?

20 A. Have I specifically -- I don't understand the question.
21 Have I --

22 Q. The computers were used to view account statements
23 online, correct?

24 A. Yes.

25 Q. And you have not asked anyone working for you to

1 determine whether those images of the account statements can
2 be retrieved from the computers, have you?

3 A. Not specifically, no, I was never asked to.

4 Q. And you've not thought to do that on your own
5 initiative?

6 A. I was never asked to, no.

7 Q. Now, those computers also contain copies of account
8 statements; is that correct?

9 A. Most likely, yes.

10 Q. And have you asked that those account statements be
11 generated so that you could review them and possibly produce
12 them in response or as part of your motion here to establish
13 you have purged yourself of the contempt?

14 A. Have I asked them to do?

15 Q. Yes.

16 A. Not specifically, no. I wasn't aware that I had to.

17 Q. Let me ask you about the gambling accounts. What was
18 the process by which you could achieve withdrawals from
19 those accounts?

20 A. Basically you'd send in a withdrawal form and they would
21 wire money back to the account.

22 Q. Now, at any time since January 1st of 2010 have you
23 filled out any withdrawal forms and given them to your
24 lawyers or anybody else working for you to be sent to these
25 gambling businesses to direct withdrawals?

1 A. No.

2 Q. You could have done that, couldn't you?

3 A. No. I don't have access to the Internet. I don't have
4 access to the phone numbers. I don't have access to calling
5 them. I signed powers of attorney to the receiver, so I
6 don't even know if I legally am able to do that because of
7 the powers of attorney I signed.

8 Q. Have you asked the receiver whether it would be okay
9 with him if you did that?

10 A. I got the impression that he was going to do that and I
11 don't understand why -- when I met with him multiple times I
12 would have assumed that he would have asked me to do that
13 had he wanted me to do it. So I thought I was cooperating
14 with the receiver by not interfering with it because he gave
15 me the impression that they wanted to take care of it and
16 I --

17 Q. Did you ever volunteer to him, Mr. Zayed, there's an
18 easier way to do this, if you can just get me access to a
19 computer I can simply make a request and they'll wire the
20 money right to you, did you ever tell him that?

21 A. Yeah, I would be happy to do any of that.

22 Q. Did you tell him specifically about these online
23 gambling accounts?

24 A. I told him I would be happy to do anything he asked,
25 yes.

1 Q. Did you tell him that that -- that you could withdraw
2 the money from the online gambling accounts?

3 A. No. I don't know if I can withdraw the money because
4 you have to have a bank account to send the money to and the
5 bank accounts are frozen. So there would be no bank account
6 to send the money to.

7 Q. Did you ever try to make arrangements to have one of the
8 accounts unfrozen to the extent that it could receive money
9 from the offshore gambling businesses?

10 A. No, I never tried to do that.

11 Q. You talked about telephone access. Have you ever made
12 any effort to get access through the receiver or through the
13 SEC or CFTC or the Department of Justice to use a telephone
14 to place phone calls to, for example, the preferred
15 investors for the purpose of asking them to pay the money
16 back to the receiver?

17 A. No.

18 Q. Now, you were asked a lot of questions about offshore
19 accounts, some were trading accounts, some were bank
20 accounts. Have you submitted to the Court any documentation
21 to corroborate the statements you've made about who controls
22 those accounts or who traded in those accounts or what
23 happened to the money in those accounts?

24 A. I know the receiver is in possession. I know the SEC is
25 in possession of all this stuff.

1 Q. I'm asking whether you've submitted any of those
2 documents to the Court.

3 A. No. I didn't know it was necessary or I didn't know it
4 was needed to submit documents to the Court when they
5 already are in possession of them. They already have
6 everything. Certainly nothing is trying to be hid from
7 them.

8 Q. Except the cash, right?

9 A. I had no -- I had told my brother multiple times to turn
10 over the cash.

11 Q. Did you hide the cash, the existence of the cash from
12 the receiver?

13 A. I don't believe I hid it from the receiver, no. I made
14 attempts to -- I told my brother to turn everything over.
15 He didn't turn everything over the first time. I told him
16 to turn everything over again. I mean, obviously all my
17 phone calls are taped and monitored, all my out going mail.

18 Q. When -- let's go back to that question I asked you
19 before. When the receiver's lawyers asked you is anyone
20 holding any assets for you, you told them no, didn't you?

21 A. Yes.

22 Q. The entities, GP fund service, GP fund foundation, if
23 you'll look at Exhibit 4 again -- do you have that in front
24 of you?

25 A. Yes.

1 me.

2 Q. But you didn't get a note?

3 A. No. Pat was involved in the transaction too.

4 Q. Mr. Cook, when did you first realize that your prison
5 sentence was not going to begin running until you had purged
6 yourself of the contempt?

7 MR. MAUZY: Object to the relevance of this.

8 THE COURT: I'm sorry?

9 MR. MAUZY: Objection, relevance.

10 THE COURT: Overruled.

11 THE WITNESS: I was told it would be running, so I
12 guess I'm not -- I'm confused to the status of it. I was
13 told it would be running from April. The judge said it
14 would be anyways. The prosecutor said it would be.

15 BY MR. BIRKENHEIER:

16 Q. But you know now that that's not the case, don't you?

17 A. I don't know that, I guess. I don't know enough about
18 how that works. I know that's one of the reasons I'm here.

19 Q. Has it been just within the last month that you've
20 realized that you're not getting any credit for the time you
21 already have been in jail?

22 A. I don't believe that, no. I believe I am going to get
23 credit for it because that was our agreement.

24 MR. BIRKENHEIER: May I have a moment, Your Honor?

25 THE COURT: You may.

1 I'll wait until I have -- we can alert you on the date this
2 coming Friday because I have a trial set up in Duluth, but
3 I'm hopeful that will not take place and I won't know about
4 that until this Friday. So we can give you a date in
5 October. Kristine will get that out to you. All right?

6 Now, Mr. Cook, if you would step forward. Sir, I
7 want to make sure that you understand that you can purge
8 yourself of my contempt order and it's just not being an
9 artful dodger of the right question not being asked of you
10 and then you're waiting for the question to be asked. You
11 are going to have to assist in helping the Government figure
12 out where all this money is at or where it's disappeared to.
13 And so you're the prime architect of this Ponzi scheme and
14 it's not like you were just the chauffeur. You are the
15 prime architect and so you are going to have to do much,
16 much more than what you have done so far. And so let's sit
17 down with the attorneys and go step by step by step, not be
18 the artful dodger of letting the truth slip through your
19 fingers. Do you understand what I'm saying?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: Because you want to take credit for
22 things that you didn't do anything to have turned over and
23 that does not bode well for you in purging yourself. So
24 let's figure this out. Sit down. If they've got to pull up
25 the computer records, you know which ones they are before

1 the meeting is on the 5th and 6th. Let's get a list to them
2 and say please find these documents so I can help you find
3 the money or show you that I can't get the money. You know
4 exactly what they are and so -- and you know how many
5 accounts you had. You are too bright of a person to have
6 carried out a multimillion dollar Ponzi scheme not to now
7 have the lack of memory. And so let's get your memory
8 refreshed. If you need the documents for that, let's get
9 the list to the receiver so they can pull those documents up
10 off the computer. You say that the receiver has control
11 over everything. Show them the way. All right?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: I hope you understand me.

14 THE DEFENDANT: Yes.

15 THE COURT: I know your lawyer does. We'll
16 recess.

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25

all MHS

1

Now displaying records 1 to 2 of 2.

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> SEARCH RESULTS

ADD TO ORDER

CERTID# 1995-MN-027700

CARLSON, STEPHANY ANN

Date of Death: 27 JAN 1995
County of Death: HENNEPIN

Date of Birth: 22 NOV 1978

Place of Birth: OUT OF STATE

Mother Maiden Name: KOEPKE

[add comment \(0\)](#)

ADD TO ORDER

CERTID# 1995-MN-025241

METZKER, STEPHANY RUTH

Date of Death: 24 SEP 1995
County of Death: HENNEPIN

Date of Birth: 28 APR 1944

Place of Birth: OUT OF STATE

Mother Maiden Name: GILSON

[add comment \(0\)](#)

1

Now displaying records 1 to 2 of 2.

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Date: 05/28/07
Assoc: 5757 - TEAM RIO

Sale

S.K.U.	Description	Ext Price
Assoc: 5757 - TEAM RIO		
432010114000	FABERGE	190.00 T
432010133001	FABERGE	190.00 T
432010117001	FABERGE	190.00 T
432010118008	FABERGE	190.00 T
432010112006	FABERGE	750.00 T
Sub Total		1,510.00
Store Promotion Discount		755.00-
50.00 % Off		
Quantity	5	
Sub Total		755.00
Tax 7.75%		58.51
Total Sale		813.51

MASTER CARD 813.51
Acct # *****4840
Auth # 010835
Thank you Trevor Cook for shopping
with Landau
12644 Tiffany Ct
Burnsville MN 55337
(612) 281-7707
0571002909
Exchange/store credit within 15 days
w/receipt if not worn, altered, damaged.
No returns/exchanges on Special Orders
or sale items. No layaway refunds. No
charge card credits. No assurance made
to physical reaction to jewelry. I
acknowledge receipt of merchandise in
good condition. I AGREE TO PAY ABOVE
TOTAL AS PER CARD ISSUER AGREEMENT.
Signature *[Signature]*

STR057 R01 TRAN0963 05/28/07 10:27 AM

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Date: 05/27/07
Assoc: 5757 - TEAM RIO

Sale

S.K.U.	Description	Ext Price
Assoc: 5757 - TEAM RIO		
432010169000	FABERGE	5,000.00 T
430020306002	OTHER	1,550.00 T
432010099000	FABERGE	250.00 T
432020048005	OTHER	425.00 T
432010133001	FABERGE	190.00 T
Sub Total		7,415.00
Store Promotion Discount		3,707.50-
50.00 % Off		
Quantity	5	
Sub Total		3,707.50
Tax 7.75%		287.33
Total Sale		3,994.83

MASTER CARD 3,994.83
Acct # *****4840
Auth # 014887
Thank you Trevor Cook for shopping
with Landau
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No returns/exchanges on Special Orders
or sale items. No layaway refunds. No
charge card credits. No assurance made
to physical reaction to jewelry. I
acknowledge receipt of merchandise in
good condition. I AGREE TO PAY ABOVE
TOTAL AS PER CARD ISSUER AGREEMENT.
Signature *[Signature]*

STR057 R01 TRAN0919 05/27/07 09:07 AM

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Trevor Cook

October 5, 2010

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

United States Securities and : File No.
Exchange Commission, : 09-cv-3333
Plaintiff, : (MJD/FLN)
vs. :
Trevor G. Cook, and Patrick J. :
Kiley, et al., :
Defendants, :
and :
Basel Group, LLC, et al., :
Relief Defendants. :

U.S. Commodity Futures Trading: File No.
Commission, : 09-cv-3332
Plaintiff, : (MJD/FLN)
vs. :
Trevor Cook d/b/a Crown Forex, :
LLC, Patrick Kiley, d/b/a :
Crown Forex, LLC, et al., :
Defendants. :

EXAMINATION OF TREVOR G. COOK
TUESDAY, OCTOBER 5, 2010, MINNEAPOLIS, MINNESOTA



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Exhibit 4

Trevor Cook

October 5, 2010

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1 him what he -- I mean complain to him or ask him
2 what he was spending the cash on when he was in
3 Switzerland?

4 THE WITNESS: Who, Shadi?

5 MR. BIRKENHEIER: No, you.

6 Did you talk to Durand about it?

7 Sorry.

8 THE WITNESS: Oh, yeah. I got
9 pissed.

10 MR. BIRKENHEIER: What did he say?

11 THE WITNESS: He's just like: It's
12 my expenses.

13 BY MR. HLAVACEK:

14 Q. Going back to money out of Crown
15 Forex, money to the UBS account, money back to
16 the United States, cash to Durand.

17 Anything else?

18 A. So you're talking about money that
19 came out of Crown Forex?

20 Q. Right, in any form, from any of the
21 -- you think of Crown Forex as one big pot of
22 all these different accounts. Any --

23 A. Well, I know there were some other
24 investors besides Watkins that we had them set
25 up accounts, and money was sent back to them,



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1 but I'm pretty sure that most of them sent the
2 money back somehow to -- to one of the
3 companies.

4 So like -- like I remember -- you
5 know, like for the same reason I had Watkins set
6 up an account --

7 Q. Uh-huh.

8 A. -- you know, that we could get these
9 bigger size trades, I had a guy at JDFX. His
10 name was Matt Hammer I think. And so like one
11 of our accounts, probably UBS Diversified or
12 Oxford, sent him like 500,000.

13 Q. That would be an internal transfer
14 you mean?

15 A. No. Like the Wells Fargo account
16 sent Matt Hammer like 500,000, and then Hammer
17 sent that money to the Crown Forex Credit Suisse
18 account to get an account there. And then I
19 traded it, and then we closed that account, so
20 Crown would have sent money back to him.

21 You know what I mean?

22 Q. Yeah.

23 A. And then he would have sent the money
24 back probably back to UBS Diversified or Oxford.

25 Q. Did he have a company or was it Matt



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1 Hammer?

2 A. That was his personal account.

3 Q. Any other people like that?

4 I mean you said there were other
5 people.

6 A. I know there was. I mean I don't --
7 I -- if I'm -- I'm not trying to omit anybody
8 if I forget one.

9 There was Sandra Werwega was one. I
10 think that was James' mom.

11 Q. Can you spell Sandra's name?

12 A. Sandra W-e-r-w-e-g-a. There was
13 Hammer. I think another guy at JDFX, Mason
14 might have been one. Durand and Pettengill had
15 accounts there. You know, Durand and Pettengill
16 had account there, so they would have done
17 withdrawals.

18 MS. NORGDARD: So with Sandra Werwega
19 and Mason, this was an example -- these were
20 examples of where it was either UBS or Oxford
21 money from a domestic account that you sent to
22 either Werwega or Mason, and then they bounced
23 it overseas to Crown Forex?

24 THE WITNESS: Right.

25 MS. NORGDARD: You traded it over at



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1 Crown Forex, right?

2 THE WITNESS: Right.

3 MS. NORGARD: Then Crown Forex would
4 have sent it back to where?

5 THE WITNESS: The same people that
6 sent it.

7 MS. NORGARD: To either Werwega or
8 Mason?

9 THE WITNESS: Yeah.

10 MS. NORGARD: And then those people
11 would have sent it back to you?

12 THE WITNESS: Yeah.

13 MS. NORGARD: So there was a big loop
14 that started and came back to you?

15 THE WITNESS: Yeah.

16 MS. NORGARD: And so far, we've
17 talked about Matt Hammer, Sandra Warwega.

18 Did Sandra Werwega know that you were
19 doing this or was it just something that was
20 happening in her name?

21 THE WITNESS: I don't even -- I
22 didn't -- I didn't even talk to her. It was --
23 James' -- I don't think she -- I don't know I
24 guess.

25 Did she know we were doing what?



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1 She knew --

2 MS. NORGARD: Did she know that she
3 was effectively being a funnel of money overseas
4 and coming back for you?

5 THE WITNESS: I can't -- I guess I
6 don't know is the answer. I mean --

7 MS. NORGARD: Did you ever talk to
8 her?

9 THE WITNESS: No.

10 MS. NORGARD: How about Mason?

11 THE WITNESS: Yeah. Oh, yeah. Yeah,
12 they knew.

13 See, like Sandra Werwega was Jack and
14 James' mom, so I'm assuming they told her, you
15 know. I can't say for certain, you know. I'm
16 assuming they told her.

17 MS. AGUILAR: Mason, is it James his
18 first name?

19 THE WITNESS: Yeah. James Mason I
20 said.

21 MS. AGUILAR: What about Pieron did
22 he have an account?

23 THE WITNESS: No. I don't believe
24 Pieron did.

25 MS. AGUILAR: And his brother?



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1 THE WITNESS: I don't believe Jack
2 did either. I think Jack wanted to do it and
3 then we -- you know, this is when we were still
4 trying to, you know, kind of pull -- you know,
5 trick Crown Forex, you know, and so I don't
6 think -- they would recognize Pieron's last
7 name, you know, and so that's why Jack Pieron
8 didn't do one. That's why I think they did it
9 in his mom's name.

10 MS. NORGDARD: What was in it for
11 them?

12 THE WITNESS: Oh, I'd just give them
13 some money.

14 MS. NORGDARD: How much?

15 THE WITNESS: Oh, I took 10,000 out
16 of my UBS account once, and I think I gave them
17 each 5,000 Francs. And then, you know, there
18 would be a percentage of the profits. You know,
19 I'd promised them: Okay. You'll get a
20 percentage of the profits.

21 But then, you know, we found out
22 there was problems with Crown Forex, so then it
23 obviously made no sense to do it, so then we
24 basically shut down the accounts.

25 MS. NORGDARD: So I want to make sure



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1 we exhaust your memory on this because I'd like
2 all these names. We've talked about Matt
3 Hammer, Sandra Werwega, James Mason.

4 Is Mason a relative of the Pierons?

5 THE WITNESS: He's like a best friend
6 of Jack's. Jack is James' little brother. It's
7 like his best friend.

8 MS. NORGDARD: All right. Who else?

9 THE WITNESS: You know, I know
10 Pettengill and Durand had accounts there. Jerry
11 Watkins had an account there. I think that's
12 about it. There may -- may be somebody else. I
13 think if there was anybody else, they would
14 probably have worked at JDFX but I don't -- I
15 just don't recall right now.

16 BY MR. HLAVACEK:

17 Q. And you think we should find in each
18 case a withdrawal to these people and then a --
19 some kind of a corresponding deposit back?

20 A. Right.

21 MS. AGUILAR: Did it always come back
22 to one of the U.S. accounts or did it sometimes
23 go to the UBS account off shore?

24 THE WITNESS: No. I think -- I think
25 they went back to their original accounts, with



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1 the exception of the UBS trans -- you know, the
2 UBS ones.

3 BY MR. HLAVACEK:

4 Q. The Jerry Watkins account?

5 A. Right.

6 Q. The transfer we talked about before?

7 A. Right.

8 Q. So even though I think you talked
9 before that Durand and Pettengill had off-shore
10 accounts at UBS, their money came back to the
11 U.S. from their Crown Forex --

12 A. As far as I know. I mean I can't say
13 I'm certain I mean because they would keep --
14 they would keep some of the money, too, so I
15 can't -- I just can't say I'm a hundred percent
16 on what -- I mean I just trust those guys zero
17 now. You know, I trusted them more then, so I
18 wouldn't have looked at it as close then as I
19 should have.

20 Q. And how would this actually take
21 place?

22 You would direct someone to send the
23 money to a Matt Hammer account at Crown Forex?

24 A. Yeah. Like Matt Hammer I remember:
25 You know, hey, do you want to open up a Crown



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1 Forex account? You know, we'll put money into
2 it, and then we'll give you some of the profit?

3 And then he would say okay.

4 So then he would open an account at
5 Crown Forex, you know, and then we would say:
6 Okay. We're going to send 500,000 to your bank
7 account.

8 So that money would have probably
9 came from UBS Diversified or an Oxford account,
10 and then he -- he would send that money to Crown
11 Forex, and then I would say: When you get the
12 pin code and password, call me with the pin code
13 and password.

14 And then I would put in the pin code
15 and password and then trade the account.

16 Q. And then at some point, how would the
17 money come back?

18 A. We didn't really do any withdrawals
19 until we found out there was kind of this
20 problem, so then we -- yeah. Especially, I
21 remember Hammer just -- Hammer was like calling
22 them, threatening them. He was one of the guys
23 on the list so when we -- Shadi didn't know
24 Hammer was kind of related to us. So when we
25 were over there, and they had this list of all



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1 these problem clients, Hammer was like
2 threatening them, you know, because he was
3 saying, you know, he can't get the money, and we
4 were just kind of playing along with it to see
5 if we were getting all the details from Crown.

6 So like Crown had a list of all these
7 problem clients, and Hammer was on it. When
8 Crown was -- when Crown was presenting us:
9 These are the clients we need to take care of
10 right away, Hammer -- Hammer was on this list.

11 Q. Why was he calling?

12 What did he care?

13 It wasn't his money.

14 A. Well, we -- we told him to. We said
15 call --

16 Q. Oh, so you telling him to call?

17 A. Oh, yeah. We told him to and said
18 withdraw all the money. He said okay. And he's
19 like: You know, hey, I live in Switzerland, and
20 I'll going over there and beat your ass, and
21 he's like an ex-football player or something.

22 Q. So then he would -- you would get
23 Matt Hammer to make the call and get the
24 withdrawal. At some point, that takes place.

25 It goes back to his personal account?



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1 A. Yeah.

2 Q. And then he writes you a check or
3 writes a check to UBS or Oxford?

4 A. It would have been a wire so there --
5 somewhere on the bank statement, there should be
6 an incoming wire from Matt Hammer.

7 Q. Were there other people who got stuck
8 with -- they sent money over, they tried to
9 bring it back but there was -- they couldn't
10 bring it back?

11 A. No. I think Sandra Werwega, there
12 was some money left in that account. I think
13 that was one we just actually forgot about, but
14 it didn't really matter because it was one group
15 thing. You know, it didn't really make sense to
16 take money out here, and then just put it back
17 over -- you know, what I mean?

18 MR. BIRKENHEIER: What was the
19 time --

20 BY MR. HLAVACEK:

21 Q. The only way they could send money
22 back was if basically you gave them the money to
23 send back --

24 A. Right, right.

25 MS. NORGARD: Is that what o happened



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1 with Hammer; that you basically gave Crown Forex
2 money to send back to yourself?

3 THE WITNESS: Well, I mean all the
4 dates are pretty close. I mean Crown Forex had
5 some of their own money, too, you know, so I
6 can't be exact on the dates, but that's the gist
7 of it, you know, but, again, Crown Forex had
8 their own money coming in, too. We weren't the
9 only money source to Crown Forex.

10 MR. BIRKENHEIER: Roughly, when was
11 it that you had these investors open accounts at
12 Crown Forex?

13 THE WITNESS: It was probably the end
14 of '07. It didn't -- it didn't last very long.
15 Watkins was like the first one, so that was the
16 longest, you know, but, you know, it was
17 probably the end of '07. It went on a very
18 short period of time.

19 MS. NORGDARD: With Watkins' money or
20 with the money that was in the Watkins account,
21 you sent that to a UBS account in Switzerland.

22 Did you send any of the money for
23 these false accounts to other off-shore places?

24 THE WITNESS: From my UBS account?

25 MS. NORGDARD: Well, but I mean we



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1 talked about Hammer and Sandra Werwega and
2 Mason, and maybe there were others, and you put
3 Jerry Watkins in this group, too.

4 THE WITNESS: Yeah.

5 MS. NORGDARD: All of these people
6 were essentially names for your money --

7 THE WITNESS: Yeah.

8 MS. NORGDARD: -- at Crown Forex.

9 In the case of Watkins, you sent the
10 money from Crown Forex to your personal -- it
11 landed in your personal --

12 THE WITNESS: Right.

13 MS. NORGDARD: -- UBS account in
14 Switzerland?

15 THE WITNESS: Yep.

16 MS. NORGDARD: And so what I want to
17 know is if you took any of this money from any
18 of these other accounts and put it in a foreign
19 account or someplace else?

20 THE WITNESS: No, no.

21 MS. NORGDARD: You did with Watkins?

22 THE WITNESS: Yeah.

23 MS. NORGDARD: Why didn't you with the
24 others?

25 THE WITNESS: There was no reason to



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1 I guess.

2 MS. NORGDARD: Why was there a reason
3 with Watkins?

4 THE WITNESS: I felt like that was my
5 money at the time. I had made that money
6 trading, and we didn't feel like that was
7 customer money or we didn't feel --

8 MS. NORGDARD: Well, it wasn't Sandra
9 Werwega's money.

10 Was that your money or who's money
11 was that?

12 THE WITNESS: Well, it was just kind
13 of how -- how we felt at the time. You know, I
14 felt the Watkins money was made, and I wanted to
15 retain some money, and that's why I had Watkins
16 send the money to me. It was --

17 MS. NORGDARD: So was the Sandra
18 Werwega money somebody else's money in your mind
19 as you were feeling about it?

20 THE WITNESS: No. The -- like the
21 Sandra -- how we view -- how we viewed it was we
22 still had a bunch of profits on the books of UBS
23 Diversified and that money was -- was UBS
24 Diversified's is basically how we -- how we
25 viewed it.



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1 MS. NORGDARD: And you were UBS
2 Diversified, weren't you?

3 THE WITNESS: Well, Pat, yeah. Pat
4 and I, yeah, so that's why we had the money sent
5 back there, back to the company.

6 MS. NORGDARD: So you're telling us
7 that you didn't take any of the money that went
8 to Crown Forex, and you didn't direct it or wire
9 it anyplace else?

10 THE WITNESS: Correct.

11 MS. NORGDARD: With the exception of
12 the Watkins money of course?

13 THE WITNESS: Right.

14 MS. NORGDARD: No other Watkins-like
15 examples?

16 THE WITNESS: No. That's the only
17 one.

18 MS. NORGDARD: Are you sure about
19 that?

20 THE WITNESS: Yeah. I didn't have --
21 I didn't have a -- besides the gambling accounts
22 and the UBS account, I didn't have any other
23 off-shore accounts. So I mean I had gambling
24 accounts, and I had the UBS account.

25 MS. NORGDARD: You're talking about



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1 personal accounts now?

2 THE WITNESS: Bank -- yeah, bank
3 accounts.

4 MS. NORGDARD: Well, you had Saxo
5 accounts that you controlled.

6 THE WITNESS: No personal accounts.
7 I didn't have a Saxo personal account.

8 MS. NORGDARD: But you controlled
9 Saxo?

10 THE WITNESS: Yeah.

11 MS. NORGDARD: So did any of this
12 money go to other accounts that you controlled
13 overseas?

14 Maybe it wasn't in your name.

15 THE WITNESS: What money?

16 MS. NORGDARD: Money out of Crown
17 Forex?

18 We're trying to figure out where all
19 this money from Crown Forex went and you're
20 telling me --

21 THE WITNESS: Yeah. As far as I
22 know, all that money went back to the account it
23 came from. So it went -- if -- like Matt
24 Hammer, it went back to Matt Hammer. If it was
25 Sandra Werwega, it went back to Sandra Werwega.



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1 MS. NORGARD: But Jerry Watkins' went
2 to you?

3 THE WITNESS: Jerry Watkins' went
4 back to Jerry Watkins, and then I had Jerry
5 Watkins send it to me.

6 MS. NORGARD: So let's talk about
7 that pattern.

8 Did Sandra Werwega or James Madison
9 [sic] or any of these other people then send the
10 money to you?

11 THE WITNESS: No.

12 MS. NORGARD: Are you sure about
13 that?

14 THE WITNESS: Yeah.

15 MS. AGUILAR: I thought you said
16 Sandra's money was forgotten.

17 THE WITNESS: I think she had a
18 balance there, so I think there was -- some of
19 the accounts would have had losses; some of them
20 had a -- would have had gains. I know she had a
21 balance. I can't remember what it was, but I
22 don't recall Sandra Werwega ever sending money
23 back.

24 THE COURT REPORTER: Counsel, can we
25 just take a minute?



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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

United States Securities and : File No.
Exchange Commission, : 09-cv-3333
Plaintiff, : (MJD/FLN)
vs. :
Trevor G. Cook, and Patrick J. :
Kiley, et al., :
Defendants, :
and :
Basel Group, LLC, et al., :
Relief Defendants. :

U.S. Commodity Futures Trading: File No.
Commission, : 09-cv-3332
Plaintiff, : (MJD/FLN)
vs. :
Trevor Cook d/b/a Crown Forex, :
LLC, Patrick Kiley, d/b/a :
Crown Forex, LLC, et al., :
Defendants. :

CONTINUED EXAMINATION OF TREVOR G. COOK
WEDNESDAY, OCTOBER 27, 2010, MINNEAPOLIS, MN



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* * *

Continued Examination of TREVOR G. COOK
taken at the U.S. Attorney's Office, 600 United
States Courthouse, 300 South Fourth Street,
Minneapolis, Minnesota on Wednesday, October 27,
2010, commencing at approximately 10:00 a.m.
before Rebecca L. Klanderud, a Certified
Shorthand Reporter.

* * *



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1 Mr. Cook, I don't know if you've seen
2 this before, but if you have, you might want to
3 take a look at it.

4 THE WITNESS: Yeah.

5 MR. BIRKENHEIER: Have you seen it
6 before?

7 THE WITNESS: Yeah, I have.

8 MR. BIRKENHEIER: Yeah.

9 I want to go through the points that
10 are raised -- that I raised in the e-mail I
11 guess one at a time and get your responses to
12 them.

13 But I want to say first, just to be
14 blunt about it, that given the context of this
15 whole proceedings and the way that we've ended
16 up where we are, there's no good reason for us
17 to take anything that you say at face value, and
18 I think you recognize that.

19 THE WITNESS: Right.

20 MR. BIRKENHEIER: So when we see
21 anything wrong with anything that you've said,
22 like, for example, the first point when you said
23 that the Oxford company accounts -- you've said
24 several times that the Oxford company accounts
25 were Beckman's accounts or Beckman, Pettengill



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1 and Durand, and you didn't control those, right?

2 But, obviously, you --

3 THE WITNESS: I don't -- I don't
4 agree with that.

5 MR. BIRKENHEIER: Well, that's what
6 you've said, okay?

7 THE WITNESS: I don't -- yeah. I
8 don't agree with that.

9 MR. BIRKENHEIER: Obviously, that's
10 not a complete statement.

11 MS. WEBB: Just let him finish.

12 MR. BIRKENHEIER: It's not an
13 accurate statement. And when we see that it's
14 not a complete and an accurate statement, it
15 causes a lot of trouble for us, but, ultimately,
16 for you, too, in the context of this contempt
17 proceed, okay?

18 And that's -- that -- I could make
19 the same point about every one of the issues
20 that I raised in this e-mail.

21 Now, having said that, I really want
22 to hear what you have to say about each point
23 here, okay?

24 So let's start with the -- I guess
25 we'll start with the Faberge eggs.



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1 THE WITNESS: Yeah. I don't remember
2 saying the Faberge eggs.

3 I remember saying Faberge eggs, and
4 some of them were for my mom. I never said all
5 of the Faberge eggs so --

6 MS. WEBB: And, John, I assume you're
7 talking about the references to when he was I
8 think being cross-examined at the court
9 appearance?

10 MR. BIRKENHEIER: Yes.

11 MS. WEBB: Okay. So --

12 THE WITNESS: I don't believe I said
13 all of the Faberge eggs. I was trying just to
14 make I guess it was a stupid point but --

15 MR. BIRKENHEIER: You did -- I mean
16 you did buy some of the Faberge eggs in Las
17 Vegas?

18 THE WITNESS: Yes, absolutely. And I
19 thought -- at previous meetings, I thought I'd
20 also told you that. I thought we had talked
21 about the Faberge eggs, and I thought I had said
22 at previous meetings, I did buy some of them in
23 Vegas. And my mom had -- that's -- the reason I
24 started buying them is because I had gotten some
25 -- a few for my mom.



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1 MR. BIRKENHEIER: Do you have
2 anything else you want to say in response to
3 this issue about the Faberge eggs?

4 THE WITNESS: You know, I don't know
5 what else there is to say. I didn't know I
6 guess such a big deal would be made out of it,
7 but I understand why. I mean I understand that,
8 you know, my credibility is at -- you know, in
9 question so . . .

10 But other than I'm relatively certain
11 I didn't refer to them as all of the Faberge
12 eggs, I thought I said Faberge eggs.

13 MR. BIRKENHEIER: Let's move on then
14 to the issue about the Oxford Global Advisors
15 bank accounts at Wells Fargo.

16 THE WITNESS: Okay.

17 MR. BIRKENHEIER: I mean the point
18 there is that there was a period in -- from
19 December '07 until June, July of '08 when you
20 were a signatory on at least these three
21 accounts, right?

22 THE WITNESS: Right.

23 MR. BIRKENHEIER: I take it from the
24 fact that Piper wanted to bring this up that
25 you've got something you want to say about that,



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