

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

R.J. ZAYED, IN HIS CAPACITY AS
COURT- APPOINTED RECEIVER FOR
TREVOR G. COOK, ET AL.,
Petitioner,

Case No. 11-CV-01042 SRN/FLN

vs.

DAVID BUYSSE, STEVEN AND
PAMELA CHENEY, WALTER DEFIEL,
JOHN DZIK, TERRY FRAHM,
STEVEN AND JENENE FREDELL,
WILLIAM HARRIS, MICHAEL HEISE,
MICHAEL AND CYNTHIA HILLESHEIM,
LARRY HOPFENSPIRGER, STEVEN
KAUTZMAN, JAMES MCINTOSH,
GEORGE AND KAREN MORISSET,
AND REYNOLD SUNDSTROM, AND
DOT ANDERSON,

Respondents.

**RESPONSES TO PETITIONER'S SECOND SET OF INTERROGATORIES
TO LENDER RESPONDENTS (NOS. 16-22)**

TO: THE RECEIVER, AND HIS ATTORNEYS, TARA NORGDARD, RUSSELL RIGBY, AND BRIAN HAYES, CARLSON, CASPERS, VANDENBURGH & LINDQUIST, P.A., 225 S. SIXTH ST., SUITE 3200, MINNEAPOLIS, MN 55402.

Lender Respondents Steven and Pamela Cheney, David Buysse, Walter Defiel, Steven and Jenene Fredell, Michael and Jennifer Heise, Michael and Cynthia Hillesheim, Larry Hopfenspirger, Steven Kautzman, James McIntosh, George and Karen Morisset, Terry Frahm, and Reynold and Judith Sundstrom (hereinafter collectively "Lender

Respondents”), for their Responses to the Petitioner Receiver’s Second Set of Interrogatories, state as follows:

GENERAL OBJECTIONS

The Lender Respondents object to the broad scope and vague phrasing of these discovery requests to the extent their meaning is impossible to understand. Nonetheless, the Lender Respondents will respond to these discovery requests based on their understanding of the discovery requests.

The Lender Respondents also object to these discovery requests to the extent they request information subject to the attorney client and/or work product privilege.

The Lender Respondents also object to Receiver’s request for supplementation beyond that required under the Federal Rules of Civil Procedure.

The Lender Respondents further object to these Interrogatories as contention interrogatories. Discovery has just commenced on this matter and the Lender Respondents reserve the right to later amend their responses based on information that becomes available.

The Lender Respondents further object to each interrogatory to the extent that it seeks information already known to Receiver or its counsel, already in the possession of Receiver or its counsel, or available to Receiver from documents in its own files or from public sources, on the ground that the interrogatory is unnecessary, unduly burdensome and expensive, and constitutes annoyance, harassment, and oppression of the Lender Respondents.

The Lender Respondents object to each interrogatory to the extent that it purports, through definitions or otherwise, to impose burdensome duties on the Lender Respondents beyond those which are applicable under the Minnesota Rules of Civil Procedure.

The Lender Respondents object to each interrogatory to the extent it seeks non-party confidential information, because such information, to the extent it exists, cannot be produced by the Lender Respondents, it will be deemed not in the Lender Respondents' possession or control. Such information will need to be sought from the applicable non-party.

In those instances where the Lender Respondents object to an interrogatory as being vague and ambiguous, notwithstanding and without waiving this objection, as the Lender Respondents are able to ascertain the nature of information being requested, the Lender Respondents will make reasonable efforts to answer the interrogatory in question.

The Lender Respondents object to each interrogatory to the extent that it seeks information not in the Lender Respondents' possession, custody, or control on the grounds that it is unduly burdensome and oppressive.

All of these objections are incorporated into each response below, whether or not stated below.

Subject to the General Objections outlined above and the more specific objections set forth below, the Lender Respondents respond as follows:

RESPONSES TO INTERROGATORIES – SET II

INTERROGATORY NO. 16:

Identify each person whom you expect to call as a fact witness at hearing or trial, the subject matter on which each witness is expected to testify, and the substance of the facts to which each witness is expected to testify.

RESPONSE: Subject to the general objections, Lender Respondents object to this interrogatory as requesting protected attorney work product or attorney-client privileged material. Lender Respondents will provide its witness list in accordance with the Court's trial order.

INTERROGATORY NO. 17:

Identify all documents and things you may use as exhibits at trial.

RESPONSE: Subject to the general objections, Lender Respondents object to this interrogatory as requesting protected attorney work product or attorney-client privileged material. Lender Respondents will provide its exhibit list in accordance with the Court's trial order.

INTERROGATORY NO. 18:

For each Respondent, identify all facts on which the Respondent relies for the contention that he or she "lent money" to the Receivership Entities, that he or she was a "lender" with respect to the Receivership Entities, and that the funds he or she received were "in satisfaction of the debt owed" by the Receivership Entities, all persons with knowledge of such facts, and all documents and things on which the Respondent relies for such contentions.

RESPONSE: Subject to the general objections, Lender Respondents further object to this interrogatory as overbroad in requesting "all facts." Subject to these objections, Trevor Cook used a demand note as a form for his agreement with each of Lender Respondents. Lender Respondents had a adjustable return, had the option to have their funds repaid on demand, and were told that their funds would be kept in segregated accounts. Lender Respondents refer the Receiver to the account opening documents previously produced in discovery and to the deposition of Trevor Cook where he testified that the note terms were copied applied from a form note from Saxo Bank (Cook Depo. pg. 70, lines 4-17).

INTERROGATORY NO. 19:

Describe in detail the facts and circumstances surrounding Michael or Jennifer Heise's efforts to roll over Jennifer Heise's IRA funds from account numbers XX XX138EG and XX XX139EG at UBS Financial Services Inc. into the Receivership Entities on or about June 26, 2009, including but not limited to all communications with employees and/or agents of Klein Bank, a complete and detailed description of any efforts on the part of Michael or Jennifer Heise or any other individual to "stop payment" on the checks shown at IR002726 and IR002727, and a complete explanation of the facts and circumstances that resulted in the checks shown at IR002726 and IR002727, with "Pay to the order of Entrust Group FBO Jennifer A. Heise IRA" printed on their face, being deposited at Klein Bank.

RESPONSE: Subject to the general objections, Lender Respondents further object to this interrogatory as not relevant to the claims or defenses in this action, nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Lender Respondents Michael and Jennifer Heise rolled over Jennifer Heise's IRA funds at UBS Financial Services into the Cook Currency Trading Entities, and believed that the account had been rolled over on June 26, 2009. Lender Respondents

Michael and Jennifer Heise are unaware of any efforts to stop the check, and assumed that the funds for the June 26, 2009 roll over had been deposited with the Cook Currency Trading Entities, and were returned to the Heises with the rest of their funds through cashier's checks delivered to the Heises.

INTERROGATORY NO. 20:

Explain the details of the disposal of the desktop computer that Terry Frahm used to compose the May 5, 2009 letter to Trevor Cook (bates number 011079), including but not limited to the identity of every person who was involved in the decision to dispose of the computer, the identity of every person who was involved in the disposal, where the computer was disposed of, the date of the disposal, whether the hard drive or any other contents of the computer were copied to other media, and if so copied, where and in what form such other media or copies exist.

RESPONSE: Subject to the general objections, Lender Respondents further object to this interrogatory as not relevant to the claims or defenses in this action, nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Terry Frahm had a Dell desktop computer at his home that he purchased in approximately 2000. Mr. Frahm purchased new laptop computers, and recycled the old Dell desktop computer at the Eagan municipal recycling facility in 2010. The Dell desktop computer's hard drive was not preserved.

INTERROGATORY NO. 21:

Explain the details of how money from the refinancing of a home owned by David Cheney was provided to one or more Receivership Entity, including but not limited to the dates of all transfers of funds that resulted in this money being deposited with one or more Receivership Entity, the method of all such transfers (whether by check, wire, cash,

or other means), the identity of all accounts through which such transfers were made (including name of the financial institution, name of the account holder, and account number), and the identity of all individuals involved in such transfers.

RESPONSE: Subject to the general objections, Lender Respondents further object to this interrogatory as not relevant to the claims or defenses in this action, nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Lender Respondent Steve Cheney was informed by David Cheney, his son, that he had refinanced his home, and provided to Steven Cheney the funds from the loan to invest with the Cook Currency Trading Entities on his behalf. Lender Respondent Steve Cheney did not arrange the transfer of said funds, and has no further information related to David Cheney's refinance transaction.

INTERROGATORY NO. 22:

Explain the details of how money from the refinancing of a home owned by Joseph Cheney was provided to one or more Receivership Entity, including but not limited to the dates of all transfers of funds that resulted in this money being deposited with one or more Receivership Entity, the method of all such transfers (whether by check, wire, cash, or other means), the identity of all accounts through which such transfers were made (including name of the financial institution, name of the account holder, and account number), and the identity of all individuals involved in such transfers.

RESPONSE: Subject to the general objections, Lender Respondents further object to this interrogatory as not relevant to the claims or defenses in this action, nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Lender Respondent Steve Cheney was informed by Joseph Cheney, his son, that he had refinanced his home, and provided to Steve Cheney the funds from the loan to invest with the Cook Currency Trading Entities on his behalf. Lender Respondent Steve

Cheney did not arrange the transfer of said funds, and has no further information related to Joseph Cheney's refinance transaction.

AS TO OBJECTIONS TO INTERROGATORIES:

MOHRMAN & KAARDAL, P.A.

Dated: September 15, 2011

s/Gregory M. Erickson

William F. Mohrman (#168816)
Gregory M. Erickson (#276522)
James R. Magnuson (#389084)
33 South Sixth Street, Suite 4100
Minneapolis, MN 55402
Telephone: (612) 341-1074
Facsimile: (612) 341-1076

Attorneys for Lender Respondents

AS TO ANSWERS TO INTERROGATORIES:

I hereby verify that I have read the foregoing Answers to Interrogatories, and know the contents thereof; that the matters set out therein are not all within my personal knowledge because the Interrogatories relate to Lender Respondents other than myself. I am only signing these Interrogatories to the extent that they relate solely to myself. Moreover, I reserve the right to make any changes in the foregoing Answers if it appears at any time that omissions or errors have been made therein or that more accurate information is available; and that, subject to the limitations set forth herein, the said Answers are true to the best of my knowledge, information and belief.

DATED: _____, 2011

Steven Cheney

DATED: _____, 2011

Pamela Cheney

DATED: _____, 2011

David Buysse

DATED: _____, 2011

Walter Defiel

DATED: _____, 2011

Steven Fredell

DATED: _____, 2011

Jenene Fredell

DATED: _____, 2011

Michael Heise

DATED: _____, 2011

Jennifer Heise

DATED: _____, 2011

Michael Hillesheim

DATED: _____, 2011

Cynthia Hillesheim

DATED: _____, 2011

Larry Hopfenspirger

DATED: _____, 2011

Steven Kautzman

DATED: _____, 2011

James McIntosh

DATED: _____, 2011

George Morisset

DATED: _____, 2011

Karen Morisset

DATED: _____, 2011

Terry Frahm

DATED: _____, 2011

Reynold Sundstrom

DATED: _____, 2011

Judith Sundstrom