

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

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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.

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**THIRD AMENDED RESPONSES TO PETITIONER'S DISCOVERY REQUESTS**

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

Investor 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 "Investor Respondents" or "Lender Respondents"), for their Amended Responses to the Petitioner

Receiver's First Set of Interrogatories, First Request for Production of Documents and First Request for Admissions, state as follows:

**GENERAL OBJECTIONS**

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

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

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

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

The Investor 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 Investor Respondents.

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

The Investor 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 Investor Respondents, it will be deemed not in the Investor Respondents' possession or control. Such information will need to be sought from the applicable non-party.

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

The Investor Respondents object to each interrogatory to the extent that it seeks information not in the Investor 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 Investor Respondents respond as follows:

**RESPONSES TO INTERROGATORIES – SET I**

**INTERROGATORY NO. 1:**

Identify each person answering these interrogatories, supplying information, or assisting in any way with the preparation of the answers to these interrogatories, and with respect to each such person, specify in all possible detail every fact they have knowledge of and the identity of every document which discusses, reflects, or relates to any such fact.

**RESPONSE NO. 1.** Subject to the general objections, Investor Respondents

further object to this interrogatory as vague, in failing to define “assisting” in the context of this interrogatory. Respondents further object to this interrogatory as requesting information protected by the attorney-client privilege. Respondents further object to this interrogatory as overly burdensome, in requesting “each and every fact they have knowledge of.” Subject to these objections, other than the Investor Respondents attorneys, the following people have participated in answering these interrogatories:

A. Steven and Pamela Cheney  
11915 County Road 10  
Plymouth, MN 55442  
Telephone: (763) 559-1980

Steven and Pamela Cheney have factual information supporting their potential defenses to the claims set forth in the Receiver’s Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

B. David Buysse  
34894 Faribault St  
Frontenac, MN 55026  
Telephone: (651) 301-0101

David Buysse has factual information supporting his potential defenses to the claims set forth in the Receiver’s Petition, and has factual

information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

- C. Walter Defiel  
1390 Park St  
White Bear Lake, MN 55110  
Telephone: (651) 778-8434

Walter Defiel has factual information supporting his potential defenses to the claims set forth in the Receiver's Petition, and has factual information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

- D. Steven and Jenene Fredell  
2880 Highridge Terrace  
Eagan, MN 55121  
Telephone: (651) 454-1555

Steven and Jenene Fredell have factual information supporting their defenses to the claims set forth in the Receiver's Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

- E. Michael and Jennifer Heise  
8745 W. Highway 101  
Savage, MN 55378  
Telephone: (952) 356-7143

Michael and Jennifer Heise have factual information supporting their potential defenses to the claims set forth in the Receiver's Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

- F. Michael and Cynthia Hillesheim  
20281 170<sup>TH</sup> Ave  
New Ulm, MN 56073  
Telephone: (507) 359-9073

Michael and Cynthia Hillesheim have factual information supporting their potential defenses to the claims set forth in the Receiver's Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

G. Larry Hopfenspirger  
2025 Nicollet Avenue, Suite 203  
Minneapolis, MN 55404  
Telephone: (612) 672-6707

Larry Hopfenspirger has factual information supporting his potential defenses to the claims set forth in the Receiver's Petition, and has factual information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

H. Steven Kautzman  
23406 164<sup>TH</sup> St  
Big Lake, MN 55309  
Telephone: (763) 370-8344

Steven Kautzman has factual information supporting his potential defenses to the claims set forth in the Receiver's Petition, and has factual information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

I. James McIntosh  
1800 Bridge Hollow Drive  
Wanship, Utah 84017  
Telephone: (435) 336-4139

James McIntosh has factual information supporting his potential defenses to the claims set forth in the Receiver's Petition, and has factual information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

J. George and Karen Morisset  
1431 Mooney Dr. W.  
St. Paul, MN 55112  
Telephone: (651) 631-8683

George and Karen Morisset have factual information supporting their potential defenses to the claims set forth in the Receiver's Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

K. Reynold and Judith Sundstrom  
17000 205<sup>th</sup> Ave NW

Big Lake, MN 55309  
Telephone: (612) 889-9833

Reynold and Judith Sundstrom have factual information supporting their potential defenses to the claims set forth in the Receiver's Petition, and have factual information regarding their dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

L. Terry Frahm  
12787 Durham Way  
Apple Valley, MN 55124  
Telephone: (612) 865-5224

Terry Frahm has factual information supporting his potential defenses to the claims set forth in the Receiver's Petition, and has factual information regarding his dealings with Defendants in the above-captioned action and representatives of the Receivership Entities.

**INTERROGATORY NO. 2:**

For each Respondent, identify every person with knowledge of facts relevant to (1) the Respondent's defenses to the claims in the Receiver's Petition, or (2) to any transfer of funds made by or to that Respondent related to the claims in the Receiver's Petition, and further summarize in detail each person's knowledge.

**RESPONSE NO. 2.** Subject to the general objections, Investor Respondents object to this Interrogatory as a contention interrogatory and discovery has just commenced in this action. In addition, Investor Respondents further object to this Interrogatory as overly burdensome in requesting in detail each person's "knowledge." Investor Respondents further object to this interrogatory as vague in failing to define the "knowledge" of which the Receiver wishes a detailed summary. The Investor Respondents further object to this interrogatory to the extent it seeks information regarding the Investor Respondents' "defenses" to the Petition as the Investor Respondents have not yet filed a responsive pleading to the Petition. Subject to these objections, Investor Respondents would identify the

individuals identified in response to Interrogatory No. 1 and the individuals identified in the Investor Respondents' Initial Disclosures.

**INTERROGATORY NO. 3:**

For each Respondent, identify all persons or entities that have possession, custody, or control of materials relevant to (1) the Respondent's defenses to the claims in the Receiver's Petition, or (2) to any transfer of funds made by or to that Respondent related to the claims in the Receiver's Petition, and further identify the materials over which they have possession, custody, or control.

**RESPONSE NO. 3.** Subject to the general objections, Investor Respondents object to this Interrogatory as a contention interrogatory and discovery has just commenced in this action. In addition, Investor Respondents further object to this Interrogatory as overly burdensome in identifying "materials" over which persons could have possession, custody or control. The Investor Respondents further object to this interrogatory to the extent it seeks information regarding the Investor Respondents' "defenses" to the Petition as the Investor Respondents have not yet filed a responsive pleading to the Petition. Subject to these objections, Investor Respondents would identify the individuals identified in response to Interrogatory No. 1 and the individuals identified in the Investor Respondents' Initial Disclosures as persons who may have documents which related to the Investor Respondents' defenses. Furthermore, to the extent that the Investor Respondents are in possession, custody or control of such documents, those documents will be produced under Fed. R. Civ. P. 33 (c).

**AMENDED RESPONSE:**

Subject to the general objections, Lender Respondents have produced documents as follows: Lender Respondent David Buysse (Bates Nos. 11735-11748, 12355-12358); Lender Respondents Steven and Pamela Cheney (Bates Nos. 10491-10586, 12346); Lender Respondent Walter Defiel (Bates Nos. 10587-10922); Lender Respondent Terry Frahm (Bates Nos. 10210-10269, 10923-11734, 12096); Lender Respondents Steven and Jenene Fredell (Bates Nos. 10000-10130, 11900-11905, 12227-12336); Lender Respondent Michael Heise (Bates Nos. 11985-12093, 12207-12211); Lender Respondents Michael and Cynthia Hillesheim (Bates Nos. 10168-10209, 12097-12113, 12181-12206); Lender Respondent Larry Hopfenspirger (Bates Nos. 11749-11899, 12170-12180); Lender Respondent Steven Kautzman (Bates Nos. 10131-10167, 12337-12341, 12422-12446); Lender Respondent James McIntosh (Bates Nos. 10270, 11906-11981, 12212-12226); Lender Respondents George and Karen Morisset (Bates Nos. 10317-10490, 12094-12095, 12359-12371); Lender Respondent Reynold Sundstrom (Bates Nos. 10271-10316, 12114-12169, 12372-12421). Lender Respondents further identify the documents produced by the Receiver in discovery.

**INTERROGATORY NO. 4:**

For each Respondent, identify and describe every document that the Respondent has reviewed and/or relied upon in preparing responses to these discovery requests, including but not limited to the date of each document, its author, and any designated recipient of the document.

**RESPONSE NO. 4.** Subject to the general objections, Investor Respondents object to this interrogatory as requesting protected attorney work product or attorney-

client privileged material. Subject to these objections, documents responsive to this Interrogatory will be produced under Fed. R. Civ. P. 33 (c).

**AMENDED RESPONSE NO. 4.** Subject to the general objections, Lender

Respondents direct the Receiver to their amended response to Interrogatory Number 3.

**INTERROGATORY NO. 5:**

For each Respondent, provide a full accounting of all funds, if any, transferred to Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), including the amount of each such transfer, the date of each such transfer, and the method used to transfer the funds, including check and wire transfer numbers.

**RESPONSE NO. 5.** Subject to the general objections, Investor Respondents object to this interrogatory as a contention interrogatory. Discovery has just begun in this action. Investor Respondents further object to this Interrogatory as a result of the pending Motion to Dismiss which would make such response unnecessary. Investor Respondents further object to this Interrogatory's request for an "accounting" which is not defined in the discovery requests. Investor Respondents further object to this Interrogatory's request for an "accounting" because an accounting is a cause of action. Investor Respondents further object to this interrogatory as overly burdensome, in requesting a full forensic accounting of funds transferred to Receivership Entities. Investor Respondents are not accountants, and the Federal Rules of Civil Procedure governing discovery do not obligate Investor Respondents to undertake a full forensic accounting detailing the transfers to the Receivership entities, and subsequent transfers of the funds within

and between the Receiver Entities. If the Receiver will clarify the Interrogatory, Respondents will respond.

**AMENDED RESPONSE NO. 5.** Lender Respondents reassert the previously stated objections, with the exception of Lender Respondents' objection to the interrogatory as premature due to the Motion to Dismiss.

**SECOND AMENDED RESPONSE NO. 5.** Subject to the general objections, Lender Respondents identify the following transfers: Lender Respondent James McIntosh transferred \$250,000.00 to the Cook Currency Trading Entities, and received a check for \$250,000.00 as well as interest payments for a total of \$280,456.00; Lender Respondent Walter Defiel transferred \$80,000.00 to the Cook Currency Trading Entities, and received \$94,950.00; Lender Respondent Steven Kautzman transferred \$116,469.30 to the Cook Currency Trading Entities, and received \$119,550.00; Lender Respondents Steven and Pamela Cheney transferred \$1,620,962.51 to the Cook Currency Trading Entities, and received a transfer of \$1,636,000.00, plus interest payments for a total of 1,798,120.00; Lender Respondent David Buysse transferred \$320,128.15 to the Cook Currency Trading Entities, and received \$360,700.00; Lender Respondent Larry Hopfenspirger transferred \$600,500.00 to the Cook Currency Trading Entities, and received transfers totaling \$602,000.00, plus interest payments for a total of \$658,000.00; Lender Respondent Michael Heise transferred \$752,133.00 to the Cook Currency Trading Entities and received \$798,681.53; Lender Respondent Reynold Sundstrom transferred \$75,000.00 to the Cook Currency Trading Entities,

and received \$85,450.00; Lender Respondents George and Karen Morisset transferred \$55,734.26 to the Cook Currency Trading Entities, and received \$61,050.00; Lender Respondent Terry Frahm transferred \$785,162.44 to the Cook Currency Trading Entities, and received \$916,570.00; Lender Respondents Steven and Jenene Fredell transferred \$245,381.63 to the Cook Currency Trading Entities, and received \$280,950.00; Lender Respondents Michael and Cynthia Hillesheim transferred \$220,385.28 to the Cook Currency Trading Entities, and received \$256,150.00.

**INTERROGATORY NO. 6:**

For each Respondent who contends he or she transferred funds to Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), describe the facts and circumstances surrounding each such transfer and identify all persons with knowledge of such transfer.

**RESPONSE NO. 6.** Subject to the general objections, Investor Respondents further object to this Interrogatory as a contention interrogatory and discovery has just commenced in this action. In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting the “the facts and circumstances surrounding each such transfer.” Investor Respondents further object to the interrogatory as vague, in failing to define the breadth of the term “facts and circumstances surrounding each such transfer.” Subject to these objections, the Investor Respondents would identify each Investor Respondent as

having knowledge of the transfer as well as individuals associated with the Receivership Entities including, but not limited to, Clifford Berg.

**SECOND AMENDED RESPONSE NO. 6.** Subject to the previously stated objections, Lender Respondents identify the following facts and circumstances, with knowledge as to their own actions, and upon information and belief with regard to the actions of the other individual Lender Respondents:

- i. Lender Respondent James McIntosh knew Clifford Berg from his involvement in the carpet industry for over twenty years. Berg offered McIntosh the opportunity to lend funds to the Cook Currency Trading Entities, by first speaking to him on the phone, and then sending written materials. McIntosh then met with Trevor Cook, Jerry Durand, and one other Cook employee at the Van Dusen Mansion. Trevor Cook and/or his representatives explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Cook showed McIntosh the computer screens running the trading software, which impressed McIntosh. Trevor Cook and/or his representatives also explained that McIntosh would be making a loan to the Cook Currency Trading Entities which paid interest at a rate of 10.5%. McIntosh was also told that the money he loaned to the Cook Currency Trading Entities would be kept in a separate, segregated account and that McIntosh would be able to have his loan repaid on demand. McIntosh was also told by Berg about other acquaintances in the

- flooring business who had already invested. After meeting with Trevor Cook and/or his representatives, McIntosh loaned \$250,000 to the one of the Cook entities on August 22, 2008.
- ii. Lender Respondent Walter Defiel learned of the opportunity to loan funds to the Cook Currency Trading Entities through John Dzik and Clifford Berg. Defiel also knew other lenders to the Cook Currency Trading Entities, including Lender Respondent Steven Cheney and John Dzik, whom he considered to be very competent investors. After these meetings, Defiel decided to loan \$80,000.00 he had received by inheritance to one of the Cook Currency Trading Entities on November 23, 2007. Defiel was informed that his money would be kept in a separate, segregated account and that Defiel would be able to have his loan repaid on demand.
- iii. Lender Respondent Steven Kautzman worked in the carpet industry for many years and met Clifford Berg at a trade show. Kautzman's 401k had recently suffered losses, and so he was interested when Berg explained a lending opportunity with the Cook Currency Trading Entities. Kautzman met with a Cook employee at Cook's headquarters. Kautzman did not receive a meaningful amount of information on his lending opportunity. Kautzman did travel to Cook's headquarters, where he met with Ryan Moeller, and filled out the account opening documents. Kautzman assumed that he would be able to get his money out whenever he wanted, simply by calling Clifford Berg. Kautzman also requested that Berg monitor his account, and retrieve the

money if he had concerns about factors which might affect the liquidity or repayment of his loan. In reliance on these discussions, Kautzman lent \$116,889.30 to the Cook entities.

- iv. Lender Respondent Steven Cheney was invited to a public meeting that was being advertised on the radio by John Dzik (an employee of Cheney's) and Berg. Cheney told Larry Hopfenspirger he was going and Hopfenspirger joined him at the meeting. Cheney was familiar with Clifford Berg because Berg had been a competitor in the carpet business and a supplier for Cheney's carpeting company for over forty years and offered Cheney the opportunity to loan money to the Cook Currency Trading Entities. John Dzik, another acquaintance of Cheney who had also loaned money to the Cook Currency Trading Entities, discussed his loan to the Cook Currency Trading Entities with Cheney as well. As a result of these discussions, Cheney went to Cook's headquarters to further discuss making such a loan to the Cook Currency Trading Entities from Trevor Cook. Cheney was impressed with the currency trading operation, and the presentation by Cook and various employees of the Cook Currency Trading Entities. Trevor Cook and/or his representatives explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Cheney saw the trading platform in operation, and found it very convincing. Trevor Cook and/or his representatives also explained that Cheney would be making a loan

- to the Cook entities which paid interest at a rate of between 10.5% to 12%.
- Cheney was also told that the money he loaned to the Cook Currency Trading Entities would be kept in a separate, segregated account and that Cheney would be able to have his loan repaid on demand. Cheney then spoke with many of his friends and work associates about loaning money to the Cook Currency Trading Entities. Ultimately Cheney lent \$1,620,000 of both his money and his family's money to the Cook entities. The loans were made by both check and bank transfer.
- v. Lender Respondent David Buysse owned a carpet business since 1983 and met Clifford Berg through the carpet business. Berg offered Buysse the opportunity to lend money to the Cook entities. After listening to Clifford Berg's sales presentation, which included the representation that Buysse could earn approximately 10% return on his money with no risk, , Buysse met with Cook, who explained the lending opportunity to him. On June 25, 2007 Buysse liquidated a Certificate of Deposit and loaned \$100,000.00 of the proceeds of the Certificate of Deposit to the Cook Currency Trading Entities. In addition, based on continuing conversations with Clifford Berg, Buysse loaned another \$122,895.04 to the Cook Currency Trading Entities on May 5, 2008, including \$50,000.00 in cash, and another \$85,311.27 on November 30, 2007 for a total loan of \$308,206.31.
- vi. Lender Respondent Larry Hopfenspirger was a friend of Steven Cheney's and heard about Trevor Cook through Cheney. Hopfenspirger went with Cheney to

- a presentation by Cook at Cook's headquarters, where one of the speakers explaining the Cook Currency Trading Entities' investment operation was a member of the Kroger family, of Kroger national grocery store chain. Mr. Hopfenspirger talked to Chris Pettengill and Bo Beckman. Mr. Hopfenspirger also met Cliff Berg for the first time at the meeting. Mr. Hopfenspirger later had a second private meeting with Trevor Cook, John Dzik, and Steve Cheney. During the presentation, Trevor Cook and/or his representatives explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Trevor Cook and/or his representatives also explained that Hopfenspirger would be making a loan to the Cook Currency Trading Entities which paid interest at a rate of 12%. Hopfenspirger was also told that the money he loaned to the Cook Currency Trading Entities would be kept in a separate, segregated account and that Hopfenspirger would be able to have his loan repaid on demand. In reliance on this information, Hopfenspirger lent \$600,500.00 to the Cook Currency Trading Entities on March 17, 2008.
- vii. Lender Respondent Michael Heise is the owner of a carpet company, and Clifford Berg had been a sales representative who had sold carpet to Heise. Berg told Heise about Cook Currency Trading Entities and the opportunity to loan money to the Cook Currency Trading Entities. Heise had also heard about the opportunity to loan money to the Cook Currency Trading Entities from

others, including John Dzik. Heise went to a meeting at Cook's headquarters. Heise saw John Dzik at the meeting, and knew that Steve Cheney and John Dzik had invested with the Cook Currency Trading Entities, which gave Heise confidence in Cook and his program. Initially, Heise was more interested in investing in the mutual funds offered by the Cook Equities Entities and working through with Bo Beckman rather than making a loan to the Cook Entities' currency trading operations because Heise had heard that Bo Beckman was an excellent investment strategist. Heise then met with Trevor Cook at the CookEntities' headquarters. During this meeting, Trevor Cook and/or his representatives explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Trevor Cook and/or his representatives also explained that Heise would be making a loan to the Cook entities which paid interest at a rate of between 10.5% to 12%. Heise was told that if he lent money to the Cook Currency Trading Entities for Cook's currency investments, his money would be kept in a segregated account, retrievable at any time. The Heises had also read a newspaper article on Cook and his business in the Minneapolis Star Tribune. Because of their lack of understanding of the details regarding the currency trading business to which they were loaning money, the Heises told Berg that they wanted their loan fully repaid if at any time Berg became aware of any facts that could potentially negatively affect the return or the liquidity of

- their loan. Berg said he would do this for the Heises. In reliance on this information, Heise loaned the Cook Currency Trading Entities \$752,133.00 between May of 2008 and June of 2009.
- viii. Lender Respondent Reynold Sundstrom owned a carpeting business and knew Clifford Berg as a sales representative for twenty years. Berg informed Sundstrom of the opportunity to loan money to the Cook Currency Trading Entities at a rate of return between 10.5% and 12%. Sundstrom was initially interested, but only decided to invest when Berg persisted in his attempts to persuade Sundstrom to invest. Sundstrom took a promotional brochure from Berg and asked his attorney Paul Motin for his input on the investment. When Sundstrom did not hear back from his attorney, he assumed that it meant his attorney believed that the investment was sound. Sundstrom also trusted Berg, and knew that Steve Cheney, Michael Heise, and Steve Kautzman, who he believed were sophisticated on financial matters, had also loaned money to the Cook entities. Sundstrom went to a meeting at the Cook mansion, and met with Cook and Jerry Durand. Cook told Sundstrom that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk and that if he lent money to the Cook Currency Trading Entities for Cook's currency investments, his money would be kept in a separate, segregated account and that Sundstrom could have his loan repaid at any time. Sundstrom was also impressed with the bank of computer

monitors displaying client currency trades simultaneously in Cook's office. In addition, Sundstrom was frustrated with his broker at Edward Jones. Based upon all these factors, Sundstrom loaned \$60,000.00 to the Cook Currency Trading Entities on January 14, 2008. Because of the performance of the initial loan, on January 13, 2009, Sundstrom lent an additional \$15,000.00 to the Cook Currency Trading Entities. For the second investment, Sundstrom dealt directly with Ryan Moeller.

- ix. Lender Respondents George and Karen Morisset heard about the Cook Currency Trading Entities from Walter Defiel. Defiel is George Morisset's best friend. Defiel described the potential loan arrangement as paying approximately ten percent per year. Morisset also knew Cheney and Dzik, and knew them as very competent investors, and lent money to the Cook Currency Trading Entities partially because Cheney and Dzik had lent money to the Cook Currency Trading Entities. George Morisset also heard a radio show by one of Cook's associates that described the Cook Entities and opportunities for investment and currency trading. The Morissets decided to make a further investigation of the investment opportunity offered by Cook Currency Trading Entities. The Morissets met with Ryan Moeller at the Cook Entities' headquarters, after first calling Moeller to set up the meeting. Ryan Moeller and/or other representatives of the Cook Currency Trading Entities explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell

- currencies in very short time frames with little or no risk. Ryan Moeller and/or other representatives of the Cook Currency Trading Entities also explained that the Morissets would be making a loan to the Cook Currency Trading Entities which paid interest at a rate of between 10.5% to 12%. The Morissets were also told that the money they loaned to Cook Currency Trading Entities would be kept in a separate, segregated account and that the Morissets would be able to have their loan repaid on demand. In reliance on this information, the Morissets liquidated their retirement funds and lent a total of \$55,734.26 to the Cook Currency Trading Entities.
- x. Lender Respondent Terry Frahm's wife was dental hygienist for Clifford Berg, who informed her about the lending opportunity with the Cook Currency Trading Entities, and gave her a brochure. Frahm had already been concerned about the dip in the equities market. Frahm met with Trevor Cook, Jerry Durand, and Berg at the Cook Entities' headquarters. Trevor Cook, and/or other representatives of the Cook Currency Trading Entities explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Trevor Cook, and/or other representatives of the Cook Currency Trading Entities also explained that Frahm that would he would be making a loan to the Cook entities which paid interest at a rate of between 10.5% to 12%. Frahm was also told that the money he loaned to the Cook Currency Trading Entities would be kept in a

separate, segregated account and that Frahm would be able to have his loan repaid on demand. Frahm also had listened to radio shows involving Cook's employees, and read a glowing Star Tribune article on Trevor Cook and his business. In reliance on this information, Frahm lent \$250,000.00 to the Cook Currency Trading Entities by check in June of 2007. Because the Cook Currency Trading Entities had properly performed on this loan, Frahm subsequently made additional loans to the Cook Currency Trading Entities. The total amount of the loans for Frahm to the Cook Currency Trading Entities was \$785,162.44.

- xi. Lender Respondents Steven and Jenene Fredell learned of the opportunity to loan money to the Cook Currency Trading Entities through Clifford Berg, a childhood friend of Steven Fredell. The Fredells' investments at Dain Rauscher were struggling, and Mr. Fredell was impressed with a meeting with Trevor Cook, where he toured Cook's facility and saw computer screens demonstrating a large volume of currency trades. Trevor Cook, Berg and/or other representatives of the Cook Entities explained that the Cook Currency Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Trevor Cook, Berg and/or other representatives of the Cook Currency Trading Entities also explained that the Fredells' would they would be making a loan to the Cook Currency Trading Entities which paid interest at a rate of between 10.5% to 12%. The Fredells were also told

- that the money they loaned to the Cook Currency Trading Entities would be kept in a separate, segregated account and that they would be able to have their loan repaid on demand. Steven Fredell also read a favorable Star Tribune article covering Trevor Cook and his business, and knew that Bill Harris and Cliff Berg were invested in Cook's program. Steven Fredell also listened to a radio program regarding Trevor Cook's currency trading program. In reliance on this information, the Fredells lent \$225,394.34 to the Cook Currency Trading Entities by checks between January of 2008, most of which were rollovers from previous retirement and investment accounts. In total, Steven and Jenene Fredell lent \$245,381.63 to the Cook Currency Trading Entities.
- xii. Lender Respondents Michael and Cynthia Hillesheim learned of the opportunity to loan money to the Cook Currency Trading Entities through Clifford Berg. Clifford Berg met Cynthia Hillesheim through her work at Design Home Center, and dropped off some literature with her regarding the Cook Currency Trading Entities. Michael Hillesheim had a phone conversation with Berg in which Berg assured Mr. Hillesheim that the loan was safe, that money could be withdrawn at any time, and that Berg had made his own loans to the Cook Currency Trading Entities. The Hillesheims also read an article on Trevor Cook in the Star Tribune, and another article in Successful Farming regarding the Cook Currency Trading Entities. The Hillsheims then met with Trevor Cook at the mansion where he, Berg and/or other representatives of the Cook Entities explained that the Cook Currency

Trading Entities had a proprietary currency trading software which allowed the Cook Currency Trading Entities to buy and sell currencies in very short time frames with little or no risk. Trevor Cook, Berg and/or other representatives of the Cook Currency Trading Entities also explained that the Hillesheims would they would be making a loan to the Cook Currency Trading Entities which paid interest at a rate of between 10.5% to 12%. The Hillesheims were also told that the money they loaned to the Cook Currency Trading Entities would be kept in a separate, segregated account and that they would be able to have their loan repaid on demand, and that the Hillesheims could simply phone Cook or one of his employees and request their money back. In reliance on this information, the Hillesheims lent \$220,385.28 to the Cook Currency Trading Entities. The Hillesheims first cashed out an insurance policy, and loaned \$35,000.00 to the Cook Currency Trading Entities in June of 2007, and then loaned the remainder by rolling over their IRAs. The Hillesheims had an agreement with Berg that he should close their account and send back their money if their return ever went down, or the liquidity of their loan was potentially at risk.

**INTERROGATORY NO. 7:**

For each Respondent who contends he or she transferred funds to Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), describe any communications related to the funds, including all

communications that occurred both before and after any such transfer, and identify the persons with whom the communication occurred.

**RESPONSE NO. 7.** Subject to the general objections, Investor Respondents

further object to this Interrogatory as a contention interrogatory and discovery has just commenced in this action. In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting all communications with the Receivership Entities and Trevor Cook and Clifford Berg. Investor Respondents further object to the interrogatory as vague, in failing to define the breadth of the term “communications.” Subject to these objections, the Investor Respondents would identify each Investor Respondent as having knowledge of any such communication regarding the transfer as well as individuals associated with the Receivership Entities including, but not limited to, Clifford Berg.

**SECOND AMENDED RESPONSE NO. 7.** Subject to the previously stated objections, Lender Respondents direct the Receiver to Lender Respondents’ responses to Interrogatory Number 6.

- i.** Lender Respondent David Buysse did not keep in contact with any member of the Cook entities after his loan.
- ii.** Lender Respondent Steven Cheney occasionally contacted Trevor Cook to discuss changes in the market, but Cook explained to him that fluctuations in interest rates did not affect the risk on Cheney’s loan. Cheney’s main contact with the Cook Entities was Cook himself.

- iii.** Lender Respondent Walter Defiel contacted an employee of a Cook Entity and requested that his loan be repayed, so he could reinvest the money with Ameriprise. Otherwise, Defiel did not have contact with Cook or his employees.
- iv.** Lender Respondent Terry Frahm frequently contacted Trevor Cook and Ryan Moeller with questions about his loan, and other investment questions.
- v.** Lender Respondent Steven Fredell contacted Trevor Cook once for a five minute phone conversation regarding the mechanics of leveraged currency trading. Mr. Fredell also had some contact with Ryan Moeller regarding the status of his account.
- vi.** Lender Respondent Michael Heise had some contact with Ryan Moeller, but mostly contacted Clifford Berg regarding his investment. Mr. Heise did not have substantial conversations regarding his loan with any Cook employee.
- vii.** Lender Respondents Michael and Cynthia Hillesheim had two phone conversations with Cliff Berg, and met with Trevor Cook twice, but mostly dealt with Ryan Moeller. Moeller assured them that their loans were “safe.”
- viii.** Lender Respondent Larry Hopfenspirger occasionally contacted Ryan Moeller to arrange withdrawals, but did not have significant contact with Cliff Berg or Trevor Cook.
- ix.** Lender Respondent Steven Kautzman had no contact with any Cook employee besides Cliff Berg and Ryan Moeller, when he filled out his account documents.

- x. Lender Respondent James McIntosh had no material contact with Trevor Cook or Cliff Berg related to his loan after their initial meeting, but dealt with Ryan Moeller, whom he called several times in reference to interest payments.
- xi. The only Cook employee Lender Respondents George and Karen Morisset had any contact with was Ryan Moeller. The Morissets did not contact Moeller after the initial meeting.
- xii. Lender Respondent Reynold Sundstrom met once with Trevor Cook, and once with Ryan Moeller. After Sundstrom's loan to the Cook entities, he had no contact with Cook employees regarding his loan.

**INTERROGATORY NO. 8:**

For each Respondent, describe the facts and circumstances surrounding each transfer of funds from Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities) to the Respondent, including but not limited to the transfers identified in the Receiver's Petition and the attached Exhibits 1 and 2, and including but not limited to any communications related to such transfers, and identify the persons with whom the communication occurred.

**RESPONSE NO. 8.** Subject to the general objections, Investor Respondents further object to this Interrogatory as a contention interrogatory and discovery has just commenced in this action. In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting the "the facts and circumstances surrounding each such transfer." Investor Respondents further object to the interrogatory as vague, in failing to define the breadth of the term "facts and circumstances surrounding each such transfer." In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting

all communications with the Receivership Entities and Trevor Cook and Clifford Berg. Investor Respondents further object to the interrogatory as vague, in failing to define the breadth of the term “communications.” Subject to these objections, the Investor Respondents would identify each Investor Respondent as having knowledge of any such communication related to the transfer as well as individuals associated with the Receivership Entities including, but not limited to, Clifford Berg.

**SECOND AMENDED RESPONSE NO. 8.** Subject to the previously stated objections except the contention interrogatory objection, Lender Respondents identify the following facts and circumstances, with knowledge as to their own actions, and upon information and belief with regard to the actions of the other individual Lender Respondents:

- i. Lender Respondent James McIntosh was in California when he received a phone call from Clifford Berg. Berg informed McIntosh that Bo Beckman was under investigation by the SEC, but that McIntosh’s loan would not be affected because it was in a segregated account. Berg recommended that McIntosh withdraw his money, and McIntosh agreed. McIntosh requested that the Cook entities repay his loan. McIntosh then received a check from the Cook entities for \$250,000.00 in the mail.
- ii. On or about June 29, 2009, John Dzik personally delivered to Defiel a check in the amount of \$94,950.00. Dzik informed Defiel that Defiel’s loan was being repaid because Cook’s business was being moved to Charles Schwab. Defiel

opted to reinvest his money with Ameriprise Financial, because he wanted all of his money to be invested with one advisor.

- iii. Lender Respondent Steven Kautzman received a voicemail from Clifford Berg when he was in Canada fishing in or about June, 2009. Clifford Berg informed Kautzman that there were problems with one of Cook's partners, and the other Lender Respondents were having their loans repaid and that they could make another loan to a different Cook entity through Schwab in a few weeks, because of, as Berg described it, a "temporary glitch" and "red tape."

Kautzman received a check for \$119,550.00. After getting his money back, Kautzman talked to Berg about investing with Cook when he completed his move to Charles Schwab.

- iv. Lender Respondent Steven Cheney spoke with Trevor Cook on June 28, 2009. Trevor Cook informed Cheney that another company related to the Cook currency trading entities was experiencing problems and was under investigation, but that Cheney's loans were not affected because they were in a segregated account. Cook told Cheney that his currency business was "rock solid" and was being moved to Charles Schwab to escape any stigma created by the investigation. Nonetheless, Cheney was concerned because he had loaned not only his money, but his family's money, to the Cook entities, and Cheney was only interested in investing with Cook, not any other of the professionals at the Cook entities. As a result, Cheney requested the repayment of his loans. Cheney received a check in the amount of

- \$1,535,000.00, while Pamela Cheney received a check in the amount of \$101,000.00. Cheney intended to make another loan to a Cook entity when the Cook entities completed their move to Schwab. Cheney also volunteered to make any employer recommendations Cook might want, because Cheney still believed Cook was a competent investment professional, and that Cook's investment program was solid.
- v. In late June, 2009, Lender Respondent David Buysse received a phone call from Clifford Berg informing him that the fund was no longer taking deposits, that the account was closed, and that Buysse's loan would be repaid to him by cashier's check. A few days later by mail Buysse was notified Oxford was no longer accepting funds; enclosed was a check in the amount of \$360,700.00.
- vi. Lender Respondent Larry Hopfenspirger made a verbal request that \$200,000.00 of his loan be repaid on or about October 9, 2008. Ryan Moeller brought a check to Mr. Hopfenspirger's office, which money he invested in the stock market. In addition, on December 1, 2008, Lender Respondent Larry Hopfenspirger made another demand that a further \$200,000.00 of his loan be repaid on or about December 1, 2008. Mr. Hopfenspirger went to Trevor Cook personally to request his money, and Trevor Cook wrote him a check. Mr. Hopfenspirger loaned this money to a business associate. . In June, 2009, Cheney told Hopfenspirger that Cheney was going to request the repayment of his loans with the Cook entities. Cheney told Hopfenspirger that there was an investigation into the brokerage part of Cook's business, and that Trevor Cook

- was moving to a new brokerage company. As a result, of that communication, in conjunction with the fact that Hopfenspirger had term notes expiring in the immediate future, which need to be repaid, Hopfenspirger requested that Cheney retrieve his funds also. Cheney received a check from the Cook entities which he mailed to Hopfenspirger. Hopfenspirger received a check in the amount of \$202,000.00.
- vii. Michael Heise was fishing, when Clifford Berg called Jennifer Heise, and told her that the Heises' account was closed, and that the money was being returned. On or about June 29, 2009, Clifford Berg delivered to the Lender Respondents Michael and Jennifer Heise a \$795,911.53 check from the Cook entities, by hand-delivering checks to the Heises' daughter at the Heises' business. Prior to the delivery of the check, no one had informed the Heises of any problems with the Cook entities. Several days after delivery the check to the Heises, Berg told the Heises that a person working for another entity related to the Cook Currency Trading Entities, Bo Beckman, was under investigation. As a result, Berg told the Heises that he was having their loan repaid because of the previous assurances he had provided to them.
- viii. Lender Respondent Reynold Sundstrom was told by Clifford Berg that Cook was moving his business to Charles Schwab because of an investigation. Berg mailed Sundstrom a check for \$85,450.00. Sundstrom was told that Cook's business would not be affected by the investigation and that he was moving his business to Charles Schwab to get away from the situation. Sundstrom was

- informed that Cook's Schwab investment program would result in returns of only approximately 8%. Nonetheless, Sundstrom was still planning on investing money in the Cook entities after completion of the move to Schwab.
- ix. Walter Defiel was George Morisset's best friend. On or about June 29, 2009, John Dzik delivered to Walter Defiel not only a check to repay the balance of Defiel's loan to the Cook Currency Trading Entities but also a check to repay the balance of the Morissets' loan to the Cook Currency Trading Entities. Defiel then delivered the check to George Morisset. See response to subparagraph ix ii above. Karen Morisset called the Cook entities to inquire about why the account had been liquidated, but was not able to get in contact with any Cook employee.
- x. Lender Respondent Terry Frahm had always intended to demand the repayment of his loan in order to invest the proceeds in the equities market when the equities market recovered from the financial crisis of 2008. In March of 2009, Frahm had concluded that the time was right to begin investing in the equity markets. As a result, in late April of 2009, Frahm called Trevor Cook and requested that his account be closed and his money returned. Frahm then sent a letter requesting the return of his funds in May of 2009. Frahm's loan was repaid by check in the amount of \$793,370.00 in June, 2009, which were dropped off at his house by Clifford Berg, as well as a check for \$123,200.00 for Jean Frahm's account. After dropping off the checks, Mr. Berg informed

- Terry Frahm's wife that there was an ongoing audit into Bo Beckman's business, but that it did not affect where the Frahms' money had been.
- xi. In late June, 2009, Lender Respondents Michael and Cynthia Hillesheim received checks in the mail from Cliff Berg totaling \$256,150.00 from the Cook entities. Berg had told Cynthia Hillesheim by telephone at her work that their accounts were being closed and that they should expect to receive their funds in the next day or so and that he would contact them at a later time to discuss the details of the repayment. Cynthia Hillesheim contacted Cliff Berg approximately a week later to talk about reinvesting the money with Trevor Cook. Berg told Ms. Hillesheim that Cook was transferring his business to Charles Schwab. Berg also told Ms. Hillesheim that there was an investigation. The Hillesheims believed that the investigation was occurring in Switzerland. The Hillesheims received five checks from the Cook Currency Trading Entities on June 29, 2009, in the amounts of \$48,900.00, \$156,000.00, \$3,500.00, \$44,250.00, and \$3,500.00.
- xii. In late June, 2009, Lender Respondents Steve and Jenene Fredell had an understanding with Cliff Berg and Trevor Cook that if the investment became more risky, Berg would return the Fredells' money. The Fredells received from Cliff Berg checks totaling \$280,950.00 as the repayment of their loan to the Cook entities. Cliff Berg told the Fredells that their loans had been closed, and that there the SEC was performing an investigation into Bo Beckman's business. Clifford Berg later told the Fredells that they would have an

opportunity to re-loan monies to the Cook entities in the near future if they desired. Steven Fredell was interested in investing with Cook after his move to Charles Schwab, but opted to reinvest elsewhere after waiting for a period of time to hear more about the potential change.

**INTERROGATORY NO. 9:**

For each Respondent, provide a complete accounting of all funds received from Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), from the date all such funds were received through the present, including stating the total amount the Respondent received; the amount, date, and form (i.e. cashiers' check, wire transfer, etc.) of each individual transfer; the current location of the funds; the name of the account(s) in which the funds are and/or were held; the account number for the account or accounts in which the funds are and/or were held; the name and address of any institution(s) at which such account(s) are and/or were maintained; and the current balance of each such account.

**RESPONSE NO. 9.** Subject to the general objections, Investor Respondents object to this interrogatory as a contention interrogatory. Discovery has just begun in this action. Investor Respondents further object to this Interrogatory as a result of the pending Motion to Dismiss which would make such response unnecessary. Investor Respondents further object to this Interrogatory's request for an "accounting" which is not defined in the discovery requests. Investor Respondents further object to this Interrogatory's request for an "accounting" because an accounting is a cause of action. Investor Respondents further object to this interrogatory as overly burdensome, in requesting a full forensic accounting of funds transferred from the Receivership Entities. Investor Respondents are not accountants, and the Federal Rules of Civil Procedure governing discovery do not obligate Investor Respondents to undertake a full forensic accounting detailing the

transfers to the Receivership entities, and subsequent transfers of the funds within and between the Receiver Entities. Investor Respondents further object to providing any accounting as to what happened to the funds after their receipt by the Investor Respondents as not relevant to the claims or defenses nor reasonably calculated to lead to the discovery of admissible evidence. If the Receiver will clarify the Interrogatory, Respondents will respond.

**SECOND AMENDED RESPONSE NO. 9:**

Lender Respondents reassert the previously stated objections, with the exception of Lender Respondents' objection to the interrogatory as premature due to the pending Motion to Dismiss. Without waiving the aforementioned objections, the Lender Respondents respond to this interrogatory as follows:

- i. Lender Respondent David Buysse deposited \$30,000.00 in a Wells Fargo REIT account, and the remaining \$330,700.00 in an Associated Brokerage account. The return realized by Buysse on these investments is reflected in a Bates numbered supplemental document production.
- ii. Lender Respondent Steven Cheney paid off a one million dollar credit line with Wells Fargo with a portion of the money returned to him by the Cook entities. Cheney has also purchased bonds from UBS in the amount of \$639,250.00, which have had a return of over 9.75%, as reflected in the documents produced in a Bates numbered supplemental document production.

- iii. Lender Respondent Walter Defiel reinvested his money with his financial advisor Craig Le Vasseur at Ameriprise. The financial performance of the remaining funds was provided at his deposition and will be reproduced in Bates numbered documents.
- iv. Lender Respondent Terry Frahm invested his money with Western International Services in a Traditional IRA managed by the Private Client Group. Mr. Frahm has since moved his IRA, with the remainder of his non-retirement funds into his personal accounts, because he was under the mistaken impression that his funds were “frozen” by the Receivers’ order based upon misrepresentations made by the Receiver’s office. The returns of these investments are reflected in the Bates numbered supplemental document production.
- v. Lender Respondents Steven and Jenene Fredell reinvested their money with Thrivent Financial. Their returns which are well in excess of the returns from their loan to the Cook Currency trading entities are reflected in a Bates numbered supplemental document production.
- vi. Lender Respondent Michael Heise deposited the check into a savings account at Klein Bank, but portions of the money have now been spent on Heise’s business, including rebuilding a carpet store that burned down, as more fully described in Mr. Heise’s deposition. Mr. Heise also reinvested some of the money in IRA and retirement accounts, which pay a rate with a guaranteed floor of 3%, with a teaser higher 5% return on new money

which varies based upon a number of factors. The remaining amounts that have not been spent have been consolidated into the account reflected in the documents produced in a Bates numbered supplemental document production.

- vii. Lender Respondents Michael and Cynthia Hillesheim deposited the cashier's checks in a cash savings account, then used approximately \$100,000.00 on farm expenses. The remaining balance of the funds is currently in a money market account at a credit union, earning between 1 and 1.5% return.
- viii. Lender Respondent Larry Hopfenspirger invested the approximately \$400,000.00 he received back from the Cook Currency Trading Entities in the stock market, in a TD Ameritrade account, and received approximately two hundred or three hundred percent returns on his money. Mr. Hopfenspirger used this money, plus the remaining balance of his funds he received from the Cook Currency Trading Entities to pay off a line of credit with Associated Bank. Documents reflecting this payoff have been produced in a Bates numbered supplemental document production.
- ix. Steven Kautzman initially deposited the check he received into his checking account, then transferred it to a brokerage called Broker's Xpress. These returns which are well in excess of the returns provided by his loan to the Cook Currency trading entities are reflected in the documents reflected in a Bates numbered supplemental document production.

- x. Lender Respondent James McIntosh reinvested the money he received back from the Cook Currency Trading Entities into his IRA account. Discovery is continuing and statements reflecting his returns will be produced when they are received.
- xi. Lender Respondents George and Karen Morisset invested their money with financial advisor Craig Le Vasseur at Ameriprise, at the advice of Walter Defiel. The value of the Morissets' investments are reflected on the documents produced in at their depositions which will be re-produced in Bates numbered format.
- xii. Lender Respondent Reynold Sundstrom used \$20,000.00 on business expenses, spent approximately \$15,000.00 on personal expenses, and invested approximately \$50,000.00 with Edward Jones. The returns on Mr. Sundstrom's investments are reflected in the Bates numbered supplemental document production.

**INTERROGATORY NO. 10:**

For each Respondent, identify each defense that the Respondent intends to assert, and for each defense identify all facts on which the Respondent relies for such assertions, all persons with knowledge of such facts, and all documents on which the Respondents rely for such assertions.

**RESPONSE NO. 10.** Subject to the general objections, Investor Respondents further object to this Interrogatory as requiring the Investor Respondents to assert their legal defenses in this proceeding prior to the Investor Respondents filing a responsive pleading in this case. Investor Respondents are not required to submit

an Answer to the Receiver's Petition until disposition of Investor Respondents' Motion to Dismiss.

**SECOND AMENDED RESPONSE NO. 10:** Subject to the previously stated objections, Lender Respondents state as follows:

- i. **Failure to State a Claim:** The Receiver's Petition fails to state a claim because (a) the Lender Respondents were not unjustly enriched to the extent they received a return of their principal and their loan was subject to written contract which would preclude equitable relief, (b) the Lender Respondents did not receive a fraudulent transfer because their receipt of their loan funds was in good faith – i.e., they had no knowledge or reason to know of the alleged ponzi scheme and they received reasonably equivalent value and (c) the court does not have subject matter jurisdiction over this petition.
- ii. **Estoppel, waiver and laches:** The Receiver's claims in this case are barred by the Receiver's failure to timely file an involuntary bankruptcy against Cook and the Cook entities. Lender Respondents identify the fact that the Receiver had the option to file bankruptcy on behalf of the receivership entities, and thus attempt to recover any allegedly preferential transfers to insiders. The Receiver's failure or refusal to do so bars him from recovering on a preferential transfer theory.
- iii. **Statute of Limitations:** Lender Respondents withdraw their statute of limitations affirmative defense.

**EXHIBIT 4**

- iv. Statute of Frauds: Lender Respondents withdraw their affirmative defense under Minnesota’s credit agreement statute.
- v. Indispensable Parties: Lender Respondents withdraw their indispensable parties’ affirmative defense.
- vi. Accord and Satisfaction: The repayment of the Lender Respondents’ loans was in satisfaction of the debt owed by the Cook entities to the Lender Respondents.
- vii. Preceding Breach of Contract: The Receiver’s claims are barred because if the Cook entities were using the loan proceeds to engage in a ponzi scheme, the use of the loan proceeds for such purpose was a breach of the loan agreement.
- viii. Failure to Mitigate Damages: See response to ii above.
- ix. Doctrine of Payment: See response to vi above.
- x. Res judicata, collateral estoppels and merger and bar: The Receiver’s claims are barred by collateral estoppel as a result of Judge Michael Davis’ decision denying the Receiver’s Motion for the Return of Cook’s attorney fees. Lender Respondents had no knowledge of any fraudulent activity, nor even access to any information sufficient to awaken a suspicion of fraudulent activity, while Trevor Cook’s civil and criminal law attorneys were aware of identical or greater facts than the Lender Respondents. Judge Davis’ decision that Mr. Mauzy and Mr. Thompson who indisputably had more knowledge about potential fraud than any Lender Respondent,

did not have sufficient knowledge implicating fraud to allow the Receiver to claw back his retainer is dispositive of the Receiver's fraudulent transfer claim. Judge Davis found. "[w]hen the fee retainer agreements were entered into the SEC and CFTC's investigations had only begun, and no criminal investigation had commenced. The same is true for the civil lawsuit. In July 2009, the record in the civil suit contained pleadings and limited evidence. Under these circumstances, the Court will not find that counsel knew or should have known that the source of the funds came from a fraudulence scheme." Case 0:09-cv-03332, Document 186, p. 8.

- xi. Unclean Hands: The Receiver's claims are barred by the doctrine of unclean hands because if the Cook entities were engaged in a ponzi scheme, the Receiver's claims are derivative of the Cook entities' claims.
- xii. Assumption of Risk: Lender Respondents withdraw their assumption of risk affirmative defense.
- xiii. Contributory negligence: Lender Respondents withdraw their contributory negligence affirmative defense.
- xiv. Comparative Fault: Lender Respondents withdraw their Comparative Fault affirmative defense.
- xv. Election of Remedies: The Receiver's claims are barred by electing not to pursue these claims in bankruptcy. See Lender Respondents' facts supporting their Estoppel, Waiver, and Laches defense, *supra*.

- xvi. Ratification and Part Performance: The Lender Respondents withdraw their Ratification and Part Performance affirmative defense.
- xvii. Damages by Third Parties: The harm in this case was caused by persons or entities involved with the Cook entities not the Lender Respondents.
- xviii. Good Faith: The Lender Respondents had no knowledge or reason to know that the Cook entities were operating a ponzi scheme. The Lender Respondents direct the Receiver to their response and amended response to the Receiver's Interrogatory Number 12.
- xix. Subject matter and personal jurisdiction: See Motion to Dismiss.
- xx. Receiver Cannot Bring a Fraudulent Transfer Claim: See Dot Anderson's Motion to Dismiss.
- xxi. In pari delicto: If the Cook entities were engaged in a Ponzi scheme, they were engaged in illegal activity and not entitled to equitable relief as against an innocent party who is in possession of funds loaned to the Cook entities.

**INTERROGATORY NO. 11:**

For each Respondent, identify all facts on which the Respondent relies for the contention that no fraudulent transfer occurred, all persons with knowledge of such facts, and all documents on which the Respondent relies for such contentions.

**RESPONSE NO. 11.** Subject to the general objections, Investor Respondents object to this Interrogatory as overly burdensome in requesting "all facts" supporting any claim that no fraudulent transfer occurred. Subject to these objections, Investor Respondents state that no fraudulent transfer occurred upon the payment of funds

from the Receivership Entities to each Investor Respondent because (i) the Receivership Entities received reasonably equivalent value for each transfer including but not limited to a reduction of the Receivership Entities' liabilities to each Investor Respondent and (ii) each Investor Respondents received the transfer in "good faith." The persons with knowledge of such facts would be the individuals identified in Investor Respondents' Initial Disclosures. Pursuant to Rule 33 (d), Investor Respondents will produce documents responsive to the request for the identity of documents. Discovery is continuing. Further, Lender Respondents affirmatively allege that each individual Lender Respondent received the return of their funds in good faith. No Lender Respondent had any knowledge or reason to know that Trevor Cook was operating a Ponzi scheme, and each Lender Respondent was told that their money was being kept in segregated accounts, and could infer the funds being returned to each individual Lender Respondent were from their segregated accounts. In addition, there was no fraudulent transfer because the Cook entities received a dollar for dollar reduction in the amount of the Lender Respondents' claims against the Cook entities when the Lender Respondents' principal was returned to them.

- i. Lender Respondent David Buysse affirmatively alleges that no fraudulent transfer occurred because he received the return of his funds in good faith, without knowledge of any wrongdoing on behalf of the Cook currency trading entities.

- ii. Lender Respondent Steven Cheney affirmatively alleges that he received the return of his funds in good faith because he did not know, or have reason to believe, that Trevor Cook was operating a ponzi scheme. In fact, after receiving his money back, Cheney was still considering reinvesting with Cook once he established his business at Charles Schwab.
- iii. Lender Respondent Walter Defiel did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Defiel was the only Lender Respondent cautioned not to place his funds in the Cook Currency Trading Entities, because his Investment Advisor did not believe the return to be sustainable. Mr. Defiel received the return of his funds from Mr. Dzik, and was never informed of any investigation into the Cook entities until after he received his loan proceeds back.
- iv. Lender Respondent Terry Frahm did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Frahm requested the return of his funds, and received them, and was not aware of any information which suggested that the Cook Currency Trading Entities were engaged in fraudulent activity.
- v. Lender Respondents Steven and Jenene Fredell did not receive a fraudulent transfer, because they received the return of their funds in good faith. The Fredells were convinced by a variety of factors referenced in responses to Interrogatory 6 that Cook's Currency Trading Entites were legitimate, and

were planning to reinvest with him when he finished moving to Charles Schwab.

- vi. Lender Respondent Michael Heise did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Heise received his funds back from Clifford Berg in connection with their express agreement that Mr. Berg would withdraw the money in response to any change in market conditions.
- vii. Lender Respondents Michael and Cynthia Hillesheim did not receive a fraudulent transfer, because they received the return of their funds in good faith. The Hillesheims were never were privy to any information that would be evidence of fraudulent activity on behalf of the Cook Currency Trading Entities. Clifford Berg did not inform the Hillesheims of an ongoing investigation into the Equity Trading Entities until days after the Hillesheims had received the return of their funds.
- viii. Lender Respondent Larry Hopfenspirger did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Hopfenspirger received the bulk of his funds back from Trevor Cook at his express request, and received the remainder of his funds without knowledge of any fraudulent activity on behalf of the Cook Currency Trading Activities.
- ix. Lender Respondent Steven Kautzman did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Kautzman

was a very inexperienced investor, and never was made aware of any facts which would indicate that the Cook Currency Trading Entities were engaged in fraudulent activity.

- x. Lender Respondent James McIntosh did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. McIntosh was never apprised of any information that would indicate fraudulent activity on the part of the Cook Currency Trading Entities.
- xi. Lender Respondents George and Karen Morisset did not receive a fraudulent transfer, because they received the return of their funds in good faith. The Morissets were in possession of no evidence of any potential fraudulent activity on behalf of the Cook Currency Trading Entities, and the Morissets were unaware of any facts suggesting the existence of a ponzi scheme in connection with the return of their loan.
- xii. Lender Respondent Reynold Sundstrom did not receive a fraudulent transfer, because he received the return of his funds in good faith. Mr. Sundstrom believed that the Cook Currency Trading Entities were engaged in a legitimate business, and never was made aware of fraudulent activity on behalf of the Cook Currency Trading Entities before receiving repayment of his loans.

**AMENDED RESPONSE:** Subject to the general objections, Lender Respondents relied upon the documents identified in their amended response to the Receiver's Interrogatory number 3.

**INTERROGATORY NO. 12:**

For each Respondent, identify all facts on which the Respondent relies for the contention that he or she took the funds identified in the Receiver's Petition and the attached Exhibits 1 and 2 in good faith, all persons with knowledge of such facts, and all documents on which the Respondent relies for such contentions.

**SECOND AMENDED RESPONSE NO. 12.** Subject to the general objections, Investor Respondents object to this interrogatory as overly burdensome in requesting "all facts" supporting any claim that the Investor Respondents received funds in good faith. Investor Respondents state that they received each transfer in good faith because each Investor Respondent did not have knowledge that the Receivership Entities were operating as a Ponzi scheme. The persons with knowledge of such facts would be the individuals identified in Lender Respondents' Initial Disclosures. Lender Respondents direct the Receiver to Lender Respondents' responses to Interrogatories 6, 8, and 12. No Lender Respondent had any knowledge, or even any suspicion, that Cook was operating any fraudulent scheme. In fact, many of the Lender Respondents fully intended to reinvest with Cook or chose not to reinvest for reasons completely separate from the Cook entities performance under the loan agreements. In addition, the Lender Respondents who spoke to Clifford Berg were assured that any problem with the business was not related to Trevor Cook nor the currency trading business in which Lender Respondents had invested, but a related entity run by Bo Beckman. The Lender Respondents possessed no knowledge which would contradict the

representations they received when the Lender Respondents received their checks and, as a result, took the return of their loan proceeds in good faith. For example:

- i. Lender Respondent David Buysse received the return of his funds in good faith because he had no knowledge of the nature of Trevor Cook's Ponzi scheme. Neither the circumstances surrounding Buysse's initial loan, nor the return of Buysse's money, nor any interaction with any person connected with the Cook Currency Trading Entities raised any suggestion of impropriety.
- ii. Lender Respondent Steven Cheney affirmatively alleges that he received the return of his funds in good faith because he did not know, or have reason to believe, that Trevor Cook was operating a ponzi scheme. In fact, after receiving his money back, Cheney was considering investing with Cook when he established his business at Charles Schwab. Cheney had no knowledge of Cook's ponzi scheme until well after the return of his families' loans.
- iii. Lender Respondent Walter Defiel received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. Mr. Defiel received the only warning issued to any Lender Respondent from his advisor, who cautioned him that the fixed return was too high to be without risk. Mr. Defiel did not understand that his advisor was suggesting that the Cook entities were operating fraudulently, but that the loan return was riskier than represented. Mr.

Defiel was never informed of any problems with, or investigations into any Cook entity until he had received repayment of his loans and the Morissets' loans.

- iv. Lender Respondent Terry Frahm received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. Mr. Frahm was impressed with the presentation of the Cook Currency Trading Entities, and was not aware of any red flags. The manner in which Mr. Frahm's money was returned to him was also not suspicious. Mr. Frahm requested the return of his money in writing, and it was returned to him by a hand-delivered check.
- v. Lender Respondents Steven and Jenene Fredell received the return of their funds in good faith because they did not know, nor had reason to suspect that Cook was operating a ponzi scheme. The Fredells' plan to reinvest with the Cook Currency Trading Entities demonstrates their complete lack of knowledge that Cook was running a ponzi scheme.
- vi. Lender Respondent Michael Heise received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. The presentation to Mr. Heise was convincing, and Mr. Heise knew other sophisticated investors whose opinion he trusted who had also invested with Trevor Cook. Mr. Heise was told nothing which would indicate fraudulent activity before the Heises' loans were repaid.

- vii. Lender Respondents Michael and Cynthia Hillesheim received the return of their funds in good faith because they did not know, nor had reason to suspect that Cook was operating a ponzi scheme. The Hillesheims did not know of any information that would suggest the existence of a ponzi scheme, and were not even aware of an ongoing investigation until after having their loans repaid.
- viii. Lender Respondent Larry Hopfenspirger received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. Mr. Hopfenspirger, an experienced investor, was convinced by the presentation made by the Cook Currency Trading Entities that the loan would be low-risk. Further, Mr. Hopfenspirger never learned anything that would suggest illegal activity before receiving repayment of his loans.
- ix. Lender Respondent Steven Kautzman received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. Mr. Kautzman was never informed of any facts which would give rise to suspicions of illegal activity on behalf of the Cook Currency Trading Entities before receiving repayment of his loans.
- x. Lender Respondent James McIntosh received the return of his funds in good faith because he did not know, nor had any reason to believe, that Cook was operating a ponzi scheme. Mr. McIntosh was convinced by

Trevor Cook's elaborate presentation of the merits of a loan to the Cook Currency Trading Entities, and was persuaded to make the loan by his trust in Berg. Mr. McIntosh had an agreement with Mr. Berg that Berg would look out for him, and when Berg informed him of the investigation of the Cook Equity Trading Entity, Mr. McIntosh requested the repayment of his loan.

- xi. Lender Respondents George and Karen Morisset received the return of their funds in good faith because they did not know, nor had reason to suspect that Cook was operating a ponzi scheme. The Morissets did not know of any information that would suggest the existence of a ponzi scheme, and were not even aware of an ongoing investigation until after receiving repayment of their loans.
- xii. Lender Respondent Reynold Sundstrom received the return of his funds in good faith because he did not know, nor had reason to suspect that Cook was operating a ponzi scheme. The details provided in Cook's presentation appeared legitimate to Sundstrom, and Sundstrom trusted the other experienced investors that he knew had loaned money to the Cook entities. Further, when Berg returned Sundstrom's money, he assured Sundstrom that though there was an investigation, it was not related to Cook or the Cook Currency Trading Entities. In fact, Sundstrom intended to reinvest with Cook when he completed the move to Charles Schwab.

xiii. Pursuant to Rule 33 (c), Lender Respondents will produce documents responsive to the request for the identity of documents. Discovery is continuing.

**AMENDED RESPONSE:** Subject to the general objections, Lender Respondents relied upon the documents identified in their amended response to the Receiver's Interrogatory number 3.

**INTERROGATORY NO. 13:**

For each Respondent, identify all facts on which the Respondent relies for the contention that he or she provided reasonably equivalent value in exchange for the funds identified in the Receiver's Petition and the attached Exhibits 1 and 2, all persons with knowledge of such facts, and all documents on which the Respondent relies for such contentions.

**RESPONSE NO. 13.** Subject to the general objections, Investor Respondents object to this interrogatory as a contention interrogatory. Discovery has just begun in this proceeding. Investor Respondents further object to this Interrogatory as a result of the pending Motion to Dismiss which would make such response unnecessary. In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting "all facts" supporting any claim that the Receivership Entities received reasonably equivalent value for the transfers. Investor Respondents further object because Investor Respondents have not yet filed a pleading contending that no fraudulent transfer occurred. Subject to these objections, Investor Respondents state that the Receivership Entities received reasonably equivalent value for each transfer because the Receivership Entities'

liabilities to each Investor Respondent were reduced by the transfer dollar for dollar. The persons with knowledge of such facts would be the individuals identified in Investor Respondents' Initial Disclosures. Pursuant to Rule 33 (c), Investor Respondents will produce documents responsive to the request for the identity of documents. Discovery is continuing.

**AMENDED RESPONSE NO. 13.** Subject to the previously stated objections, with the exception of Lender Respondents' objection to the interrogatory as a contention interrogatory, and as premature due to the pending Motion to Dismiss, Lender Respondents direct the Receiver to Lender Respondents' responses to Interrogatories 6, 8 and 13. Lender Respondents further affirmatively allege that the return of funds to Lender Respondents resulted in an instantaneous dollar-for-dollar decrease in Lender Respondents' claims against the Cook Entities, which was equivalent value for the funds.

**INTERROGATORY NO. 14:**

For each Respondent, identify all facts on which the Respondent relies for the contention that he or she was not unjustly enriched, all persons with knowledge of such facts, and all documents on which the Respondent relies for such contentions.

**RESPONSE NO. 14.** Subject to the general objections, Investor Respondents object to this interrogatory as a contention interrogatory. Discovery has just begun in this proceeding. Investor Respondents further object to this Interrogatory as a result of the pending Motion to Dismiss which would make such response unnecessary. In addition, Investor Respondents also object to this Interrogatory as overly burdensome in requesting "all facts" supporting any contention that the Investor Respondent was not unjustly enriched. Investor Respondents further object

because Investor Respondents have not yet filed a pleading contending that no unjust enrichment occurred. Subject to these objections, Investor Respondents state that they were not unjustly enriched because they received their own money back from the Receivership Entities and the parties' relationship was governed by a contract. The persons with knowledge of such facts would be the individuals identified in Investor Respondents' Initial Disclosures. Pursuant to Rule 33 (c), Investor Respondents will produce documents responsive to the request for the identity of documents. Discovery is continuing.

**SECOND AMENDED RESPONSE NO. 14.** Subject to the previously stated objections, with the exception of Lender Respondents' objection to the interrogatory as a contention interrogatory, and as premature due to the pending Motion to Dismiss, Lender Respondents direct the Receiver to Lender Respondents' responses to Interrogatories 6 and 8. Each individual Lender Respondent received the return money which they had loaned to the Cook Currency Trading Entities, and was not unjustly enriched at the expense of any other party. There has been no unjust enrichment. Pursuant to Rule 33(d), Lender Respondents direct the Petitioner to their response to Interrogatory Number 3.

- i. Lender Respondent David Buysse was not unjustly enriched, because he received the return of his loans, as provided for in his agreement with the Cook Currency Trading Entities, which provided that Crown Forex could "close any positions or accounts at any time and without any prior notice." The funds which David Buysse received were consistent with the returns

reflected on his statements for the Note between Buysse and the Cook Currency Trading Entities.

- ii. Lender Respondents Steven and Pamela Cheney were not unjustly enriched because they received the return of money they loaned as requested, as provided for in Cheney's Agreement with the Cook Currency Trading Entities, which provided that Cheney could request his money and it would be returned to him. The funds which the Cheneys received were consistent with the returns reflected on the statements for the Notes between the Cheneys and the Cook Currency Trading Entities.
- iii. Lender Respondent Walter Diefel was not unjustly enriched because he received the return of money he loaned, as provided in his agreement with the Cook Currency Trading Entities, which provided that his account could be terminated by the Cook Currency Trading Entities, and his funds returned. The funds which Walter Diefel received were consistent with the returns reflected on the statements for the Note between Walter Diefel and the Cook Currency Trading Entities.
- iv. Lender Respondent Terry Frahm was not unjustly enriched because he received the return of money he loaned as requested, as provided in the Agreements with the Cook Currency Trading Entities, which provided that his funds would be returned upon demand. The funds which Terry Frahm received were consistent with the returns reflected on the statements for the Note between Frahm and the Cook Currency Trading Entities.

- v. Lender Respondents Steven and Jenene Fredell were not unjustly enriched because they received the return of money they loaned, as provided in their contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which the Fredell’s received were consistent with the returns reflected on the statements for the Notes between the Fredells and the Cook Currency Trading Entities.
- vi. Lender Respondent Michael Heise was not unjustly enriched because he received the return of money he loaned, as provided in his contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which Heise received were consistent with the returns reflected on the statements for the Note between Heise and the Cook Currency Trading Entities.
- vii. Lender Respondents Michael and Cynthia Hillesheim were not unjustly enriched because they received the return of money they loaned, as provided in their contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which the Hillesheims received were consistent with the returns reflected on the statements for the Notes between the Hillesheims and the Cook Currency Trading Entities.

- viii. Lender Respondent Larry Hopfenspirger was not unjustly enriched because he received the return of money he loaned as requested, as provided in his Agreements with the Cook Currency Trading Entities, which provided that his funds would be returned upon demand. The funds which Larry Hopfenspirger received were consistent with the returns reflected on the statements for the Note between Hopfenspirger and the Cook Currency Trading Entities.
- ix. Lender Respondent Steven Kautzman was not unjustly enriched because he received the return of money he loaned, as provided in his contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which Steven Kautzman received were consistent with the returns reflected on his statements for the Note between Kautzman and the Cook Currency Trading Entities.
- x. Lender Respondent James McIntosh was not unjustly enriched because he received the return of money he loaned, as provided in his contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which James McIntosh received were consistent with the returns reflected on his statements for the Note between McIntosh and the Cook Currency Trading Entities.

- xi. Lender Respondents George and Karen Morisset were not unjustly enriched because they received the return of money they loaned, as provided in their contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which the Morissets received were consistent with the returns reflected on their statements for the Notes between the Morissets and the Cook Currency Trading Entities.
- xii. Lender Respondent Reynold Sundstrom was not unjustly enriched because received the return of money he loaned, as provided in his contract with the Cook Currency Trading Entities, which provided that Crown Forex could “close any positions or accounts at any time and without any prior notice.” The funds which Reynold Sundstrom received were consistent with the returns reflected on his statements for the Note between Sundstrom and the Cook Currency Trading Entities.

**INTERROGATORY NO. 15:**

Identify each person you expect to call as an expert witness at the trial of this action, and with respect to each such expert witness, state the subject matter on which the expert is expected to testify, the assessment of the facts and opinions of which the expert is expected to testify, a summary of the grounds for each opinion, and the identity of all documents or other items the expert reviewed or relied upon in forming such opinions.

**RESPONSE NO. 15.** Subject to the general objections, Investor Respondents object to this interrogatory as requesting information beyond the scope of Fed. R. Civ. Pro. 26.02(e)(1)A). Investor Respondents further object to this interrogatory as overly burdensome, in requesting the identity of “all documents or other items the

expert reviewed or relied upon in forming such opinions.” Subject to these objections, Investor Respondents have not yet retained an expert. Discovery is ongoing.

**RESPONSES TO REQUESTS FOR PRODUCTION OF DOCUMENTS – SET I**

**REQUEST NO. 1:**

For each interrogatory set forth in the Receiver’s First Set of Interrogatories to Investor Respondents (Nos. 1-15), produce any and all documents which each Respondent referred to, relied upon, consulted with, or used in any way in answering each and every interrogatory.

**RESPONSE NO. 1.** Subject to the general objections, Investor Respondents further object to this document request as vague in failing to define “relied upon,” and as overly burdensome in requesting all documents which Investor Respondents “used in any way in answering each and every interrogatory.” Subject to these objections, Investor Respondents will produce all relevant, non-privileged documents at a time and place mutually agreed upon by counsel.

**REQUEST NO. 2:**

For each Respondent, any and all documents related to, concerning or reflecting the transfer of any funds or anything of value from the Respondent to Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities).

**RESPONSE NO. 2.** Subject to the general objections, Investor Respondents further object to this document request as seeking information subject to attorney-client privilege or work product material. Subject to these objections, Investor Respondents will produce all relevant, non-privileged documents at a time and place mutually agreed upon by counsel.

**REQUEST NO. 3:**

For each Respondent, any and all documents related to, concerning or reflecting the transfer of any funds or anything of value from Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities) to the Respondent.

**RESPONSE NO. 3.** Subject to the general objections, Investor Respondents further object to this document request as seeking work product material or information subject to attorney-client privilege. Subject to these objections, Investor Respondents will produce all relevant, non-privileged documents at a time and place mutually agreed upon by counsel.

**REQUEST NO. 4:**

For each Respondent, any documents related to, concerning, or reflecting any communication regarding any funds or anything of value transferred between the Respondent and Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), including but not limited to any promises or representations made by any such Respondent, person, or entity in connection with any transfer of funds between the Respondent and Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities).

**RESPONSE NO. 4.** Subject to the general objections, Investor Respondents further object to this document request as duplicative of document requests numbers 2 and 3. Investor Respondents further object to this document request as seeking protected attorney work product or attorney-client privileged material. Subject to these objections, Investor Respondents will produce all relevant, non-privileged documents at a time and place mutually agreed upon by counsel.

**REQUEST NO. 5:**

Documents sufficient to provide a complete and detailed accounting of all funds transferred from Crown Forex LLC, Basel Group LLC, and/or UBS Diversified Growth LLC to the Respondents, from the date any such funds were transferred to the Respondents to the present, including but not limited to any documents describing and/or showing the current location and/or account of any such funds and the precise amount in each location and /or account, bank and IRA account statements and other documents showing the name of the account(s) in which any such funds were and/or are held; the account number for any such account(s); the name and address of the institution(s) at which any such account(s) were and/or are maintained, and the current balance of each such account.

**RESPONSE NO. 5.** Subject to the general objections, Investor Respondents

further object to this interrogatory as vague, in failing to define “accounting,” and overly burdensome in requesting a “complete and detailed accounting.” Investor Respondents are not accountants, and the rules of discovery do not allow for the imposition of costly forensic accounting demands on Investor Respondents.

Investor Respondents further object to documents regarding the present location of any funds Investor Respondents have received from the Receivership Entities as not relevant to the claims or defenses in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Investor Respondents will produce relevant, non-privileged material regarding transfers from any Receivership Entity to any Investor Respondent at a time and place mutually agreed upon by counsel.

**REQUEST NO. 6:**

For each Respondent, any and all documents received from Trevor Cook, Clifford Berg, or any one of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities).

**RESPONSE NO. 6.** Subject to the general objections, Investor Respondents object to this Request to the extent it seeks documents unrelated to the Receivership Entities which are not relevant to the claims or defenses in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections, Investor Respondents will produce all relevant, non-privileged documents at a time and place mutually agreed upon by counsel.

**RESPONSES TO REQUESTS FOR ADMISSIONS – SET I**

**REQUEST FOR ADMISSION NO. 1:**

Admit that Respondent David Buysse received a cashiers' check in the amount of \$360,700.00 and dated June 29, 2009.

**RESPONSE NO. 1.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent David Buysse does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of the account documents related to his investments with the Receivership Entities. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Buysse to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 2:**

Admit that Respondent David Buysse received \$360,700.00 in funds drawn from the account of Receivership Entity Crown Forex LLC.

**RESPONSE NO. 2.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent David Buysse does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of the account documents related to his investments with the Receivership Entities. It is believed that the Receiver or Cook’s attorneys will have documents allowing the Investor Respondent Buysse to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents. Subject to these objections, Investor Respondent David Buysse further objects because presumably the Receiver is referring in this Request to the \$360,700.00 cashiers’ check the Receiver alleges that David Buysse received. If the check is a cashiers’ check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, David Buysse denies the Request.

**REQUEST FOR ADMISSION NO. 3:**

Admit that Respondent Pamela Cheney received a cashiers’ check in the amount of \$101,000.00 and dated June 29, 2009.

**RESPONSE NO. 3.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Pamela Cheney does not have sufficient information to admit or deny the Request because she does not have possession,

custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Pamela Cheney to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 4:**

Admit that Respondent Pamela Cheney received \$101,000.00 in funds drawn from the account of Receivership Entity UBS Diversified Growth LLC.

**RESPONSE NO. 4.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Pamela Cheney further objects because presumably the Receiver is referring in this Request to the \$101,000 cashiers' check the Receiver alleges that Pamela Cheney received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Pamela Cheney denies the Request.

**REQUEST FOR ADMISSION NO. 5:**

Admit that Respondent Steven Cheney received a cashiers' check in the amount of \$1,535,300.00 and dated June 29, 2009.

**RESPONSE NO. 5.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steven Cheney does not have sufficient

information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Steven Cheney to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 6:**

Admit that Respondent Steven Cheney received \$1,535,300.00 in funds drawn from the account of Receivership Entity UBS Diversified Growth LLC.

**RESPONSE NO. 6.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steven Cheney further objects because presumably the Receiver is referring in this Request to the \$1,535,300.00 cashiers' check the Receiver alleges that Steven Cheney received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Steven Cheney denies the Request.

**REQUEST FOR ADMISSION NO. 7:**

Admit that Respondent Walter Defiel received a cashiers' check in the amount of \$94,950.00 and dated June 29, 2009.

**RESPONSE NO. 7.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient

information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Walter Defiel admits the request.

**REQUEST FOR ADMISSION NO. 8:**

Admit that Respondent Walter Defiel received \$94,950.00 in funds drawn from the account of Receivership Entity Crown Forex LLC.

**RESPONSE NO. 8.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Walter Defiel further objects because presumably the Receiver is referring in this Request to the \$94,950.00 cashiers' check the Receiver alleges that Walter Defiel received. This check was drawn on the account of Associated Bank. Therefore, on that basis, Walter Defiel denies the Request.

**REQUEST FOR ADMISSION NO. 9:**

Admit that Respondent Terry Frahm received a cashiers' check in the amount of \$123,200.00 and dated June 29, 2009.

**RESPONSE NO. 9.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Terry Frahm admits the request.

**REQUEST FOR ADMISSION NO. 10:**

Admit that Respondent Terry Frahm received \$123,200.00 in funds drawn from the account of Receivership Entity UBS Diversified LLC.

**RESPONSE NO. 10.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient

information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Terry Frahm further objects because presumably the Receiver is referring in this Request to the \$123,200.00 cashiers' check the Receiver alleges that Terry Frahm received. This check was drawn on the account of Wells Fargo Bank. Therefore, on that basis, Terry Frahm denies the Request.

**REQUEST FOR ADMISSION NO. 11:**

Admit that Respondent Terry Frahm received a cashiers' check in the amount of \$793,370.00 and dated June 29, 2009.

**RESPONSE NO. 11.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Terry Frahm admits the request.

**REQUEST FOR ADMISSION NO. 12:**

Admit that Respondent Terry Frahm received \$793,370.00 in funds drawn from the account of Receivership Entity UBS Diversified LLC.

**RESPONSE NO. 12.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Terry Frahm further objects because presumably the Receiver is referring in this Request to the \$793,370.00 cashiers' check the Receiver alleges that Terry Frahm received. This check was drawn on the account of Wells Fargo Bank. Therefore, on that basis, Terry Frahm denies the Request.

**REQUEST FOR ADMISSION NO. 13:**

Admit that Respondent Jenene Fredell received a cashiers' check in the amount of \$25,700.00 and dated June 29, 2009.

**RESPONSE NO. 13.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Jenene Fredell does not have sufficient information to admit or deny the Request because she does not have possession, custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Jenene Fredell to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 14:**

Admit that Respondent Jenene Fredell received \$25,700.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 14.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Jenene Fredell further objects because presumably the Receiver is referring in this Request to the \$25,700.00 cashiers' check the Receiver alleges that Jenene Fredell received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on

any Receivership Entity. Therefore, on that basis, Jenene Fredell denies the Request.

**REQUEST FOR ADMISSION NO. 15:**

Admit that Respondent Steve Fredell received a cashiers' check in the amount of \$243,250.00 and dated June 29, 2009.

**RESPONSE NO. 15.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steve Fredell does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Steve Fredell to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 16:**

Admit that Respondent Steve Fredell received \$243,250.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 16.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steve Fredell further objects because presumably the Receiver is referring in this Request to the \$243,250.00 cashiers' check the Receiver alleges that Steve Fredell received. If the check is a cashiers'

check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Steve Fredell denies the Request.

**REQUEST FOR ADMISSION NO. 17:**

Admit that Respondent Steve Fredell received a cashiers' check in the amount of \$12,000.00 and dated July 1, 2009.

**RESPONSE NO. 17.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steve Fredell admits the request.

**REQUEST FOR ADMISSION NO. 18:**

Admit that Respondent Steve Fredell received \$12,000.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 18.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steve Fredell further objects because presumably the Receiver is referring in this Request to the \$12,000.00 cashiers' check the Receiver alleges that Steve Fredell received. This check was drawn on the account of Associated Bank. Therefore, on that basis, Steve Fredell denies the Request.

**REQUEST FOR ADMISSION NO. 19:**

Admit that Respondent Michael Heise received a cashiers' check in the amount of \$728,700.00 and dated June 29, 2009.

**RESPONSE NO. 19.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Heise does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Michael Heise to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 20:**

Admit that Respondent Michael Heise received \$728,700.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 20.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Heise further objects because presumably the Receiver is referring in this Request to the \$728,700.00 cashiers' check the Receiver alleges that Michael Heise received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Michael Heise denies the Request.

**REQUEST FOR ADMISSION NO. 21:**

Admit that Respondent Michael Heise received a cashiers' check in the amount of \$67,211.53 and dated July 1, 2009.

**RESPONSE NO. 21.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Heise does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers' check dated July 1, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Michael Heise to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 22:**

Admit that Respondent Michael Heise received \$67,211.53 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 22.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Heise further objects because presumably the Receiver is referring in this Request to the \$67,211.53 cashiers' check the Receiver alleges that Michael Heise received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on

any Receivership Entity. Therefore, on that basis, Michael Heise denies the Request.

**REQUEST FOR ADMISSION NO. 23:**

Admit that Respondent Michael Hillesheim received a cashiers' check in the amount of \$156,000.00 and dated June 29, 2009.

**RESPONSE NO. 23.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Hillesheim admits the request.

**REQUEST FOR ADMISSION NO. 24:**

Admit that Respondent Michael Hillesheim received \$156,000.00 in funds drawn from the account of UBS Diversified Growth LLC.

**RESPONSE NO. 24.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Hillesheim further objects because presumably the Receiver is referring in this Request to the \$156,000.00 cashiers' check the Receiver alleges that Michael Hillesheim received. This check was drawn on the account of Wells Fargo Bank. Therefore, on that basis, Michael Hillesheim denies the Request.

**REQUEST FOR ADMISSION NO. 25:**

Admit that Respondent Michael Hillesheim received a cashiers' check in the amount of \$3,500.00 and dated June 29, 2009.

**RESPONSE NO. 25.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient

information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Hillesheim denies this Request because Investor Respondent Michael Hillesheim received an “Official Check” from Wells Fargo for \$3,500.00 dated June 29, 2009.

**REQUEST FOR ADMISSION NO. 26:**

Admit that Respondent Michael Hillesheim received \$3,500.00 drawn from the account of UBS Diversified Growth LLC.

**RESPONSE NO. 26.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Michael Hillesheim further objects to this Request because Investor Respondent Michael Hillesheim received an “Official Check” drawn from the account of Wells Fargo Bank for \$3,500.00 dated June 29, 2009. Therefore, on that basis, Michael Hillesheim denies the Request.

**REQUEST FOR ADMISSION NO. 27:**

Admit that Respondent Cynthia Hillesheim received a cashiers’ check in the amount of \$3,500.00 and dated June 29, 2009.

**RESPONSE NO. 27.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Cynthia Hillesheim denies this Request because Investor Respondent Cynthia Hillesheim received an “Official Check” from Wells Fargo for \$3,500.00 dated June 29, 2009.

**REQUEST FOR ADMISSION NO. 28:**

Admit that Respondent Cynthia Hillesheim received \$3,500.00 in funds drawn from the account of UBS Diversified Growth LLC.

**RESPONSE NO. 28.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Cynthia Hillesheim further objects to this Request because Investor Respondent Cynthia Hillesheim received an “Official Check” drawn from the account of Wells Fargo Bank for \$3,500.00 dated June 29, 2009. Therefore, on that basis, Cynthia Hillesheim denies the Request.

**REQUEST FOR ADMISSION NO. 29:**

Admit that Respondent Larry Hopfenspirger received a cashiers’ check in the amount of \$202,000.00 and dated June 29, 2009.

**RESPONSE NO. 29.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Larry Hopfenspirger does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers’ check dated June 29, 2009. It is believed that the Receiver or Cook’s attorneys will have documents allowing the Investor Respondent Larry Hopfenspirger to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 30:**

Admit that Respondent Larry Hopfenspirger received \$202,000.00 in funds drawn from the account of UBS Diversified LLC.

**RESPONSE NO. 30.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Larry Hopfenspirger further objects because presumably the Receiver is referring in this Request to the \$202,000.00 cashiers' check the Receiver alleges that Larry Hopfenspirger received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Larry Hopfenspirger denies the Request.

**REQUEST FOR ADMISSION NO. 31:**

Admit that Respondent Steven Kautzman received a cashiers' check in the amount of \$119,500 and dated June 29, 2009.

**RESPONSE NO. 31.** AMENDED RESPONSE NO. 31: Admit.

**REQUEST FOR ADMISSION NO. 32:**

Admit that Respondent Steven Kautzman received \$119,500 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 32.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Steven Kautzman further objects because presumably the Receiver is referring in this Request to the \$119,500 cashiers' check the Receiver alleges that Steven Kautzman received. If the check is a

cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Steven Kautzman denies the Request.

**REQUEST FOR ADMISSION NO. 33:**

Admit that Respondent James McIntosh received a cashiers' check in the amount of \$250,000.00 and dated June 29, 2009.

**RESPONSE NO. 33.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent James McIntosh admits the request.

**REQUEST FOR ADMISSION NO. 34:**

Admit that Respondent James McIntosh received \$250,000.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 34.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent James McIntosh further objects because presumably the Receiver is referring in this Request to the \$250,000.00 cashiers' check the Receiver alleges that James McIntosh received. This check was drawn on the account of Associated Bank. Therefore, on that basis, James McIntosh denies the Request.

**REQUEST FOR ADMISSION NO. 35:**

Admit that Respondent George Morisset received a cashiers' check in the amount of \$22,000.00 and dated June 29, 2009.

**RESPONSE NO. 35.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent George Morisset admits the request.

**REQUEST FOR ADMISSION NO. 36:**

Admit that Respondent George Morisset received \$22,000.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 36.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent George Morisset further objects because presumably the Receiver is referring in this Request to the \$22,000.00 cashiers' check the Receiver alleges that George Morisset received. This check was drawn on the account of Associated Bank. Therefore, on that basis, George Morisset denies the Request.

**REQUEST FOR ADMISSION NO. 37:**

Admit that Respondent Karen Morisset received a cashiers' check in the amount of \$39,050.00 and dated June 29, 2009.

**RESPONSE NO. 37.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Karen Morisset admits the request.

**REQUEST FOR ADMISSION NO. 38:**

Admit that Respondent Karen Morisset received \$39,050.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 38.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Karen Morisset further objects because presumably the Receiver is referring in this Request to the \$39,050.00 cashiers' check the Receiver alleges that Karen Morisset received. This check was drawn on the account of Associated Bank. Therefore, on that basis, Karen Morisset denies the Request.

**REQUEST FOR ADMISSION NO. 39:**

Admit that Respondent Reynold Sundstrom received a cashiers' check in the amount of \$85,450.00 and dated June 29, 2009.

**RESPONSE NO. 39.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Reynold Sundstrom does not have sufficient information to admit or deny the Request because he does not have possession, custody or control of a copy of any cashiers' check dated June 29, 2009. It is believed that the Receiver or Cook's attorneys will have documents allowing the Investor Respondent Reynold Sundstrom to respond to this Request and discovery has been served seeking such documents but the Receiver has not produced such documents.

**REQUEST FOR ADMISSION NO. 40:**

Admit that Respondent Reynold Sundstrom received \$85,450.00 in funds drawn from the account of Crown Forex LLC.

**RESPONSE NO. 40.** Subject to the general objections, Investor Respondents other than the individual identified in this Request for Admission do not have sufficient information to admit or deny the request with respect to that individual. Subject to these objections, Investor Respondent Reynold Sundstrom further objects because presumably the Receiver is referring in this Request to the \$85,450.00 cashiers' check the Receiver alleges that Reynold Sundstrom received. If the check is a cashiers' check, the check would be drawn on the account of the issuing bank and not on any Receivership Entity. Therefore, on that basis, Reynold Sundstrom denies the Request.

AS TO OBJECTIONS TO INTERROGATORIES, RESPONSES TO THE REQUESTS FOR PRODUCTION OF DOCUMENTS AND RESPONSES TO REQUESTS FOR ADMISSIONS:

MOHRMAN & KAARDAL, P.A.

Dated: October 14, 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

EXHIBIT 4

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Walter Defiel

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Steven Fredell

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Jenene Fredell

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Michael Heise

EXHIBIT 4

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Jennifer Heise

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Michael Hillesheim

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Cynthia Hillesheim

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Larry Hopfenspirger

EXHIBIT 4

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Steven Kautzman

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
James McIntosh

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
George Morisset

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Karen Morisset

**EXHIBIT 4**

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Terry Frahm

DATED: \_\_\_\_\_, 2011

\_\_\_\_\_  
Reynold Sundstrom

DATED: \_\_\_\_\_, 2011

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Judith Sundstrom