

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

R.J. ZAYED, IN HIS CAPACITY )  
AS COURT-APPOINTED RECEIVER )  
FOR TREVOR G. COOK, ET AL., )  
 )  
Petitioner, )  
 )  
vs. ) Case No. 11-CV-01042  
 ) SRN/FLN  
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. )

DEPOSITION OF TREVOR COOK  
Taken on behalf of Respondents  
July 20, 2011

<p style="text-align: right;">Page 114</p> <p>1 A No.</p> <p>2 Q Mr. Cook, do you recall any communications</p> <p>3 with Dot Anderson relating to the return of her funds?</p> <p>4 A No.</p> <p>5 Q With regard to David Buysse, Steven and</p> <p>6 Pamela Cheney, Walter Defiel, Terry Frahm, Steven and</p> <p>7 Jenene Fredell, Michael Heise, Michael and Cynthia</p> <p>8 Hillesheim, Larry Hopfenspirger, Steven Kautzman,</p> <p>9 James McIntosh, George and Karen Morisset and Reynold</p> <p>10 Sundstrom, do you recall ever instructing anyone to</p> <p>11 communicate anything to either of these investors?</p> <p>12 MS. NORGARD: Objection to the form.</p> <p>13 Q (By Mr. Erickson) And I'm going to add one</p> <p>14 tack on to that. Relating to the return of their</p> <p>15 funds from the Cook Entities on or after June 29th,</p> <p>16 2009?</p> <p>17 A No.</p> <p>18 MS. NORGARD: Can you read that question</p> <p>19 back, please?</p> <p>20 (Whereupon, the court reporter read back the</p> <p>21 last question.)</p> <p>22 Q (By Mr. Erickson) Mr. Cook, I know that I</p> <p>23 asked you about whether or not you had kind of</p> <p>24 demonstrated representative trades to clients and you</p> <p>25 said you traded in the Yen and the Pound and those</p>	<p style="text-align: right;">Page 116</p> <p>1 A I don't know what he said to them.</p> <p>2 Q We know you weren't a witness to the</p> <p>3 conversations, but we want to know if Cliff ever</p> <p>4 shared with you what his discussions were with the</p> <p>5 Lender Respondents?</p> <p>6 A Did he ever share with me what he spoke to</p> <p>7 them about?</p> <p>8 Q Correct.</p> <p>9 A Yeah, he had told me that he was closing the</p> <p>10 accounts because of the -- there was an investigation.</p> <p>11 Q But you were aware that he didn't know any</p> <p>12 of the details of that investigation; correct?</p> <p>13 A Correct.</p> <p>14 Q And if Cliff Berg didn't know any details of</p> <p>15 the investigation, he was unable to communicate any</p> <p>16 details of the investigation to the Lender</p> <p>17 Respondents; correct?</p> <p>18 A Correct.</p> <p>19 MS. NORGARD: Object to the foundation of</p> <p>20 the previous question for the question that was just</p> <p>21 asked and answered.</p> <p>22 (Whereupon, the court reporter clarified.)</p> <p>23 MS. NORGARD: Yeah. The question that was</p> <p>24 just asked and answered was the object of my</p> <p>25 objection.</p>
<p style="text-align: right;">Page 115</p> <p>1 sorts of things. But this question relates to, did</p> <p>2 you ever represent to investors that you had generated</p> <p>3 a certain level of returns for a certain period of</p> <p>4 time, like a track record? Like let's say, in 2004,</p> <p>5 here's the returns we generated for our clients. In</p> <p>6 2005, here's the returns that we generated for our</p> <p>7 clients. Anything of that nature?</p> <p>8 A Yes. We had marketing material that stated</p> <p>9 returns and we would also tell investors, you know,</p> <p>10 what those returns were.</p> <p>11 Q And to the best of your recollection, what</p> <p>12 were those returns?</p> <p>13 A Between 10 and 13% back to the investor or</p> <p>14 net to the investor.</p> <p>15 Q Mr. Cook, is it fair to say that around the</p> <p>16 time of the return of funds to the Lender Respondents</p> <p>17 on or about June 29th, 2009, that you were attempting</p> <p>18 to let as few people know as possible what was going</p> <p>19 on at the Cook Entities because of your fear of the</p> <p>20 criminal implications of your past conduct?</p> <p>21 A Yeah, I'd say that's accurate.</p> <p>22 Q Mr. Cook, do you have any independent</p> <p>23 knowledge of what Cliff Berg told the Lender</p> <p>24 Respondents which he spoke with about the return of</p> <p>25 their funds on or after June 29, 2009?</p>	<p style="text-align: right;">Page 117</p> <p>1 Q (By Mr. Erickson) Mr. Cook, prior to</p> <p>2 June 29th, 2009, were there any outward indicators,</p> <p>3 things that an ordinary person could find if they</p> <p>4 performed a search, that the Cook Entities were</p> <p>5 insolvent?</p> <p>6 MS. NORGARD: Object to the foundation.</p> <p>7 A There was information on the internet that</p> <p>8 Crown Forex was doing poorly. A number of people in</p> <p>9 June, you know, outside of Cliff, had been closing</p> <p>10 their accounts because of what they were reading on</p> <p>11 the internet about Crown Forex. You know, Ed Baker</p> <p>12 had these GFI currency funds. He had -- you know, was</p> <p>13 reading Crown Forex stuff on the internet and closed</p> <p>14 the accounts.</p> <p>15 There was a number of people in June who,</p> <p>16 you know, read that and closed the accounts. I never</p> <p>17 shared that with Cliff and Cliff isn't on the</p> <p>18 internet. Cliff didn't know anything about that. But</p> <p>19 other people did see, you know, the Crown Forex stuff</p> <p>20 and then whether or not you want to say that's a Cook</p> <p>21 entity, I don't know how you want to classify that.</p> <p>22 Q (By Mr. Erickson) Other than that which</p> <p>23 you've testified to previously, were there any other</p> <p>24 outward indicators -- first of all, I mean, obviously</p> <p>25 that -- problems with Crown Forex doesn't necessarily</p>

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<p>1 you recognize that document?</p> <p>2 A No, I don't recognize it.</p> <p>3 MS. NORGDARD: Can I just state for the</p> <p>4 record, Exhibit 6, are you marking as IR019631?</p> <p>5 MR. ERICKSON: Let me see if that's what I'm</p> <p>6 doing. Yes.</p> <p>7 Q (By Mr. Erickson) So, you don't recognize</p> <p>8 that document?</p> <p>9 A No.</p> <p>10 Q Was Basel International an operation that</p> <p>11 you had set up and intended to run legitimately?</p> <p>12 A Yes.</p> <p>13 Q Do you know how much money Dot Anderson</p> <p>14 received back from the Receivership?</p> <p>15 A From the Receivership?</p> <p>16 Q Strike that. Do you know how much money Dot</p> <p>17 Anderson received back from any of the Cook currency</p> <p>18 trading entities?</p> <p>19 A Yeah. My recollection was Grant's</p> <p>20 grandmother, she basically sent 100,000 in. The Basel</p> <p>21 company, we weren't able to -- we were waiting for the</p> <p>22 people in Switzerland to get the trading platform and</p> <p>23 everything finished. It never started. So, she would</p> <p>24 have been sent back the same amount or close to the</p> <p>25 same amount that she sent in. It was -- I think her</p>	<p>1 we had sent hundreds of withdrawal requests to Crown</p> <p>2 Forex in Switzerland and were getting no response.</p> <p>3 But we kept processing withdrawals up until, you know,</p> <p>4 a certain point.</p> <p>5 So, she must have asked Grant or somebody</p> <p>6 for the money back and then Grant must have turned in</p> <p>7 a withdrawal form or just asked for it to be sent back</p> <p>8 and it was probably processed.</p> <p>9 Q Prior to the freeze order being entered, the</p> <p>10 Basel clients who requested withdrawals were given</p> <p>11 their money back; correct?</p> <p>12 A I think she was the only one because the</p> <p>13 account was only open for less than a month. The</p> <p>14 account was maybe open for a month. So, a handful of</p> <p>15 people had sent money in and it was just sitting</p> <p>16 there.</p> <p>17 Q So, she was one of a few people invested in</p> <p>18 the Basel platform?</p> <p>19 A Yes.</p> <p>20 Q Would it be fair to say that it would be</p> <p>21 fairly easy to trace where her money came in and where</p> <p>22 her money came out?</p> <p>23 A Yeah, it would be very easy.</p> <p>24 Q In mid-June of 2009, you hadn't given Grant</p> <p>25 Grzybowski any information that you were running a</p>
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<p>1 money was just sitting there and it wasn't being</p> <p>2 managed or it wasn't being traded or anything.</p> <p>3 Q Was it being co-mingled with other</p> <p>4 investors' money?</p> <p>5 A Yeah. All the money was co-mingled. But</p> <p>6 Basel never got started, I guess. So, Basel accepted</p> <p>7 some money from, I think, around ten investors or</p> <p>8 maybe a little under ten. It never started. And then</p> <p>9 money was sent back to her.</p> <p>10 Q Do you recall if the check that was cut back</p> <p>11 to Ms. Anderson was from this same account that her</p> <p>12 check was deposited into?</p> <p>13 A I don't recall that.</p> <p>14 Q Okay. Because the funds in Basel weren't</p> <p>15 invested, you had no concerns about giving them their</p> <p>16 funds back; correct?</p> <p>17 A What's that?</p> <p>18 Q Because the clients' funds that gave Basel</p> <p>19 International money were not invested, you didn't have</p> <p>20 any trouble giving the clients their money back;</p> <p>21 correct?</p> <p>22 A Up to a certain point, all these accounts</p> <p>23 were frozen and stuff. But every -- if a withdrawal</p> <p>24 request is made, they were all honored up to a certain</p> <p>25 day. We stopped processing them, I guess. You know,</p>	<p>1 Ponzi scheme, had you?</p> <p>2 A No.</p> <p>3 Q And part of the evidence for that is that he</p> <p>4 had his grandmother invest in the program?</p> <p>5 A Yeah, I guess you could say that.</p> <p>6 Q You were not involved in Dot Anderson's</p> <p>7 decision to receive a distribution of her funds;</p> <p>8 correct?</p> <p>9 A I don't recall ever speaking to her, no.</p> <p>10 Q Did you receive completed paper work</p> <p>11 requesting that her account be closed?</p> <p>12 A I don't recall if she filled out paper work</p> <p>13 or not to close it. It would not have been mandatory,</p> <p>14 you know, that she fill out paper work. She -- you</p> <p>15 know, she could have just told Grant and Grant could</p> <p>16 have just said close it and we would have closed it.</p> <p>17 Q And that was done regularly?</p> <p>18 A Yeah. Accounts were normally opened and</p> <p>19 there was always accounts getting closed. Like</p> <p>20 earlier in the year, that RIA client, the Financial</p> <p>21 Designs Corporation, closed like 20 something</p> <p>22 accounts.</p> <p>23 Q Did they fill out paper work to close those</p> <p>24 accounts?</p> <p>25 A I don't recall if they did or not. I</p>

32 (Pages 122 to 125)

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1 believe they did, but --  
 2 Q You never communicated -- did you ever  
 3 communicate with Dot Anderson?  
 4 A No, I don't recall ever talking to her.  
 5 Q Would it be fair to say that Dot Anderson  
 6 just received her own money back because of the  
 7 limited amount of investors in Basel?  
 8 A Well, yes. Yes, that's fair to say. I see  
 9 this exhibit. It says investors, no deposits. I know  
 10 she deposited money or else she wouldn't have been  
 11 sent \$102,000 back. So, I'm guessing there's some  
 12 sort of error on this list.  
 13 Q The return of money to Dot Anderson wasn't  
 14 in furtherance of a Ponzi scheme, was it?  
 15 A No.  
 16 Q You weren't returning money to Dot Anderson  
 17 to induce additional investment; correct?  
 18 A No.  
 19 Q And Ms. Anderson -- if Ms. Anderson received  
 20 \$102,000 back, she never made any money investing in  
 21 the Cook currency trading entities; right?  
 22 A She may have sent 100,000 or 101 or 102. I  
 23 don't know the exact amount she sent.  
 24 Q Well, you have the check -- I think you have  
 25 the check right there, don't you?

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1 A Oh, yeah. So, she sent -- yeah, so she sent  
 2 102. She got back 102. She made no money.  
 3 MR. ERICKSON: Let's take two minutes.  
 4 (Thereupon, a recess was taken from 2:36  
 5 p.m. to 3:12 p.m.)  
 6 MR. ERICKSON: I don't have anything  
 7 further.  
 8 [EXAMINATION]  
 9 BY MS. NORGARD:  
 10 Q Hi Trevor. I'm Tara Norgard. We've met  
 11 several times before. Thank you for your time today.  
 12 Grant Grzybowski asked you to get his grandma's  
 13 money --  
 14 COURT REPORTER: I'm sorry. Can you speak  
 15 up for me, please?  
 16 MS. NORGARD: Sure.  
 17 MR. MOHRMAN: I can't hear either.  
 18 Q (By Mr. Erickson) Grant Grzybowski asked you  
 19 to get his grandma's money out of the Basel account,  
 20 didn't he?  
 21 A Yes.  
 22 MR. MOHRMAN: Objection, leading.  
 23 Q (By Ms. Norgard) And did you do that? Let  
 24 me ask a clearer question. Did you get Dot Anderson's  
 25 money out of the Basel account at Grant's request?

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1 A Yes.  
 2 Q Who had authority to withdraw money from the  
 3 Basel account?  
 4 A Pat Kiley and Julia Smith.  
 5 Q Did you have authority to direct funds to  
 6 come out of that account, the Basel account it's  
 7 associated with?  
 8 A I don't believe I was a signature on the  
 9 account, so I think I had to ask Pat or Julia.  
 10 Q And you asked Julia Smith to wire \$102,000  
 11 to Dot Anderson; correct?  
 12 MR. MOHRMAN: Objection, leading.  
 13 A I don't recall if it was a wire or a check.  
 14 Q (By Ms. Norgard) Do you recall asking Julia  
 15 Smith to send \$102,000 to Dot Anderson after Grant  
 16 Grzybowski asked you to withdraw his grandma's money?  
 17 MR. MOHRMAN: Objection, compound.  
 18 A There were so many withdrawals. I don't  
 19 specifically remember. I remember that she got her  
 20 money back. I remember she deposited money and got  
 21 money back. I remember Grant saying to close the  
 22 account.  
 23 Q (By Ms. Norgard) I'm going to hand you --  
 24 MR. MOHRMAN: Object -- object --  
 25 MS. NORGARD: Oh, now you want to interrupt

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1 me?  
 2 MR. MOHRMAN: No. I'm not interrupting you.  
 3 You interrupted me. Objection, lack of foundation.  
 4 Move to strike.  
 5 MS. NORGARD: What exhibit are we on?  
 6 COURT REPORTER: 7.  
 7 MR. MOHRMAN: Do you have a copy for us?  
 8 MS. NORGARD: Sure.  
 9 (Exhibit No. 7, E-mails, were marked for  
 10 identification.)  
 11 Q (By Ms. Norgard) I'll ask you to take a look  
 12 at what is marked as Exhibit 7 and look through the  
 13 first four pages of that exhibit. When you've had a  
 14 chance to do that, let me know.  
 15 A Yes.  
 16 Q Does this refresh your recollection as to  
 17 whether you instructed Julia Cook to wire from the  
 18 Basel account money to Dot Anderson?  
 19 A Yes.  
 20 Q First page of this Exhibit 7 is an e-mail  
 21 from you to Julia dated July 15th, 2009 at 5:28 a.m.;  
 22 correct?  
 23 A Yes.  
 24 Q And is julias@popp.net, is that Julia Smith  
 25 or Julia Gilsrud?