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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

R.J. Zayed, in his Capacity as Court-Appointed  
Receiver for Trevor G. Cook et al.,

Petitioner,

v.

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 and Jennifer Heise,  
Michael and Cynthia Hillesheim, Larry Hopfenspirger,  
Steven Kautzman, James McIntosh,  
George and Karen Morrisset, Reynold Sundstrom, and  
Dot Anderson,

Respondents.

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**DECLARATION OF PETER M. KOHLHEPP  
IN SUPPORT OF RECEIVER'S RESPONSES TO RESPONDENTS'  
MOTIONS FOR SUMMARY JUDGMENT**

I, Peter M. Kohlhepp, hereby declare:

1. I am an attorney with the law firm of Carlson, Caspers, Vandeburgh and Lindquist ("CCVL"), counsel for the Court-appointed Receiver R.J. Zayed ("the Receiver") in the civil cases of *United States Securities and Exchange Commission v. Trevor Cook et al.*, Civil Action File No. 09-cv-3333 (D. Minn. 2009) and *United States Commodity Futures Trading Commission v. Trevor Cook et al.*, Civil Action File No. 09-cv-3332 (D. Minn. 2009). I submit this declaration in support of the Receiver's Response to Investor Respondents'

Motion for Summary Judgment and in support of the Receiver's Response to Respondent Dot Anderson's Motion for Summary Judgment. This declaration is submitted on my personal knowledge except as otherwise indicated.

2. Pursuant to the Protective Order entered in this case (Docket No. 67), the Receiver designated as "Confidential" or "Confidential—Attorneys' Eyes Only" all documents containing sensitive information, such as personal identifiers and account numbers, belonging to investors and the Receiver Estates. To the extent that these designated documents are attached as exhibits hereto, they are being filed under seal in accordance with the Court's Protective Order.

3. Attached hereto as Exhibit 1 are true and correct copies of records reflecting deposits made by investors into the Cook scheme after June 30, 2009 [Jansen Ex. 201 at 11; Hlavacek Ex. II at 10, 11, 13-14, 21-22; IR013014-16, IR013046-47, IR013048, IR015973-74, IR015963-64, IR015979-80, IR016003-04, IR016019-20, IR016009-10, IR016001-02, IR016017-18, IR015947-48, IR016035, IR016023-24]. **Filed under seal.**

4. Attached hereto as Exhibit 2 is a table summarizing purported "account statements" for David Buysse.

5. Attached hereto as Exhibit 2.1 are true and correct copies of purported "account statements" from Cook entities for David Buysse [Buysse Dep. Ex. 3, 7]. **Filed under seal.**

6. Attached hereto as Exhibit 3 is a table summarizing purported “account statements” for Steven and Pamela Cheney, David Cheney, Scott Cheney, Joseph Cheney and Sharon Reed.

7. Attached hereto as Exhibit 3.1 are true and correct copies of purported “account statements” from Cook entities for Steven and Pamela Cheney, David Cheney, Scott Cheney, Joseph Cheney and Sharon Reed [Cheney Dep. Ex. 11, 4; IR005932-35, IR010188, IR010187, IR003837, IR011653, IR010210-12, IR010156, IR010139, IR010173, IR011534, IR011651, IR007015, IR007000-03, IR003730, IR011652, IR007824, IR002545, IR005734, IR007819-21]. **Filed under seal.**

8. Attached hereto as Exhibit 4 is a table summarizing purported “account statements” for Walter Defiel.

9. Attached hereto as Exhibit 4.1 are true and correct copies of purported “account statements” from Cook entities for Walter Defiel [Defiel Dep. Ex. 7]. **Filed under seal.**

10. Attached hereto as Exhibit 5 is a table summarizing purported “account statements” for Terry and Jean Frahm.

11. Attached hereto as Exhibit 5.1 are true and correct copies of purported “account statements” from Cook entities for Terry and Jean Frahm [Frahm Dep. Ex. 19, 23, 4]. **Filed under seal.**

12. Attached hereto as Exhibit 6 is a table summarizing purported “account statements” for Steven and Jenene Fredell.

13. Attached hereto as Exhibit 6.1 are true and correct copies of purported “account statements” from Cook entities for Steven and Jenene Fredell [Fredell Dep. Ex. 15, 29]. **Filed under seal.**

14. Attached hereto as Exhibit 7 is a table summarizing purported “account statements” for Michael Heise.

15. Attached hereto as Exhibit 7.1 are true and correct copies of purported “account statements” from Cook entities for Michael Heise [Heise Dep. Ex. 7]. **Filed under seal.**

16. Attached hereto as Exhibit 8 is a table summarizing purported “account statements” for Michael and Cynthia Hillesheim.

17. Attached hereto as Exhibit 8.1 are true and correct copies of purported “account statements” from Cook entities for Michael and Cynthia Hillesheim [Hillesheim Dep. Ex. 37, 39, 19]. **Filed under seal.**

18. Attached hereto as Exhibit 9 is a table summarizing purported “account statements” for Larry Hopfenspirger.

19. Attached hereto as Exhibit 9.1 are true and correct copies of purported “account statements” from Cook entities for Larry Hopfenspirger [Hopfenspirger Dep. Ex. 13]. **Filed under seal.**

20. Attached hereto as Exhibit 10 is a table summarizing purported “account statements” for Steven Kautzman.

21. Attached hereto as Exhibit 10.1 are true and correct copies of purported “account statements” from Cook entities for Steven Kautzman [Kautzman Ex. 10]. **Filed under seal.**

22. Attached hereto as Exhibit 11 is a table summarizing purported “account statements” for James McIntosh.

23. Attached hereto as Exhibit 11.1 are true and correct copies of purported “account statements” from Cook entities for James McIntosh [McIntosh Ex. 6]. **Filed under seal.**

24. Attached hereto as Exhibit 11.2 are true and correct copies of account statements from Entrust for James McIntosh [011953, 011959-60, IR023904-12]. **Filed under seal.**

25. Attached hereto as Exhibit 12 are true and correct (redacted) copies of account statements from Entrust for George and Karen Morisset [010333, 010335].

26. Attached hereto as Exhibit 13 is a table summarizing purported “account statements” for Reynold and Judith Sundstrom.

27. Attached hereto as Exhibit 13.1 are true and correct copies of purported “account statements” from Cook entities for Reynold and Judith Sundstrom [Sundstrom Dep. Ex. 9]. **Filed under seal.**

28. Attached hereto as Exhibit 14 is a true and correct copy of the U.S. Probation Office’s Declaration of Victim Losses signed by Steven Kautzman on May 5, 2010 [010131 – 010134].

29. Attached hereto as Exhibit 15 is a true and correct copy of the U.S. Probation Office's Declaration of Victim Losses signed by Reynold Sundstrom on April 30, 2010 [012161 – 012163].

30. Attached hereto as Exhibit 16 are true and correct copies of correspondence relating to an account at Entrust Midwest held in the name of Steven Kautzman [IR024178-IR024179, AEO012439, IR024174-IR024177].

**Filed under seal.**

31. Attached hereto as Exhibit 17 are true and correct copies of records reflecting investor withdrawals after June 30, 2009 from accounts held in the names of Cook entities [IR013058, IR016467, IR016469, IR016668, IR013014-IR013016, IR016483-IR016484]. Attached here as Exhibit 17.1 is a copy of the Receiver's First Amended Final Claims List (Jansen Ex. 11) with investors who received post-June 30, 2009 withdrawals reflected in Exhibit 17 highlighted. [IR029268-IR029280]. **Filed under seal.**

32. Attached hereto as Exhibit 18 are true and correct copies of bank records for the Wells Fargo account of Cook entity UBS Diversified Growth relating to the \$50,000 check sent by the Cook entities to Sharon Phillips on or around June 8, 2009, as well as true and correct copies of Claim and Challenge forms from Howard and Sharon Phillips. [IR018253, IR016956-IR016963, IR046213-IR046227, IR041043-IR041049]. **Filed under seal.**

33. Attached hereto as Exhibit 19 is a true and correct copy of a Minneapolis Star Tribune article dated July 9, 2009 [IR006276-IR006278].

34. Attached hereto as Exhibit 20 is a true and correct copy of a Minneapolis Star Tribune article dated July 12, 2009 [IR006279-IR006283].

35. Attached hereto as Exhibit 21 is a true and correct copy of the deposition transcript of Trevor Cook taken on November 9, 2010 in Minneapolis, Minnesota [IR020498-IR020686]. **Filed under seal.**

36. Attached hereto as Exhibit 22 is a true and correct copy of Exhibit 3 to the Declaration of Scott J. Hlavacek, dated November 20, 2009 and filed in the case of *SEC v. Cook et al.*, 09-cv-3333 (Docket No. 4-3) (D. Minn.).

37. Attached hereto as Exhibit 22.1 is a true and correct copy of Exhibit 7 to the Declaration of Scott J. Hlavacek, dated November 20, 2009 and filed in the case of *SEC v. Cook et al.*, 09-cv-3333 (Docket No. 4-3) (D. Minn.).

38. Attached hereto as Exhibit 23 is a true and correct copy of the deposition transcript of Richard Ostrom taken on July 18, 2011 in Minneapolis, Minnesota.

39. Attached hereto as Exhibit 24 is a true and correct copy of the Receiver's Second Supplemental Objections and Responses to Respondent Dot Anderson's First Set of Interrogatories, served on November 16, 2011.

40. Attached hereto as Exhibit 25 is a true and correct copy of Exhibit 3 to the Declaration of Peter M. Kohlhepp in Support of Receiver's Motion to Compel Wells Fargo to Return Receivership Funds, dated June 2, 2010 and filed

(redacted) in the case of *SEC v. Cook et al.*, 09-cv-3333 (Docket No. 335-3) (D. Minn.).

41. Attached hereto as Exhibit 26 is a true and correct copy of Board of Governors of the Federal Reserve System's table of Bank Prime Loan Rates from January 1949 to December 2011, as printed from <http://research.stlouisfed.org/fred2/data/MPRIME.txt> on January 10, 2012.

42. A search of the Minnesota Secretary of State business filing record system confirmed that no entity named "Basel Group" or "Basel Institutional" is or was ever formally registered with the state of Minnesota. Attached hereto as Exhibit 27 is a true and correct copy of a screenshot of the results of a "business record search" for active and inactive businesses run on the Minnesota Secretary of State website on January 11, 2012.

I state under penalty of perjury that the foregoing is true and correct.

Dated: January 11, 2012

s/ Peter M. Kohlhepp  
Peter M. Kohlhepp