

# Exhibit 2

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## Trevor Cook's associate pleads guilty in scheme

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A Plymouth money manager pleaded guilty Tuesday to charges of securities fraud, wire fraud conspiracy and money laundering in connection with Trevor Cook's \$194 million Ponzi scheme.

Christopher Pettengill, 54, could face a statutory maximum of 20 years in federal prison, but sentencing guidelines suggest a more modest term. Pettengill believes the range should be about 12 1/2 years to 15 2/3 years; federal prosecutors say it should be 15 2/3 years to about 19 1/2 years.

Pettengill said he's been cooperating since January with federal investigators, even before he agreed to plead guilty in the case.

Assistant U.S. Attorney Tracy Perzel said Pettengill already has been helpful and expects that he will continue to cooperate. She said there's a possibility that her office ultimately will recommend that Davis reduce the length of his prison term.

For now, prosecutors argue that Pettengill's role as securities broker should result in a longer term. Pettengill agreed that his special knowledge and skills warrant some enhancement, but argued that the more severe penalty should not apply because he was not licensed and registered through a securities broker or dealer at the time of the offense covered in the plea agreement.

Chief U.S. District Judge Michael Davis will determine Pettengill's prison term -- and how much restitution he'll owe -- after a presentence investigation. Cook was sentenced in August to 25 years in prison for his role as the chief organizer of the scheme and ordered to pay \$155 million to 798 victims.

Pettengill, dressed in a dark suit and looking glum, responded with brief, affirmative answers as Perzel laid out the facts of his crimes.

Pettengill confirmed that beginning in 2006, he and his associates -- including Gerald Durand of Faribault, Jason Bo Beckman of Plymouth and Patrick Kiley of Minneapolis -- began setting up a number of business entities using the terms Universal Brokerage Services or UBS in their names. They pitched a currency "arbitrage" strategy that promised steady annual returns of 10.5 percent to 12 percent, with little to no risk to principal.

The international bank UBS SA sued them in federal court in Minneapolis for trademark violations. So in October 2007, Pettengill said, they began pitching the currency investment using entities with the word "Oxford" in their names. He said Oxford Global Advisors was the umbrella over the organization, which included Beckman's firm, Oxford Private Client Group.

Investors were given account statements that showed steady returns, but the statements were produced by multiplying their assets by the interest they were promised rather than actual investment returns, the plea agreement says. Some of the investments were sent to Crown Forex SA in Switzerland, ostensibly for currency trades.

But in February 2008, Pettengill said he and his associates learned that Crown Forex was "illiquid." It claimed to have received investor assets of \$15 million but had just \$1 million remaining, and its management had no control over its finances. So the Oxford entities agreed to prop up Crown Forex with a \$4 million infusion, with an option for Oxford Global Advisors to assume control.

In March 2008, an English firm called Resolute Capital Growth Fund (RCGF) began threatening legal action against Crown

Forex to recover its investments, the plea agreement says. Pettengill said that he, Cook and some of their associates negotiated a payment plan for RCGF and others to muzzle complaints about Crown Forex's problems.

Pettengill said he and his associates failed to tell investors about Crown Forex's problems, and they continued to use the investors' money to pay salaries, fund the partial production of a movie, make cash withdrawals and to pay some of their personal income taxes and other personal expenditures.

"You lied to people to get their money, and you lied to people to keep their money," Perzel said.

"Yes," Pettengill responded.

The plea agreement says he stopped working at the Oxford entities in September 2008 and received his final payment from them two months later. Pettengill said that from the time he learned that Crown Forex was in trouble until he left the Oxford entities, he and his associates raised \$37 million from about 300 investors. He said Cook, Beckman, Kiley and others continued to solicit investors until it collapsed midway through 2009.

All together, Cook and his associates raised about \$194 million through the scheme, which led to losses of more than \$150 million for nearly 1,000 investors, mostly retirees.

Beckman, Durand and Kiley have each denied any wrongdoing.

Besides Cook and Pettengill, only one other person has been charged in the Ponzi scheme. Jon Jason Greco, 40, of Minneapolis, was charged in March with two counts of making false statements to federal agents who were attempting to find some of the loot from the scheme.

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