

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Court File No.: 11-CV-01042 SRN/FLN

R.J. ZAYED, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR
TREVOR G. COOK, ET AL.,
Plaintiff(s),

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,

Defendant(s).

DEPOSITION OF

RICHARD L. OSTROM

DATE TAKEN: 07/18/11 BY: GAYLE MAY BARKER

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For the Respondent Dot Anderson

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1 THE DEPOSITION OF RICHARD L. OSTROM is taken
2 on this 18th day of July 2011 at the law offices
3 of MORGAN & KAARDAL, 33 South Sixth Street, Suite
4 4100, Minneapolis, Minnesota, commencing at the
5 hour of approximately 1:15 PM pursuant to NOTICE:

6
7 RICHARD L. OSTROM,
8 after having been duly sworn,
9 testified as follows:

10 ***

11 EXAMINATION

12 BY MR. ERICKSON:

13 Q. Mr. Ostrom, my name is Greg
14 Erickson. We met briefly off the record, and
15 I'll take a brief opportunity to introduce myself
16 on the record. I'm the attorney for all the
17 Respondents with the exception of Dot Anderson
18 and William Harris.

19 A. Okay.

20 Q. Mr. Ostrom, have you ever been
21 deposed before?

22 A. I have. It's been years ago. Not
23 in the recent past.

24 Q. What were those actions in which
25 you were deposed?

1 Q. Now, is there any physical, mental,
2 or emotional reason why you can't testify fully
3 and truthfully today?

4 A. No.

5 Q. Can you please state your name and
6 address for the record?

7 A. Richard E. Ostrom, O S T R O M. My
8 home address?

9 Q. Uh-huh.

10 A. My home address is 9639 Wellington,
11 W E L L I N G T O N, Lane in Woodbury, Minnesota
12 55125.

13 Q. Mr. Ostrom, for the purposes of
14 this deposition, when I refer to Respondents, I'm
15 going to be referring to my clients as the
16 Respondents. Will that be difficult for you to
17 understand?

18 A. No. That's fine.

19 Q. Can you briefly describe your
20 educational background for me?

21 A. Yes. I graduated from college in
22 1976 with a bachelor's of business administration
23 degree.

24 Q. Anything else?

25 A. No. No post. A number of FBI

1 training in-services throughout the years. A
2 number of outside continuing education classes as
3 it relates to mainly white collar crime, fraud
4 matters throughout the years. But no continuing
5 formal degreed education.

6 Q. Did you say where you went to
7 college?

8 A. Yeah. University of Wisconsin Eau
9 Claire, UWEC.

10 Q. And no formal education other than
11 continuing education?

12 A. Yeah. And then training within the
13 FBI throughout the years, and then seminars,
14 continuing education both at 3M and since I've
15 been at WayPoint.

16 Q. Did you go to the FBI directly out
17 of school?

18 A. No.

19 Q. This may sound strange to you. I
20 thought in order to work for the FBI you either
21 needed to have a law degree or be a CPA. Is that
22 not correct?

23 A. Not a CPA, an accountant. I have a
24 comprehensive public accounting major. I'm not a
25 CPA. So, yeah. So you are correct.

1 Q. I was close. I was close. So can
2 you briefly describe your employment background
3 for me?

4 A. Graduated from college in December
5 of 1976. Was hired as a general accountant with
6 National Presto Industries for approximately two
7 years.

8 Then in 1978 I joined the FBI as a
9 special agent. I worked with the FBI until
10 December of 2004. I started with 3M in their
11 corporate security business risk mitigation area
12 and investigations in December of '04 until
13 December of '07 at which time I left and started
14 working with -- at the time it was called
15 Luminescent Group, and then we changed names now
16 to WayPoint.

17 Q. And you've been working with them
18 ever since?

19 A. Yes.

20 Q. What type of work did you do for
21 the FBI?

22 A. Mainly economic crime. I spent the
23 first four years in Springfield, Illinois working
24 a number of economic crimes, other crimes as
25 needed -- kidnapping, bank robberies, extortions.

1 I was transferred to New York where
2 I worked domestic terrorism investigations. And
3 then I was transferred to Chicago where I
4 continued economic crimes, investigations in the
5 commodities arena.

6 And then transferred to Minneapolis
7 and was assigned to a white collar crime squad
8 and then eventually became a supervisor my last
9 seven or eight years in the FBI.

10 Q. I'm sorry, where after Chicago?

11 A. Minneapolis.

12 Q. So you went directly to
13 Minneapolis, and were you a supervisor the entire
14 time in Minneapolis?

15 A. No. I was transferred up here as
16 an agent. Boy, what years here? It was 1992 I
17 was transferred up here, and then in 1996 I
18 became a supervisor and then retired in December
19 of '04.

20 Q. What did you supervise?

21 A. A white collar crime squad. We
22 worked political corruption, health care fraud,
23 governmental fraud. And then I also was the
24 white collar crime coordinator for the division,
25 the Minneapolis division of the FBI.

1 Q. Mr. Ostrom, did you do anything to
2 prepare for your deposition today?

3 A. Yes.

4 Q. What did you do?

5 A. I reviewed notes of my interview
6 with the Respondents. I reviewed a hearing
7 transcript from a hearing that occurred in
8 January of '09. Looked at the account
9 information for the Respondents as well.

10 Q. Did someone prepare those materials
11 for you?

12 A. Yes. I had them prepared.

13 Q. Were they prepared by Ms. Norgard's
14 office?

15 MS. NORGDARD: I instruct you not to
16 answer. It's work product privileged
17 communication.

18 MR. ERICKSON: You were --

19 MS. NORGDARD: What we prepared, if
20 we prepared all of that or any subset of that,
21 would be a work product communication and a
22 privileged communication. What we chose, if in
23 fact we chose, to prepare any of that is
24 privileged.

25 MR. ERICKSON: And you are

1 instructing him not to answer?

2 MS. NORGDARD: That's right.

3 MR. ERICKSON: Can you mark that,
4 please.

5 A hearing transcript from January
6 '09 you reviewed?

7 A. My notes of the Respondents and
8 then the account records of the Respondents.

9 Q. And did you meet with Ms. Norgard's
10 office prior to this deposition? I don't want to
11 know what was said; I just want to know if you
12 met.

13 A. Yes.

14 Q. How long approximately did that
15 meeting take?

16 A. We met part of Thursday, part of
17 Friday. Discussed for a period of time. I can't
18 even give you a -- all it would be is a guess.

19 Q. Please guess.

20 A. Probably a couple of hours total
21 discussing this.

22 Q. More than two?

23 A. Roughly two.

24 Q. What have you done since you've
25 joined -- do you mind if I just refer to your

1 employer, your current employer as WayPoint?

2 A. That's fine.

3 Q. What have you done since you joined
4 WayPoint?

5 A. Provided consulting and
6 investigative services for --

7 MS. NORGDARD: Wait. Can I ask a
8 question? Are you talking generally here, or are
9 you talking with respect to why we're here today?

10 MR. ERICKSON: No, I'm speaking
11 generally. I thought that was clear.

12 A. I provide consulting and
13 investigative services to law firms, business
14 entities mainly. We do forensic accounting, tax
15 support, business risk mitigation and
16 investigations.

17 Q. Do you mind if we define your
18 firm's work for the receivership as the Cook
19 receivership work?

20 A. Yes, that's fine.

21 MS. NORGDARD: For purposes of this
22 deposition?

23 MR. ERICKSON: For purposes of this
24 deposition. First, you do understand that you're
25 being deposed in conjunction with a club action

1 against the Respondents?

2 A. Yes.

3 Q. And that currently is captioned RJ
4 Zayed, In His Capacity As Court-Appointed
5 Receiver For Trevor G. Cook, et al, Petitioner,
6 v. David Buysse, Steven and Pamela Cheney, Walter
7 Defiel, John Dzik, Terry Frahm, Steven and Jenene
8 Fredell, William Harris, Michael and Jennifer
9 Heise, Michael and Cynthia Hillesheim, Larry
10 Hopfenspirger, Steven Kautzman, James McIntosh,
11 George and Karen Morisset and Reynold Sundstrom
12 and Dot Anderson, Respondents, case No.
13 11-CV-01042?

14 A. I'll trust you.

15 MS. NORGDARD: You could show him
16 the document if you want to confirm, but he
17 hasn't seen it.

18 THE WITNESS: (Reviews document.)

19 MR. ERICKSON: What have you been
20 retained to do for the Cook receivership?

21 A. We were retained to assist the
22 receiver in locating assets and recovering assets
23 which was part of the receivership mandate, as I
24 understand it.

25 Q. What did you do in the context of

1 locating the assets?

2 MS. NORGDARD: Are you asking
3 generally, I mean across the board?

4 MR. ERICKSON: Correct.

5 MS. NORGDARD: Well, some of that --
6 I mean some of what WayPoint and Rick have done,
7 Mr. Ostrom, is still non-public and it's not part
8 of this case at all. So I think it would be
9 helpful if you maybe -- for all of us if you
10 asked more of a specific question because we're
11 not going to talk about, for example, ongoing
12 investigative things Mr. Ostrom is doing now.
13 I'll allow him to speak generally about his work
14 and obviously about the facts that we're talking
15 about here today. But as to investigative tasks
16 that have no cross pollination whatsoever with
17 what's going on here, we're not here to talk
18 about that.

19 MR. ERICKSON: This is discovery.
20 I don't know how it may or may not cross
21 pollinate, and I don't think that you're the best
22 judge to determine what's relevant information
23 for our case.

24 MS. NORGDARD: I'm going to instruct
25 him not to answer about --

1 MR. ERICKSON: Then --

2 MS. NORGARD: I'm just telling you,
3 Counsel, that he can testify about -- obviously
4 about this case, and he can testify generally
5 about what he's done. But there are certainly
6 things that the receiver is doing now that are
7 not public and are not going to be a part of this
8 litigation because they have nothing to do with
9 each other.

10 If there are specific questions you
11 have to ask, we'll take them one-by-one; but I'm
12 just telling you that there are areas of the
13 receivership that are not going to be discussed
14 here.

15 MR. ERICKSON: Okay. Let's attack
16 it like this. What work did you do in
17 conjunction with the assets that were recovered
18 for the receivership?

19 A. The initial work that WayPoint
20 handled was the proceeding to the Van Dusen
21 Mansion which is where the Trevor Cook operation
22 was located into a house on Tiffany Court in
23 Burnsville, Minnesota. Those were two properties
24 that the receiver had become the receiver for as
25 they were part of the various entities here.

1 The goal in that was, in essence,
2 securing the facility and to protect those assets
3 that were located there, collect and preserve any
4 potential chain of custody issues for documents,
5 computers, etcetera. We also did work as far as
6 locating and trying to recover various
7 automobiles, various watches, Faberge eggs,
8 artwork, a number of items that were at one point
9 determined to be part of one of the various
10 entities either in the Cook Mansion or the Van
11 Dusen Mansion of Tiffany Court.

12 Then we assisted -- we worked on --
13 there was some gift cards that at one point in
14 time turned up that Mr. Cook and others had
15 purchased gift cards that he was then using post
16 the receivership. So we worked on identifying
17 where they were being cashed and trying to get
18 those returned to the receiver.

19 There were interviews conducted
20 trying to resolve these assets as well as
21 potentially other assets that may have been
22 dissipated or to locate assets so that the
23 receiver could take possession and control of
24 them.

25 Some of the interviews that we

1 conducted where WayPoint was in conjunction with
2 the Respondents.

3 Q. Have you done any work relative to
4 Crown Forex?

5 A. We have done some but it's been
6 limited. It's limited.

7 Q. What have you done?

8 A. I think we did a background
9 investigation on an individual.

10 Q. Which individual?

11 A. Mr. Pirrone.

12 Q. Do you have any understanding as to
13 what Mr. Pirrone's role is or was in the Crown
14 Forex?

15 A. Not in any detail, no.

16 Q. Anything else that you can remember
17 relative to assets that have been recovered?

18 A. We did some interviews relating to
19 cash and coins that were recovered at a house
20 that Graham Cook was living at and some coins, I
21 believe, at the Mall of America. We've done some
22 interviews relating to that.

23 Q. Anything else?

24 A. We've done some interviews -- well,
25 that's not been recovered yet. That's about all

1 I can think of. I'm sure there's others as we
2 go.

3 Q. And one thing I want to communicate
4 to you is if there's anything that you remember
5 that you haven't told me, please do not hesitate
6 to make your answer more complete, one.

7 Two, also if there's anything
8 you've told me that in the bathroom break or
9 something like that -- and also feel free to take
10 a bathroom break or a break at any time that you
11 deem necessary.

12 A. Okay.

13 Q. My only request is that if you're
14 being asked a question that you finish your
15 answer to that question before you take your
16 break.

17 A. Understood.

18 Q. But if you recall an inaccuracy in
19 any of your testimony, please come back and
20 clarify the record. Because really what we're
21 looking to do here is to figure out what you
22 know, and this is not any sort of memory exercise
23 or an exercise in gotch you. What we're trying
24 to do is get all the information that you have in
25 your head that's in any way relevant to the

1 Respondents claims and defenses.

2 A. In fact now that you -- we were --
3 we did some investigation -- you just brought
4 that -- regarding the Rainy Lake property. There
5 was an island in Canada that I remember that
6 WayPoint did some -- in fact did some interviews.
7 In fact went up to the island and searched the
8 island prior to its being sold. We did some
9 interviews relating to a cashier's check that was
10 cut to Mr. Grzybowski for a home that he
11 purchased up in the St. Cloud area.

12 Q. Do you have any idea how much that
13 was for?

14 A. I think it was 272,000 roughly.
15 Might have been 272,500, but the 272 figure
16 sticks in my brain.

17 Q. I'm sorry, 270?

18 A. 272. Then there -- to be honest,
19 there were various interviews that we would ask
20 employees what do you know about this asset, that
21 asset, eggs, watches. So a number of interviews
22 looking for assets that we didn't even know
23 about.

24 Q. Question: Did you interview Ryan
25 Moeller?

1 MS. NORGDARD: You talking about up
2 to the point of this case was filed?

3 MR. ERICKSON: Up to the point that
4 this case was filed and after.

5 MS. NORGDARD: Ask him.

6 MR. ERICKSON: Up until the point
7 this case was filed, did you interview Ryan
8 Moeller.

9 A. Yes.

10 Q. What was discussed in your
11 interview with Ryan Moeller? Hold on one second.
12 Did you take notes of that interview?

13 A. Good question. I believe we did.
14 It was myself and my partner. I don't recall,
15 but I know we talked to him. In fact, yeah, I
16 know we've talked to him several times.

17 MR. ERICKSON: I don't know if
18 those notes have been produced to us and if they
19 haven't, we'd like them produced to us.

20 MS. NORGDARD: I don't know either.
21 I'll check.

22 MR. ERICKSON: I'm sorry. I'll say
23 on the record I have three kids under four so I
24 don't get as much sleep as I would like so
25 sometimes my memory fails me. What was the last

1 question?

2 (The preceding question was read
3 back.)

4 MR. ERICKSON: To the best of your
5 recollection, can you recall what was discussed
6 in these various meetings with Ryan Moeller?

7 A. I'm sure initially we were talking
8 about assets that he knew about or potentially
9 knew about, banking activity, and probably the
10 operations and the mansion.

11 Q. Did Mr. Moeller have a lawyer
12 present at any of these meetings?

13 A. No.

14 Q. And to the best of your
15 recollection, did Mr. Moeller have any
16 involvement in this fraudulent activity for the
17 Cook entities?

18 MS. NORGARD: Could you read back
19 that question?

20 (The preceding question was read
21 back.)

22 MS. NORGARD: You're asking for an
23 opinion. That isn't fact testimony. So I'll
24 instruct the witness not to answer to the extent
25 he's not here as an expert, he's not here to

1 testify about credibility or culpability of other
2 people.

3 MR. ERICKSON: Okay. I'll
4 rephrase. Describe all facts to me that you
5 uncovered in the course of your interviews with
6 Mr. Moeller that indicated that Mr. Moeller was
7 aware of the illegal activities of the Cook
8 entities prior to the SEC's investigation.

9 MS. NORGDARD: Could you read that
10 question back to me again? I have small children
11 too and lost it.

12 (The preceding question was read
13 back.)

14 MS. NORGDARD: That's the same
15 question you asked a different way. You can ask
16 him about the facts that he has learned up until
17 the point this case was filed from whatever you
18 want, but his opinion is not going to be part of
19 this deposition.

20 MR. ERICKSON: I didn't ask him for
21 his opinion.

22 MS. NORGDARD: It's couched in
23 there. If you want facts, you can ask him for
24 facts; but what the facts then lead to is an
25 opinion. And what you've asked him is facts that

1 lead to a certain conclusion, and that's an
2 opinion and he's not here to talk about his
3 opinion. If you want to talk about facts, that's
4 fine.

5 MR. ERICKSON: Do you want to ask
6 the question for me?

7 MS. NORGDARD: I will if you want me
8 to.

9 MR. ERICKSON: I must confess this
10 is the first time that I've ever been in a
11 deposition where a lawyer has instructed the
12 witness not to answer on that basis. All right.

13 Keeping in mind that one of the
14 things that we're looking for are facts that
15 would indicate that Mr. Moeller was aware of any
16 illegal activities in the Cook entities and when
17 he knew about them, tell me about everything that
18 you learned from Ryan Moeller.

19 A. Like I said, our interviews were
20 geared not to look at illegal trading operations.
21 Our goal initially and still is is to find the
22 assets. So I know that we discussed assets. We
23 discussed seeing the assets potentially
24 disappear. Who might have additional information
25 where they're located. But again, I don't recall

1 the specifics of the interviews.

2 Q. And I understand that completely,
3 and if it's -- I understand also that it might be
4 outside of the scope of what you were asked to
5 do, but that doesn't change the fact that in the
6 course of doing your job looking for things
7 within the scope of what you were being asked to
8 do you could still find out information; and
9 that's the information that I'm looking for. And
10 if you tell me that there's none, then that's
11 fine.

12 A. I won't say there's none. I don't
13 recall I guess is the best --

14 Q. And as this deposition takes place,
15 if you do recall things that Ryan Moeller told
16 you or things that you learned about Ryan Moeller
17 in the context of your discussion with him, I
18 would like you to bring that up and discuss that
19 with me. Okay?

20 A. Okay.

21 Q. Did you speak with Bo Beckman?

22 A. Yes.

23 Q. And what were the nature of your
24 interactions with Mr. Beckman?

25 MS. NORGDARD: Objection, vague.

1 MR. ERICKSON: She isn't
2 instructing you not to answer. You can answer
3 it.

4 A. The interview of Bo Beckman was
5 again asset focused, looking to know what his
6 knowledge was about location of assets, transfer
7 of assets, and any potential leads that he could
8 give the receiver regarding the location of any
9 assets.

10 Q. From my review of the transcripts,
11 it became apparent that Mr. Beckman was the
12 recipient of funds from the Cook entities. Did
13 you have a role in recovering those?

14 MS. NORGDARD: Objection, compound
15 assumes facts not in evidence. You can answer if
16 you understand it.

17 THE WITNESS: I'm sorry, could you
18 repeat it again? I'm sorry.

19 MR. ERICKSON: In the context of my
20 review of the Cook transcripts, it became
21 apparent that Mr. Beckman took a significant
22 amount of money from the Cook entities. Did you
23 have any involvement in the recovery if any money
24 was recovered from Mr. Beckman?

25 MS. NORGDARD: Objection, compound.

1 And, Counsel, I'm not objecting to this line of
2 questioning; but the whole premise is something
3 about your knowledge and transcripts that you're
4 not defining. So if you want to ask him direct
5 questions about the facts, I think that would
6 probably make the question go easier. But this
7 whole bit about you reviewing transcripts is a
8 question that has form problems that I can't get
9 over.

10 MR. ERICKSON: Are you instructing
11 him not to answer?

12 MS. NORGDARD: If you understand the
13 question you can answer it. I'm just -- I'm just
14 telling you that the premise of the question is
15 based on your knowledge and your review of
16 something and your conclusions.

17 THE WITNESS: I'm aware that, yeah,
18 from the SEC accounting that there was money
19 going to Bo Beckman. We did an interview of Mr.
20 Beckman, and then at that point in time we did
21 not do WayPoint follow-up until the receiver was
22 appointed as part of the Bo Beckman operation.

23 MR. ERICKSON: And then what did
24 you do?

25 A. Again similar to our initial

1 response to the Cook receivership. There was a
2 residence in Plymouth. There was a residence in
3 Florida. There was two residences in Texas that
4 we once again went and secured. Kind of
5 inventoried the contents, secured it and then
6 took possession of any paper documents, any
7 computer documents and other assets that the
8 receiver was entitled to in those. And then
9 continued to work -- WayPoint continued to work
10 with the receiver to secure all those -- the
11 paper and the computer documents and to start the
12 process of returning those assets to the receiver
13 for their disposition.

14 Q. Now, did you coordinate all this
15 from Minneapolis or did you fly to these various
16 locations?

17 A. I personally didn't fly. One of
18 our personnel did fly to both Florida and Texas.

19 Q. In terms of WayPoint's involvement
20 in this receivership, are you the point person or
21 are you the one in charge?

22 A. Yeah, I guess I'd be the point
23 person, yes.

24 (Exhibit No. 1 marked for
25 identification.)

1 MR. ERICKSON: Have you had a
2 chance to page through what's been marked as
3 Ostrom Exhibit 1?

4 A. Yes, interview notes. Handwritten
5 interview notes.

6 Q. Hopefully some of them are yours.
7 I'd --

8 A. Yes.

9 Q. I'd like to direct your attention
10 to Bates No. IR002491. As an initial matter, is
11 this your handwriting on 2491?

12 A. Yes.

13 Q. First of all, how were you
14 contacted? What was the scope of your work as it
15 related to the Respondents?

16 MS. NORGDARD: Object to the form.

17 MR. ERICKSON: You can answer.

18 A. We were -- WayPoint was going to
19 assist in the interview of the Respondents.

20 Q. Okay.

21 A. As it relates to their investment
22 in the Cook matter.

23 Q. Other than your review -- strike
24 that.

25 I'm going to ask you -- because our

1 clients have had an enormous amount of trouble
2 deciphering your handwriting and your partner's
3 handwriting, I'm going to ask you to read through
4 Mr. Defiel's notes to the best that you can.

5 A. Okay.

6 Q. And then we'll discuss them.

7 A. You want me to do that now?

8 Q. Yeah. I want to you read it on the
9 record.

10 A. (As read): "22610 CCVL." Do you
11 want me to just read it --

12 Q. Yes.

13 A. -- as is or talk about it?

14 Q. Read it.

15 A. (As read): "CCVL Peter K, Jake,
16 612-436-9659, Walter Defiel, 651-778-8434, 58 or
17 59. M, dash, depression. Called 651-778-8434.
18 PK introduced. Carpet distribution" -- I don't
19 know. "CF told me about. TC was son-in-law.
20 Told me about. 6/12/09 retired 33 years. Took
21 my money out and put -- and put. Manage of
22 carpet dist at WH. CB told me about investment.
23 I had inheritance at bank foreign currency
24 investment. Sounded awful good. 12 percent,
25 arrow, 10.25 percent. Decided to invest. Gave

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1 CB CC lake area. Never met TC. IDN pay
2 anything. They may have deducted DN recall. Put
3 in 80,000 got 95. No one commission or
4 investors. Called someone, quote, John, end
5 quote, arrow, believe at Oxford. Called gold.
6 Don't know. CB wrong on that. Think check came
7 in mail. Possibly, hyphen, another guy investor
8 the FX trade of Cook. Maybe John Dzik. His
9 money out and possibly D, slash, N, slash, K
10 details. Never had any. Money out that. This
11 was well after money was out, hyphen, one time
12 saw Cliff Berg son-in-law. May be in trouble.
13 Cliff Berg nice guy. U, slash, N believe he was
14 involved. Believe it all came about after money
15 out. Hyphen, CB, hyphen, quote, you are making
16 money Jake, end quote. Oxford, hyphen, time" --
17 I can't make the -- "where dollar sign investor
18 in Oxford. Quote, Jake, end quote, is my
19 nickname. CB, hyphen, parenthesis, he put his
20 retire dollar in there. I felt safe about it.
21 Tom Petters was going on at -- and concerns about
22 my money. CB, hyphen, I do not think so.
23 Hyphen, commission, slash" -- boy, I can't read
24 that on this copy here. I can't read it on this
25 copy.

1 "Helping son, hyphen, in, hyphen,
2 law I thought helping. Did not think he was
3 working there. I told friend, hyphen, George
4 Morisset about investment. He put dollar in
5 Cook's investment. GM worked at business Toyota.
6 I believe GM invested Burnsville Toyota.
7 Morisset and wife took dollars S out. The reason
8 he did if I'm taking my money out I told him I
9 was going to Ameriprise. No he went to same
10 place, same F A as I."

11 On the left-hand side, "GM and wife
12 took money out Ameriprise same time I did same
13 financial or F A as I. No, hyphen, commission
14 for GM's investment. GM met someone else at
15 office. He does not know Cliff Berg. No
16 discussions about case with GM, CB, JD. In
17 Florida a couple of years. Mother-in-law D,
18 hyphen, N fill out any paperwork to W, hyphen, D
19 money John Dzik, hyphen, he might have given
20 check to me at work. WM WD John Dzik gave me
21 checkmark. Pretty sure both GM's Georgia's
22 paren" -- or whatever you call those.

23 Q. Brackets.

24 A. "...brackets Georgia's checkmark
25 and mine. Recall giving him, paren, GM, close

1 parenthesis, his check after JD. JD, hyphen, ID,
2 slash, N, slash, K if JD. How did JD get check,
3 dash, GM told I'm getting I really D, slash, N,
4 slash, K check, apostrophe S drop off. Remember
5 JD saying take a look if your, dollar sign, is
6 there. Gave me envelope. We, parenthesis, wife
7 and I, close parenthesis, opened up CC. Not
8 cash. Retirement account rolled over. 60 days
9 to roll over IRA. CB said, dash, yeah. CB told
10 Jake that there was 60-day rollover. Jake D,
11 slash, N want to pay taxes. Two different pills.
12 Money not that good. Depression. Not sleeping
13 well. Just got meds to help me sleep.
14 Arthritis."

15 Q. Okay. Thank you for doing that,
16 and I will represent to you that I'm going to
17 have you do this with each one of these notes.
18 Now things like names and telephone numbers, you
19 don't need to read those but any of the
20 substantive --

21 A. Okay.

22 Q. -- stuff relating to your notes,
23 relating to what the witnesses said, obviously
24 I'm going to need you to read whatever you can
25 make out of what you wrote.

1 The first thing I want to direct
2 your attention to on Bates -- first of all, I
3 assume that it was you, Peter Kohlepp and Mr.
4 Defiel on this conversation; is that correct?

5 A. Yeah.

6 Q. Was anyone else present?

7 A. I don't believe so.

8 Q. Was this in person or over the
9 telephone?

10 A. This was over the telephone I
11 believe with Mr. Defiel.

12 Q. And why do you have a physical
13 description up on the right-hand corner?

14 A. You know, I think he told us -- he
15 was discussing how old he was and the fact that
16 he thought he had depression here. So it's
17 nothing that I would have asked him. He would
18 have just said it kind of at the start of the
19 interview as we're going through the
20 introduction.

21 Q. Okay. Hi, nice to meet you. I'm
22 depressed and I'm 59?

23 A. As you go back to the last page,
24 clearly he talked about being depressed, taking
25 sleeping pills and not sleeping.

1 Q. Was that why he said he couldn't
2 come to the meeting?

3 A. I don't know. I don't know.

4 Q. Do you have any specific
5 recollection of anything he said about his
6 depression other than what's written here?

7 A. No.

8 Q. I'm just going to take you through
9 these paragraphs and ask you if you have any
10 specific recollection of any -- anything other
11 than -- first of all, do you have any
12 recollection of anything that was discussed that
13 is not in your notes?

14 A. Anything at this point? No, not
15 that I can...

16 Q. And as we go through it, you may
17 think of something.

18 (At this time Mr. Huhta joined the
19 deposition.)

20 MR. HUHTA: I represent Dot
21 Anderson.

22 MR. ERICKSON: Do you know who CF
23 is?

24 A. No, but it's Cliff Berg.

25 Q. I'm going to direct your attention

1 to the center of the page. "Manager of carpet
2 distribution at the WH"?

3 A. The warehouse, he was at the
4 warehouse.

5 Q. Okay. How about the sentence,
6 "Cliff Berg told me about investment and then I
7 had" --

8 A. "I had inheritance at bank."

9 Q. Inheritance at bank. Okay. A
10 couple of lines down where it says, "D, slash,
11 N," is that did not pay anything else? Did you
12 understand that to be an upfront commission?

13 A. A commission, a fee, yes.

14 Q. And three lines down from that, was
15 that supposed to mean to the best of his
16 knowledge he didn't know anyone who is earning a
17 commission off the investment?

18 A. That's correct.

19 Q. I'm having questions about this
20 last paragraph at the bottom. "Called someone
21 who he thinks is John." Someone called who he
22 thinks was John at Oxford, and then what's this
23 word at the end of that line?

24 A. You got me.

25 Q. Okay. "Cliff Berg wrong on that."

1 Do you know what he was referring to relative to
2 that statement?

3 A. "Cliff Berg wrong on that. I think
4 check came in the mail." Cliff Berg wrong on
5 that. He definitely thinks the check came in the
6 mail here at this point.

7 Q. Okay.

8 A. But I don't know at this point what
9 Cliff Berg -- obviously there's some discussion
10 there about Cliff giving him the check. He
11 thinks it came in the mail at this point.

12 Q. "Possibly another guy investor."

13 A. He's trying to recall who he called
14 to get his money out at this point. That's what
15 he's trying to come up with.

16 Q. And he did testify that he was on
17 medication when -- did he testify that he was on
18 medication when --

19 A. I don't know. I haven't seen the
20 depositions.

21 Q. No, no. I'm saying when you
22 interviewed him. When I say testify I mean --

23 A. When we interviewed him?

24 Q. Correct?

25 A. Yeah, he said he was on two

1 medications. Two different pills.

2 Q. Were these notes the only record of
3 the meeting to the best of your knowledge?

4 A. Did Peter take notes?

5 Q. I --

6 A. Is that what you are asking me?

7 Q. Correct.

8 A. I believe he did, yeah.

9 Q. You believe Peter took notes?

10 A. Yes.

11 Q. Was there -- these were not tape
12 recorded conversations, correct?

13 A. No.

14 Q. At any point -- no one was sworn
15 when they were making these statement, correct?

16 A. No.

17 Q. Is that your policy not to have
18 people sworn when you are -- I suppose what would
19 be the authority?

20 A. Yeah, we don't have the authority.
21 I'd love to have it but, no, we don't have the
22 authority to swear anybody in.

23 Q. Next page. Is he trying to say
24 maybe John Dzik got his money out too at the same
25 time?

1 A. Now here he's trying to say that
2 maybe he called John Dzik because he thinks John
3 Dzik got his money out is what he's trying to
4 say, but he didn't know. DNK is did not know the
5 details.

6 Q. "Never had" -- no idea?

7 A. No.

8 Q. This is after money was out --
9 after the notation in the margin, the note below
10 with the arrow, what does that say?

11 A. This was well after the money was
12 out. That's the conversation he had with Cliff
13 Berg.

14 Q. Then below that with the arrow to
15 that same paragraph?

16 A. It's part of this paragraph.
17 Basically it all came about after the money was
18 out, his conversation or when he saw Cliff Berg.

19 Q. So the next phrase is I believe
20 probably something that you asked him about what
21 Cliff Berg was talking to him as his investment
22 was sitting there?

23 A. Correct. "You're making money,
24 Jake."

25 MR. HUHTA: Which Bates page?

1 MR. ERICKSON: It's 2492. This
2 phrase, "CB, dash, end paren, he," what's he
3 saying there?

4 A. Cliff Berg put his retirement money
5 into the Cook investments.

6 Q. And that is the reason why he felt
7 safe about the investment, right?

8 A. Yes.

9 Q. And then he mentions because --
10 okay. Because the Petters scheme was going on,
11 the fact that Cliff Berg had his money in there
12 made him feel safe about the investment?

13 A. Right.

14 Q. Is that your understanding?

15 A. Yes, that's my understanding.

16 That's correct. This is the time when Petters
17 and Madoff was going on so there was a lot of
18 nervous people.

19 Q. Can you -- after "I do not think
20 so" what --

21 A. Was Cliff Berg receiving commission
22 or employed by Oxford? He says I don't think so.

23 Q. Thought he was helping his
24 son-in-law?

25 A. Yep.

1 Q. Did not know he was working there
2 or did not think he was working there?

3 A. Yes.

4 Q. So he told George Morisset about
5 the investment?

6 A. Yep.

7 Q. He put his --

8 A. Money, dollar sign, in Cook's
9 investment.

10 Q. And then it just says he works at
11 Toyota?

12 A. Yep.

13 Q. Can you explain what the next
14 paragraph starting with "Morisset and wife," what
15 your recollection was that he told you that?

16 A. Basically he's saying that Morisset
17 and his wife took the money out because he took
18 his money out and that that was a good enough
19 reason for George and his wife to take their
20 money out if Mr. Defiel was going to take his
21 money out. And Mr. Defiel was going to put his
22 money -- or did put his money into Ameriprise,
23 and I believe that Morisset did as well here as
24 he had the same financial -- I think he said he
25 had the same financial advisor as Morisset.

1 Q. I'm going to direct your attention
2 to the bottom of the page. "No discussions
3 about," is that commissions again?

4 A. No, about case.

5 Q. "Case with George Morisset. Cliff
6 Berg or John Dzik."

7 A. Correct.

8 Q. "Florida in couple of years"?

9 A. I think he meant -- again, I
10 shouldn't say I think. I think he was talking
11 about meeting Cliff down in Florida in a couple
12 of years, but I'm not certain here.

13 Q. Mother-in-law, you don't know what
14 that means?

15 A. No.

16 Q. "Did not fill any paperwork out to
17 withdraw money"?

18 A. Correct.

19 Q. "He might have given check to me at
20 work"?

21 A. Yeah. That's what he was saying.
22 Initially he was thinking it was in the mail, he
23 got it mailed to him; but here he's saying he
24 thinks John Dzik gave it to him at work, George's
25 check and his.

1 Q. Then he said "John Dzik gave me
2 pretty sure" --

3 A. The check. "Gave me the check."

4 Q. "Pretty sure"?

5 A. Yeah.

6 Q. "Both George Morisset and mine"?

7 A. Right.

8 Q. And then I think below it says,
9 "Recall giving him George Morisset his check
10 after John Dzik gave me mine"?

11 A. Right.

12 Q. I think in the next sentence he's
13 trying to indicate he doesn't know if John Dzik
14 took his money out?

15 A. Yeah. At this point no, he doesn't
16 know.

17 Q. Then I think this is a reflection
18 of a question that you asked him?

19 A. Yeah. It was asked either by
20 myself or Peter.

21 Q. How did John Dzik get his check.
22 And then do you recall what was being reflected
23 in these notes?

24 A. The bottom line is he doesn't know.
25 He doesn't really know how Dzik got his check,

1 but he's fairly certain that John dropped the
2 check off, his check and George's check.

3 Q. And then in the sentence below he
4 remembers John Dzik asking him to verify if the
5 check is correct. Not in so many words but --

6 A. Yeah. John asked him to open up
7 the envelope. He gave him an envelope. Open it
8 up, make sure the numbers are good. And he
9 remembers there was a cashier's check and not
10 cash in there.

11 Q. Then does he say he rolled that
12 over into presumably --

13 A. Sixty day rollover. Berg told him
14 it was a 60-day rollover.

15 Q. Can you read this last note?

16 A. Yeah. He was --

17 Q. "Two different pills"?

18 A. Yeah. "Memory is not that good."
19 His depression, he's not sleeping well. He just
20 got meds to help him sleep and I think he also
21 said he has arthritis.

22 Q. Okay. Other than what we went
23 through in these notes, do you have any other
24 specific recollections of what Mr. Defiel told
25 you or topics that were discussed that aren't

1 reflected in these notes?

2 A. No. Not at this point, no.

3 MR. ERICKSON: Let's take a
4 three-minute recess.

5 (A brief recess is taken.)

6 MR. ERICKSON: I've concluded after
7 our first experiment that it's probably much more
8 time efficient for us to do this paragraph by
9 paragraph. So can you just try to read the first
10 paragraph into the record and then I'll indicate
11 whether or not I've got any questions.

12 MS. NORGDARD: Are you on IR2496?

13 MR. ERICKSON: Yes.

14 A. (As read): "SC, dash, 1969 carpet
15 bis sales rep, dash."

16 Q. That's going to be wholesale?

17 A. Wholesale, okay. "Main business
18 investment into rents, stock, etcetera, over the
19 years. CB back in 69 competed. Knew of Cliff
20 Berg past 40 years, past 40, no years."

21 Q. I don't have any questions related
22 to that. Maybe start on the left here, "JD
23 dash."

24 A. (As read): "John Dzik 35,
25 40 years. Talking about I did not prove it

1 worked. Check it out. I know CB about it. I
2 talked to CB about it. CB and carpet salesmen.
3 CB beyond CB. JD no commissions. John works for
4 me. Life savings. Lunch periodically."

5 Q. Okay. Let's just address this
6 paragraph. "CB beyond CB," was that he thought
7 that the currency investment was beyond Cliff
8 Berg's understanding?

9 A. Correct.

10 Q. Now, this is what I can't figure
11 out. Is he saying in here that he was having
12 John Dzik check it out?

13 A. No, he was checking it out. John
14 Dzik told him about the investment and basically
15 I have to check it out myself.

16 Q. Right. Because the fact that Cliff
17 Berg was invested in it didn't mean anything to
18 Cheney. So at that time it was his understanding
19 that John Dzik wasn't earning a commission off
20 his investment?

21 A. Correct. Yes.

22 Q. Was he trying to indicate here that
23 John Dzik put his life savings into this
24 investment?

25 A. Yes.

1 Q. To the best of his knowledge?

2 A. Yes.

3 Q. And that he and Dzik would have
4 lunch periodically or that he and Cliff would
5 have lunch periodically?

6 A. He and Dzik.

7 Q. Let's scroll up to "one and a half
8 by 2008." Can you read that paragraph?

9 A. (As read): "One and a half by
10 2008. Salesmen, us, John Dzik told me about
11 investment. He found out from CB. CB a good
12 carpet good guy at sales but meeting" --
13 something. I don't know on that word. Next word
14 don't know. "Involved sales with," something,
15 meeting. Called Larry Hoph - Soph invest and
16 John Burns almost attorney -- almost ATTY almost
17 account, almost accountant. Burns helps with 1,
18 slash, 08 or 2, slash, 2008 mansion. Four or
19 five speakers. Different divisions of Oxford.
20 Last person was TC. Each had related CON. Join
21 me small group in TC office asked questions and
22 presentation on here of arbitrage at 12 percent.
23 Wanted to interpret or INTER," something, "and
24 know how works."

25 Q. To the best of your ability can you

1 kind of summarize what your?

2 A. Yeah. Dzik told Mr. Cheney about
3 this investment and again kind of goes along with
4 the paragraph next to it, you know, Dzik and
5 Cliff are good salesmen, but he had to go down
6 and check it out himself.

7 He did call Larry. They do
8 investments together. He's calling him a
9 sophisticated investor Larry, and he also talked
10 to John Burns about it. They went down to the
11 mansion in January or February of '08.

12 Q. Can I interrupt? To the best of
13 your recollection, is he saying about John Burns
14 he was almost an attorney and he was almost an
15 accountant?

16 A. Correct. Yes.

17 Q. Like that guy was almost an MBA
18 player? Keep going.

19 A. And they went down to the mansion.
20 I believe all three of them went to the mansion
21 in January or February of '08 and had a
22 presentation. There was four or five speakers,
23 different entities of Oxford gave their
24 presentation on the sales pitch. And then he
25 joined a smaller group in Trevor Cook's office, I

1 believe, where they went over how the trading --
2 the arbitrage trading went and kind of walked
3 through it. He wanted to know the details of it
4 and he was being offered this investment at
5 12 percent.

6 Q. Okay. I think the way that it
7 would probably be easiest for to us break this up
8 is go from 12 percent to the star. This is in
9 2497.

10 A. Read it again or discuss it?

11 Q. Read it and then --

12 A. (As read): "12 percent in
13 follow-up meeting. Downtown Van Dusen. Number
14 of questions. Get comfort level. I was going to
15 take out loan for investment. I was going to put
16 three sons in. Pretty good explanation how it
17 was going to work. TC, hyphen, not a risk sit
18 segregated account. Wrote an account to take
19 dollars out and trans, to transfer time to time.
20 Offered by currency. Asked to sell trans margin.
21 Ten screens along the wall. Profitability.
22 Business without risk 12 percent." He wanted to
23 change it to -- no. He changed to 10.5 market.
24 "Small investor, look at small investors. Entire
25 transaction was 14 percent. Could make one to

1 one and one half to two percent. Multiple by" --
2 I can't read that last one, the last M and the B.

3 Q. Okay. Can you summarize to the
4 best of your ability what was said in this
5 paragraph?

6 A. Yeah. He again went down to the
7 Van Dusen Mansion and he just had a lot of
8 questions. He still had questions here. He had
9 to get that comfort level. He had to be
10 comfortable himself. He talks about taking out a
11 loan to do this investment and the fact that he
12 was going to put his three sons into it as well.

13 He felt that it was a pretty good
14 explanation that he got down there. Talked about
15 segregated accounts, he could take his money out,
16 he could transfer it.

17 The ten screens he is talking about
18 on the wall is Trevor Cook's office with the
19 various trading screens that were up. And that
20 basically it's very profitable. It's without
21 risk, 12 percent. And there was a number of
22 investors who got 12 percent, but now he was
23 being offered ten and a half percent by Cook.
24 And this was being marketed to the small
25 investors. They weren't going to get into the

1 big trading houses. This is kind of designed for
2 the small investors to get into currency
3 arbitrage trading.

4 The multiplier, I believe he's
5 talking about the number of times that his money
6 can be invested and work here. They had a
7 multiplier that they had applied to the
8 investment of the funds here.

9 Q. Are you referring to leverage?

10 A. Yes. Leverage, yeah.

11 Q. Can you just start from the next
12 star?

13 A. (As read): "One-half dozen people
14 invested. Felt safe. I told other people but
15 did not D, slash, N recommend three sons
16 refinance house. Help get -- help get involved
17 and sister-in-law living off inheritance. Told
18 her I would personally guarantee."

19 Q. Can you keep going?

20 A. I'm sorry. (As read): "Over course
21 of one and one half worked. Would talk to Trevor
22 about how it going and how company's doing. If,
23 something, "change. If large change in market or
24 interest rate Madoff situation each time TC would
25 assure us would not affect him."

1 Q. Can you go over what you recall
2 about --

3 A. Yeah. Basically over the year and
4 a half that he had his investments in with Cook,
5 he would call Cook periodically checking in to
6 see how he's doing. Again checking on his
7 investment. If there was a big change in the
8 market, a big change in the interest rates, when
9 the Madoff situation popped he would call and
10 talk to Trevor; and Trevor would assure him that
11 they're not affected. They're still doing fine.

12 Q. Can we start at the top of page
13 2498 and then go to the space in the middle of
14 the page? Yeah, before the slash.

15 A. (As read): "By the market
16 changes." Something, "market one day then
17 started market all year long. Oxford would BS
18 the currency were not direct affect large bank.
19 Bank of Costa Rica was going to make a large
20 investment in the company. Due diligence of
21 bank."

22 Q. Can you read this next paragraph?

23 A. (As read): "TC only have so much
24 capacity limit to market potential. Only a
25 niche. Not unlimited source. D, slash, N

1 presented to be gigantic. Would market to
2 smaller investor."

3 Q. What does this second sentence at
4 the top of the page mean?

5 A. Back up here?

6 Q. Yeah. Right, that word. Is that
7 currency market one day?

8 A. "Currency market one day," then
9 something "market all year long."

10 Q. Is he saying that more trading goes
11 on in the currency market in one day than in the
12 stock market all year long?

13 A. Thank you. That's exactly -- one
14 day than the stock market all year long.

15 Q. Then the next sentence?

16 A. (As read): "Oxford would B, slash,
17 X currencies. Oxford would B, slash, X their
18 currency."

19 Q. Are you sure that's X or is that S?

20 A. S. I'm sorry, "B, slash, S their
21 currency. Were not directly affected."

22 Q. Is it your recollection that he was
23 trying to say that Trevor Cook was telling him
24 that the currency markets and the stock markets
25 aren't correlated, they don't relate?

1 A. I don't know. I don't know.

2 Q. Okay.

3 A. That's the typical -- that's
4 typically what they were saying, but I don't know
5 if that's what it says here.

6 Q. Then this next sentence is just he
7 told them that some bank in Costa Rica was going
8 to invest?

9 A. Was going to invest and they were
10 doing due diligence on the bank here.

11 Q. And then in the next phrase he says
12 that they only have so much capacity and there's
13 a limit to whatever it is that they're doing?

14 A. That is correct. They're only a
15 niche trading company here. They don't want the
16 gigantic investors. They want to have the small
17 investors have access to the currency trade.

18 Q. Then the next sentence. Not what
19 source? Not a limited source?

20 A. Where? I'm sorry, which one are
21 you at?

22 Q. That right there.

23 A. "Not unlimited potential."

24 Q. "To market potential only a niche
25 and then not" --

1 A. They're not marketing to everybody.
2 There's only a certain capacity that they have to
3 conduct this arbitrage trading, and they didn't
4 want to expand into the large trading, the large
5 traders, the gigantic traders. They wanted to
6 stick to the smaller investors to give them the
7 opportunity.

8 Q. Can you tell me what the next
9 sentence says?

10 A. (As read): "Structured making
11 payments setup making -- setup monthly check
12 interest earned for that month. Payments always
13 real good. Prompt all payments. Prompt on all
14 payments."

15 Q. I don't have any questions about
16 that paragraph. How about the following
17 paragraph starting with "look"?

18 A. "Look after wife's sister." This
19 is a bad copy here. I'm sorry.

20 Q. Okay. "Wife's sister" whatever her
21 name is.

22 A. (As read): "...and meeting two
23 nephews. Told me about -- told Trevor about" --
24 I think Trevor. I'm not certain on that --
25 "investors. When I got back last week of June

1 called TC to open account for nephew. Is
2 everything good? TC, well, we are seeing problem
3 in another part of company. Our business is rock
4 solid. Nothing to worry about."

5 Q. I don't have any questions about
6 that paragraph. Bo Beckman, that next --

7 A. (As read): "Bo Beckman said that he
8 would be his in that type of account."

9 Q. I have no idea what --

10 A. No. It was the Bo Beckman side of
11 the business that had the problem. It was that
12 side of the business that had the problem.

13 Q. There's nothing else there? I
14 can't really make much out of that.

15 A. No.

16 Q. Can you read that next paragraph?

17 A. (As read): "Problem with company.
18 Decided not to invest with him for the nephew.
19 The next day I called TC and told him I wanted to
20 take dollars out. I believe I talked with JD,
21 LH, and this warehouseman and his wife, Jake and
22 Michelle Defiel," something "Defiel his wife."

23 Q. Can you -- I don't have any
24 questions about that. How about the next
25 paragraph?

1 A. (As read): "End of June '09
2 probably two or three conversations with TC.
3 Cliff would drop off checks for you the day they
4 were sent out. CB by office and left checks for
5 me."

6 Q. I don't have any questions about
7 that. Then where the two dots are?

8 A. "Two checks recall \$1,010,000 Wells
9 Fargo. 1,010,000 my portion. 35,000 accrued
10 interest."

11 Q. Okay. Then it says Cliff Berg and
12 then what's starting at PC?

13 A. (As read): "PC inheritance from
14 mom and dad. SC you can deduct interest only. I
15 spoke," something "I spoke to TC. I spoke with
16 Holly at WF. I was at save some," don't know.
17 "SC gave me TC for bank info when CD came due."

18 Q. This is Pam being interviewed now?

19 A. No. Yes. I'm sorry, Pam. Her
20 inheritance from her mom and dad.

21 Q. "Because Steve Cheney gave me
22 Trevor Cook's for bank information" --

23 A. Uh-huh.

24 Q. -- "when her CD came due." I don't
25 have any questions about that. Can you go to the

1 next CB references?

2 A. (As read): "CB said he had
3 invested a lot of CB's money into it. CB sees JD
4 all the time. CB he's not a sophis financial
5 investor. Carpet person. D, slash, N. Rely on
6 him. It was his son-in-law part of family. I
7 never asked how it worked. I assume he got a
8 finder fee. Promoted. Trying to bring in
9 investors. If," something, "assumed he got
10 commission doing business."

11 Q. I don't have any questions about
12 that. Start with "various."

13 A. (As read): "Various middle of 7,
14 slash, '09. Investors not getting their money
15 dollars -- dollar sign out. Article."

16 Q. Can you -- so you're trying to read
17 it too?

18 A. Article basically in the
19 Minneapolis paper is what he's trying to say.
20 "None of us knew. A 150 to \$190 million is son's
21 place." I think he's talking about --

22 Q. He's talking about Cliff?

23 A. Cliff Berg.

24 Q. Can you explain to me what --

25 A. Basically in the middle of July

1 there was a series of articles that hit the Star
2 Tribune and he's talking about that the investors
3 at this point couldn't get their dollars out and
4 that the article had said there was a 150 to a
5 \$190 million involved in the scheme.

6 Q. Can you go to the next?

7 A. (As read): "TC sounded brilliant
8 guy. Introverted, nerdy guy. Not sick kind of
9 guy. Never any indication anywhere."

10 Q. Next sentence.

11 A. "TC first call next day talked
12 again and with TC," period.

13 Q. Do you know what she was referring
14 to?

15 A. Yeah. Cliff is saying that he
16 talked to -- or excuse me. Mr. Cheney was
17 talking to Trevor the first day when he wanted to
18 invest his nephew's money, and after that
19 discussion that Trevor said that there was a
20 problem with one of our business, one of our
21 areas of the business but we're strong. He
22 didn't put his nephew's money in, and the next
23 day he called Trevor and said he wanted to take
24 his money out.

25 Q. I know you got that from later but

1 how -- how do you get that from -- I mean is that
2 what that last phrase meant to you?

3 A. Uh-huh. As we followed up on it
4 later I suspect.

5 Q. Okay. All right. Let's start with
6 the --

7 A. TC --

8 Q. -- 2501.

9 A. (As read): "TC after dollars out
10 what is he going to do. He didn't say" -- hang
11 on here. "After dollars out what is he going to
12 do. Had to say a take of money us diverse to
13 another financial company. He talked about
14 setting up again at another company. I would be
15 happy to tell someone my side. It was in the
16 middle of the month."

17 Q. What did that --

18 A. He was having a conversation with
19 Trevor about what he's going to do. I'm taking
20 my money out. What are you going to do? He said
21 I'm probably going to setup another company,
22 work -- diverse to another financial company.
23 And Steve Cheney is telling him I'd be happy to
24 tell -- no, no. Excuse me.

25 Trevor Cook is I'd be happy to tell

1 someone my side of the story of all of the Star
2 Tribune articles here. So it's a follow-up
3 conversation he's discussing he had with Trevor.
4 Trevor is saying I'd be happy to tell somebody my
5 side of the story.

6 Q. You're sure that's what he's saying
7 there?

8 A. TC. Yes. Yes.

9 Q. Now, did you understand these notes
10 to mean that Trevor Cook told Steve Cheney that
11 he was going to move his division to another
12 company?

13 A. Yeah. He was going to start and
14 move his division, setup somewhere else with
15 another group here, another company.

16 Q. I will represent to you if this
17 helps jog your recollection that Steve Cheney did
18 testify at his deposition that he said he would
19 serve as references to Trevor Cook.

20 A. Okay.

21 Q. Could that be what he meant with I
22 would be happy to tell someone my side?

23 A. My side of the --

24 MS. NORGDARD: I'm going to object
25 to the extent it calls for speculation. If you

1 know one way or another.

2 MR. ERICKSON: Would it be fair to
3 say that you really don't know what he meant by
4 that phrase?

5 A. At this point in time I don't know.

6 Q. Can you start with "Ryan"?

7 A. (As read): "Ryan I talked to -- I
8 have talked to Ryan. RM handled the paperwork.
9 TC never asked to fill out any paperwork."

10 Q. Next phrase?

11 A. "TC penalty no."

12 Q. Do you have any idea what that
13 means?

14 A. There was no penalty for
15 withdrawing his money.

16 Q. Okay. That he had negotiated that?

17 A. (Nods head.)

18 Q. Can you read the next sentence?

19 A. (As read): "Floating rate loan
20 from Wells Fargo. Pay my loan back. Buy Wells
21 Fargo bond at 9.78 percent was not too bad. Ten
22 percent, 9.78 percent from Wells Fargo bond."

23 Q. So he's comparing what he made when
24 he took his money out to --

25 A. He said he was going to take his

1 money out and pay down his floating rate loan.
2 And then I think he was going to buy a Wells
3 Fargo bond at 9.78 percent which he said was not
4 too bad. But he was going from 12 percent to
5 9.78.

6 Q. Can you start with CB? I don't
7 have any questions about that other than what you
8 just said.

9 A. (As read): "CB I would have talked
10 with him that day. He said he did not know
11 anything. How can there -- devastated put life
12 savings into this. Dollars is tied up. After
13 read in paper assets frozen felt terrible."

14 Q. Do you know what these last two
15 words are?

16 A. I don't know. Something
17 experience.

18 Q. Do you understand what your notes
19 are trying to reflect?

20 A. Yeah. Basically after he talked to
21 Trevor Cook that first day, he said he would have
22 talked to Cliff Berg that day. Berg told him
23 that he didn't know anything about this going on.

24 Q. Do you have any idea of the
25 timeframe?

1 A. That day, the same day he first
2 found out from Cook that there was a problem with
3 part of the business.

4 Q. Oh. Oh, I see. So the Bo
5 Beckman --

6 A. Yes. There's a problem with a part
7 of the business, and the day he called to invest
8 his nephew's money and then he decided not to
9 there was a problem.

10 Q. Did you interview Cliff Berg?

11 A. Attempted to.

12 Q. And did he not respond to any of
13 your questions?

14 A. He took the Fifth Amendment to all
15 of the questions.

16 Q. And he was with an attorney --

17 A. Yes.

18 Q. -- when he did that?

19 A. Yes.

20 Q. Can you turn to the next page. Do
21 you know what that is?

22 A. Cliff Berg did not know what was
23 going on when he talked to him, and Steve Cheney
24 heard it first from Trevor Cook about the
25 problems in the business.

1 Q. Is that what the second phrase is
2 supposed to mean?

3 A. Which second phrase?

4 Q. The first dash TC.

5 A. "Did not know."

6 Q. No. The second phrase starting
7 with the notation "first."

8 A. "First"?

9 Q. Yeah.

10 A. TC heard about it first when Cheney
11 first heard about it. He heard about it from
12 Cook.

13 Q. Okay. Then what's this "called"?

14 A. When he called -- when he called
15 Trevor Cook he got no pushback when he wanted to
16 get his money out. We'll send it to you.

17 Q. Next phrase?

18 A. (As read): "Move to -- TC move to
19 another brokerage company. We're in -- still
20 good and solid. Another part of the company
21 having problems. Start going with another firm.
22 They're good." They're starting to go with
23 another firm, in essence.

24 Q. And when did you understand this
25 conversation was taking place?

1 A. I'm not sure when this one took
2 place. If it was the initial call or one of his
3 two or three other calls I think he had with
4 Cook.

5 Q. Okay. Can you go to the next
6 phrase starting with the dash?

7 A. (As read): "He had enough credit
8 line to make the investment and made you
9 believe." That Cheney had enough credit line to
10 make his investment and Cook made you believe it
11 that it was working.

12 Q. Next phrase?

13 A. "I can see this as a division of a
14 company." I'm not sure what that means.

15 Q. Could it mean the currency trading
16 entity?

17 A. It's definitely the discussion is
18 about the currency versus the brokerage, but I'm
19 not sure what Steve was talking about here.

20 Q. Then it's "Christian radio
21 stations" and then?

22 A. "Looked real."

23 Q. Okay. Do you recall anything about
24 your discussions with Steve Cheney other than
25 what's reflected in these notes or Mrs. Cheney,

1 Pamela Cheney?

2 A. Yeah. John Dzik was the one that
3 basically first told him about the investment
4 into Trevor Cook's trading program, and he talked
5 to Cliff about it. But, again, as I talked about
6 before, John and Cliff were carpet guys so he had
7 to go down and check it out himself. That's all
8 at this point that I can recall.

9 Q. When you interviewed Mr. Cheney and
10 he talked about when he got his money out of the
11 Cook entities, did you get the sense that he
12 thought that he was getting his money back from a
13 Ponzi scheme?

14 MS. NORGDARD: Objection, calls for
15 an opinion. The witness is not here to offer
16 opinion testimony. He's offered here for facts.

17 MR. ERICKSON: I'm asking for what
18 his personal impressions are.

19 MS. NORGDARD: His personal
20 impression has nothing to do with this case.

21 MR. HUHTA: I just object to the
22 speaking objections. It's form. You make your
23 record that way. Don't coach the witness.

24 MS. NORGDARD: And it's form.

25 THE WITNESS: Could you repeat the

1 question?

2 MR. ERICKSON: Can you read back.

3 (The preceding question was read
4 back.)

5 MS. NORGDARD: Object to the form.
6 Object because this witness is not offered as an
7 expert. And instruct you not to answer.

8 MR. ERICKSON: You're instructing
9 him to answer -- you're instructing him to
10 answer -- not to answer a question that's asking
11 for his own personal impression of what
12 Mr. Cheney said?

13 MS. NORGDARD: If you can explain to
14 me what his personal impression has to do in the
15 context of the discovery order in this case, I'd
16 consider it.

17 MR. ERICKSON: You mean the
18 discovery order that you got ex parte without
19 anyone objecting?

20 MS. NORGDARD: I mean the discovery
21 order that --

22 MR. HUHTA: It seems to me it --

23 MS. NORGDARD: -- has the document
24 No. 380 at paragraph five, sub two signed by
25 Michael J. Davis on July 20, 2010.

1 MR. HUHTA: It seems to me it would
2 go to the good faith of the witness.

3 MR. ERICKSON: Yeah, it would.

4 MS. NORGDARD: How so? Are you
5 going to explain to me that Mr. Ostrom and
6 Mr. Cheney are similarly situated or that Mr.
7 Ostrom is going to sit on the jury or --

8 MR. ERICKSON: He contemporaneously
9 interviewed him. I think his impressions are
10 relevant.

11 MS. NORGDARD: If you can explain to
12 me how, Counselor, I'll consider letting him
13 answer.

14 MR. ERICKSON: Your case is about
15 that we didn't take the money in good faith.

16 MS. NORGDARD: Okay. Mr. Ostrom's
17 opinion on this is relevant how? He's offered as
18 a fact witness.

19 MR. ERICKSON: If you're going to
20 stipulate that you're not going to have him
21 testify about anything else other than being a
22 foundation witness for this document, that's
23 fine. Then fine, I'll withdraw the question.

24 MS. NORGDARD: I'm not going to say
25 that I'm not going to have him testify to

1 anything other than a foundation witness for this
2 particular document, but he is not going to be
3 offered as an expert to opine on the good faith
4 of your clients. I'll stipulate to that.

5 MR. ERICKSON: I think it's a fact
6 whether or not he thought that he had any notice
7 of a Ponzi scheme. Why is that not a
8 discoverable fact?

9 MS. NORGDARD: Whether he thought is
10 something about his mental impressions that is
11 beyond a fact. Listen, I'll stipulate we're not
12 going to offer Mr. Ostrom as a witness to talk
13 about whether any of the Respondents did or did
14 not have good faith.

15 MR. HUHTA: Doesn't mean it can't
16 be explored. Lay opinion testimony is fine if
17 it's based on his factual understanding at the
18 time. Are you going to stand by the instruction
19 to not answer?

20 MS. NORGDARD: I'm sorry, can you
21 explain it more thoroughly?

22 MR. HUHTA: Lay opinion if it's
23 reasonably based upon the factual perceptions of
24 a fact witness is admissible.

25 MS. NORGDARD: And when -- you

1 stepped out, Mr. Huhta, so perhaps you're behind
2 the ball again; but we're not going to offer him
3 as opinion witness.

4 MR. HUHTA: It doesn't matter what
5 you are going to offer him for. People are
6 entitled in a discovery deposition to find out as
7 many facts and opinions as a witness may have.
8 It may help their case; it may hurt their case.

9 MS. NORGDARD: Well, you know what,
10 then I'll withdraw my stipulation. You can ask
11 your question again. Let me hear it. And if I
12 hear it again and I reconsider it, but if I allow
13 him to testify, there's no stipulation at all
14 that was discussed on the table.

15 MR. HUHTA: What stipulation?

16 MS. NORGDARD: The one that you left
17 the room for. So you'll have to read the
18 transcript.

19 Can you re-read the question,
20 please. Or would you like to ask another one?

21 MR. ERICKSON: I'm going to think
22 about whether or not I want to. So is your offer
23 still on the table?

24 MS. NORGDARD: If you're going --
25 listen, I told you we're not going to offer Mr.

1 Ostrom to testify about whether Mr. Cheney did or
2 did not have good faith. I don't think that Mr.
3 Ostrom's testimony on that point is relevant.
4 However, if you want to ask the question, then
5 I'm not going to stipulate that I'm not going to
6 ask it of him on the stand.

7 MR. ERICKSON: How about this: Are
8 you going to offer him for his opinion about the
9 truthfulness of any of the witnesses that he
10 interviewed? His impression of the truthfulness
11 of any of the witnesses that he interviewed?

12 MS. NORGDARD: Well, I guess -- you
13 know what, let's go ahead with this. That's
14 fine. Go ahead and ask your questions.

15 MR. ERICKSON: Okay. I think
16 that's the first one that I'm going to ask. When
17 you interviewed Mr. Defiel, did you find his --
18 can I refer to it as testimony?

19 A. His interview.

20 Q. His interview statements to be
21 truthful?

22 A. The answer will be similar to all
23 of them across the board. We interviewed.
24 Questions were asked. The Respondents provided
25 their explanation. For me to give you my opinion

1 or impressions I need to know really all the
2 circumstances around this, all the facts. I've
3 not read their depositions. I haven't gone into
4 any of that. There's other people that, i.e.
5 Mr. Berg, who we have not talked to. And so I
6 don't know all the facts to make that judgment
7 call whether they're truthful, whether they're
8 untruthful at this point. I need to know kind of
9 all of the facts, and at this point I personally
10 don't have that. I guess does that --

11 Q. So as you sit here today, you are
12 not able to form an opinion as to the
13 truthfulness of the statements of any of the
14 witnesses?

15 A. No, because I don't have all the
16 facts in this case at all.

17 Q. I may circle back to this but let's
18 go on to Bates 2503. Can you start with "real
19 estate"?

20 A. (As read): "Real estate broker
21 commercial 97. Real estate investor, equitable
22 investor. Loans to companies, stock picker,
23 etcetera."

24 Q. Can you go to the next sentence? I
25 don't have any questions about that previous

1 sentence. Can you go on to the next sentence?

2 A. (As read): Something "real estate
3 my other equities -- other is equities." He's
4 saying real estate is his main investment and
5 equities is his other, his investment interest.

6 Q. Okay. Can you go on to "TC"?

7 A. (As read): "TC I was getting low
8 interest rate at banks. Heard about TC. Van
9 Dusen is one block from my office Starbucks.
10 Heard seminar how to call" -- I don't know what
11 the other how something. "Quote, Bo one percent
12 a month 12 percent annual. Went to October '07
13 seminar. First deposit was March of '08.
14 Intrigued about Bo says a recession should be
15 getting out of equities. High I."

16 Q. What did that mean to you?

17 A. Basically he was intrigued about
18 the presentation of Bo. Basically there's a
19 recession coming. You need to get out of
20 equities. And this 12 percent, this investment
21 intrigued him into the currency arbitrage.

22 Q. Did he say anything about Chris
23 Pettengill that's not reflected on here?

24 A. I don't recall Chris Pettengill. I
25 recall he's heard -- he's heard of Trevor Cook

1 because his office is a block away, and he's
2 heard the talk at Starbucks as well; but I don't
3 recall any discussions on Chris Pettengill.

4 Q. Do you recall --

5 A. Chris Pettengill here yes, but not
6 up here. So this portion I don't know. I don't
7 know what the Chris Pettengill --

8 Q. The context?

9 A. The context of it is.

10 Q. "TC last spent"?

11 A. "TC last" something. I don't know.

12 Q. Do you know what these two "last
13 called a couple of times"?

14 A. "Called a couple of times. Called
15 a couple of times." I believe he was talking
16 about calling the mansion and talking to folks at
17 the mansion I believe is what he's talking about.

18 Q. Top of 2504.

19 A. (As read): "Short-term investment
20 works heard about from Steve Cheney had bought
21 apartment building from 2002. Bought carpet
22 from. Heard about this investment from Steve
23 Cheney." He had bought -- there was an apartment
24 building and carpeting.

25 Q. Okay. Next paragraph?

1 A. (As read): "No interest. Monthly
2 Ryan would drop checks. A couple of times of
3 late would Ryan would send. Would not call
4 Trevor." A couple of times the monthly interest
5 checks were late and he had to call Ryan Moeller.

6 Q. Did you know how late?

7 A. I don't know.

8 Q. So you have no context of time?

9 A. No. Sorry. Enough for him to
10 call.

11 Q. But you don't know what his
12 threshold to call could be?

13 A. His threshold could be a week,
14 maybe a different time threshold.

15 Q. Sure. The next phrase?

16 A. He did meet with Trevor Cook. I
17 believe when they initiated the contract they
18 went down. I believe he -- Steve went down to
19 the mansion to hear the presentation here. And
20 this is -- they made him an offer of ten percent
21 and he wanted the 12 percent interest rate.

22 Q. Anything else?

23 A. No.

24 Q. 6/30/09?

25 A. (As read): "Talk with Steve

1 Cheney. Steve was taking his money out. That
2 was enough. I had a \$1.5 million loan at
3 Associated Bank, a signature loan needed to
4 collateralize. They would like to have the whole
5 thing paid off. More than enough." Steve --

6 Q. When had he said more than enough
7 was that --

8 A. I took that to mean --

9 Q. That Steve was taking his money out
10 and he needed to pay off the loan so he just --

11 A. No. I took it that Steve Cheney
12 called him on the 30th of June and that Steve was
13 taking his money out of the Cook investment, and
14 that was enough for Larry. He didn't need any
15 more. That's enough. He's taking his money out.
16 He decided to take his money out. Larry was
17 saying that he had a \$1.5 million signature loan.
18 That his investment was more than enough to pay
19 off that loan is what I understand it.

20 Q. The next phrase.

21 A. Steve Cheney talked with Trevor
22 Cook. Sounded like there was questions on the
23 brokerage end of Oxford. Larry asked was it with
24 Bo? And Steve Cheney yeah, I'm going to take my
25 money out here.

1 Q. Anything else relative to those
2 statements?

3 A. Nope.

4 Q. Top of 2505. Can you just read
5 these three lines?

6 A. "Never talked to Trevor Cook.
7 Steve Cheney mailed the cashier's check for
8 202,000. Deposited it in bank."

9 Q. I don't have any questions about
10 that. Next sentence?

11 A. "Trevor Cook knew that Cheney and I
12 had money invested, money in the investment."

13 Q. You mean that they went to meetings
14 together and stuff like that or --

15 A. No. Trevor Cook just knew that
16 both he and Cheney had money in the investment.
17 Into his, his being Trevor's investment.

18 Q. Was this question related to -- or
19 this statement related to how Cheney got
20 Hopfenspirger's money out of --

21 A. Yes. He knew they were connected.
22 They had gone down together. They knew that they
23 were invested together.

24 Q. So that's what Larry thought
25 when --

1 A. Uh-huh.

2 Q. -- that Cheney got his money out.

3 A. Yes, because he never called to get
4 his money out. Steve was going to get his money
5 out for him.

6 Q. Did he tell you that he'd asked
7 Steve to get his money out?

8 A. Yeah. That was enough for him.
9 When Steve said he was pulling his money out,
10 that's all he needed to know. Can you get my
11 money out? Yes.

12 Q. All right. Is that Steve Cheney?

13 A. Steve Cheney had been an investor
14 for a long period of time. Always got paid as
15 promised or in the investment period.

16 Q. I don't have any questions about
17 that. Next?

18 A. "Who else invested in it? Don't
19 know anybody else. Other people Steve Cheney
20 knew were invested." He personally didn't know.
21 Steve knew of other people.

22 Q. Next?

23 A. He met -- he met one of the
24 investors, I believe, that Steve Cheney had in
25 there; and he doesn't recall who that was.

1 Q. Next phrase starting on "both of
2 those"?

3 A. "Both of those." The discussion
4 here is talking about the checks that were sent
5 late, and on both of those Ryan brought one to
6 his office. And then the second one that's late,
7 he went over and picked up the check from Ryan
8 Moeller.

9 Q. The next phrase?

10 A. "Verbal on the two occasions." I
11 believe he called and talked to Ryan Moeller
12 about the withdrawals that he was getting there,
13 and then Ryan brought one over and then he went
14 to the Van Dusen on the second one.

15 Q. Do you have any recollection as to
16 whether or not these were withdrawals of
17 principal or interest he was talking about?

18 A. Good question. Good question. I
19 want to say I think it was principal withdrawals.

20 Q. I'll represent to you that he did
21 make two principal withdrawals. Do you recall --
22 with that in mind, does anything relative to
23 this --

24 A. These weren't late payments. These
25 were the principals. He called up Ryan, said I

1 want withdrawals. And Ryan brought one over, and
2 then he went and picked up another check at the
3 mansion one occasion.

4 Q. The next dot I believe that says --
5 what does that say?

6 A. "Penalty assessed. They were
7 waived." There was no penalties for his
8 withdrawals.

9 Q. Okay. And then the sentence after
10 that?

11 A. "Not aware of any fees being
12 charged."

13 Q. 2506. Top of 2506.

14 A. "1099's -- I did not check on
15 that." Were 1099's issued to them. He didn't
16 know. He didn't check on that. Thinks he did
17 but it's something he didn't check prior to the
18 interview.

19 Q. Okay. Then the next phrase?

20 A. "Oxford Global Advisors, LLC." Not
21 sure.

22 Q. And then the next phrase starting
23 "Ryan"?

24 A. "Ryan one time forgot. Won't
25 happen again." One of the monthly checks was

1 late.

2 Q. Okay. That's one of the ones that
3 he referred to earlier?

4 A. Early on.

5 Q. Was there anything else said about
6 that?

7 A. I don't recall.

8 Q. Next phrase starting with "CB"?

9 A. Cliff Berg, he recalls the name.
10 Basically he knew that Berg knew Steve Cheney for
11 a long time.

12 Q. Next phrase?

13 A. We were talking about arbitrage,
14 and he was saying that he really didn't
15 understand the arbitrage system that well.
16 Taking a percentage from both ends of the trade
17 here, he just didn't understand it.

18 Q. Anything else relative to that?

19 A. Not that I recall.

20 Q. Next phrase starting with that
21 slash -- or the dash, I'm sorry.

22 A. He buys carpet from Steve Cheney
23 and he talks to him about two times a month
24 basically. During the course of conversation, he
25 did not -- you know, we were: Did he call Steve

1 Cheney about his investment, or did Steve Cheney
2 call him on that I think it was June 30th when
3 Steve called and said he was taking his money
4 out.

5 Q. So he couldn't --

6 A. Couldn't tell which way the call
7 went. That he had the conversation.

8 Q. So to sum that up, he couldn't tell
9 when they talked about withdrawing his investment
10 who initiated the call?

11 A. Correct. He could not say who
12 called who.

13 Q. Was there anything else that
14 wasn't -- I'm sorry. I hate to do this to you.
15 Was there anything else not discussed in these
16 notes that you recall specifically from Mr. --
17 I'll try not to butcher his name --
18 Hopfenspirger's examination?

19 A. Not that I can recall at this time
20 here.

21 Q. This would constitute -- what was
22 produced to us would constitute all the notes
23 that you took relative to all of these
24 examinations, correct?

25 A. From the interviews, yes. These

1 are the interview notes.

2 Q. The ones you were responsible for.

3 A. These are my interview notes.

4 These are not.

5 Q. Did you give those to Peter
6 immediately, or did you give them to him at a
7 later time?

8 A. I think at a later point in time.

9 Q. Okay. You've never had these
10 transcribed?

11 A. No.

12 Q. I'm not going to ask any questions
13 about Bill. I'm going to direct our attention to
14 2532.

15 A. Okay.

16 Q. I'm going to direct your attention
17 to the line in the middle of page. We don't need
18 you to -- can you start reading where G -- I
19 don't know. Can you start reading where the line
20 is?

21 A. Walter Defiel had an investment of
22 about 50,000 that he was going to invest or did
23 invest in the Cook operation. John also was
24 going to invest in it, and they met a couple of
25 times and talked to he and his wife. They went

1 to the mansion, talked to Ryan Moeller.

2 They did the paperwork, and they
3 were going to invest 401(k)'s. I'm not sure what
4 "three John's work." It might be three from
5 John's work. I'm not sure. He's known Walter
6 for a number of years from the auto business.
7 Walter is in the carpeting. He knows him. Again
8 he talked about Ryan doing the paperwork when he
9 opened the account.

10 Q. I don't have any questions relative
11 to that. You can keep going.

12 A. When George decided to pull his
13 money out when Jake told him that he, Jake, was
14 going to take his money out and put it into
15 Ameriprise.

16 Q. Can you -- I'm sorry. I hate to
17 interrupt you. Can you say that again?

18 A. Jake -- Jake told him, Jake told
19 Mr. Morisset that he was going to get his money
20 out and that it was going to be -- he was going
21 to invest it in Ameriprise.

22 Q. Okay.

23 A. He never called -- Jake never
24 called anyone. I mean -- excuse me. He never
25 called. George never called. He got Jake to

1 just go along with it, I guess, as I'm
2 interpreting my notes. And I believe that's the
3 case. He got the checks from this John. I don't
4 know if he later said Dzik but from John. Checks
5 Jake, Karen and me.

6 Q. What is the paragraph to the left
7 at the bottom of 2532? What is -- what does that
8 say?

9 A. "We never called." We, the
10 Morissets never called. Jake had his checks at
11 his house. He later found out that Jake had the
12 checks from John at his house.

13 Q. Do you recall anything else other
14 than what's written here?

15 A. Huh-uh. At this point, no.

16 Q. Top of 2533.

17 A. Gary LaVessar, Gray LaVessar at
18 Ameriprise. That's where he invested his money.
19 He was going to do a 60-day rollover.

20 Q. I don't have any questions about
21 that. Next bullet point?

22 A. "In Christian." He might have said
23 something about Christian radio or Christian
24 advertising. I don't know.

25 Q. Nothing you can specifically recall

1 as you sit here today?

2 A. No, nothing.

3 Q. Next bullet point?

4 A. At this point I don't know. I
5 don't know.

6 Q. Next bullet?

7 A. "Ryan and receptionist."

8 Q. Do you know what --

9 A. What context? No.

10 Q. Next?

11 A. Basically he was going off on
12 advice basically from Jake. Seemed like what
13 Jake did is good enough for him so he was
14 following basically what Jake was doing. Kind of
15 dovetailing on what he said.

16 Q. Okay. Next bullet point?

17 A. SEC sent him paperwork to fill in.
18 He did not fill it in he said and return it. He
19 did not know Trevor Cook. I believe he said that
20 he dealt with Ryan when they were down at the
21 Oxford Global.

22 Q. Anything else?

23 A. That Ryan helped him with the
24 paperwork when they filled it out. He had a
25 concern about the money coming out. There was a

1 rollover issue, the 60-day rollover. Again he
2 got the check from John. He did not know of any
3 problems or investigations. It was never told to
4 him.

5 Q. I'm sorry. I understand problems
6 or investigations?

7 A. "No retirement from."

8 Q. Okay. Do you know what "no
9 retirement from" means?

10 A. The "no" is he didn't know about
11 any problems or investigation. He didn't know of
12 anything. And then "retirement from," I don't
13 know.

14 Q. You don't recall asking if he was
15 retiring from his job anytime soon?

16 A. I know we had several folks talk
17 about that. That potentially could be, yeah.
18 But again --

19 Q. You have no specific recollection
20 of it?

21 A. No. My recollection is he's taking
22 his money out because Jake is taking his money
23 out and they're rolling it to Ameriprise.

24 Q. Next bullet point?

25 A. He was relating a conversation

1 about receiving a subpoena for his documents and
2 what did he end up doing. And I don't know what
3 Jake did. He talked to Jake about that.

4 Q. I'm sorry. I don't know if you
5 talked about the bullet point above it.

6 A. "Called and said" --

7 Q. You don't know what it says?

8 A. Nope. Nope. Don't recall.

9 Q. Now go back down to the bottom.

10 A. He talked to Jake. "Did you ask
11 him if he got a subpoena."

12 Q. Then what?

13 A. "He ended up." Don't know. Don't
14 recall.

15 Q. Top of 2534.

16 A. Did not know Cliff Berg. He only
17 dealt with Ryan Moeller. We have money that they
18 were going to invest, and he saw an Oxford Global
19 investing brochure I believe is what he said.

20 Q. No recollection of anything other
21 than that?

22 A. No. No.

23 Q. Next paragraph?

24 A. The discussion was about the
25 third-party administrators here, Entrust. He did

1 have paperwork, and he was upset that they were
2 getting billed, I believe, by Entrust. They
3 wanted -- they eventually -- I believe he was
4 talking about Entrust sent them paperwork and
5 they had to send \$90 each to Entrust and fill out
6 some forms for paperwork so they could quit
7 getting the notices and have the money indicated
8 that they know longer had it.

9 He was getting billed for his
10 money, in essence, still being in there; and the
11 accounts were closed and the money was taken out
12 as discussed previously here.

13 Q. The last section here?

14 A. Talking about commissions, finder
15 fees. Jake recommended it but finder fees, no.
16 That he just invested this 50,000 and didn't get
17 charged any fee or anything. Did he pay -- were
18 any fees charged by Ryan or explained to him? He
19 said it may have to write a check.

20 This is in relation to the
21 withdrawals, not the going in. This is the going
22 out -- hang on, let me back that up.

23 Jake recommended finder fees. No.
24 Just 50,000 get in. Ryan a fee? No. No. They
25 were talking about getting into the investment,

1 and he may have written a check for a fee to get
2 in.

3 Q. But he had no specific recollection
4 of it?

5 A. Did not.

6 Q. As it relates to George Morisset,
7 did this include -- was his wife at this
8 interview?

9 A. You know, I think she was part of
10 the call. George did most of the talking but I
11 think she might have been in the background.

12 Q. So this was by telephone?

13 A. Correct.

14 Q. The Cheneys were in person?

15 A. Yes, him and his wife.

16 Q. And Defiel was by telephone?

17 A. Yes.

18 Q. And no other records other than
19 potentially some photos from Peter exist relative
20 to either the Moeissets or the Cheneys'
21 examination?

22 A. Not that I have.

23 Q. Do you have anything -- do you
24 recall anything other than what was discussed in
25 the Moeissets?

1 A. At this point I don't recall
2 anything additionally.

3 Q. I recall that the Hillesheims or --
4 that's Michael Hillesheim, right?

5 A. Yes.

6 Q. You need to take a quick break?

7 A. No.

8 MR. ERICKSON: Off the record.

9 (Discussion off the record.)

10 MR. ERICKSON: Let's start at the
11 top of 2542.

12 A. This is -- his wife was, I believe,
13 working at a dental office in New Alm, and Cliff
14 Berg had dropped off a brochure. They also saw
15 an article in a farmers magazine in '07 about the
16 investment opportunity, and they know Cliff to be
17 a carpeting rep, a flooring rep.

18 Q. Does this relate to
19 Mrs. Hillesheim's profession, "design home center
20 flooring rep"?

21 A. You know, I'm not sure.

22 Q. Let's go the next paragraph, "not
23 sure."

24 A. "Not sure what Cliff Berg don't
25 know," but he knew that -- he knew that Trevor

1 was a son-in-law of Cliff. He went to the
2 mansion. "We went to the mansion to meet with
3 Cook," and they wanted to see what the investment
4 was all about. They did meet with Cook, and they
5 did invest a couple of months later. Basically
6 he --

7 Q. Now, is there anything else about
8 this paragraph other than what's written?

9 A. No, not that I recall.

10 Q. You sounded like you were starting
11 to --

12 A. No. I was going to go on to the
13 next portion. Basically he didn't trust the
14 market at this point in time. The equities
15 market, the stock market.

16 Q. So that's why he selected the --

17 A. Right, to go with the program. He
18 mostly dealt with Berg. Even though he did meet
19 Trevor he basically called him his rep here.

20 Q. Okay. Is that the next paragraph?

21 A. Yeah. Basically Cliff's the rep
22 and Ryan Moeller did the paperwork for the
23 investments.

24 Q. When you say rep, do you mean sales
25 representative?

1 A. Yes.

2 Q. Let's go to the next section, "CB"?

3 A. He didn't know what Berg had
4 actually invested in this Trevor Cook's
5 investment.

6 Q. But did he know that he was
7 invested? Or can you glean from anything that
8 you wrote here?

9 A. I believe he did know but he didn't
10 know what, you know, or how much was invested in
11 there. He went on to talk about the oral
12 agreement he had basically with Cliff to be the
13 account rep and to watch his accounts here.

14 Q. And then what's he referring to
15 when "you blank have your check tomorrow"?

16 A. Let's see. Cliff called his wife
17 at work. Basically he closed the accounts and
18 you're going to have your check tomorrow. When
19 the question was asked why, Cliff Berg said there
20 was going to be an investigation.

21 Q. Was there any specifics about the
22 investigation?

23 A. No. No. Nothing. Basically that
24 something happened and they were going to get the
25 money out, and he got his money is basically what

1 he said. He got his check.

2 MS. NORGDARD: Can we take a break?

3 MR. ERICKSON: Sure.

4 (A brief recess is taken.)

5 MR. ERICKSON: Back on the record.

6 Can you start at the top of 2543?

7 A. Yeah. That's them continuing to
8 talk about something happened.

9 Q. First of all, this is Michael
10 Hillesheim?

11 A. Yes. Correct. Something happened
12 at the mansion. He didn't know. Investigation,
13 something happened. Cliff was looking to get the
14 money out and he did. He got money out.

15 "Review principal and interest."
16 His investment was giving him better than ten
17 percent. When he took out the investment, I
18 believe he said he put some of it into for his
19 farming. He had farming expenses and then some
20 into an IRA.

21 Q. And then "CB"?

22 A. "Not really stopped in store."
23 Don't know. "Trevor Cook, Ryan Moeller," don't
24 know.

25 Q. I think -- let me -- I'm not trying

1 to put words in your mouth, but I think what you
2 were asking here is did you have any contact with
3 any of these folks?

4 A. Right. Because -- no, I agree. I
5 agree with that statement here.

6 Q. And so he said he didn't really
7 have a lot of contact with Cliff Berg.

8 A. "Stopped in store. Not really."

9 Q. I'll represent to you that he's the
10 farmer and she's the --

11 A. She's the -- yeah.

12 Q. -- the Design Home Center lady.

13 A. She's the one outside the house,
14 yes. He's the farmer.

15 Q. Anything from the interview of
16 Michael Hillesheim that's not reflected in these
17 notes?

18 A. No, not that I can recall.

19 Q. Do you recall if he told you that
20 he dealt with Cliff Berg or if his wife dealt
21 with Cliff Berg?

22 A. I think he dealt with Cliff Berg.

23 Q. Okay. Let's go -- let's start at
24 the slash, okay. I thought that was the divide
25 between the two of them, but I don't know if that

1 is or not. I'm going to ask that. Is this slash
2 the divide between Michael Hillesheim and Cindy
3 Hillesheim? And I'll represent to you in the
4 interest of time that you do have a CH at the top
5 of 2544. Why don't we start and then you think
6 about that as we --

7 A. I believe you are correct if I have
8 to think about it, that the CH is -- is his wife.

9 Q. I know that those are her initials.
10 What I'm asking is did her examination start
11 here -- I'm indicating towards the slash on
12 2543 -- or is it your recollection that her
13 examination started at the top of 2544?

14 A. I know for sure here. Here I'm not
15 certain.

16 Q. I mean that's fine. Can we start
17 with "CB said"?

18 A. Yeah. There was discussion where
19 you can follow the story in the Minneapolis Star
20 Tribune here. At some point in time that
21 conversation occurred with Cliff.

22 Q. So this is the articles about the
23 investigation rather than the pre -- you know,
24 the pre-favorable articles?

25 A. I don't think -- I'm not certain on

1 that. To be honest, I'm not certain.

2 Q. Okay. So as you sit here today,
3 you don't know what that refers to?

4 A. I don't.

5 Q. Next phrase?

6 A. "No other investments." Don't
7 recall what that is saying. "Discussion with
8 Cliff Berg about 10.5 percent." That's what they
9 were getting. I'm not sure what the no
10 discussion with Cliff Berg about that said. We
11 got into a discussion about, you know, taking the
12 money out. They got it out. No interest or
13 penalty, no IRA fee, and they knew about they had
14 60 days to rollover the money.

15 Q. What about the 1.5 percent in
16 brackets?

17 A. I don't know what the 1.5 is
18 because that would have been maybe they're
19 discussing their monthly fee which, wouldn't add
20 up to the 10.5. I'm not sure.

21 Q. Above 60-day rollover do you know
22 what "I" --

23 A. "I knew that."

24 Q. "I knew that it was a 60-day
25 rollover"?

1 A. Right. That there was a 60-day.

2 Q. Okay. "No interest or penalty. No
3 IRA fee." Okay. Now at the top of 2544.

4 A. "CH known for 16 years carpet rep.
5 Stock market rep. Showed" -- don't know.
6 Trusted Berg. She definitely trusted Berg.
7 "Told me he did" -- I think he did have money in
8 this investment and this is their earned money.
9 And I don't know what I would not or "IWN," I'm
10 not sure what that is.

11 She's saying, "Called me at work.
12 You'll be getting a check in the mail. Close
13 your accounts. Wanted to make sure. Called at
14 work. Berg told me later there was going to
15 be -- going to be locked." The accounts were
16 going to be locked. Something "assured." I'm
17 not sure what she's saying. "That's why" -- I
18 know. That's why he took the money out because
19 the accounts were going to be locked.

20 Q. That's your recollection that he
21 knew that they were going to be locked or he
22 thought there was a potential they could be
23 looked?

24 A. He said they were going to be
25 locked.

1 Q. What's the word after --

2 A. Assured.

3 Q. Assured?

4 A. And that's why close the account
5 and took the money.

6 Q. Okay. But that was after -- did
7 you understand that to be before or after they
8 had received their check?

9 A. It's after. Cliff Berg told me
10 later that there was going to be a lock. That's
11 why he closed the account and took the money.

12 Q. Then it says "investigation into"
13 --

14 A. "Investigation into" -- "shortly
15 thereafter investigation into what" -- I'm not
16 sure what that word means or is, "shortly
17 thereafter here." I don't recall right now.

18 Q. Okay. Next phrase?

19 A. Berg is now a carpet rep for
20 another company and he comes in the store, and
21 they have not discussed this.

22 Q. Do you recall anything from the
23 examination of Cindy Hillesheim that's not
24 reflected in this?

25 A. No. At this point in time I don't

1 recall any additional.

2 Q. So I want to be perfectly clear.

3 Everything that you can recall as we sit here
4 today related to the Cheneys, Steve and Pamela
5 Cheney, Larry Hopfenspirger, Walter Defiel,
6 George and Karen Morisset, and Michael and
7 Cynthia Hillesheim we've discussed today?

8 A. As I recall today, yes.

9 Q. Do you recall your recollection or
10 understanding of these events to be substantially
11 diminished from when the interviews took place?

12 A. Substantially -- diminished, yes.

13 Q. They must be diminished somewhat?

14 A. Yes.

15 Q. But do you remember these
16 interviews fairly clearly as you sit here today?

17 A. Some of them stand out very
18 clearly, yes. Yes. Some of them more so than
19 others.

20 Q. Which interviews stand out most to
21 you?

22 A. Probably the Cheney interview
23 stands out.

24 Q. Why does it stand out to you?

25 A. Different type of investor than the

1 normal -- not the normal. The other ones. Very
2 different.

3 Q. More sophisticated?

4 A. I think that would be correct.

5 Q. Did you get the impression that
6 Mr. Hopfenspirger was sophisticated?

7 A. He was a well-seasoned investor
8 into the real estate. This seemed to be a little
9 bit out of his comfort zone, and I think he was
10 relying on Mr. Cheney and his understanding of
11 this arbitrage. But in real estate and apartment
12 buildings, yes.

13 Q. Okay. Did you have either a
14 positive or a negative reaction to anyone that
15 you interviewed?

16 MS. NORGDARD: Object to form. You
17 can answer.

18 THE WITNESS: I guess --

19 MR. ERICKSON: Did anyone give you
20 a bad impression?

21 MS. NORGDARD: Object to the form,
22 vague.

23 THE WITNESS: Bad impression. What
24 do you mean I guess?

25 MR. ERICKSON: Was anyone rude?

1 Were they --

2 A. No. No one was rude. No.

3 Q. Did you have a sense that some
4 people that you interviewed had better memories
5 than others?

6 MS. NORGDARD: Object to the form.

7 THE WITNESS: Yeah. Like in every
8 case, every interview, some people are going to
9 remember better, have more documentation than
10 others. It's just it's kind of the nature of the
11 beast.

12 MR. ERICKSON: At any time -- the
13 reason why I'm asking these questions is I just
14 want to make certain there isn't anything in
15 terms of anything about these interviews that I'm
16 not hearing as we sit here today.

17 A. I guess I don't know what else you
18 are looking for.

19 Q. I mean I just want to know maybe
20 somebody went crazy in the middle of the
21 interview and started dancing on the chair.
22 That's the kind of thing I want to know about.

23 A. No one did that.

24 Q. Was there anything unusual about
25 any of the interviews you conducted?

1 A. Anything unusual. Again, unusual
2 being dancing on the table, jumping out a window?

3 Q. Anything that struck you as odd.

4 A. Struck me as odd. Not that I can
5 recall.

6 Q. Did anyone's examination contain
7 any inconsistencies that you could see as you
8 were conducting the examination?

9 MS. NORGDARD: Object to the form.

10 THE WITNESS: Do you mind if I go
11 back and look?

12 MR. ERICKSON: Absolutely not.
13 Your award is this will be the last one.

14 A. There were -- was some different
15 stories, different things that were told to us.
16 And, again, I'll go back to I don't have all the
17 facts. I don't have all the --

18 Q. I understand.

19 A. There were -- you know, Mr. Cheney
20 is talking about -- he's calling down to Trevor
21 Cook wanting to put his investments in for his
22 nephews. And Trevor Cook is telling him we have
23 a problem with one of our businesses. And then
24 he supposedly told Mr. Berg about it, and some of
25 the other ones were saying that Cliff Berg was

1 telling them there's an investigation and I'd
2 close your accounts and get your money out. So
3 there's a little difference in the --

4 Q. It could be a sequence.

5 A. And again I don't know. Again that
6 would kind of bolster what I'm trying to say. I
7 don't have all the facts of when all this
8 transpired here. And for me to form those type
9 of opinions, you've kind of got to look at all
10 the facts before I would say something along
11 that.

12 So it gives one question here about
13 timing and who was saying what to who. So that's
14 one area that's like -- okay. Okay. Let's see.

15 (Reviews document.) You know,
16 nothing else stands out at the time that I can
17 recall as I sit here today right now. Again I
18 don't have all the complete facts to really make
19 a comparison here at this point in time.

20 MR. ERICKSON: Tara, I don't know
21 how we're going to be on that stipulation that
22 you're not going to use him as a good faith
23 witness. Because if you are going to -- if
24 you're not going to make that stipulation, then
25 I'll ask him the final question that I've got to

1 ask relative to his -- whether or not at the time
2 he conducted the interviews, or shortly
3 thereafter, he thought, he had the impression
4 that when the Respondents -- when any of the
5 Respondents received their money back that they
6 knew they were getting money back from a Ponzi
7 scheme. If you're going to not use him as a good
8 faith witness, I don't need to ask him that
9 question.

10 MS. NORGDARD: Well, I think we kind
11 of -- I think that ship has sailed with your
12 earlier questions, frankly.

13 MR. ERICKSON: That's fine. I'm
14 perfectly okay with that.

15 So, Mr. Ostrom, as you were sitting
16 conducting these examinations, or shortly
17 thereafter, did you ever form an impression about
18 any of the Respondents that when they received
19 their money back that they knew they were getting
20 money back from a Ponzi scheme?

21 A. None of them told me that they knew
22 that they were getting -- this is a Ponzi scheme.
23 I got my money out. No one said that. And again
24 for me to draw a conclusion, I've got to kind of
25 know all the facts here.

1 Q. I'm not asking you to know. That's
2 not my question. My question was did you have
3 the impression?

4 A. No one told me, let's put it that
5 way.

6 Q. Okay. So with your background --
7 would it be fair to say that with your background
8 in order for you to form an impression about
9 something you'd need to have concrete facts?

10 A. I've had the best people in the
11 world look me right in the eye and lie like
12 there's no tomorrow, and I've had people look me
13 in the eye and tell me the truth; and sometimes
14 they look exactly alike.

15 Q. So would it be fair to say that
16 from your experience that it's best to reserve
17 judgment?

18 A. To look at all the facts.

19 MR. ERICKSON: I understand. I
20 don't have anything further.

21 EXAMINATION

22 BY MR. HUHTA:

23 Q. Good afternoon. Is it Ostrom or
24 Austrum?

25 A. Ostrom.

1 Q. Mr. Ostrom, I represent Dot
2 Anderson. I'm here to ask you some questions
3 with respect to a few witnesses. It was my
4 impression up until today, this afternoon, that
5 you had interviewed Dot Anderson. Have you
6 interviewed Dot Anderson?

7 A. No.

8 MR. HUHTA: And, Ms. Norgard, is it
9 alright if I show him the top of this document
10 which is marked as confidential which I was told
11 were his notes but which I now understand are
12 not? I don't want to show -- you can show him
13 the rest of the pages that's been marked
14 confidential. I don't want to give the witness
15 something that's been marked as confidential that
16 he shouldn't have access to.

17 MS. NORGDARD: That's fine.

18 MR. HUHTA: I'm going to hand you
19 just a page that's been produced to us in
20 discovery marked IR 002540. Hold it up so you
21 can only see the top of the page. Do you
22 recognize --

23 MS. NORGDARD: Wait, Counsel. I
24 want to get to that copy. Do I have one in my --
25 2540, I think I have it.

1 MR. ERICKSON: 2540.

2 MR. HUHTA: Can I hand it to him
3 now? But the whole exhibit has been marked?
4 It's in the exhibit?

5 MS. NORGDARD: Yeah.

6 MR. HUHTA: Then turn to 2540.

7 MR. ERICKSON: The ship has sailed
8 on that one.

9 MS. NORGDARD: These were marked
10 confidential to protect certain information of
11 your clients to the extent they wanted it
12 protected. So if you don't have a problem, then
13 we don't have a problem.

14 MR. HUHTA: I certainly have no
15 problem with you taking a look at that page and
16 telling me is that your handwriting?

17 A. No.

18 Q. Do you know whose handwriting it
19 is?

20 A. David Austrum.

21 Q. So someone from your office?

22 A. Correct.

23 Q. So your office interviewed Dot
24 Anderson?

25 A. Yes. David Austrum from our

1 office.

2 Q. That's A U S T R U M?

3 A. Yes.

4 Q. Do you know anything about Dot
5 Anderson?

6 A. She invested money in Cook's
7 program. I believe her broker was Grant
8 Grzybowski. And she got her money out of the
9 investment program.

10 Q. How did you obtain that
11 understanding?

12 A. I think --

13 MS. NORGDARD: Let me just interject
14 to the extent you learned anything in the context
15 of an attorney-client communication or in the --

16 MR. HUHTA: I'm not asking for a
17 communication. If you got it from a lawyer, just
18 say I got it from a lawyer.

19 MS. NORGDARD: I'm going to put my
20 objection on the record so it's clear when we
21 come back and read it. To the extent it's an
22 attorney-client communication I'm instructing you
23 not to answer. To the extent it's not an
24 attorney-client communication or work product
25 then you may answer.

1 MR. HUHTA: I'm not asking for any
2 communications that are protected by the
3 attorney-client privilege. I'm just asking how
4 you got your understanding?

5 A. I think Grant Grzybowski talked
6 about -- not in detail -- of the interview of Dot
7 in some of it and then other through discussions
8 with the attorney.

9 Q. And you interviewed Grant?

10 A. Yes.

11 Q. And your notes are in that exhibit?

12 A. Yes.

13 Q. When you went about these exhibits
14 or interviews, what were you tasked with doing?

15 A. This -- the Grzybowski interview in
16 specific is a little different than the
17 interviews --

18 Q. Let me stop you there. How it
19 different than the others?

20 A. He was not specifically lined up to
21 do the interviews of the withdrawals. I recall a
22 discussion that we wanted to talk to Mr.
23 Grzybowski for really two reasons: one of which
24 was the cashier's check. He got a large
25 cashier's check, 272,000 and change, I believe,

1 from the operation. And then the other one was
2 his knowledge of the Rainy Lake. There was a
3 piece of property owned in Rainy Lake that Mr.
4 Grzybowski had some dealings with.

5 Q. And those were two primary reasons
6 why you were going to interview Mr. Grzybowski?

7 A. Yes.

8 Q. Because of Rainy Lake and the
9 cashier check written to him?

10 A. Plus Mr. Grzybowski was affiliated
11 with the program for a long period of time and to
12 get kind of his knowledge as much as we could get
13 at the time.

14 Q. How was he affiliated with the
15 program?

16 A. He was a broker. He had started
17 many, many years ago I think with a Chris
18 Pettengill and then eventually became a broker
19 for the Trevor Cook operation I think in '07,
20 2007.

21 Q. So it's your recollection that Mr.
22 Grzybowski started with Cook in 2007?

23 A. His direct employment I believe
24 with Cook affiliated prior with the Durans and
25 the Pettengills.

1 Q. How would you characterize his
2 position in the Cook operation? You said broker?

3 A. Broker.

4 Q. High level, low level, mid level?

5 MS. NORGDARD: Object to the form.

6 THE WITNESS: He's a broker that
7 would do the sales calls, would handle customers.
8 I wouldn't describe him as a high level similar
9 to a Cook, Pettengill, that type.

10 MR. HUHTA: When you were
11 interviewing Mr. Grzybowski, were you trying to
12 determine whether or not he had concluded that he
13 was working for a Ponzi scheme?

14 A. Our primary goal was to find out
15 what he knew, where potentially assets were.
16 Sometimes in the course of that you pick up what
17 did you know. Again determining if it was a
18 Ponzi scheme or not was not our mission. That
19 was the law enforcement.

20 Obviously people will tell us
21 things. So our primary goal was to, you know,
22 what's his role? What did he do? What did he
23 know about assets? There's a lot of money
24 missing.

25 Q. So in your interview one of your

1 purposes wasn't to try to determine when he had
2 access to information that might have led him to
3 believe that he was working for an Ponzi scheme?

4 A. Sure. If it comes up, absolutely
5 it would be something of interest.

6 MR. HUHTA: Could you read my
7 question back, please.

8 (The preceding question was read
9 back.)

10 MS. NORGDARD: Go back another
11 question before and the testimony that follow.

12 (The preceding question was read
13 back.)

14 MR. HUHTA: Could you read my
15 question back. And please pay attention to the
16 question that she reads.

17 (The preceding question was read
18 back.)

19 MS. NORGDARD: Object, that
20 mischaracterizes his prior testimony. Go ahead.

21 MR. HUHTA: It didn't characterize
22 it in any way. But if you can answer the
23 question, please do so.

24 THE WITNESS: Can you read the
25 question again?

1 (The preceding question was read
2 back.)

3 THE WITNESS: Like I said, our
4 purpose was to talk to him about what he knew,
5 when he knew it. Assets were a big deal. Where
6 are -- where's the assets. The Rainy Lake
7 obviously was a big issue. The checks were.
8 Those were our primary focuses.

9 MR. HUHTA: Let me stop you there.
10 None of those involved trying to determine when
11 he had access to information that would lead him
12 to believe he was working for a Ponzi scheme,
13 would it?

14 A. The first part would. What he knew
15 and when he knew it.

16 Q. So let's get to that then. In
17 terms of what he knew and the questions you asked
18 of him, did he tell you any facts that
19 demonstrated that he understood he was working
20 for a Ponzi scheme?

21 MS. NORGDARD: Object to the form.

22 THE WITNESS: At some point he told
23 us that he had called the FBI.

24 MR. HUHTA: When did he call the
25 FBI?

1 A. I believe it was in the summer of
2 '09.

3 Q. What month?

4 A. I don't recall specifically. I
5 want to say July of '09.

6 Q. Why did he tell you he called the
7 FBI?

8 A. I think there was a discussion
9 about he and Kyle Garment were going to go to the
10 FBI. I don't recall.

11 Q. Is that listed in your notes?

12 A. Calling the FBI?

13 Q. Yes.

14 A. I think so.

15 Q. Can you show me where?

16 A. I can't because they're all
17 redacted.

18 Q. So if there's a note that relates
19 to your conversation with Grant Grzybowski and
20 him telling you that he was going to call the
21 FBI, it's been redacted and isn't in the notes
22 that's been produced?

23 A. It would be in there. If I
24 remember correctly, there was a discussion about
25 that.

1 MR. HUHTA: I'd request that those
2 be produced to us.

3 Did you redact these notes?

4 A. No.

5 Q. Were you involved in redacting
6 these notes?

7 A. No.

8 Q. Can you tell me on the very first
9 page of the exhibit what's the date?

10 A. January 6th, '09.

11 Q. That's wrong, isn't it?

12 A. Correct.

13 Q. That is the wrong date?

14 A. It's January 6, '10.

15 Q. Who is Fred Goetz?

16 A. An attorney.

17 Q. What was his role?

18 A. Grant Grzybowski's attorney.

19 Q. Did you interview Mr. Grzybowski in
20 person or by telephone?

21 A. In person.

22 Q. Where did it happen?

23 A. Carlson, Caspers.

24 Q. How long did the interview last?

25 A. I don't recall.

1 Q. What's your best estimate as to how
2 long the interview lasted?

3 A. Less than a period of time.
4 Potentially a couple of hours.

5 Q. Who was present?

6 A. Russ Rigby.

7 Q. Who is Mr. Rigby?

8 A. An attorney for Carlson, Caspers.

9 Q. Anyone else?

10 A. Myself, Mr. Grzybowski, and Fred
11 Goetz I believe.

12 Q. How did you determine what
13 questions were going to be asked of Mr.
14 Grzybowski?

15 A. I don't believe I did the lead
16 questioning. I believe it was Russ Rigby that
17 did the majority of the question.

18 Q. What questions did you do of Mr.
19 Grzybowski?

20 A. Specifically me? I don't recall
21 specifically.

22 Q. Looking at the notes that have been
23 produced to us, can you tell me which
24 questions -- which relate to questions you asked
25 or which Mr. Rigby asked?

1 A. I do not know.

2 Q. Do you have any recollection of any
3 questions you asked Mr. Grzybowski?

4 A. Specifically who asked which
5 questions, no, at this point in time I don't.

6 Q. Let's go back. You said during the
7 course of the interview it came up that Mr.
8 Grzybowski indicated he was going to contact the
9 FBI?

10 A. Going to or did.

11 Q. Which was it?

12 A. I don't know.

13 Q. Wouldn't that --

14 A. I believe he called.

15 Q. And that's something you'd want to
16 follow-up on in your interview of him, wouldn't
17 it be?

18 A. I think we did discuss it. But,
19 again, my focus was different than proving a
20 Ponzi scheme. I wanted to look for assets, where
21 they went, if he knew anything.

22 Q. Why did Mr. Grzybowski indicate
23 during the course of the interview that he
24 contacted or was going to contact the FBI?

25 MS. NORGDARD: Objection,

1 foundation.

2 MR. ERICKSON: From the notes you
3 redacted?

4 MS. NORGDARD: Well --

5 MR. HUHTA: Could --

6 MS. NORGDARD: Why he wanted to do
7 something?

8 MR. HUHTA: Could you read my
9 question back?

10 (The preceding question was read
11 back.)

12 MR. HUHTA: Let me rephrase that to
13 get rid of the objection.

14 What was your understanding of what
15 Mr. Grzybowski told you about why he was going to
16 contact the FBI?

17 A. I don't recall, but I want to
18 say -- and I shouldn't say I want to say. I
19 think there was money missing.

20 Q. What money was missing?

21 A. Money to pull out for the
22 investors. There's money missing and they
23 couldn't get the investor money out. And again I
24 don't recall specifically.

25 Q. Who is the "they" that couldn't get

1 the money?

2 A. I believe he and Kyle Garman.

3 Q. Did you interview Kyle Garman?

4 A. Yes.

5 Q. When?

6 MS. NORGDARD: I'm just going to
7 instruct you to the extent you conducted any sort
8 of interviews after the filing of this litigation
9 not to answer.

10 MR. HUHTA: When?

11 MS. NORGDARD: He can answer when
12 that's fine, but the content of things...

13 MR. HUHTA: The question was when
14 did you interview Garman?

15 A. Specifically it was around -- I
16 don't know the specific date. It was around this
17 period of time.

18 Q. Have those notes been marked as an
19 exhibit?

20 A. Not that I saw.

21 Q. So how much money was missing?

22 A. At the time I don't think anybody
23 knew and still doesn't. They talk about millions
24 and millions of missing money. Especially at
25 that point in time, we were early into it.

1 Q. What did Mr. Grzybowski or
2 Mr. Garman tell you about how much money they
3 thought was missing?

4 A. I don't recall.

5 Q. Was it a large sum?

6 A. Oh, yes. Yes, a large sum.

7 Q. Can you give me an order of
8 magnitude? Ten dollars, a hundred, a hundred
9 thousand, a million, ten million, a hundred
10 million?

11 MS. NORGDARD: Object to the form.

12 THE WITNESS: Again I don't recall
13 without referring back to my notes.

14 MR. HUHTA: When you were
15 conducting these interviews, did you use an
16 outline?

17 A. I don't believe I did have an
18 outline.

19 Q. Did anyone from your office use
20 outlines?

21 A. I don't know.

22 Q. If they had used outlines, would
23 they have retained them?

24 A. We may have. I don't know is the
25 answer. I don't know.

1 Q. What were you trying to capture
2 when you were taking notes?

3 A. What was said during the interview.

4 Q. Were you trying to take down what
5 any of the questions were that elicited those
6 responses?

7 A. Sometimes.

8 Q. How did you indicate that in your
9 notes?

10 A. I would not.

11 Q. When you say sometimes --

12 A. Sometimes you can see it in the
13 notes. There may have been an outline. Let me
14 kind of go back. There may have been an outline
15 prior to those interviews.

16 Q. Which interviews?

17 A. The Respondent interviews.

18 Q. Who prepared the outline?

19 A. I believe it was the attorneys.

20 Q. Who was the outline provided to?

21 A. I may have gotten a copy and Mr.
22 Austrum may have gotten a copy.

23 Q. Did you use the outline?

24 A. I don't recall using it, no.

25 Q. Do you know if Mr. Austrum used the

1 outline?

2 A. I don't know.

3 Q. Do you have a file that relates to
4 this matter?

5 A. Yes.

6 Q. Has it all been provided to the
7 receiver?

8 A. I don't know if all of the files
9 that we have have been provided to the receiver.

10 Q. I'm sorry, I didn't --

11 A. I don't know if all of what we have
12 has been provided.

13 Q. Why would you not have provided
14 everything to the receiver?

15 A. Probably -- I don't know. I can't
16 tell you if every stitch of paper we have has
17 been provided to the receiver.

18 Q. So you don't recall what questions
19 you asked Grant Grzybowski?

20 A. No.

21 Q. You don't recall how long the
22 interview lasted?

23 A. Specifically, no.

24 Q. Generally?

25 A. A couple of hours.

1 Q. On the first page of the exhibit
2 next to Fred Goetz it says "redacted." Can you
3 tell me what was redacted?

4 A. No.

5 Q. What does it say right next to that
6 redacted stamp?

7 A. "Grant G."

8 Q. I'm sorry, perhaps my question
9 wasn't clear. On the first page next to the
10 redacted stamp.

11 A. Here?

12 Q. Yes.

13 A. To the right of?

14 Q. Yes. I'm sorry, to the right?

15 A. "Grant G."

16 Q. So you wrote "Grant G" twice on the
17 page?

18 A. Uh-huh.

19 Q. So the first page has a date, Fred
20 Goetz, Grant G, and then Grant G?

21 A. Yes.

22 Q. That's all that's on that page?

23 A. Yes.

24 Q. The rest has been redacted?

25 A. Yes.

1 Q. The next page of your notes has a
2 page number on it. That's redacted?

3 A. Yes.

4 Q. The next page 2478, that's also
5 completely redacted?

6 A. Yes.

7 Q. The next page 2479 completely
8 redacted?

9 A. Yes.

10 Q. The next page 2480?

11 A. Yes.

12 Q. There's some information on that
13 page, correct?

14 A. Yes.

15 Q. At this point in time who was
16 asking questions?

17 A. It's either Mr. Rigby or I.

18 Q. If I read that right, it says "SEC
19 records, hyphen," correct?

20 A. Uh-huh.

21 Q. What's that a reference to?

22 A. Probably there was -- in the SEC
23 records there is indication of a \$102,000
24 withdrawal in June of '09.

25 Q. So it's your belief that there was

1 a withdrawal for Dot Anderson in June of 2009?

2 A. No. The story broke in 2009.

3 There was a withdrawal for Dot in July of 2009.

4 Q. Where are you getting that from?

5 A. The SEC records, I believe.

6 Q. But not from your notes here?

7 A. I just know that there was a
8 withdrawal.

9 Q. All right. But so my question was
10 what does that refer to SEC records, and I'm
11 trying to figure out where you are getting July
12 of 2009 from this page. It's not --

13 A. It's not from this page.

14 Q. Now, it says "GG, hyphen, 0." What
15 does that mean?

16 A. I think Grant said that he got no
17 money out himself.

18 Q. Next line, a \$102,000 then what
19 does it say?

20 A. "For Dot Anderson."

21 Q. After that?

22 A. "The story broke in June 2009."

23 Q. Are you sure that's not a reference
24 to when she invested June 2009 to story broke?

25 A. I'm sorry, repeat that.

1 Q. Could that be a reference to the
2 time period she invested? She initially invested
3 in June of 2009 to when the story broke?

4 A. The story broke in June of -- the
5 story broke in July of 2009, July 7th in the
6 newspapers.

7 Q. So that reference isn't to when the
8 story broke?

9 A. It's when I believe she did invest.
10 Again I'm not certain, but I believe it was late
11 in the game here as well.

12 Q. As best you recall, what does
13 "June '09, hyphen, story broke" refer to?

14 A. It's my recollection that when the
15 story broke in July, Dot talked to Grant
16 Grzybowski what should I do? What should I do?
17 And she decided to withdraw her money.

18 Q. What's your understanding of why
19 she decided to withdraw her money?

20 A. Because of the story, the bad
21 publicity, the issues going on with the
22 investment.

23 Q. Did you know what issues were going
24 on at the time when she asked for her money to be
25 withdrawn?

1 MS. NORGDARD: Could you repeat that
2 question? I missed the first part of it.

3 (The preceding question was read
4 back.)

5 THE WITNESS: It was the news
6 articles, news article that appeared, the bad
7 publicity.

8 MR. HUHTA: How many articles had
9 been out when she asked for her money to be
10 withdrawn?

11 A. As of what date?

12 Q. Do you know when she asked for her
13 money to be withdrawn?

14 A. I just know she called Grant and
15 asked -- they discussed a newspaper article, an
16 article.

17 Q. Let me have you turn to the next
18 page, 2481. You got there before we turned the
19 page. Top of the page what does that say?

20 A. "Filled out withdrawal form for my
21 Grandmother Dot."

22 Q. Why did he fill out a withdrawal
23 form?

24 A. Because she decided to take her
25 money out.

1 Q. It's your understanding she
2 contacted him and asked for her money to be
3 withdrawn?

4 A. She contacted Grant. They
5 discussed what should I do.

6 Q. Let me stop you there. What did
7 Grant tell her?

8 A. I think that -- I don't
9 specifically recall. I think he said that's up
10 to you. I don't know. I don't know what to do.

11 Q. So if we go to the second line on
12 that page?

13 A. "I don't know."

14 Q. It's your understanding that's
15 Grant's response to her?

16 A. Yes.

17 Q. So her question is what should I
18 do? Grant says I don't know?

19 A. I don't know. And she decided to
20 withdraw her money.

21 Q. Not based on any information that
22 Grant Grzybowski had provided to her?

23 A. That's not my understanding, no.

24 Q. Your understanding is she made her
25 decision based on information apart from what she

1 received from Grant Grzybowski?

2 A. Based on the newspaper article, her
3 discussion with her grandson.

4 Q. Where does it say newspaper article
5 in your notes here?

6 A. The story broke in the Star
7 Tribune. It's a newspaper article.

8 Q. All right. So Grant -- it's your
9 understanding Grant Grzybowski did not provide
10 her with any information that influenced her
11 decision?

12 MS. NORGDARD: Objection,
13 mischaracterizes prior testimony.

14 THE WITNESS: The question again.
15 (The preceding question was read
16 back.)

17 THE WITNESS: They had a
18 discussion. He said they had a discussion, but
19 he didn't know what to do. So they had a
20 discussion.

21 MR. HUHTA: And what information
22 did he give her during that discussion?

23 A. I don't know.

24 Q. Did you ask him?

25 A. I don't know.

1 Q. It doesn't show in your note, does
2 it?

3 A. No, it does not.

4 Q. That's something you'd want to
5 document, isn't it?

6 A. If we discussed it, it would have
7 been documented.

8 Q. All right. And that's something
9 that you'd consider to be important to follow-up
10 on, wouldn't you?

11 A. Again, this was earlier on. Our
12 focus was assets, where they went clearly. We
13 knew Dot withdrew her money, and we discussed it
14 generally. We didn't get into the specifics.

15 Q. So following that top paragraph,
16 what do the rest of these notes mean on page
17 2481?

18 A. Discussion on opening up a trading
19 account, application, driver's license, utility
20 bills.

21 Q. So Mr. Grzybowski was being asked
22 generally what information did you have in
23 opening an account?

24 A. Right.

25 Q. This wasn't specific to Dot

1 Anderson?

2 A. No, I don't believe it was.

3 Q. Next paragraph, "Submit to Ryan
4 Moeller," is that specific to Dot Anderson or
5 just a general question about the opening
6 process?

7 A. I think that's the general.

8 Q. And what was Mr. Moeller's
9 position?

10 A. I think he was the accountant.

11 Q. In terms of reporting structure,
12 where would he be in relationship to Grant
13 Grzybowski?

14 A. He's an employee. He'd report to
15 Trevor Cook.

16 Q. Do you have an understanding of the
17 organizational chart for the entity?

18 A. I'm trying to recall if I've seen
19 an organizational chart, and I don't recall.

20 Q. My question wasn't have you seen
21 one. My question is do you have an
22 understanding?

23 A. Basically, yes.

24 Q. Where is Mr. Moeller compared to
25 Mr. Grzybowski?

1 A. Moeller is on the administrative
2 side. Mr. Grzybowski is a broker. He's over on
3 the operations side let's say.

4 Q. And so then the next part of the
5 paragraph here on the operations side, is this a
6 reference to what information Mr. Grzybowski
7 would have access to if he looked?

8 A. Right. Yes.

9 Q. And what does your note say?

10 A. Basically that you could download
11 the trading platform. It would show the long and
12 the short. You add the two sides together to get
13 the balance here. That's what customers could
14 access.

15 Q. Is that what Mr. Grzybowski could
16 access?

17 A. Customers could access it so I
18 would say yes, Mr. Grzybowski, a broker, could
19 access it to check customer accounts.

20 Q. Did you ask Mr. Grzybowski whether
21 or not he accessed informing to determine whether
22 or not the internal computer system appeared to
23 show if the clients had money there?

24 MS. NORGDARD: Object to the form.

25 THE WITNESS: With this specific

1 transaction or any transaction?

2 MR. HUHTA: Any transaction. Let's
3 start there.

4 A. I don't recall getting into the
5 details.

6 Q. So you didn't ask him whether or
7 not he specifically saw that his grandmother's
8 money had been invested or not?

9 A. I believe he was the broker that
10 handled the investment. I believe that he got
11 the commission on it, if I remember correctly
12 but...

13 Q. That wasn't what my question was.
14 Could you read my question back, please.

15 (The preceding question was read
16 back.)

17 THE WITNESS: I don't recall.

18 MR. HUHTA: It doesn't appear in
19 your note, does it?

20 A. Not in the ones in front of me.

21 Q. Is there anything else in your
22 notes that appears to relate to Dot Anderson that
23 we haven't discussed?

24 A. I don't believe so.

25 Q. Is there anything else that appears

1 in your notes that relates to Grant Grzybowski
2 that we haven't discussed?

3 A. There's a number of redacting
4 sections that I talked about during the
5 interview.

6 Q. Before you said you were trying to
7 figure out what facts Mr. Grzybowski had access
8 to, correct?

9 A. What information he had available,
10 yes.

11 Q. Did you ask him information about
12 when the SEC's investigation started?

13 A. I don't recall. I don't recall.

14 Q. Did you ask him about what his
15 understanding was about why the SEC was
16 conducting an investigation?

17 A. Again, I don't recall.

18 Q. Do you know when the SEC's
19 investigation started?

20 A. No.

21 Q. Do you know when the CFTC's
22 investigation started?

23 A. No.

24 Q. Do you know what information Mr.
25 Grzybowski had access to when Dot Anderson's

1 money was withdrawn about the status of the
2 investigation?

3 MS. NORGDARD: Object to the form.

4 THE WITNESS: I don't recall what
5 Grant specifically knew. The SEC visited the
6 mansion.

7 MR. HUHTA: When?

8 A. June 22nd is their first day that
9 they showed up.

10 Q. And what was the purpose of their
11 visit?

12 A. They were conducting an
13 investigation, serving subpoenas, as I understand
14 it.

15 Q. Who was served then?

16 A. I believe it was Trevor Cook, I
17 believe Kyle, Pat Kiley. And Bo Beckman as well.

18 Q. So it's your understanding that was
19 on June 20th?

20 A. June 22nd.

21 Q. So do you know what any employees
22 internally with any of the receivership entities
23 were told about the SEC's investigation?

24 A. I'm sure I do. We've talked to a
25 number of employees about a number of topics. I

1 suspect part of that included it, included
2 discussions about the SEC. But, again, that was
3 not the focus of a great deal of our work.

4 Q. So if you did ask the employees
5 that, what were you told about what they were
6 told about why the SEC was doing its
7 investigation?

8 A. You know, the stories about Bo
9 Beckman, they're looking at Bo Beckman's group.

10 Q. Which was Bo Beckman's group?

11 A. He was the equities side of the
12 house.

13 Q. And where was Dot Anderson's money
14 supposed to be invested?

15 A. She was in the currency arbitrage,
16 I believe.

17 Q. You wouldn't consider that to be
18 the equities side of the house, would you?

19 A. No.

20 Q. So it's your understanding that the
21 employees were told it's a different part of the
22 entity?

23 A. At least some of them. There's
24 some employees that -- the employees knew that
25 there was an investigation going. They couldn't

1 get answers. And I think that's partly why Grant
2 and Kyle went to the FBI, they're concerned.
3 There's money missing. There's an investigation
4 started. They're not getting answers. They're
5 kind of being frozen out.

6 Q. What did Mr. Grzybowski tell you
7 about what his understanding was about why the
8 SEC was bringing an investigation?

9 A. I don't recall if we even talked to
10 him about that at that point in time.

11 Q. Not your concern?

12 A. I wouldn't say that, but it wasn't
13 my priority at the time.

14 Q. During the course of your interview
15 of Grant Grzybowski, did you obtain any facts
16 that showed that the transfer to Dot Anderson of
17 her \$102,000 was an attempt to evade other
18 creditors?

19 MS. NORGDARD: Could you read that
20 question back, please?

21 (The preceding question was read
22 back.)

23 THE WITNESS: Alls that was told to
24 me was she decided to withdraw her money after
25 the negative media articles.

1 MR. HUHTA: So would that be a no
2 to my question?

3 A. I can just tell you what she told
4 me. She didn't say I'm doing it to keep it from
5 the creditors. Alls I can tell you is what Grant
6 told me she said.

7 Q. Now when you say "what she told
8 me," you did not interview Dot Anderson?

9 A. I did not interview Dot Anderson.

10 Q. Grant told you that she asked to
11 have her money withdrawn?

12 A. Yes.

13 Q. You're not aware of any facts that
14 came up in the course of your investigation, in
15 your interview of Grant Grzybowski that showed
16 that transfer to Dot Anderson of her \$102,000
17 when she asked her for her account to be closed
18 was an attempt to evade creditors?

19 A. Again, I don't know all the facts.

20 Q. I'm asking do you know of any facts
21 in the course of your investigation that showed
22 that?

23 A. No.

24 Q. Thank you. And it was your
25 understanding that Mrs. Anderson had invested

1 \$102,000?

2 A. Yes.

3 Q. It was your understanding she
4 received \$102,000 back?

5 A. I believe that's correct.

6 Q. It's also your understanding that
7 she was told she could withdraw her money when
8 she wanted?

9 A. I don't know. I don't know that.

10 Q. I didn't -- you didn't ask that of
11 Grant Grzybowski? You didn't ask that of any of
12 the other people who had made an investment about
13 what their understanding was about how they could
14 get their money out?

15 A. Oh, other people had said -- other
16 individuals, investors we interviewed: Liquid,
17 you can get your money out. Safe investment.

18 Q. So that was a common refrain you
19 heard from people you interviewed?

20 A. Yes.

21 Q. They were told ask and you'll get
22 your money back?

23 A. Yes.

24 Q. And it was money that the
25 receivership entities owed to them?

1 MS. NORGDARD: Can you please repeat
2 that entire question for my benefit?

3 (The preceding question was read
4 back.)

5 MS. NORGDARD: Objection,
6 foundation.

7 THE WITNESS: It's my understanding
8 there are a lot of investors that are owed money,
9 and it's my understanding that the receivership
10 is now, in essence, Trevor Cook and his
11 operations. And that's what this is all about,
12 to try to get as much assets back to give back to
13 the victims of this.

14 MR. HUHTA: But as it relates to
15 Dot Anderson, she put in a \$102,000, correct?

16 A. Yes.

17 Q. That's what Mr. Grzybowski told
18 you, correct?

19 A. Yes.

20 Q. And you need to answer out loud.

21 A. Yes.

22 Q. Difficult for the court reporter to
23 take down a nod of the head. And it's your
24 understanding that she received \$102,000 back
25 based on your interview of Grant Grzybowski?

1 A. Yes, and the wire transfer.

2 There's a wire transfer.

3 Q. Of \$102,000 total?

4 A. Yes.

5 Q. And she didn't profit from the
6 Ponzi scheme?

7 A. No, she didn't earn any interest.

8 Q. She didn't get any return on her
9 investment?

10 A. I do not believe so, no.

11 Q. Who was involved in the wire
12 transfer to Dot Anderson?

13 A. I don't know that at this point.

14 Q. Did you ask that of Mr. Grzybowski?

15 A. No.

16 Q. Did anyone ask that of Mr.
17 Grzybowski?

18 A. I don't believe we went into that
19 detail at that point.

20 Q. Did you ask anything other than --
21 strike that.

22 Are you aware of any investors that
23 received money back after the SEC's investigation
24 started?

25 A. Yes.

1 Q. Who?

2 A. I don't know. I don't know who. I
3 don't know the specifics.

4 Q. Are they all Respondents? In other
5 words, has the receiver instituted actions
6 against each person who received money back after
7 the SEC's investigation started?

8 MS. NORGDARD: Object to the form.

9 THE WITNESS: I don't think so, but
10 I don't know specifically.

11 MR. HUHTA: Are you aware of anyone
12 who received money back after the SEC's
13 investigation started who the receiver hasn't
14 proceeded any clawback action against them?

15 A. I believe there are, but again I
16 don't know the details. I can't recall the
17 detail at this point.

18 Q. Did you interview any of those
19 people?

20 A. I believe I did.

21 Q. When?

22 A. It would have been around -- some
23 of them would have been around the time that the
24 Respondents were interviewed.

25 Q. Did Mr. Erickson mark all of your

1 notes as an exhibit?

2 MS. NORGDARD: Object to the form.

3 THE WITNESS: All my notes?

4 MR. HUHTA: Yes, all your note of
5 interviews with people that you investigated.

6 A. All of them that I've talked to?

7 Q. Yes.

8 A. I don't see them here, no.

9 Q. How many people have you
10 interviewed?

11 A. Through the course of this?

12 Q. Yes.

13 A. A number, quite a number.

14 Q. Can you give me an estimate? Let's
15 break it down to investors. Can you tell me how
16 many people who had invested in any of the
17 receivership entities you interviewed?

18 A. A number of the employees were also
19 investors. Maybe two-dozen.

20 Q. Mr. Grzybowski was cooperative in
21 the interview?

22 A. Yes.

23 Q. He didn't plead the Fifth Amendment
24 in response to any of your questions?

25 A. I believe he did.

1 Q. Do you know what question?

2 A. I believe it was a question
3 relating to discussions that he had with John
4 Thompson who was one of Trevor Cook's attorneys
5 apparently early on, and I think there was some
6 discussion that we couldn't get into around that
7 subject.

8 Q. The best you can recall, what was
9 the question that was asked that elicited an
10 invocation of the Fifth Amendment privilege?

11 A. Boy, I don't recall. I don't
12 recall.

13 Q. It's your understanding Grant
14 Grzybowski was the contact for Dot Anderson,
15 correct?

16 A. Yes.

17 Q. He was the one who initiated the
18 contact with her to make an investment with Cook?

19 A. I don't know. I suspect that's
20 correct, but I don't know.

21 Q. Never asked him that?

22 A. I don't recall. I know he said it
23 was his grandmother and he was the account rep so
24 I suspected he was the one that initiated it.

25 MR. HUHTA: That's all I have.

1 Thanks a lot for your time. I appreciate it.

2 MS. NORGDARD: He'll read and sign.

3 MR. HUHTA: I would ask while we're
4 still on the record if there's an interview
5 outline for any of the interviews that we receive
6 a copy of it.

7 MS. NORGDARD: You are asking if
8 there is an interview outline for any of the
9 interviews that you would like a copy of it?

10 MR. HUHTA: I'm asking for the
11 outline that he referenced in his testimony that
12 was provided to him and Mr. Austrum.

13 (Deposition adjourned: 5:35 PM.)

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1 I, RICHARD L. OSTROM, have read this
2 deposition transcript pages 1 - 146 and
3 acknowledge herein its accuracy except as noted
4 on the errata sheet.

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Signature

Notary Public

1 MINNESOTA CERTIFICATE

2 COUNTY OF CARVER

3 BE IT KNOWN, that I, Gayle May-Barker, RPR,
4 CSR, took the foregoing deposition of RICHARD L.
5 OSTROM;

6 That the witness, before testifying, was by
7 me first duly sworn to testify to the whole truth
8 and nothing but the truth relative to said cause;

9 That the testimony of said witness was taken
10 stenographically by me and was reduced to
11 typewriting under by direction;

12 That the foregoing deposition is a true
13 record of the testimony given by said witness;

14 That I am not related to any of the parties
15 hereto, nor an employee of them, nor interested
16 in the outcome of the action;

17 WITNESS MY HAND AND SEAL this 30th day of
18 July 2011.

19

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21 _____
Gayle May-Barker, Court Reporter,
Notary Public

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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

Case No: 11-cv-01042 SRN/FLN

v.

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.

**RECEIVER'S SECOND SUPPLEMENTAL OBJECTIONS AND
RESPONSES TO RESPONDENT DOT ANDERSON'S
FIRST SET OF INTERROGATORIES (NOS. 1-15)**

The Receiver, R.J. Zayed, ("the Receiver"), pursuant to Fed. R. Civ. P. 33, supplements his response to Investor Respondent Dot Anderson's ("Anderson") First Set of Interrogatories to the Receiver, as follows:

GENERAL OBJECTIONS

The General Objections set forth in this section shall apply to each of the Investor Respondent's interrogatories regardless of whether these objections are specifically stated in the Receiver's responses and objections to them.

1. The Receiver objects to the Interrogatories to the extent that they seek information subject to attorney-client privilege, work product immunity, or any other privilege, whether based upon statute or recognized at common law.

2. The Receiver objects to the definitions and instructions set forth in the Interrogatories to the extent they purport to impose duties on the Receiver beyond the duties required by the Federal Rules of Civil Procedure or applicable caselaw.

3. The Receiver objects to the Interrogatories to the extent they are not reasonably calculated to lead to the discovery of admissible evidence and to the extent they otherwise exceed the permissible scope of discovery under the Federal Rules of Civil Procedure.

4. Some of the Interrogatories are specifically objected to as being vague and ambiguous because they do not describe with reasonable particularity the items or categories of information being sought. Because the scope of those Interrogatories is in question, the Receiver reserves the right to object to those Interrogatories as being overbroad and unduly burdensome and calling for information that is not relevant. To the extent the Interrogatories contain vague and ambiguous terms, the Receiver will in good faith respond based on the ordinary usage and meaning of those terms. If the Investor Respondent subsequently asserts any interpretation of its Interrogatories that differ from the Receiver's understanding, the Receiver reserves the right to alter, amend, or supplement its objections and responses.

5. The Receiver objects to each Interrogatory to the extent it seeks production of confidential or proprietary information of any individual or entity that is not a party to this action.

**SUPPLEMENTAL RESPONSES AND OBJECTIONS TO
INTERROGATORIES (NOS. 1-15)**

Interrogatory No.1. Identify each person known to you or to persons acting in your behalf to have personal knowledge of facts relating to your claims against Dot Anderson, and state the facts each such person knows.

Response: The Receiver objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, and seeking information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. The Receiver further objects to this Interrogatory because it seeks information protected by the attorney-client privilege or work product doctrine. The Receiver further objects to this Interrogatory as vague and ambiguous, and particularly vague and ambiguous to the extent it seeks the identity of each and every person having knowledge of any facts relating to his claim against Dot Anderson. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver refers the Investor Respondent to the Receiver's Initial Disclosures.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 1: Without waiving his foregoing objections, the Receiver refers the Respondent to his Supplemental Response to Interrogatory No. 7. The Receiver further refers the Respondent to *Receiver's First Amended Disclosures Under Rule 26(a)(1) of the Federal Rules of Civil*

Procedure (July 1, 2011), and any additional amendments or supplements that may be made thereto, and further states that at least the following witnesses or entities disclosed in the Receiver's Amended 26(a)(1) disclosures have information related to the Receiver's claims against Ms. Anderson: Dave Austrum, Trevor Cook, Julia Gilsrud, Grant Grzybowski, Associated Bank.

Interrogatory No.2. Identify each person you may call as a witness at trial.

Response: The Receiver objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, and seeking information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after further, the Receiver refers the Investor Respondent to his Initial Disclosures.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 2: Without waiving his foregoing objections, the Receiver refers the Respondent to *Receiver's First Amended Disclosures Under Rule 26(a)(1) of the Federal Rules of Civil Procedure* (July 1, 2011), and any additional amendments or supplements that may be made thereto, and Local Rule 39.1(b)(1)(C).

Interrogatory No.3. Describe in detail any admissions you claim Mrs. Anderson or anyone acting on her behalf made.

Response: The Receiver objects to this Interrogatory on the grounds that it is unduly burdensome. The Receiver further objects to this Interrogatory on the grounds that it improperly seeks legal conclusions.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 3: Without waiving his foregoing objections, the Receiver refers the Respondent to Ms. Anderson's deposition testimony, dated May 18, 2011, and the Respondent's discovery responses served January 21, 2011.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 3:

Without waiving his foregoing objections, the Receiver further refers the Respondent to Respondent's discovery responses served September 15, 2011.

Interrogatory No.4. Provide a full accounting of all funds transferred by Mrs. Anderson or anyone acting on her behalf to Trevor Cook, Clifford Berg, or any of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities), including the account(s) into which any such amounts were transferred, 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: The Receiver objects to this Interrogatory on the grounds that it is unduly burdensome and seeks information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver responds that Dot Anderson transferred \$102,000.00 to the Receivership Entities via a TCF Bank cashier's check payable to "Basel International," number 100211466, which was deposited into Associated Bank account ending 5214 held in the name of "Basel Group LLC." The Receiver further states that responsive, non-privileged documents will also be produced in accordance with Federal Rule of Civil Procedure 33(d).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 4: Without waiving his foregoing objections, the Receiver identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR012607-IR012661.

Interrogatory No.5. Identify the source of any funds that were deposited into the Receivership Entity's bank account into which Mrs. Anderson's money was deposited, after her funds were deposited into that account.

Response: The Receiver objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, and seeks information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. The Receiver further objects to this request to the extent it seeks production of confidential or proprietary information of any individual or entity that is not a party to this action. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after further discovery, the Receiver states that responsive, non-privileged documents will be produced in accordance with Federal Rule of Civil Procedure 33(d).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 5: Without waiving his foregoing objections, the Receiver states that after the \$102,000.00 cashier's check issued by TCF Bank was deposited in the account of Basel Group LLC, account number XXX-5214, at Associated Bank, at least \$400,000.00 consisting of co-mingled funds from other defrauded investors and \$350,000.00 consisting of co-mingled funds from the bank account of Receivership Entity Oxford Global FX LLC, were deposited in that same XXX-5214 account. The Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR012607-IR012661.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 5:

Without waiving his foregoing objections, the Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR025136-IR025146.

Interrogatory No. 6. Describe in detail all withdrawals from the Receivership Entity's bank account into which Mrs. Anderson's money was deposited, from the date Mrs. Anderson's money was deposited to the date Mrs. Anderson withdrew her investment, including the reason or purpose for the withdrawal and to whom the money was paid.

Response: The Receiver objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, and seeks information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. The Receiver further objects to this request to the extent it seeks production of confidential or proprietary information of individuals or entities that are not party to this action. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after further discovery, the Receiver states that responsive, non-privileged documents will be produced in accordance with Federal Rule of Civil Procedure 33(d).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 6: Without waiving his foregoing objections, the Receiver states that after the \$102,000.00 cashier's check issued by TCF Bank was deposited in the account of Basel Group LLC, account number XXX-5214, at Associated Bank, Cook and his co-conspirators used co-mingled funds from that same XXX-5214 account for their own purposes in furtherance of the Ponzi scheme, including but not limited to sending funds to an account for Basel Financial, Inc. at Piraeus Bank in Cyprus, paying attorneys' fees incurred by Trevor Cook and/or his co-

conspirators, and funding promotional activities to lure more victims. The Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR012607-IR012661.

Interrogatory No. 7. Describe in detail the role of each person involved in the transfers to Mrs. Anderson that you claim were fraudulent.

Response: The Receiver objects to this Interrogatory on the grounds that it is unduly burdensome. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver refers the Investor Respondent to the Receiver's *Petition for Return of Receivership Assets from Investor Respondents*, SEC Docket No. 384, ¶ 31(o) (Jul. 23, 2010). The Receiver further states that responsive, non-privileged documents will also be produced in accordance with Federal Rule of Civil Procedure 33(d).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 7: Without waiving his foregoing objections, the Receiver further states that beginning by at least January 2007, and continuing through at least July 2009, Trevor Cook, aided and abetted by others, knowingly and intentionally created, devised, executed, and attempted to execute a scheme and artifice to defraud, and to obtain money and other things of value, by means of materially false and misleading statements and representations.

The Receiver further states that during the course of the scheme, Cook, aided and abetted by others, raised at least \$190 million by selling purported "investments" in a purported "foreign currency trading program."

The Receiver further states that Cook and his co-conspirators caused false statements to be made in furtherance of the scheme, including but not limited to promises that the purported foreign currency trading program would generate guaranteed annual returns of approximately 10% to 12% and that the purported currency trading program involved little or no risk to “investors” principal.

The Receiver further states that, in furtherance of the scheme, Cook and his co-conspirators caused material information to be withheld from investors, including but not limited to: the precarious financial position of Crown Forex, SA in Switzerland, an entity through which Cook purportedly was placing currency trades; the fact that currency trading conducted by Cook, his co-conspirators, and their agents during the period from July 1, 2006 through August 31, 2009 at PFG in Chicago generated trading losses in excess of \$35 million; and the fact that tens of millions of investors’ dollars were used for purposes such as gambling, casino and other land deals, purported ownership interests in other ventures, acquisition of the Van Dusen mansion, funding personal, travel, and entertainment expenses of Cook and his co-conspirators, paying off earlier “investors” in the “currency trading program,” and providing funds to Crown Forex, SA. in an effort to deceive Swiss regulators.

The Receiver further states that, in furtherance of the scheme, Cook and his co-conspirators caused statements to be sent to victim investors that misrepresented the use and status of the funds they thought they invested in the currency trading program. Cook and his co-conspirators caused the providing of and/or provided investors with statements and investment return checks on a monthly basis. Although these statements purported to

reflect positive investment returns, in fact, the statements were produced through simple arithmetic by individuals working on behalf of the Receivership Entities. Specifically, employees of the Receivership Entities multiplied an investor's investment assets by the promised rate of return to identify the monthly investment return amount. The employees then used that number in creating the monthly lulling checks that were sent to investors and which purported to reflect the return on the investment. In reality, these returns reflected on the statements and checks bore no relationship to the actual returns on assets invested through the Receivership Entities.

The Receiver further states that, in furtherance of the scheme, Cook and his co-conspirators caused an account to be opened in the name of Crown Forex LLC at Associated Bank, account number XXXX-1705, which account was used to mislead, collect and commingle funds from victim investors, and that those commingled funds were then diverted for the personal use of Cook and his co-conspirators and to promote and keep the Ponzi scheme going.

The Receiver further states that, in furtherance of the scheme, Cook and his co-conspirators caused a bank account to be opened in the name of Basel Group LLC at Associated Bank, account number XXX-5214, which account was used to mislead, collect and commingle funds from victim investors, and that those commingled funds were then diverted for the personal use of Cook and his co-conspirators and to promote and keep the Ponzi scheme going.

The Receiver further states that, in furtherance of the scheme, Cook and his co-conspirators caused a purported due diligence letter to be prepared falsely representing

that Oxford Global Advisors had in excess of \$4 billion in assets under management and that all accounts were 100% liquid.

The Receiver further states that, in furtherance of the scheme, on or about July 15, 2009 Trevor Cook caused two wires, in the amounts of \$101,000.00 and \$1,000.00 respectively, which consisted of funds from a commingled account involving other defrauded investors, to be sent from Basel Group LLC account number XXX-5214 to TCF Bank account number XXX-XX-2219.

The Receiver further states that on or about July 15, 2009 the Respondent read a Star Tribune article “in regards . . . to the Ponzi scheme with relation to Trevor [Cook].” (D. Anderson Dep. Tr. at 45:1-8.) The Respondent then called her grandson Grant Grzybowski, an employee and close confidant of Trevor Cook, and asked him to close her account. (D. Anderson Dep. Tr. at 44:10-25, 45:14-20.) The Receiver further states that the Respondent testified that she called Grant Grzybowski at his office at the Van Dusen Mansion and asked him “is it possible to get my investment back.” The Respondent further testified that Grant Grzybowski responded that he would try to do that. (D. Anderson Dep. Tr. at 48:14-20.) The Respondent further testified that either that same day or the next day Grant Grzybowski called the Respondent back and told her that he was able to get her money out and that it would be sent back to her TCF account. (D. Anderson Dep. Tr. at 52:23-53:1.) The Respondent further testified that Grant Grzybowski told her that if she had called six hours later, she would not have been able to get the money out. (D. Anderson Dep. Tr. at 55:1-12; *see also* IR2541.) The Receiver further states that the Respondent stated during an interview in the spring of 2010 that

Grzybowski explained to her that money could only be withdrawn from certain accounts. (IR2540.) The Receiver further states that on or about July 15, 2009 Trevor Cook caused two wires, in the amounts of \$101,000.00 and \$1,000.00 respectively, which consisted of funds from a commingled account involving other defrauded investors, to be sent from Basel Group LLC account number XXX-5214 to TCF Bank account number XXX-XX-2219.

The Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR023570-IR023577; IR012607-IR012661; IR002476-IR002490; IR002549-IR002541; IR003218-IR003242; IR007794-IR007818; IR007936-IR007960; IR003618-IR003645; IR000403-IR000427. The Receiver further refers the Respondent to the following documents: Order Allowing Summary Proceedings, *SEC v. Cook et al.*, 09-cv-3333 (Docket No. 380) (D. Minn. July 20, 2011); Plea Agreement, *USA v. Cook*, 10-cr-75 (Docket No. 7) (D. Minn. April 13, 2010); *Receiver's First Amended Disclosures Under Rule 26(a)(1) of the Federal Rules of Civil Procedure* (July 1, 2011); Plea Agreement, *USA v. Pettengill*, 11-cr-192 (Docket No. 6) (June 21, 2011). The Receiver notes that the deposition of Grant Grzybowski is scheduled for September 1, 2011 and may yield additional information responsive to this Interrogatory.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 7: The Receiver states that Grzybowski testified that by at least by July 8, 2009 he was aware that a group of investors had sued Cook because they couldn't get their money out. (Grzybowski Dep. Tr. at 108:20-21; see IR006276.) Grzybowski learned this from Cook, who told Grzybowski that "there might be an article in the paper tomorrow."

(Grzybowski Dep. Tr. at 109:1-2.) Grzybowski testified that on the next day—July 9, 2009—the Star Tribune did publish an article about the group of investors who had sued Cook. (Id.) Grzybowski further testified that on the same day that the July 9, 2009 article came out, “my phone blew up” with calls from concerned investors. (Grzybowski Dep. Tr. at 111:4-10.)

The Receiver further states that Grzybowski testified that at some point after the July 9, 2009 article came out, his grandmother Anderson called him and said “I think you know why I’m calling,” informing him that she had read the article in the paper.

(Grzybowski Dep. Tr. at 119:6-22.) Other investors had called Grzybowski, concerned about their investments, prior to Anderson’s call. (Grzybowski Dep. Tr. at 120:7-8, 19-20.) At that point Grzybowski “wasn’t getting straight answers from Trevor on what was going on, why these people weren’t getting their money back.” (Grzybowski Dep. Tr. at 184:8-10.)

The Receiver further states that Grzybowski testified that he was not sure whether Anderson asked him to close her account, or whether he recommended that she close it—he testified that “I think it was a bit of both.” (Grzybowski Dep. Tr. at 122:25-123:3.)

Grzybowski testified that at some point he filled out a withdrawal form for his grandmother, dated July 14, 2009, and had her sign it. (Grzybowski Dep. Tr. at 136:21-25.) Grzybowski testified that he then turned in Anderson’s withdrawal form to Trevor Cook, along with other withdrawal forms that other investors had filled out both before and after Anderson signed her withdrawal form. (Grzybowski Dep. Tr. at 123:9-16; 113:18-21; 139:1.)

The Receiver further states that Cook knew that Grzybowski's grandmother had turned in a withdrawal form, because it was the only Basel form—all others that Grzybowski turned in were for Crown Forex. (Grzybowski Dep. Tr. at 139:14-16.) After Grzybowski turned in Anderson's withdrawal form, Grzybowski called the bank to make sure that funds had been wired to Anderson. (Grzybowski Dep. Tr. at 140:12.) Cook then asked Grzybowski if the Respondent had received the wired funds. (Grzybowski Dep. Tr. at 142:21-23.) Cook did not cause funds to be sent to any of the other investors for whom Grzybowski had turned in withdrawal forms following the July 9, 2009 Star Tribune article. (Grzybowski Dep. Tr. at 143:9.) Grzybowski's grandmother (the Respondent) was the only one of Grzybowski's clients to get money back after the July 9, 2009 Star Tribune article was published. (Grzybowski Dep. Tr. at 144:14.) Grzybowski testified that he had about 60 clients. (Grzybowski Dep. Tr. at 22:21-23.) Grzybowski's other clients continued to call him to inquire about the status of their unreturned money even after he left Oxford. (Grzybowski Dep. Tr. at 173:4-8.)

The Receiver further states that Grzybowski was a personal friend of Trevor Cook. Grzybowski socialized with Cook, and went out at night with Cook. (Grzybowski Dep. Tr. at 29:15-30:1.) Grzybowski also took several vacations with Cook. In 2008, Grzybowski went to Florida, then Panama, with Jerry Durand and Cook. (Grzybowski Dep. Tr. at 35:6-11; 32:18.) In January 2009, Grzybowski went to Panama again with Cook and others for the Superbowl. (Grzybowski Dep. Tr. at 36:21-37:3.) This was a social trip paid for by Cook. (Grzybowski Dep. Tr. at 37:5-38:10.) Grzybowski also went up to the Rainy Lake island in Canada with Cook. Grzybowski and Adam Edenbourg

took Grzybowski's dad's boat up to Rainy Lake in the summer of 2008, and then Trevor flew up to meet them. (Grzybowski Dep. Tr. at 40, 42:10-11.) Then in early 2009 Grzybowski took over managing the construction of a vacation cabin that Cook was building on the Rainy Lake island. (Grzybowski Dep. Tr. at 44:12-23.) Grzybowski traveled to International Falls, Minnesota in February 2009 to meet with the contractor building Cook's vacation home. (Id.) Grzybowski also met with the contractor building Cook's Rainy Lake home in the summer of 2009. (Grzybowski Dep. Tr. At 48:9-49:24.)

Interrogatory No. 8. Identify the facts, circumstances, and any communications related to the transfer of funds to Trevor Cook, Clifford Berg, or anyone of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities).

Response: The Receiver objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, and seeking information neither relevant to any claim or defense in this action nor reasonably calculated to lead to the discovery of admissible evidence. The Receiver further objects to this request to the extent it seeks production of confidential or proprietary information of individuals or entities that are not party to this action. The Receiver further objects on the basis that the information responsive to this interrogatory is in the possession or control of the Respondent. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver refers the Investor Respondent to the Receiver's response to Interrogatory No. 4. The Receiver further states that responsive, non-privileged documents will also be produced in accordance with Federal Rule of Civil Procedure 33(d).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 8: Without waiving

his foregoing objections, the Receiver refers the Respondent to his response to Interrogatory No. 7. The Receiver further states that the Respondent testified that she learned about the “investment” opportunity “because my grandson worked for Trevor [Cook].” (D. Anderson Dep. Tr. at 11:21.) The Respondent also testified that Grzybowski also gave her a brochure explaining the “investment opportunity,” that she was “dealing with [Grzybowski] as a salesman,” and that Grzybowski was the only “salesman” from the Receivership Entities that she dealt with. (D. Anderson Dep. Tr. at 15:3-4, 30:17-20.) The Respondent testified that Grzybowski told her that she could earn a 10.5 percent return, and did not mention any risk associated with the “investment.” (D. Anderson Dep. Tr. at 13:10, 13:13.) The Respondent testified that she “invested” \$100,000.00 in a company called “Oxford.” (D. Anderson Dep. Tr. at 18:12.) The Respondent further testified that she was not familiar with any entity called “Basel.” (D. Anderson Dep. Tr. at 39:6-8.) The Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR003218-IR003242; IR007794-IR007818; IR007936-IR007960; IR003618-IR003645; IR000403-IR000427; IR002476-IR002490; IR002549-IR002541. The Receiver notes that the deposition of Grant Grzybowski is scheduled for September 1, 2011 and may yield additional information responsive to this Interrogatory.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 8:

Grzybowski testified that he gave Anderson a “packet” of marketing information for Cook’s purported currency trading program. (Grzybowski Dep. Tr. at 63:14.) Cook

specifically directed Grzybowski to put “new customer’s” money into the “Basel” account. (Grzybowski Dep. Tr. at 66:4-6.) When Anderson decided to invest \$100,000 in Cook’s purported currency program, Grzybowski followed Cook’s directions and had her sign paperwork for the “Basel” entity. (Grzybowski Dep. Tr. at 68:17-21.) Grzybowski testified that he filled out the paperwork and then brought it to Anderson’s house, where she signed it. (Grzybowski Dep. Tr. 75:23-76:1; 70:15-24.)

Anderson was charged a 2% entry fee on her investment of \$100,000.00. (Grzybowski Dep. Tr. at 86:7-9; see also IR003241, IR003640, IR002540.) Accordingly, the Respondent was charged an extra \$2,000.00 to open the purported account. (Grzybowski Dep. Tr. at 87:4-5.) Grzybowski explained that “people were starting to charge upfront loads, and I’d never, you know, previously done that, so I charged an upfront load of two percent to open the account.” (Grzybowski Dep. Tr. at 86:14-17.) Grzybowski expected to make a commission on the Respondent’s purported investment of \$100,000.00. (Grzybowski Dep. Tr. at 79:5-7; 80:18-19.) Grzybowski testified that he was supposed to get a percentage of the 2% entry fee, as well as some part of a 4% back-end sales charge. (Grzybowski Dep. Tr. at 80:23-81:8.) If Anderson withdrew the funds within a year of the purported investment, she was to be charged a 4% “redemption fee.” (Grzybowski Dep. Tr. at 88:2; 94:25; IR003241, IR003640.) Grzybowski explained each of these fees to Anderson—he testified that he was “sure that I talked to [Anderson] about the fees that she’d be charged.” (Grzybowski Dep. Tr. at 88:20-22; 242:19-21.)

Cook was the “account manager” for Anderson’s account. (Grzybowski Dep. Tr. at 81:24-82:3; IR003234.) Cook also had power of attorney over the Respondent’s

account. (See IR003241.) Cook knew that Grzybowski was bringing in his grandmother's money to the currency program. (Grzybowski Dep. Tr. at 101:8-11.) Anderson and her son Dave Anderson knew who Cook was—they knew that he had loaned Grzybowski money to buy Anderson's former house and were "pretty impressed with the guy." (Grzybowski Dep. Tr. at 83:5-11.) Anderson also Dot knew that Cook was Grzybowski's boss. (Grzybowski Dep. Tr. at 84:15-16.) It was "common knowledge" that Cook would be managing Anderson's investment. (Grzybowski Dep. Tr. at 84:19-20.)

Interrogatory No. 9. Identify the facts, circumstances, and communications related to each transfer of funds from Trevor Cook, Clifford Berg, or anyone of the Receivership Entities (including all past or present directors, officers, employees, agents, or representatives of any of the Receivership Entities) to Respondent, including but not limited to the transfers identified in the Receiver's Petition and the attached Exhibits 1 and 2.

Response: The Receiver objects to this Interrogatory on the grounds that it is unduly burdensome. The Receiver further objects on the basis that the information responsive to this Interrogatory is in the possession or control of the Respondent. The Receiver further objects to this Interrogatory on the grounds that it is duplicative of Interrogatory No. 7. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after further discovery, the Receiver refers the Investor Respondent to the Receiver's response to Interrogatory No. 7.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 9: Without waiving his foregoing objections, the Receiver refers the Respondent to his Supplemental Response to Interrogatory No. 7.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 9:

Without waiving his foregoing objections, the Receiver refers the Respondent to his Second Supplemental Responses to Interrogatory No. 7.

Interrogatory No. 10. Identify all facts on which you rely for the contention that a fraudulent transfer occurred; all persons with knowledge of such facts, and all documents on which you rely for such contention.

Response: The Receiver objects to this Interrogatory on the grounds that it improperly seeks legal conclusions. The Receiver further objects to this Interrogatory because it seeks information protected by the attorney-client privilege or work product doctrine. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver states that responsive, non-privileged documents will be produced in accordance with Federal Rule of Civil Procedure 33(d). The Receiver further refers the Investor Respondent to the Receiver's *Petition for Return of Receivership Assets from Investor Respondents*, SEC Docket No. 384, ¶ 31(o) (Jul. 23, 2010), the Receiver's response to Interrogatory No. 7, and the Receiver's Initial Disclosures.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 10: Without waiving his foregoing objections, the Receiver refers the Respondent to his Supplemental Response to Interrogatory No. 7.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 10:

Without waiving his foregoing objections, the Receiver refers the Respondent to his Second Supplemental Responses to Interrogatory No. 7.

Interrogatory No. 11. Identify all facts on which you rely for the contention that Mrs. Anderson did not take 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 you rely for such contentions.

Response: The Receiver objects to this Interrogatory on the grounds that it improperly seeks legal conclusions. The Receiver further objects to this Interrogatory because it is Respondent's burden to prove the affirmative defense of good faith. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver states that responsive, non-privileged documents will be produced in accordance with Federal Rule of Civil Procedure 33(d). The Receiver further refers the Investor Respondent to the Receiver's *Petition for Return of Receivership Assets from Investor Respondents*, SEC Docket No. 384, ¶ 31(o) (Jul. 23, 2010).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 11: Without waiving his foregoing objections, the Receiver states that on or about July 15, 2009 the Respondent read a Star Tribune article "in regards . . . to the Ponzi scheme with relation to Trevor [Cook]." (D. Anderson Dep. Tr. at 45:1-8.) The Respondent then called her grandson Grant Grzybowski, an employee and close confidant of Trevor Cook, and asked him to close her account. (D. Anderson Dep. Tr. at 44:10-25, 45:14-20.) The Receiver further states that the Respondent testified that she called Grant Grzybowski at his office at the Van Dusen Mansion and asked him "is it possible to get my investment back." The Respondent further testified that Grant Grzybowski responded that he would try to do that. (D. Anderson Dep. Tr. at 48:14-20.) The Respondent further testified that either that

same day or the next day Grant Grzybowski called the Respondent back and told her that he was able to get her money out and that it would be sent back to her TCF account. (D. Anderson Dep. Tr. at 52:23-53:1.) The Respondent further testified that Grant Grzybowski told her that if she had called six hours later, she would not have been able to get the money out. (55:1-12; see also IR2541.) The Receiver further states that the Respondent stated during an interview in the spring of 2010 that Grzybowski explained to her that money could only be withdrawn from certain accounts. (IR2540.) The Receiver further states that on or about July 15, 2009 Trevor Cook caused two wires, in the amounts of \$101,000.00 and \$1,000.00 respectively, which consisted of funds from a commingled account involving other defrauded investors, to be sent from Basel Group LLC account number XXX-5214 to TCF Bank account number XXX-XX-2219. The Respondent testified that she does not remember filling out any withdrawal paperwork—she made her request to withdraw the money by telephone only (D. Anderson Dep. Tr. at 52:12-13, 53:1-6, 66:6-14.)

The Receiver further identifies the following documents pursuant to Federal Rule of Civil Procedure 33(d): IR003218-IR003242; IR007794-IR007818; IR007936-IR007960; IR003618-IR003645; IR000403-IR000427; IR002476-IR002490; IR002549-IR002541; IR006276-IR006284. The Receiver further refers the Respondent to *Receiver's Disclosures Under Rule 26(a)(1) of the Federal Rules of Civil Procedure* (December 1, 2010); and the *Receiver's First Amended Disclosures Under Rule 26(a)(1) of the Federal Rules of Civil Procedure* (July 1, 2011). The Receiver notes that the

deposition of Grant Grzybowski is scheduled for September 1, 2011 and may yield additional information responsive to this Interrogatory.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 11:

Without waiving his foregoing objections, the Receiver refers Anderson to his Second Supplemental Responses to Interrogatory No. 7. The Receiver further states that Anderson testified that Grzybowski told her that she could earn a 10.5 percent return on the \$100,000.00 she was contemplating “investing,” and that Grzybowski did not mention any risk associated with the “investment.” (D. Anderson Dep. Tr. at 13:10, 13:13.) Anderson was only getting about a 1.5% return on the \$100,000.00 before she transferred it to Cook’s purported currency trading program. (IR002540.) After Anderson received \$102,000.00 from Basel Group LLC in July 2009, she transferred that \$102,000.00 to a savings account generating only negligible interest. (D. Anderson Dep. Tr. at 63:17-64:7.)

The Receiver further states that Grzybowski was aware of the SEC on-site investigation of Cook’s Ponzi scheme during the week of June 22-26, 2009, by at least June 26, 2009. (Grzybowski Dep. Tr. at 164:16-17.) Grzybowski testified that he was physically at the Van Dusen mansion at least one of the days when the SEC was on-site during the week of June 22-26, 2009. (Id.) Sometime shortly after July 9, 2009, Grzybowski and Kyle Garmin called the Swiss liquidators who had taken over Crown Forex to ascertain the status of Crown Forex. (Grzybowski Dep. Tr. at 155:5-156:22.) The Swiss liquidator informed Grzybowski and Garmin that Crown Forex was bankrupt and further informed them that Cook, Bo Beckman, Jerry Durand, and Chris Pettengill

were “thieves.” (Id.) Shortly thereafter, Garmin, Grzybowski, and Gene Walden called the FBI. (Grzybowski Dep. Tr. at 157:1-6.)

Anderson knew that she was charged a 2% entry fee on her investment of \$100,000.00. (Grzybowski Dep. Tr. at 86:7-9; IR002540.) Anderson also signed documents specifying that she would be charged a 2% entry fee. (IR003241, IR003640.) Anderson also knew that if she withdrew the funds within a year of the purported investment, she was to be charged a 4% “redemption fee.” (Grzybowski Dep. Tr. at 88:2; 94:25; IR002540.) Anderson also signed documents specifying that she would be charged a 4% fee if she withdrew funds within the first year. (IR003241, IR003640.) Moreover, Grzybowski specifically explained each of these fees to the Respondent when she signed the purported account opening paperwork—he testified that he was “sure that I talked to [Anderson] about the fees that she’d be charged,” and that “I made her aware and prepared that there would be 4 percent.” (Grzybowski Dep. Tr. at 88:20-22; 242:19-21.) When Anderson decided to close her account, Grzybowski specifically explained to her that she would be charged the 4% early withdrawal fee, and she indicated that she was okay with that. (Grzybowski Dep. Tr. at 185:6-11.) Nonetheless, on July 15, 2009 Anderson received two wires for a total of \$102,000.00 from Basel Group LLC. (IR000074-IR000077.) Anderson was never charged the 4% early withdrawal fee. (Grzybowski Dep. Tr. at 242:25.) Nor was Anderson ever actually charged the 2% upfront “loading” or entry fee. (Grzybowski Dep. Tr. at 243:1-3.)

The Receiver further states that after the July 9, 2009 article about the Phillips lawsuit came out in the Star Tribune, when Grzybowski’s clients started calling him and

requesting that their accounts be closed, Grzybowski testified that he “wasn’t getting straight answers from Trevor on what was going on, why these people weren’t getting their money back.” (Grzybowski Dep. Tr. at 184:8-10.) Grzybowski also confirmed that Anderson received special treatment—Cook sent funds to her but refused to send funds to any of Grzybowski’s other clients. (Grzybowski Dep. Tr. at 246:7-247:4.) Grzybowski further testified that “I think it is fair” that Anderson should have to pay back the money she received from Basel Group LLC. (Grzybowski Dep. Tr. at 245:12-23.)

Interrogatory No. 12. Identify all facts on which you rely for the contention that Mrs. Anderson did not provide 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 you rely for such contentions.

Response: The Receiver objects to this Interrogatory on the grounds that it improperly seeks legal conclusions. The Receiver further objects to this Interrogatory because he has made no such contention, although he reserves his right to do so. The Receiver further objects to this Interrogatory because it is Respondent’s burden to prove the affirmative defense of having provided reasonably equivalent value.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 12: Without waiving his foregoing objections, the Receiver states that at all relevant times, Cook and his co-conspirators were running a Ponzi scheme, using the Receivership Entities to defraud hundreds of victims through numerous materially false and misleading statements, representations, promises, and omissions. Any funds given to Cook, his co-conspirators, or any salesperson or employee of the Receivership Entities were not “investments” in any legitimate “foreign currency program” or any other legitimate “investment program.”

Rather, the money was stolen by Cook and his co-conspirators immediately upon receipt. The stolen money was used to further the scheme by, among other things: paying earlier victims; paying salaries and commissions of salespersons and employees who were used by Cook and his co-conspirators to lure in more victims; paying operating expenses associated with maintaining the appearance of legitimacy; funding promotional activities to lure more victims; paying the personal expenses of Cook and his co-conspirators; and using the money to support their extravagant lifestyles.

The Receiver further states that the Respondent's initial "investment" into the Ponzi scheme on June 16, 2011 was not reasonably equivalent value for the \$102,000.00 she received on July 15, 2009 because her original "investment" was stolen by Cook and his co-conspirators and used up to support the scheme and the personal expenses. When the Respondent requested the return of her "investment" after learning about the Ponzi scheme from a Star Tribune newspaper article, she possessed only a claim for \$102,000.00. That claim was worth substantially less than the \$102,000.00 she received because the money the Respondent "invested," along with all other "investments" in the Ponzi scheme, was stolen by Cook and his co-conspirators and used up to support the scheme and the personal expenses. Because this was a Ponzi scheme, the Receivership Entities were insolvent from the onset and unable to satisfy all victims' claims on a dollar-for-dollar basis. Thus the \$102,000.00 that the Respondent received is far more than the reasonably equivalent value of her claim against a Receivership Entity. The value of the Respondent's claim is her *pro rata* share of the stolen funds that are recovered from this fraud for the benefit of the Receivership Entities. As of today's date,

the Respondent's *pro rata* share is approximately 2.5% of the amount Cook stole from her.

Interrogatory No. 13. Identify all facts and documents relating to your contention in paragraph 35 of the Petition that Mrs. Anderson knew or should have know the transfer she received was a fraudulent conveyance.

Response: The Receiver objects to this Interrogatory on the grounds that it improperly seeks legal conclusions. The Receiver further objects to this Interrogatory because it is Respondent's burden to prove the affirmative defense of good faith. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after a reasonable opportunity for discovery, the Receiver states that responsive, non-privileged documents will be produced in accordance with Federal Rule of Civil Procedure 33(d). The Receiver further refers the Investor Respondent to the Receiver's *Petition for Return of Receivership Assets from Investor Respondents*, SEC Docket No. 384, ¶ 31(o) (Jul. 23, 2010).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 13: Without waiving his foregoing objections, the Receiver refers the Respondent to his Supplemental Response to Interrogatory No. 11.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 13:

Without waiving his foregoing objections, the Receiver refers the Respondent to his Second Supplemental Responses to Interrogatory No. 11.

Interrogatory No. 14. Identify all facts and documents which support the contention in paragraph 40 of the Petition that the transfer to Mrs. Anderson was made with the "actual intent to hinder, delay, or defraud" creditors.

Response: The Receiver objects to this Interrogatory on the grounds that it improperly seeks legal conclusions. Subject to the foregoing general and specific objections, and without limiting the Receiver's right to supplement this response after further discovery, the Receiver refers the Investor Respondent to the Receiver's *Petition for Return of Receivership Assets from Investor Respondents*, SEC Docket No. 384 (Jul. 23, 2010) and *Order Allowing Summary Proceedings*, SEC Docket No. 380 (Jul. 20, 2010).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 14: Without waiving his foregoing objections, the Receiver refers the Respondent to his Supplemental Response to Interrogatory No. 7.

SECOND SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 14:

Without waiving his foregoing objections, the Receiver refers the Respondent to his Second Supplemental Responses to Interrogatory No. 7.

Interrogatory No. 15. Identify each person you expect to call as an expert witness at the trial of this case. With respect to each such person, describe the subject matter in which the person is expected to testify, state the substance of all facts and opinions to which the person is expected to testify; and state a summary of the grounds for each opinion.

Response: The Receiver objects to this Interrogatory as premature. Subject to the foregoing general and specific objections, the Receiver will provide the information sought by this Interrogatory at the times specified in the Court's Pretrial Schedule (SEC Docket No. 588).

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 15: Without waiving his foregoing objections, the Receiver refers Respondent to the rebuttal Expert Report of

Eric Goldberg, served on August 10, 2011, in accordance with the Court's Amended Scheduling Order. (Docket No. 114.)

Dated: November 16, 2011

Respectfully submitted,

s/ Peter M. Kohlhepp

R.J. Zayed (MN Bar No. 309,849)

Tara C. Norgard (MN Bar No. 307,683)

Brian W. Hayes (MN Bar No. 294,585)

Russell J. Rigby (MN Bar No. 323,652)

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Wells Fargo Bank, N.A.
Levy Processing Department
PO Box 29779 Mac# S3928-021
Phoenix, AZ 85038

July 9, 2009

VIA EMAIL TO MPODOLSKY@SLK-LAW.COM

Michael Podolsky
Shumaler, Loop & Kendrick LLP
1000 Jackson Street
Toledo, OH 43604

Re: Howard and Sharon Phillips, et al v Trevor Cook, et al
US District Court Case No 09-1732

Dear Mr. Podolsky:

Pursuant to the Temporary Restraining Order served on Wells Fargo Bank, the following accounts have been located and restrained for all customer withdrawals.

<u>Account Number</u>	<u>Name</u>	<u>Account Balance</u>
19716	UBS Diversified FX Advisors LLC	\$796.90
13573	UBS Diversified FX Growth LP	\$372.45
15830	UBS Diversified FX Mgmt LLC	\$796.90
12710	UBS Diversified Growth LLC	\$285,753.27
15213	Gerald J Durand	\$2,142.20
15598	Oxford Global Advisors LLC	\$428.59
15606	Oxford Global Advisors LLC	\$360.72
15614	Oxford Global Advisors LLC	\$0.00

If you have any questions please feel free to call me.

Sincerely,

Chere Oliver
Paralegal
Wells Fargo Bank
(480) 724-2094

Title: Bank Prime Loan Rate
 Series ID: MPRIME
 Source: Board of Governors of the Federal Reserve System
 Release: H.15 Selected Interest Rates
 Seasonal Adjustment: Not Applicable
 Frequency: Monthly
 Units: Percent
 Date Range: 1949-01-01 to 2011-12-01
 Last Updated: 2012-01-10 10:01 AM CST
 Notes: Averages of Daily Figures.
 Rate posted by a majority of top 25 (by assets in domestic offices) insured U.S.-chartered commercial banks. Prime is one of several base rates used by banks to price short-term business loans.

DATE	VALUE
1949-01-01	2.00
1949-02-01	2.00
1949-03-01	2.00
1949-04-01	2.00
1949-05-01	2.00
1949-06-01	2.00
1949-07-01	2.00
1949-08-01	2.00
1949-09-01	2.00
1949-10-01	2.00
1949-11-01	2.00
1949-12-01	2.00
1950-01-01	2.00
1950-02-01	2.00
1950-03-01	2.00
1950-04-01	2.00
1950-05-01	2.00
1950-06-01	2.00
1950-07-01	2.00
1950-08-01	2.00
1950-09-01	2.08
1950-10-01	2.25
1950-11-01	2.25
1950-12-01	2.25
1951-01-01	2.44
1951-02-01	2.50
1951-03-01	2.50
1951-04-01	2.50
1951-05-01	2.50
1951-06-01	2.50
1951-07-01	2.50
1951-08-01	2.50
1951-09-01	2.50
1951-10-01	2.62
1951-11-01	2.75
1951-12-01	2.85
1952-01-01	3.00
1952-02-01	3.00
1952-03-01	3.00
1952-04-01	3.00
1952-05-01	3.00
1952-06-01	3.00
1952-07-01	3.00
1952-08-01	3.00
1952-09-01	3.00
1952-10-01	3.00
1952-11-01	3.00
1952-12-01	3.00
1953-01-01	3.00

1953-02-01	3.00
1953-03-01	3.00
1953-04-01	3.03
1953-05-01	3.25
1953-06-01	3.25
1953-07-01	3.25
1953-08-01	3.25
1953-09-01	3.25
1953-10-01	3.25
1953-11-01	3.25
1953-12-01	3.25
1954-01-01	3.25
1954-02-01	3.25
1954-03-01	3.13
1954-04-01	3.00
1954-05-01	3.00
1954-06-01	3.00
1954-07-01	3.00
1954-08-01	3.00
1954-09-01	3.00
1954-10-01	3.00
1954-11-01	3.00
1954-12-01	3.00
1955-01-01	3.00
1955-02-01	3.00
1955-03-01	3.00
1955-04-01	3.00
1955-05-01	3.00
1955-06-01	3.00
1955-07-01	3.00
1955-08-01	3.23
1955-09-01	3.25
1955-10-01	3.40
1955-11-01	3.50
1955-12-01	3.50
1956-01-01	3.50
1956-02-01	3.50
1956-03-01	3.50
1956-04-01	3.65
1956-05-01	3.75
1956-06-01	3.75
1956-07-01	3.75
1956-08-01	3.84
1956-09-01	4.00
1956-10-01	4.00
1956-11-01	4.00
1956-12-01	4.00
1957-01-01	4.00
1957-02-01	4.00
1957-03-01	4.00
1957-04-01	4.00
1957-05-01	4.00
1957-06-01	4.00
1957-07-01	4.00
1957-08-01	4.42
1957-09-01	4.50
1957-10-01	4.50
1957-11-01	4.50
1957-12-01	4.50
1958-01-01	4.34
1958-02-01	4.00
1958-03-01	4.00
1958-04-01	3.83
1958-05-01	3.50

1958-06-01	3.50
1958-07-01	3.50
1958-08-01	3.50
1958-09-01	3.83
1958-10-01	4.00
1958-11-01	4.00
1958-12-01	4.00
1959-01-01	4.00
1959-02-01	4.00
1959-03-01	4.00
1959-04-01	4.00
1959-05-01	4.23
1959-06-01	4.50
1959-07-01	4.50
1959-08-01	4.50
1959-09-01	5.00
1959-10-01	5.00
1959-11-01	5.00
1959-12-01	5.00
1960-01-01	5.00
1960-02-01	5.00
1960-03-01	5.00
1960-04-01	5.00
1960-05-01	5.00
1960-06-01	5.00
1960-07-01	5.00
1960-08-01	4.85
1960-09-01	4.50
1960-10-01	4.50
1960-11-01	4.50
1960-12-01	4.50
1961-01-01	4.50
1961-02-01	4.50
1961-03-01	4.50
1961-04-01	4.50
1961-05-01	4.50
1961-06-01	4.50
1961-07-01	4.50
1961-08-01	4.50
1961-09-01	4.50
1961-10-01	4.50
1961-11-01	4.50
1961-12-01	4.50
1962-01-01	4.50
1962-02-01	4.50
1962-03-01	4.50
1962-04-01	4.50
1962-05-01	4.50
1962-06-01	4.50
1962-07-01	4.50
1962-08-01	4.50
1962-09-01	4.50
1962-10-01	4.50
1962-11-01	4.50
1962-12-01	4.50
1963-01-01	4.50
1963-02-01	4.50
1963-03-01	4.50
1963-04-01	4.50
1963-05-01	4.50
1963-06-01	4.50
1963-07-01	4.50
1963-08-01	4.50
1963-09-01	4.50

1963-10-01	4.50
1963-11-01	4.50
1963-12-01	4.50
1964-01-01	4.50
1964-02-01	4.50
1964-03-01	4.50
1964-04-01	4.50
1964-05-01	4.50
1964-06-01	4.50
1964-07-01	4.50
1964-08-01	4.50
1964-09-01	4.50
1964-10-01	4.50
1964-11-01	4.50
1964-12-01	4.50
1965-01-01	4.50
1965-02-01	4.50
1965-03-01	4.50
1965-04-01	4.50
1965-05-01	4.50
1965-06-01	4.50
1965-07-01	4.50
1965-08-01	4.50
1965-09-01	4.50
1965-10-01	4.50
1965-11-01	4.50
1965-12-01	4.92
1966-01-01	5.00
1966-02-01	5.00
1966-03-01	5.35
1966-04-01	5.50
1966-05-01	5.50
1966-06-01	5.52
1966-07-01	5.75
1966-08-01	5.88
1966-09-01	6.00
1966-10-01	6.00
1966-11-01	6.00
1966-12-01	6.00
1967-01-01	5.96
1967-02-01	5.75
1967-03-01	5.71
1967-04-01	5.50
1967-05-01	5.50
1967-06-01	5.50
1967-07-01	5.50
1967-08-01	5.50
1967-09-01	5.50
1967-10-01	5.50
1967-11-01	5.68
1967-12-01	6.00
1968-01-01	6.00
1968-02-01	6.00
1968-03-01	6.00
1968-04-01	6.20
1968-05-01	6.50
1968-06-01	6.50
1968-07-01	6.50
1968-08-01	6.50
1968-09-01	6.45
1968-10-01	6.25
1968-11-01	6.25
1968-12-01	6.60
1969-01-01	6.95

1969-02-01	7.00
1969-03-01	7.24
1969-04-01	7.50
1969-05-01	7.50
1969-06-01	8.23
1969-07-01	8.50
1969-08-01	8.50
1969-09-01	8.50
1969-10-01	8.50
1969-11-01	8.50
1969-12-01	8.50
1970-01-01	8.50
1970-02-01	8.50
1970-03-01	8.39
1970-04-01	8.00
1970-05-01	8.00
1970-06-01	8.00
1970-07-01	8.00
1970-08-01	8.00
1970-09-01	7.83
1970-10-01	7.50
1970-11-01	7.28
1970-12-01	6.92
1971-01-01	6.29
1971-02-01	5.88
1971-03-01	5.44
1971-04-01	5.28
1971-05-01	5.46
1971-06-01	5.50
1971-07-01	5.91
1971-08-01	6.00
1971-09-01	6.00
1971-10-01	5.90
1971-11-01	5.53
1971-12-01	5.49
1972-01-01	5.18
1972-02-01	4.75
1972-03-01	4.75
1972-04-01	4.97
1972-05-01	5.00
1972-06-01	5.04
1972-07-01	5.25
1972-08-01	5.27
1972-09-01	5.50
1972-10-01	5.73
1972-11-01	5.75
1972-12-01	5.79
1973-01-01	6.00
1973-02-01	6.02
1973-03-01	6.30
1973-04-01	6.61
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2011-12-01	3.25

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How is search information displayed?

By Business Name

By File Number

basel

Search

[Advanced Options](#)

Note: The search function defaults to finding active business listings only. This search does not include names in other states or prior business names.

[Advanced Options](#) will allow you to find inactive businesses or help you change the scope of your search. .

Click on "Details" to proceed.

Base Line Business Services, Inc.

[Details \(/Business/SearchDetails/7A-15?status=Inactive&itemType=Business%20Corporation%20\(Domestic\)\)](#)

Business Status: **Inactive** Business Type: **Business Corporation (Domestic)**
Name Type: **Minnesota Business Name**

Basel Inc.

[Details \(/Business/SearchDetails/7N-446?status=Inactive&itemType=Business%20Corporation%20\(Domestic\)\)](#)

Business Status: **Inactive** Business Type: **Business Corporation (Domestic)**
Name Type: **Minnesota Business Name**

Baseline

[Details \(/Business/SearchDetails/163913?status=Inactive&itemType=Assumed%20Name\)](#)

Business Status: **Inactive** Business Type: **Assumed Name** Name Type: **Minnesota Business Name**

BaseLine (Wholesale Printing Service)

Details (/Business/SearchDetails/139417? status=Inactive&itemType=Assumed%20Name)

Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

Baseline Data Management

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Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

Baseline Digital Imaging

Details (/Business/SearchDetails/167686? status=Inactive&itemType=Assumed%20Name)

Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

BASELINE GARDENS

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Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

Baseline Leasing, LLC

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Business Status: **Inactive** Business Type:
Limited Liability Company (Domestic)
Name Type: **Minnesota Business Name**

Baseline Manufacturing Corporation

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Business Status: **Inactive** Business Type:
Business Corporation (Foreign) Name
Type: **Minnesota Business Name**

BASELINE TENNIS

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Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

Baseline Transportation, Incorporated

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Business Status: **Inactive** Business Type:
Business Corporation (Domestic)
Name Type: **Minnesota Business Name**

Baseline Type and Production Services

Details (/Business/SearchDetails/74832? status=Inactive&itemType=Assumed%20Name)

Business Status: **Inactive** Business Type:
Assumed Name Name Type:
Minnesota Business Name

BASELL CANADA INC

Details (/Business/SearchDetails/RN-29411? status=Inactive&itemType=Name%20Reservation)

Business Status: **Inactive** Business Type:
Name Reservation Name Type:
Minnesota Business Name

BASELL POLYOLEFINS USA INC

Details (/Business/SearchDetails/RN-29206? status=Inactive&itemType=Name%20Reservation)

Business Status: **Inactive** Business Type:
Name Reservation Name Type:
Minnesota Business Name

BASELL USA INC

Details (/Business/SearchDetails/RN-29410? status=Inactive&itemType=Name%20Reservation)

Business Status: **Inactive** Business Type:
Name Reservation Name Type:
Minnesota Business Name

CAREERBASE LIMITED PARTNERSHIP

Details (/Business/SearchDetails/LP-4459? status=Inactive&itemType=Limited%20Partnership%20(Domestic))

Business Status: **Inactive** Business Type:
Limited Partnership (Domestic) Name
Type: **Minnesota Business Name**

Hibbing Baseline Club

Details (/Business/SearchDetails/10-783? status=Inactive&itemType=Nonprofit%20Corporation%20(Domestic))

Business Status: **Inactive** Business Type:
Nonprofit Corporation (Domestic)
Name Type: **Minnesota Business Name**

Home Base, LLC

Details (/Business/SearchDetails/769471-2? status=Inactive&itemType=Limited%20Liability%20Company%20(Domestic))

Business Status: **Inactive** Business Type:
Limited Liability Company (Domestic)
Name Type: **Minnesota Business Name**

INFORMIX DATABASE LLC

Details (/Business/SearchDetails/3170-LFC? status=Inactive&itemType=Limited%20Liability%20Company%20(Foreign))

Business Status: **Inactive** Business Type:
Limited Liability Company (Foreign)
Name Type: **Minnesota Business Name**

LyondellBasell Industries Inc. Details (/Business/SearchDetails/2615808-3? status=Inactive&itemType=Name%20Reservation)
Business Status: **Inactive** Business Type:
Name Reservation Name Type:
Minnesota Business Name

McKenzie County Database Limited Partnership Details (/Business/SearchDetails/25177? status=Inactive&itemType=Assumed%20Name)
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Minnesota Business Name

McKenzie County Database Limited Partnership Details (/Business/SearchDetails/LP-845? status=Inactive&itemType=Limited%20Partnership% 20(Domestic))
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Limited Partnership (Domestic) Name Type:
Minnesota Business Name

The Baseline Group LLC Details (/Business/SearchDetails/36684-LLC? status=Inactive&itemType=Limited%20Liability% 20Company%20(Domestic))
Business Status: **Inactive** Business Type:
Limited Liability Company (Domestic) Name Type:
Minnesota Business Name

Office of the MN Secretary of State
Home Page
(<http://www.sos.state.mn.us>)

System Requirements

The MBLS application works with the following web browsers:

- Microsoft Internet Explorer (version 7+)
- Mozilla Firefox (version 3.5+)
- Apple Safari (version 3+)
- Google Chrome

Additional MBLS Information

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(<http://www.sos.state.mn.us/index.html?page=42>)
Frequently Asked Questions (FAQ)
(<http://www.sos.state.mn.us/index.html?page=12>)