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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

U.S. COMMODITY FUTURES  
TRADING COMMISSION,

Plaintiff(s)

Case No: 09-cv-3332 MJD/JSM

v.

TREVOR COOK d/b/a CROWN  
FOREX, LLC, PATRICK KILEY d/b/a  
CROWN FOREX, LLC, UNIVERSAL  
BROKERAGE FX and UNIVERSAL  
BROKERAGE FX DIVERSIFIED, OXFORD  
GLOBAL PARTNERS, LLC, OXFORD  
GLOBAL ADVISORS, LLC, UNIVERAL  
BROKERAGE FX ADVISORS, LLC f/k/a  
UBS DIVERSIFIED FX ADVISORS, LLC,  
UNIVERSAL BROKERAGE FX  
GROWTH, L.P. f/k/a UBS DIVERSIFIED FX  
GROWTH L.P., UNIVERSAL BROKERAGE  
FX MANAGEMENT, LLC f/k/a UBS  
DIVERSIFIED FX MANAGEMENT, LLC  
and UBS DIVERSIFIED GROWTH, LLC,

Defendant(s)

R.J. ZAYED,

Receiver.

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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,

Case No: 09-cv-3333 MJD/JSM

Plaintiff(s)

v.

TREVOR G. COOK,  
PATRICK J. KILEY,  
UBS DIVERSIFIED GROWTH, LLC,  
UNIVERSAL BROKERAGE FX  
MANAGEMENT, LLC,  
OXFORD GLOBAL ADVISORS, LLC,  
and OXFORD GLOBAL PARTNERS, LLC,

Defendants

and

BASEL GROUP, LLC,  
CROWN FOREX, LLC,  
MARKET SHOT, LLC,  
PFG COIN AND BULLION,  
OXFORD DEVELOPERS, S.A.,  
OXFORD FX GROWTH, L.P.,  
OXFORD GLOBAL MANAGED  
FUTURES FUND, L.P., UBS DIVERSIFIED  
FX ADVISORS, LLC, UBS DIVERSIFIED  
FX GROWTH, L.P., UBS DIVERSIFIED  
FX MANAGEMENT, LLC, CLIFFORD  
BERG, and ELLEN BERG,

Relief Defendants.

R.J. ZAYED,

Receiver.

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**DECLARATION OF RECEIVER R.J. ZAYED IN SUPPORT OF MOTION TO APPROVE THE PAYMENT OF FEES INCURRED BY THE RECEIVER THAT WERE NECESSARY TO ASSIST THE RECEIVER IN HIS DUTIES**

I, R.J. Zayed, hereby declare as follows:

1. I am a partner with the law firm of Carlson, Caspers, Vandenberg & Lindquist (“CCVL”).
2. On November 23, 2009 the Court entered an order appointing me Receiver in the matter of *SEC v. Cook et al.*, for (1) the estates of Defendants Trevor G. Cook, Patrick J. Kiley; (2) Defendants UBS Diversified Growth LLC, Universal Brokerage FX Management, LLC, Oxford Global Advisors, LLC, Oxford Global Partners, LLC; (3) Relief Defendants Basel Group, LLC, Crown Forex, LLC, Market Shot, LLC, PFG Coin and Bullion, Oxford Developers, S.A., Oxford FX Growth, L.P., Oxford Global Managed Futures Fund, UBS Diversified FX Advisors, LLC, UBS Diversified FX Growth L.P., and UBS Diversified FX Management LLC; (4) all funds, accounts, and other assets held by or for Relief Defendants Clifford Berg and Ellen Berg, which were received, directly or indirectly, from the Defendants or were acquired with funds or other assets received, directly or indirectly, from the Defendants; and (5) every other corporation, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Cook and Kiley (collectively the “Receiver Estates”). *Order Appointing Receiver*, Docket No. 13, at 4 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, Docket No. 18, at 4 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, Docket No. 68 (Dec. 11, 2009).

3. On November 23, 2009 the Court also entered an order appointing me Receiver in the matter of *CFTC v. Cook et al.*, for Defendants Trevor Cook d/b/a Crown Forex, LLC, Patrick Kiley d/b/a Crown Forex, LLC, Universal Brokerage FX and Universal Brokerage FX Diversified, Oxford Global Partners, LLC, Oxford Global Advisors, LLC, Universal Brokerage FX Advisors, LLC f/k/a UBS Diversified FX Advisors, LLC, Universal Brokerage FX Growth, L.P. f/k/a UBS Diversified FX Growth, L.P., Universal Brokerage FX Management, LLC, f/k/a UBS Diversified FX Management, LLC, and UBS Diversified Growth, LLC, and their affiliates and subsidiaries, and all funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by the Defendants individually or collectively, including, but not limited to, investors' funds. *Ex Parte Statutory Restraining Order*, Docket No. 21, at 7 (Nov. 23, 2009); *see also Order Continuing Appointment of Temporary Receiver*, Docket No. 96 (Dec. 11, 2009).

4. I make this declaration based on personal knowledge and offer it in support of the motion described more fully herein.

5. The motion seeks the Court's approval to pay four types of fees incurred by the Receiver, in or about December 2010, that were necessary to assist the Receiver in his duties. Specifically the motion seeks Court approval:

(A) to pay outstanding bills. "Outstanding bills" are those for which the Receiver seeks Court authorization to pay directly out of assets of the Receivership; and

(B) to pay CCVL's attorneys' fees and reimburse CCVL for the necessary costs incurred and paid by CCVL.

**(A) Outstanding Bills**

*i) Dorsey & Whitney LLP*

6. With the Court's approval, I retained the Dorsey & Whitney law firm ("Dorsey") to assist with insurance law issues related to the Receiver's ongoing settlement negotiations with Mesa Holdings, Inc. and Ed Baker.

7. I have received a statement from Dorsey describing work performed from December 1, 2010 through December 31, 2010 concerning the Receiver's claims against Ed Baker and insurance related issues, including participating in protracted settlement negotiation with Ed Baker's counsel. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the applicable hourly rate, the time expended, a description of the tasks performed, and a description of additional expenses. The statement reflects the amount of compensation requested for the work performed by Dorsey. The statement sets forth \$3,742.62 in total fees and expenses.

8. I am familiar with the rates charged in the local community by other firms offering legal services similar to those provided by Dorsey and certify that the requested rates are within the range charged by law firms with comparable experience employed for work of a comparable nature and complexity.

9. I have reviewed the itemized statements describing services provided by Dorsey and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

10. I therefore request Court approval to pay Dorsey a total of \$3,742.62 out of the assets of the Receivership.

*ii) Leonard, O'Brien, Spencer, Gale & Sayre*

11. With the Court's approval, I retained the Leonard, O'Brien, Spencer, Gale & Sayre law firm ("Leonard") to assist with bankruptcy law issues related to the Receiver's claims against Ed Baker and his bankruptcy filing.

12. I have received a statement from Leonard describing work performed from December 1, 2010 through December 31, 2010, including reviewing documents related to the bankruptcy proceedings, drafting a request for notice to be filed in the proceeding, and seeking extensions of various deadlines in light of settlement discussions with Ed Baker's counsel. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the applicable hourly rate, the time expended, a description of the tasks performed, and a description of additional expenses. The statement reflects the amount of compensation requested for the work performed by Leonard. The statement sets forth \$463.75 in total fees and expenses.

13. I am familiar with the rates charged in the local community by other firms offering legal services similar to those provided by Leonard and certify that the requested rates are within the range charged by law firms with comparable experience employed for work of a comparable nature and complexity.

14. I have reviewed the itemized statements describing services provided by Leonard and certify that all of the stated work was actually performed and was necessary

to fulfill my duties and responsibilities as Receiver.

15. I therefore request Court approval to pay Leonard a total of \$463.75 out of the assets of the Receivership.

***iii) Lewis and Roca, LLP***

16. The Leonard, O'Brien, Spencer, Gale, & Sayre, Ltd. law firm retained the Phoenix, Arizona-based Lewis and Roca law firm ("Lewis") to assist the Receiver with bankruptcy law issues related to the Receiver's claims against Ed Baker and his bankruptcy filing.

17. I have received a statement from Lewis describing work performed from November 1, 2010 through November 18, 2010 concerning the Receiver's claims against Ed Baker. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the applicable hourly rate, the time expended, and a description of the tasks performed. The statements reflect the amount of compensation requested for the work performed by Lewis. The statement sets forth \$118.50 in total fees.

18. I am familiar with the rates charged in the local community by other firms offering legal services similar to those provided by Lewis and certify that the requested rates are within the range charged by law firms with comparable experience employed for work of a comparable nature and complexity.

19. I have reviewed the itemized statements describing services provided by Lewis and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

20. I therefore request Court approval to pay Lewis a total of \$118.50 out of the assets of the Receivership.

*iv) Computer Forensic Services*

21. With the Court's approval, I retained Computer Forensic Services to assist me in fulfilling my duties as Receiver by imaging and preparing an inventory of sixteen hard drives found at 12644 Tiffany Court, Burnsville, MN, 55337 and 1900 LaSalle Avenue, Minneapolis, MN 55403. The Receiver obtained these sixteen hard drives in the summer of 2010—they were not part of the original group of hard drives seized and imaged in late 2009 and early 2010. Computer Forensic Services also assisted me in searching for the original computer of Julia Smith, which was not found.

22. I have received an invoice from Computer Forensic Services describing the work it performed in December 2010, including imaging and inventorying of the sixteen additional hard drives. The invoice also reflects costs for the purchase of the external hard drive used to deliver the imaged hard drives to the Receiver, as well as courier charges for the delivery. I am submitting this document to the Court under separate correspondence for *in camera* review. The invoice includes a description of when work was performed and a description of the tasks performed. The invoice reflects the amount of compensation requested for the work performed by Computer Forensic Services. The invoice sets forth \$3,227.13 in total fees.

23. I am familiar with the rates charged in the local community by other firms offering hard drive imaging and inventorying services similar to those provided by Computer Forensic Services and certify that the requested rates are within the range charged by such services with comparable experience employed for work of a comparable nature and complexity.

24. I have reviewed the invoice describing the services provided by Computer Forensic Services and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

25. I therefore request Court approval to pay Computer Forensic Services \$3,227.13 out of the assets of the Receivership.

**(B) CCVL Attorneys' Fees and Costs**

26. With the Court's approval, I retained the CCVL law firm to assist me in fulfilling my duties and obligations as Receiver. *Order Appointing Receiver*, 09-cv-3333, Docket No. 13, at 2 (Nov. 23, 2009); *Ex Parte Statutory Restraining Order*, 09-cv-3332, Docket No. 21, at 8 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, 09-cv-3333, Docket No. 18, at 2 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, 09-cv-3333, Docket No. 68, at 2 (Dec. 11, 2009); *Order Continuing Appointment of Temporary Receiver*, 09-cv-3332, Docket No. 96, at 4 (Dec. 11, 2009).

27. I have received a statement from CCVL describing work performed by me and my agents from December 1, 2010 through December 31, 2010. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person

performing the work, the applicable discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects legal fees of \$146,781.10.

28. I have reviewed the itemized statement describing services provided by CCVL and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

29. CCVL assisted the Receiver in conducting continuing interviews of Trevor Cook regarding the location of missing assets, in coordination with the US Attorneys' Office, the SEC, and the CFTC. CCVL also assisted the Receiver in preparing for and conducting a deposition of a former Trevor Cook employee. CCVL also helped the Receiver prepare for and participate in the hearing on Trevor Cook's motion to purge the contempt of court order. CCVL also continued work on the Receiver's legal actions seeking to claw back Receivership funds from Wells Fargo Home Mortgage, New York Community Bank, 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, including preparing for a hearing on two motions to dismiss, attending the hearing on the motions to dismiss and arguing in opposition to the motions, filing a motion to quash a third party subpoena, preparing for a hearing on the motion to quash, attending the hearing and arguing the motion to quash, drafting and filing initial disclosures, drafting and filing responses to discovery requests, gathering, reviewing, and analyzing

documents pursuant to ongoing discovery, and participating in settlement negotiations. CCVL also assisted the Receiver in continuing efforts to claw back profits received by “winning” investors in Trevor Cook’s scheme, including drafting and sending demand letters, fielding calls from “winning” investors, and finalizing settlements. CCVL also assisted the Receiver with his claims against Mesa Holdings, Ed Baker, and related entities, including continuing to explore settlement options. CCVL also continued to respond to investor calls and to update and maintain the database of investor information. CCVL also assisted the Receiver in his efforts to comply with IRS requirements and resolve outstanding tax issues. CCVL also assisted the Receiver in efforts to finalize the sale of the Tiffany Court property and to coordinate the sale of additional personal property seized from Trevor Cook. CCLVL also assisted the Receiver in efforts to repatriate funds currently located outside of the United States. CCVL also continued to perform various other asset recovery tasks which are in their initial, and non-public, stages.

30. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by CCVL and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

31. I have received statements from various individuals and entities providing necessary services to the Receiver and related to preserving the Receivership properties for the month of December 2010. These expenses are summarized on pages 11-12 of CCVL invoice number 7251, under the heading “Disbursements.” I am submitting the

invoiced bills to the Court under separate correspondence for *in camera* review, along with copies of checks showing payment provided out of CCVL's operating account. The invoiced bills include the date the work was performed and a description of the tasks performed or the specific expense incurred. The statements set out the amount of compensation requested for the work performed. They reflect total costs of \$20,530.13. These disbursements include, among other things, payments to contract attorneys, rent and support costs for independent contractors, fees incurred for the hosting and maintenance of the Receivership website, postage expenses for correspondence sent to investors, utilities expenses and maintenance and repair fees incurred by Receivership property, fees for service of process, and fees for newspaper notices regarding the interim distribution.

32. I have reviewed the itemized statement describing services provided to the Receivership and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

33. I am familiar with the rates charged in the local community by service providers similar to those employed by the Receivership and certify that the requested rates are within the range charged by service providers of comparable experience for work of a comparable nature and complexity.

34. I request Court approval to pay CCVL \$146,781.10 in fees and \$20,530.13 in costs, for a total of \$167,311.23 out of the assets of the Receivership.

Executed on: January 21, 2011

s/ R.J. Zayed  
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