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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

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**RECEIVER'S FIRST SUPPLEMENTAL OBJECTIONS AND RESPONSES  
TO INVESTOR 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 ("the Investor Respondent") 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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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: August 19, 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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