

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

U.S. COMMODITY FUTURES
TRADING COMMISSION,
Plaintiff(s),

Case No. 09-cv-3332 MJD/JJK

vs.

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,

Defendant(s),

R.J. ZAYED,

Receiver.

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION
Plaintiff(s),

Case No. 09-cv-3333 MJD/JJK

vs.

TREVOR G. COOK,
PATRICK 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.

ANSWER AND JURY TRIAL DEMAND

OF

**LENDER RESPONDENTS STEVEN AND PAMELA CHENEY, DAVID BUYSSE,
WALTER DEFIEL, STEVEN AND JENENE FREDELL, MICHAEL AND
JENNIFER HEISE, MICHAEL AND CYNTHIA HILLESHEIM, LARRY
HOPFENSPIRGER, STEVEN KAUTZMAN, JAMES MCINTOSH, GEORGE
AND KAREN MORISSET, TERRY FRAHM, AND
REYNOLD AND JUDITH SUNDSTROM**

Lender Respondents Steven and Pamela Cheney, David Buysse, Walter Defiel, Steven and Jenene Fredell, Michael and Jennifer Heise, Michael and Cynthia Hillesheim, Larry Hopfenspirger, Steven Kautzman, James McIntosh, George and Karen Morisset, Terry Frahm, and Reynold and Judith Sundstrom (hereinafter collectively “Lender Respondents”) as and for their Answer to the allegations contained in the Receiver’s Petition, state and allege as follows:

- A. Lender Respondents deny each and every matter, allegation and thing contained in the Receiver’s Petition, unless hereafter specifically admitted.
- B. The Receiver’s Petition contains an unenumerated two paragraph introduction which does not contain any allegations. The Lender Respondents affirmatively allege in response to these two paragraphs that they are not liable to the Receiver.
 1. The Lender Respondents affirmatively allege that the CFTC and the SEC commenced the above captioned actions in the District Court. To the extent that the allegations contained in Paragraph 1 of the Receiver’s Petition are inconsistent

with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

2. The Lender Respondents affirmatively allege that Court records show that Trevor Cook pleaded guilty to certain crimes. The Lender Respondents further affirmatively allege that they lack knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph 2 of the Petition. To the extent that the allegations contained in Paragraph 2 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
3. The Lender Respondents affirmatively allege that a Receiver has been appointed in each of the above captioned proceedings and that Orders regarding the Receiver have been entered in each of these proceedings. To the extent that the allegations contained in Paragraph 3 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
4. The Lender Respondents affirmatively allege that the Court has entered Orders regarding the Receiver and that those Orders speak for themselves. To the extent that the allegations contained in Paragraph 4 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
5. The Lender Respondents affirmatively allege that the Court has entered Orders regarding the Receiver and those Orders speak for themselves. To the extent that

the allegations contained in Paragraph 5 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

6. The Lender Respondents affirmatively allege that the Court has entered Orders in the above captioned proceedings appointing R.J. Zayed as Receiver. To the extent that the allegations contained in Paragraph 6 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
7. Lender Respondents affirmatively allege that they are Minnesota residents, except for Lender Respondent James McIntosh, who is a Utah resident. The Lender Respondents further affirmatively allege that they lack knowledge or information sufficient to form a belief as to the allegations regarding disbursements contained in paragraph 7 of the Petition because the disbursements are not identified. To the extent that the allegations contained in Paragraph 7 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
8. The Lender Respondents affirmatively allege that paragraph 8 of the Petition does not contain an allegation which Lender Respondents can admit or deny. To the extent that the allegations contained in Paragraph 8 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

9. The Lender Respondents affirmatively allege that this Court does not have subject matter jurisdiction over this proceeding or personal jurisdiction over the Lender Respondents. To the extent that the allegations contained in Paragraph 9 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
10. The Lender Respondents affirmatively allege that the Court has entered Orders in the above captioned proceedings appointing R.J. Zayed as Receiver. To the extent that the allegations contained in Paragraph 10 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
11. The Lender Respondents affirmatively allege that the Court has entered Orders in the above captioned proceedings and those Orders speak for themselves. To the extent that the allegations contained in Paragraph 11 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
12. The Lender Respondents affirmatively allege that this Court does not have subject matter jurisdiction over this proceeding or personal jurisdiction over the Lender Respondents and therefore venue is improper. To the extent that the allegations contained in Paragraph 12 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

13. The Lender Respondents affirmatively allege that records in this Court show that Trevor Cook pleaded guilty to certain crimes. The Lender Respondents further affirmatively allege that those Court records speak for themselves. The Lender Respondents further affirmatively allege that they lack knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph 13 of the Petition. To the extent that the allegations contained in Paragraph 13 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
14. The Lender Respondents affirmatively allege that records in this Court show that Trevor Cook pleaded guilty to certain crimes. The Lender Respondents further affirmatively allege that those Court records speak for themselves. The Lender Respondents further affirmatively allege that they lack knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph 14 of the Petition. To the extent that the allegations contained in Paragraph 14 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
15. The Lender Respondents affirmatively allege that they entered into transactions with business entities in which Trevor Cook was involved. The Lender Respondents further affirmatively allege that they lack knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph

15 of the Petition. To the extent that the allegations contained in Paragraph 15 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

16. The Lender Respondents lack knowledge or information sufficient to form a belief as to the allegations contained in paragraph 16 of the Petition regarding the false statements Trevor Cook made to the "investors" who are unidentified in paragraph 16. To the extent that the allegations contained in Paragraph 16 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
17. The Lender Respondents affirmatively allege that they lack knowledge or information sufficient to form a belief as to the allegations contained in paragraph 17 of the Petition regarding the false statements Trevor Cook made to the "investors" who are unidentified in paragraph 17. To the extent that the allegations contained in Paragraph 17 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.
18. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 18 of the Petition and therefore the Lender Respondents deny those allegations.
19. The Lender Respondents affirmatively allege that they lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in

paragraph 19 of the Petition regarding the “statements” Trevor Cook sent to the “investors” who are unidentified in paragraph 19. To the extent that the allegations contained in Paragraph 19 of the Receiver’s Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

20. The Lender Respondents affirmatively allege that they lack knowledge or information sufficient to form a belief as to the allegations contained in paragraph 20 of the Petition regarding the “information” Trevor Cook allegedly withheld from “investors” who are unidentified in paragraph 20. The Lender Respondents further affirmatively allege that any Court Orders entered in this proceeding speak for themselves. To the extent that the allegations contained in Paragraph 20 of the Receiver’s Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny said allegations.

21. The Lender Respondents affirmatively allege that they lack knowledge or information sufficient to form a belief as to the allegations contained in paragraph 21 of the Petition regarding the transfer of assets by the Trevor Cook entities. The Lender Respondents further affirmatively allege that that any Court Orders entered in this proceeding speak for themselves. To the extent that the allegations contained in Paragraph 21 of the Receiver’s Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

22. The Lender Respondents affirmatively allege that they lack knowledge or information sufficient to form a belief as to the allegations contained in paragraph 22 of the Petition regarding the transfer of assets by the Trevor Cook entities. The Lender Respondents further affirmatively allege that any Court Orders entered in this proceeding speak for themselves. To the extent that the allegations contained in Paragraph 22 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
23. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 23 of the Petition and therefore deny those allegations.
24. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 24 of the Petition and therefore deny those allegations.
25. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25 of the Petition and therefore deny those allegations.
26. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 26 of the Petition and therefore deny those allegations.

27. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27 of the Petition and therefore deny those allegations.
28. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28 of the Petition and therefore deny those allegations.
29. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29 of the Petition and therefore deny those allegations.
30. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 30 of the Petition and therefore deny those allegations.
31. The Lender Respondents affirmatively allege that they each received funds back from the entities to which the Lender Respondents had provided loans. To the extent that the allegations contained in the main Paragraph 31 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
 - a. Lender Respondent Buysse affirmatively alleges that he knew Clifford Berg. Lender Respondent Buysse further affirmatively alleges that he lent more than \$147,233 to an entity or entities owned or controlled by Trevor Cook ("Cook Entities"). Lender Respondent Buysse further affirmatively alleges that he was told that his account would be closed

and that he would receive his loan proceeds back. To the extent that the allegations contained in Paragraph 31 a of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

b. Lender Respondent Cheney affirmatively alleges that he knew Clifford Berg. Lender Respondent Cheney further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent Cheney further affirmatively alleges that he received periodic loan payments from one or more of the Cook Entities. Lender Respondent Cheney further affirmatively alleges that he had discussions with Trevor Cook regarding the Cook's businesses. Lender Respondent Cheney further affirmatively alleges that he requested payment of his loan from one or more of the Cook Entities. Lender Respondent Cheney further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 b of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

c. Lender Respondent Defiel affirmatively alleges that he knew Clifford Berg. Lender Respondent Defiel further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent

Defiel further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 c of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

- d. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 d of the Petition and therefore the Lender Respondents deny those allegations.
- e. Lender Respondent Frahm affirmatively alleges that he learned about the Cook Entities through his wife. Lender Respondent Frahm further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent Frahm further affirmatively alleges that he requested payment of the monies loaned to the Cook Entities and the Cook Entities paid those monies to Frahm. To the extent that the allegations contained in Paragraph 31 e of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
- f. Lender Respondents the Fredells affirmatively allege that they knew Clifford Berg. Lender Respondents the Fredells further affirmatively

allege that they lent monies to the Cook Entities. Lender Respondents the Fredells further affirmatively allege that they were told that their account would be closed and that they would receive their loan proceeds back. To the extent that the allegations contained in Paragraph 31 f of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

- g. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 g of the Petition and therefore the Lender Respondents deny those allegations.
- h. Lender Respondent Heise affirmatively alleges that he knew Clifford Berg. Lender Respondent Heise further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent Heise further affirmatively alleges that he received loan payments from one or more of the Cook Entities. Lender Respondent Heise further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 h of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

- i. Lender Respondents the Hillesheims affirmatively allege that Cynthia Hillesheim knew Clifford Berg and that she had discussions with Clifford Berg. Lender Respondents the Hillesheims further affirmatively allege that they lent monies to one or more of the Cook Entities. Lender Respondent the Hillesheims further affirmatively allege that they received the payment of their loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 i of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
- j. Lender Respondent Hopfenspirger affirmatively alleges that he knew Steven Cheney. Lender Respondent Hopfenspirger further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent Hopfenspirger further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 j of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
- k. Lender Respondent Kautzman affirmatively alleges that he knew Clifford Berg. Lender Respondent Kautzman further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender

Respondent Kautzman further affirmatively alleges that he had discussions with Clifford Berg regarding the Cook Entities. Lender Respondent Kautzman further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 k of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

1. Lender Respondent McIntosh affirmatively alleges that he knew Clifford Berg and worked with Clifford Berg. Lender Respondent McIntosh further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent McIntosh further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 l of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
- m. Lender Respondents the Morissets affirmatively allege that they knew Lender Respondent Defiel. Lender Respondents the Morissets further affirmatively allege that they lent monies to the Cook Entities. Lender Respondents the Morissets further affirmatively allege that they received the payment of their loan from one or more of the Cook

Entities. To the extent that the allegations contained in Paragraph 31 m of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.

- n. Lender Respondent Sundstrom affirmatively alleges that he knew Clifford Berg and worked with Clifford Berg. Lender Respondent Sundstrom further affirmatively alleges that he lent monies to one or more of the Cook Entities. Lender Respondent Sundstrom further affirmatively alleges that he received the payment of his loan from one or more of the Cook Entities. To the extent that the allegations contained in Paragraph 31 l of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
 - o. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 o of the Petition and therefore the Lender Respondents deny those allegations.
32. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 32 of the Receiver's Petition and therefore the Lender Respondents deny those allegations.
33. The Lender Respondents deny the allegations contained in paragraph 33 of the Receiver's Petition.

34. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 34 of the Receiver's Petition and therefore the Lender Respondents deny those allegations.
35. The Lender Respondents deny the allegations contained in paragraph 35 of the Receiver's Petition.
36. The Lender Respondents affirmatively allege that they each properly received funds back from the Cook Entities to which the Lender Respondents had provided loans. To the extent that the allegations contained in Paragraph 36 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
37. Lender Respondents reassert and re-allege their responses to paragraphs 1-36 of the Receiver's Petition in response to paragraph 37 of the Receiver's Petition.
38. The Lender Respondents affirmatively allege that they each properly received funds back from the Cook Entities to which the Lender Respondents had provided loans. To the extent that the allegations contained in Paragraph 38 of the Receiver's Petition are inconsistent with, contradictory to, or not addressed by the affirmative allegations set forth above, the Lender Respondents deny those allegations.
39. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 39 of the Receiver's Petition and therefore the Lender Respondents deny those allegations.

40. The Lender Respondents deny the allegations contained in paragraph 40 of the Receiver's Petition.
41. The Lender Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 41 of the Receiver's Petition and therefore the Lender Respondents deny those allegations.
42. The Lender Respondents deny the allegations contained in paragraph 42 of the Receiver's Petition.
43. Lender Respondents reassert and re-allege their responses to paragraphs 1-42 of the Receiver's Petition in response to paragraph 43 of the Receiver's Petition.
44. The Lender Respondents deny the allegations contained in paragraph 43 of the Receiver's Petition.
45. The Lender Respondents deny the allegations contained in paragraph 44 of the Receiver's Petition.
46. The Lender Respondents deny the allegations contained in paragraph 45 of the Receiver's Petition.

AFFIRMATIVE DEFENSES

The Lender Respondents, as and for their affirmative defenses to the Receiver's Petition, state and allege as follows:

1. The Receiver's Petition fails to state a claim upon which relief may be granted.
2. The Receiver's Petition is barred, in whole or in part, by the equitable doctrines of estoppel, waiver and laches.

3. The Receiver's Petition is barred, in whole or in part, by the applicable statute of limitations.
4. The Receiver's Petition is barred, in whole or in part, by the statute of frauds.
5. The Receiver's claims should be dismissed as a result of its failure to join indispensable parties.
6. The Receiver's Petition is barred, in whole or in part, by accord and satisfaction.
7. The Receiver's Petition is barred, in whole or in part, by a preceding breach of contract.
8. The Receiver's Petition is barred, in whole or in part, by a failure to mitigate alleged damages.
9. The Receiver's Petition is barred, in whole or in part, by the doctrine of payment.
10. The Receiver's Petition is barred, in whole or in part, by the doctrines of res judicata, collateral estoppel, merger and bar.
11. The Receiver's Petition is barred, in whole or in part, by the doctrine of unclean hands.
12. The Receiver's Petition is barred, in whole or in part, by the doctrines of assumption of risk.
13. The Receiver's Petition is barred, in whole or in part, by the doctrines of contributory negligence.
14. The Receiver's claims are barred, in whole or in part, under the doctrine of comparative fault.

15. The Receiver's Petition is barred, in whole or in part, by the doctrine of election of remedies.
16. The Receiver's claims are barred, in whole or in part, by the doctrines of ratification and past performance.
17. The Receiver's claimed damages to third parties, if any, have or may have been caused, in whole or in part, by the acts or omissions of third parties over whom Lender Respondents had no control and for whose acts they are not responsible.
18. The Lender Respondents received the return of their investment in good faith and without knowledge of any impropriety.
19. The Receiver's claims are barred because of the doctrine of reasonably equivalent value.
20. The Receiver's claims are barred under the doctrine of novation.
21. The Receiver's claims are barred because the Court has no subject matter or personal jurisdiction in this case.
22. The Receiver has no standing to bring the fraudulent transfer claims.
23. The Receiver's claims are barred under the doctrine of in pari delicto.

JURY TRIAL DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Lender Respondents demand a jury trial on all issues triable to a jury.

WHEREFORE, Lender Respondents request that the Court dismiss the Receiver's Petition with prejudice and on the merits and award Lender Respondents costs, expenses,

and disbursements, including attorney fees, and grant such other, further, and different relief as the Court deems just and equitable.

Dated: March 11, 2011.

MOHRMAN & KAARDAL, P.A.

s/William F. Mohrman

William F. Mohrman (#168816)

Gregory M. Erickson (#276522)

Tona T. Dove (#232130)

James R. Magnuson (#389084)

33 South Sixth Street, Suite 4100

Minneapolis, MN 55402

(612) 341-1074

Attorneys for Lender Respondents