

# **EXHIBIT A**

MANNING CURTIS BRADSHAW  
& BEDNAR LLC  
David C. Castleberry [11531]  
[dcastleberry@mc2b.com](mailto:dcastleberry@mc2b.com)  
Aaron C. Garrett [12519]  
[agarrett@mc2b.com](mailto:agarrett@mc2b.com)  
136 East South Temple, Suite 1300  
Salt Lake City, UT 84111  
Telephone (801) 363-5678  
Facsimile (801) 364-5678

Attorneys for Plaintiff R. WAYNE KLEIN, the  
Court-Appointed Receiver

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH

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U.S. COMMODITY FUTURES  
TRADING COMMISSION,

Plaintiff,

v.

U.S. VENTURES LC, a Utah limited liability  
company, WINSOME INVESTMENT  
TRUST, an unincorporated Texas entity,  
ROBERT J. ANDRES and ROBERT L.  
HOLLOWAY,

Defendants.

**DECLARATION OF RECEIVER  
WAYNE KLEIN IN SUPPORT OF  
RECEIVER'S RESPONSE TO  
OBJECTIONS TO THE REPORT  
ON THE CLAIMS PROCESS**

Case No. 2:11CV00099 BSJ

Judge Bruce S. Jenkins

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I, R. Wayne Klein, being of lawful age, declare and state as follows:

1. I am the Court-Appointed Receiver (the "Receiver") in the above-captioned case pursuant to the Order Granting Restraining Order and Appointing Receiver entered on January 25, 2011 [Docket No. 15].

2. I submit this Declaration in support of *Receiver's Report on and Response to Objections*

*to the Receiver's Recommendations on the Claims Process* ("Response to Objections") which is being filed concurrently herewith.

3. The chart attached as Exhibit 1 is a true and correct summary of all payments from Springridge, LLC to US Ventures.

4. Exhibit 2 is a true and correct copy of a document provided to me by the RCH2 Receiver showing a fax to the Bank of American Fork authorizing a wire transfer of \$100,000.00 from the bank account of Springridge, LLC at Bank of American Fork on March 2, 2007.

5. Exhibit 3 is a true and correct copy of a document provided to me by the RCH2 Receiver showing authorization of a wire transfer of \$300,000.00 from the bank account of Springridge, LLC at Bank of American Fork on March 13, 2007.

6. Exhibit 4 is a true and correct copy of a document provided to me by the RCH2 Receiver showing authorization of a wire transfer of \$10,000.00 from the bank account of Springridge, LLC at Bank of American Fork on March 20, 2007.

7. Exhibit 5 is a true and correct copy of a document provided to me by the RCH2 Receiver showing authorization of a wire transfer of \$15,000.00 from the bank account of Springridge, LLC at Bank of American Fork on March 30, 2007.

8. Exhibit 6 is a true and correct copy of a document provided to me by the RCH2 Receiver showing six checks issued from the bank account of Springridge at Bank of American Fork between June 30, 2007 and April 6, 2007

9. Exhibit 7 is a true and correct copy of the articles of organization for Springridge, LLC filed with the Court by RCH2 as part of its objection.

10. I have searched all the records that I have gathered in my word as Receiver and have not found any documents indicating that the Refinery Contract between RIO Systems, Inc. and

others was assigned to Winsome Investment Trust.

11. In my review of records relating to Winsome, I have found no indication that Winsome ever provided a written agreement to provide funding or participation under the refinery contract between RIO and others.

12. In my work as Receiver, including my review of documents recovered, depositions taken, and electronic records reviewed, I have found nothing to indicate that Winsome was an affiliate or subsidiary of RIO Systems. To the contrary, all evidence I have seen indicates that Winsome was controlled only by Robert Andres.

13. Exhibit 8 is a true and correct copy of excerpts from the deposition of Clayton Ballard taken on December 18, 2012.

14. Exhibit 9 is a true and correct copy of excerpts from the deposition of Robert Andres taken on March 22, 2011.

15. Exhibit 10 contains true and correct copies of amendments three through nine of the refinery agreement between RIO and others. These documents were received from Penedo in discovery. Penedo did not provide copies of amendments one or two. None of these documents were found in the records of Winsome.

16. Exhibit 11 contains a true and correct copy of an agreement with RIO, Penedo, Fundacion, China Railway, and others. This document was received from Penedo in discovery. None of these documents were found in the records of Winsome.

17. The chart attached as Exhibit 12 is a true and correct summary of payments made by Winsome to Roberto Penedo and Fundacion Guatemalteco between October 23, 2006 and September 24, 2008, correlated with the dates of amendments to the Refinery Contract. This chart shows that by November 30, 2007, Winsome had sent \$661,000.00 to Penedo and

Fundacion.

18. Exhibit 13 is a true and correct copy of the Notice of Rejected Proof of Claim that was sent to Roberto Penedo on December 17, 2012.

19. Exhibit 14 is a true and correct copy of an affidavit and attachment provided to the Receiver by Clayton Ballard, owner of RIO Systems.

20. Exhibit 15 is a true and correct copy of the Proof of Claim Form submitted by Ali on August 30, 2012, which was received on September 6, 2012.

21. Initially, Ali filed a claim on behalf of investors who supposedly sent money to M Cubed for investment, which was received on July 31, 2012. On August 3, 2012 and again on August 29, 2012, my office notified Ali that M Cubed could not file claims on behalf of others and that each investor needed to submit his own claim, sign the Proof of Claim Form individually, and submit their own documentation.

22. All the investors who were identified on the Proof of Claim Form initially submitted by Ali in the name of M Cubed subsequently filed separate Proof of Claim Forms. Each of these has been evaluated separately.

23. I have searched the online records of registrants with the Alberta Securities Commission and found no license or registration issued to Zaman Ali to offer or sell securities. Based on my knowledge of Canadian Securities laws and discussions with Canadian securities regulators, I am aware that Canadian securities laws, like their U.S. counterparts, require sellers of securities to be licensed before offering or selling securities.

24. Exhibit 16 is a true and correct copy of bank records of Winsome showing a wire transfer from Winsome to M Cubed in the amount of \$60,000.00 on March 17, 2008. I have not seen documentation that enables me to determine whether these funds were retained by Ali or paid out

to some of his investors as distributions.

25. Exhibit 17 is a true and correct copy of a letter I sent on November 21, 2012 to counsel to Ali and M Cubed. This letter requested that Ali provide the Receiver with documentation showing what happened to the difference between amounts sent to M Cubed by investors and amounts that M Cubed sent to Winsome. The contents of that letter accurately reflect the results of our research which indicated:

- a. Investor TM sent \$50,000.00 to M Cubed on November 28, 2007 and that we have been able to determine that at most \$40,200.00 of this money was sent to Winsome by M Cubed;
- b. Three investors sent \$125,000.00 to M Cubed between June and August 2008 and at most, \$5,000.00 of this was sent to Winsome;
- c. Investor CM sent \$50,000.00 to M Cubed in July 2009. At most, \$8,000.00 of this money was sent to Winsome.

26. A copy of the Notice of Reduced or Rejected Proof of Claim that was sent to Ali on October 15, 2012 is attached as Exhibit 18.

27. A copy of the Claims Report was sent to Ali via email on December 20, 2012. On December 21, 2012 I exchanged emails with Ali regarding the Claims Report and how an objection could be filed. A copy of my email to Ali is attached as Exhibit 19.

28. On January 23, 2013, Ali called me requesting additional time to file his objection. I told Ali that the deadline had been set by the Court and that I lacked authority to grant additional time. I told Ali that he would need to contact the Court to request additional time.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

DATED this 7<sup>th</sup> day of February, 2013.

  
\_\_\_\_\_  
WAYNE KLEIN, Receiver

# Exhibit 1



Springridge LLC 7782	3/2/2007	Transfer	US Ventures (7501)	From 7107501 to 7107782		\$100,000.00			
7782	3/13/2007	Wire in	Springridge LLC	Orig: Springridge LLC sender: BK of Am Fork Am Fork		\$300,000.00			
7782	3/20/2007	Wire in	Springridge LLC	Orig: Springridge LLC sender: BK of Am Fork Am Fork		\$10,000.00			
7782	3/30/2007	Wire in	Springridge LLC	Orig: Springridge LLC sender: BK of Am Fork Am Fork		\$15,000.00			
7808	4/6/2007	Deposit	Springridge	Springridge counter check BK of AF 47107493 Signed by Robert D E???		\$10,000.00	\$435,000.00	\$0.00	\$435,000.00

# Exhibit 2

# 35

3/27/2007 1:58 PM EMail: Fax: TO: 6286535 PAGE: 001 OF 001

SCANNED

March 2, 2007

Tonya Hawkins  
Branch Operations Manager  
Bank of American Fork

Sent by Fax

Dear Tonya,

This is to confirm Casey Hall's verbal request for a \$100,000.00 transfer to Bob Holloway earlier today. Thank you for taking care of that transaction. Your assistance has always been invaluable.

Thanks,

*Robert D. Englund*

Robert D. Englund  
Springridge, LLC

7107501

7107501

BAF 0278

# Exhibit 3

MAR 13 07 01:18P FUTURETECH INC (801)2531521 P.1

**Bank of American Fork  
Customer Wire Transfer Request Form**

**OUTGOING REQUEST** Complete before 3:00 pm

Account to be debited: 7107493 Date: March 13, 2007

Account Name: Springridge, LLC Phone: 801 759 7578  
Address: 11650 S State Street, Ste 300

City State Zip: Draper, UT 84020

Transfer Amount: \$300,000.00 *[Signature]*

Originator to Beneficiary Info: Springridge, LLC to US Ventures, LLC

Credit Account  
Account to Credit: 0718782

Account Name: US Ventures, LLC

Receiving Bank: Bank of American Fork

ABA Routing # 124301025

Address: \_\_\_\_\_

City State Zip: \_\_\_\_\_

I understand that there will be a fee of \$10 assessed to pay for this request. I understand that once this request has been processed, the funds have been permanently transferred to the above beneficiary and that a stop payment order will not be possible. This payment implements an agreement between the undersigned and beneficiary. The bank is not a part of the agreement and has no obligations other than to wire transfer the funds in accordance with this request. I understand that wire transfer requests are handled expeditiously by the bank, but that there is no guarantee that this request will be completed in any specific time period.

Transfer Authorized By: *[Signature]*

Facsimile Requests Fax to: Wire Dept @ 801-642-3188 Attn: Allison & Jennifer  
Wire Dept phone: 801-642-3140 & 801-642-3141

# Exhibit 4

3/20/2007 11:21 AM FROM: ESM TO: 11016423118 PAGE: 003 OF 003

### Bank of American Fork Customer Wire Transfer Request Form

**OUTGOING REQUEST** Complete before 3:00 pm

Account to be debited: 7107493 Date: March 20, 2007  
Account Name: Springridge, LLC Phone: 801 759 7578  
Address: 11650 S State Street, Ste 300  
City State Zip: Draper, UT 84020  
Transfer Amount: \$10,000.00

Originator to Beneficiary Info: Springridge, LLC to US Ventures

Credit Account  
Account to Credit: 07107782  
Account Name: US Ventures

Receiving Bank: Bank of American Fork  
ABA Routing # 114301025

Address: \_\_\_\_\_

City State Zip: \_\_\_\_\_

I understand that there will be a fee of \$10 assessed to pay for this request. I understand that once this request has been processed, the funds have been permanently transferred to the above beneficiary and that ~~they will not be possible. This payment is processed before the~~ wire transfer the funds in accordance with this request. I understand that wire transfer requests are handled expeditiously by the bank, but that there is no guarantee that this request will be completed in any specific time period.

Transfer Authorized By: Robert D. Eubank

Printed Name of Accountant: \_\_\_\_\_

# Exhibit 5



03/30/2007 14:51 8015873086 SPRINGRIDGE 90001 P.001 /001

**Bank of American Fork  
Customer Wire Transfer Request Form**

**OUTGOING REQUEST** Complete before 3:00 pm

Account to be debited: 7107493 Date: March 30, 2007  
Account Name: Springridge, LLC Phone: 801 759 7578  
Address: 11650 S State Street, Ste 300  
City State Zip: Draper, UT 84020  
Transfer Amount: \$15,000.00

Originator to Beneficiary Info: Springridge, LLC to US Ventures

Credit Account  
Account to Credit: 07107782  
Account Name: US Ventures  
Receiving Bank: Bank of American Fork  
ABA Routing #: 124301025

Address: \_\_\_\_\_  
City State Zip: \_\_\_\_\_

I understand that there will be a fee of \$10 assessed to pay for this request. I understand that once this request has been processed, the funds have been permanently transferred to the above beneficiary and that a stop payment order will not be possible. This payment implements an agreement between the undersigned and beneficiary. The bank is not a part of the agreement and has no obligations other than to wire transfer the funds in accordance with this request. I understand that wire transfer requests are handled expeditiously by the bank, but that there is no guarantee that this request will be completed in any specific time period.

Transfer Authorized By: Flora D. England

Facsimile Requests Fax to: Wire Dept @ 801-642-3188 Attn: Allison & Jennifer  
Wire Dept phone: 801-642-3140 & 801-642-3141

# Exhibit 6

#36

# Bank of American Fork

Date: 4/27/2007 Page: 7 of 10

NAME Springridge 4/16/07  
 ACCOUNT NO 7107808  
 Pay to the Order of 45 Ventures \$ 10,000.00  
Ten Thousand and 00/100  
 Bank of American Fork  
 12124301025 710 749 34  
*Rex D. Gill*

Ck# 0 Date 4/6/2007 \$10,000.00

12124301025 6200020075 04-06-2007  
 7107808

Check 0 Back

SPRINGRIDGE, LLC  
 1144 E. STATE STREET, STE 200  
 OGDEN, UT 84202  
 3-30-07  
 Pay to the Order of John Fuller Construction, Inc. \$ 75,000.00  
Seventy Five Thousand and 00/100  
 Bank of American Fork  
 \*001199\* 61263010250710 749 34  
*Rex D. Gill*

Ck# 1199 Date 3/30/2007 \$75,000.00

John Fuller Construction  
 P deposit only  
 4/11/07

Check 1199 Back

SPRINGRIDGE, LLC  
 1144 E. STATE STREET, STE 200  
 OGDEN, UT 84202  
 3-30-07  
 Pay to the Order of David E. Korb \$ 3,000.00  
Three Thousand and 00/100  
 Bank of American Fork  
 \*001200\* 61263010250710 749 34  
*Rex D. Gill*

Ck# 1200 Date 4/4/2007 \$3,000.00

MARKET MUTUAL OF  
 21449613303431999586

Check 1200 Back

SPRINGRIDGE, LLC  
 1144 E. STATE STREET, STE 200  
 OGDEN, UT 84202  
 4-4-07  
 Pay to the Order of Four Thousand Seven Hundred and 00/100 \$ 4,700.00  
 Bank of American Fork  
 \*001201\* 61263010250710 749 34  
*Rex D. Gill*

Ck# 1201 Date 4/4/2007 \$4,700.00

321004002  
 0522495561

Check 1201 Back

SPRINGRIDGE, LLC  
 1144 E. STATE STREET, STE 200  
 OGDEN, UT 84202  
 4-4-07  
 Pay to the Order of Capitol Capital Management \$ 34,189.00  
 Bank of American Fork  
 \*001202\* 61263010250710 749 34  
*Rex D. Gill*

Ck# 1202 Date 4/4/2007 \$34,189.00

Verified by Bank  
 34932007

Check 1202 Back

SPRINGRIDGE, LLC  
 1144 E. STATE STREET, STE 200  
 OGDEN, UT 84202  
 4-4-07  
 Pay to the Order of Three Hundred and 00/100 \$ 300.00  
 Bank of American Fork  
 \*001203\* 61263010250710 749 34  
*Rex D. Gill*

Ck# 1203 Date 4/4/2007 \$300.00

352045191  
 353622286

Check 1203 Back

# Exhibit 7

RECEIVED

MAY 15 2006

Utah (12) 11/15/06 12:34

ARTICLES OF ORGANIZATION  
OF  
SPRINGRIDGE, LLC



The undersigned natural person of the age of eighteen years or more, acting as organizer of Springridge, LLC, organized and created under the provisions of the Utah Revised Limited Liability Company Act, adopts the following Articles of Organization on behalf of Springridge, LLC

05-15-06P04.49 RCVD

Article I  
NAME

The name of the Limited Liability Company shall be Springridge, LLC (the "Company")

Article II  
BUSINESS PURPOSE

The Company is organized to perform any and all lawful acts pertaining to the management of any lawful business as well as to engage in and to do any lawful act concerning any and all lawful business for which a Limited Liability Company may be organized under the Utah Revised Limited Liability Company Act and any amendments thereto

Article III  
REGISTERED AGENT

The Company shall continuously maintain an agent in the State of Utah for service of process who is an individual residing in said state. The name and address of the initial registered agent shall be Knute A Rife, 60 E South Temple #2000, P O Box 2941, Salt Lake City, Utah 84111

The Director of the Division of Corporations and Commercial Code of the Department of Commerce for the State of Utah is appointed the registered agent of the Company for service of process if the registered agent has resigned, the registered agent's authority has been revoked, or the registered agent cannot be found or served with the exercise of reasonable diligence

State of Utah  
Department of Commerce  
Division of Corporations and Commercial Code  
I hereby certified that the foregoing has been filed  
And approved on this 15 day of May 2006  
in this office of this Division and hereby issued  
this Certificate thereof.  
Examiner KA Date 5/19/06

Date 05/15/2006  
Receipt Number 1786678  
Amount Paid \$384.00



Kathy Berg  
Kathy Berg  
Division Director

6215944

**Article IV  
MANAGEMENT**

Management of the Company shall be vested in its managers. The name and address of the initial manager is

R Casey Hall  
14032 Canyon Vista Ln  
Draper, UT 84020

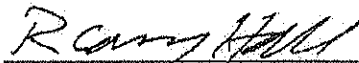
**Article V  
ORGANIZERS**

The address of the organizer is 14032 Canyon Vista Ln, Draper, UT 84020  
The Organizer's name is R Casey Hall.

**Article VI  
DESIGNATED OFFICE**

The Company's designated office address shall be

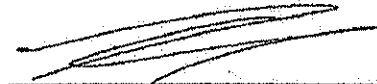
Springridge, LLC  
14032 Canyon Vista Ln  
Draper, UT 84020



R Casey Hall, Organizer  
14032 Canyon Vista Ln  
Draper, UT 84020

I, Knute A Rife, hereby voluntarily consent to serve as the Registered Agent for the Limited Liability Company, Springridge, LLC

DATED this 17 day of May, 2006



Knute A Rife

# Exhibit 8

Clayton Ballard  
December 18, 2012

Page 1		Page 3																																																			
UNITED STATES DISTRICT COURT DISTRICT OF UTAH  R. WAYNE KLEIN, the Court- ) Appointed Receiver of U.S. ) Ventures LC, Winsome ) Investment Trust, and the ) Assets of Robert J. Andres ) And Robert L. Holloway. ) Plaintiff, ) ) VS. ) CASE NO. 2:11-cv-00767 ) CLAYTON LYNN BALLARD, ) Judge Dee Benson CAROL D. BALLARD, and RIO ) SYSTEMS, INC. ) Defendants. )  ***** ORAL DEPOSITION OF CLAYTON LYNN BALLARD DECEMBER 18, 2012 *****  ORAL DEPOSITION OF CLAYTON LYNN BALLARD, produced as a witness duly sworn by me at the instance of the Plaintiff, taken in the above styled and numbered cause on the 18th day of December, 2012, from 10:36 a.m. to 3:16 p.m., before Gloria Phillips, Texas Certified Shorthand Reporter, at the offices of Beck, Redden & Secrest, One Houston Center, 1221 McKinney Street, Suite 4500, Houston, Texas 77010, pursuant to Notice and the Federal Rules of Civil Procedure.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	INDEX ORAL DEPOSITION OF CLAYTON LYNN BALLARD DECEMBER 18, 2012  Appearances..... 2 Examination by Mr. Castleberry..... 5 Witness' Signature Page..... 121 Reporter's Certificate..... 122  EXHIBIT INDEX  <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>NUMBER</b></td> <td style="width: 40%;"><b>DESCRIPTION</b></td> <td style="width: 30%;"><b>PAGE</b></td> </tr> <tr> <td>Exhibit 5</td> <td>Affidavit of C.L. Ballard; 006698 ANDRESHD through 006699 ANDRESHD</td> <td>11</td> </tr> <tr> <td>Exhibit 6</td> <td>Winsome Investment Trust Substitute Form 1099-B; 005295 ANDRESHD</td> <td>18</td> </tr> <tr> <td>Exhibit 7</td> <td>Receipts from C.L. Ballard; 005043 ANDRESHD through 005047 ANDRESHD</td> <td>21</td> </tr> <tr> <td>Exhibit 8</td> <td>Agreement dated December 4, 2005 between Connie P. Patterson and C.L. Ballard; 004636 ANDRESHD through 004595 ANDRESHD</td> <td>28</td> </tr> <tr> <td>Exhibit 9</td> <td>Collection of documents produced by Mr. Ballard</td> <td>28</td> </tr> <tr> <td>Exhibit 10</td> <td>Collection of checks and bank documents;</td> <td>31</td> </tr> <tr> <td>Exhibit 11</td> <td>Refinery Agreement; PEN0001 through PEN00013</td> <td>77</td> </tr> <tr> <td>Exhibit 12</td> <td>Memorandum of Understanding; PEN0040 through PEN0044</td> <td>80</td> </tr> <tr> <td>Exhibit 13</td> <td>Refinery Agreement, Third Written Amendment; PEN0018 through PEN0031</td> <td>82</td> </tr> <tr> <td>Exhibit 14</td> <td>UCC Financing Statement for R.I.O. Systems</td> <td>84</td> </tr> <tr> <td>Exhibit 15</td> <td>Draft letter of commitment dated 3/30/05; 036067 ANDRESHD through 036068 ANDRESHD</td> <td>104</td> </tr> <tr> <td>Exhibit 16</td> <td>Letter dated October 4, 2004 from Kenneth W. Bussa to R.I.O. Systems, Inc.</td> <td>105</td> </tr> <tr> <td>Exhibit 17</td> <td>Letter dated November 14, 2007 from Elgin R. Clemons, Jr. To Robert J. Andrew; WLJ 00113 through WLJ 00114</td> <td>106</td> </tr> <tr> <td>Exhibit 18</td> <td>Accounts Receivable 2006-2008 (Partial) R.I.O. Systems, Inc. And Associated Companies</td> <td>109</td> </tr> <tr> <td>Exhibit 19</td> <td>MoneyNet Daily Transaction Log dated 11/02/09</td> <td>111</td> </tr> <tr> <td>Exhibit 20</td> <td>Email chain between Howard Garcia and Clayton Ballard</td> <td>117</td> </tr> </table>	<b>NUMBER</b>	<b>DESCRIPTION</b>	<b>PAGE</b>	Exhibit 5	Affidavit of C.L. Ballard; 006698 ANDRESHD through 006699 ANDRESHD	11	Exhibit 6	Winsome Investment Trust Substitute Form 1099-B; 005295 ANDRESHD	18	Exhibit 7	Receipts from C.L. Ballard; 005043 ANDRESHD through 005047 ANDRESHD	21	Exhibit 8	Agreement dated December 4, 2005 between Connie P. Patterson and C.L. Ballard; 004636 ANDRESHD through 004595 ANDRESHD	28	Exhibit 9	Collection of documents produced by Mr. Ballard	28	Exhibit 10	Collection of checks and bank documents;	31	Exhibit 11	Refinery Agreement; PEN0001 through PEN00013	77	Exhibit 12	Memorandum of Understanding; PEN0040 through PEN0044	80	Exhibit 13	Refinery Agreement, Third Written Amendment; PEN0018 through PEN0031	82	Exhibit 14	UCC Financing Statement for R.I.O. Systems	84	Exhibit 15	Draft letter of commitment dated 3/30/05; 036067 ANDRESHD through 036068 ANDRESHD	104	Exhibit 16	Letter dated October 4, 2004 from Kenneth W. Bussa to R.I.O. Systems, Inc.	105	Exhibit 17	Letter dated November 14, 2007 from Elgin R. Clemons, Jr. To Robert J. Andrew; WLJ 00113 through WLJ 00114	106	Exhibit 18	Accounts Receivable 2006-2008 (Partial) R.I.O. Systems, Inc. And Associated Companies	109	Exhibit 19	MoneyNet Daily Transaction Log dated 11/02/09	111	Exhibit 20	Email chain between Howard Garcia and Clayton Ballard	117
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APPEARANCES  FOR THE PLAINTIFF: Mr. David C. Castleberry MANNING CURTIS BRADSHAW & BEDNAR, L.L.C. 136 South Temple, Suite 1300 Salt Lake City, Utah 84111 801-363-5678 801-364-5678 dcastleberry@mc2b.com  FOR THE DEFENDANTS CLAYTON LYNN BALLARD AND CAROL D. BALLARD: Mr. Clayton Lynn Ballard (Appearing Pro Se) Mrs. Carol D. Ballard (Appearing Pro Se) 10110 Charterwood Drive, Apartment E-106 Houston, Texas 77070	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25																																																				



Clayton Ballard  
December 18, 2012

7 (Pages 25 to 28)

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1 the receipt. It talks about a private program.  
 2 A. These, yes. This is -- this money, if it came  
 3 in this form, did come from the participation or  
 4 proceeds from this trading program. There's no doubt  
 5 about that. The other situation is the way it started  
 6 is, was Bob was to receive, I think, a total sum if it  
 7 was done the way he started it, was 25 or 30 percent,  
 8 which he had committed to R.I.O. Systems and myself to  
 9 use portions of his income from that to continue  
 10 funding the expenses for R.I.O. and myself. And  
 11 sometimes other people prior to -- it was an extension  
 12 of what he was doing on into when this came about.  
 13 Q. And so this commitment to help fund this  
 14 pipeline and the refinery, was that made by Andres  
 15 personally?  
 16 A. That was never discussed with me. I mean,  
 17 when he said cash management, I'm assuming that's where  
 18 he got his name to begin with. He was having several  
 19 different transactions with several different entities  
 20 that I was either unaware of or didn't know. So it was  
 21 kind of a transition I didn't understand, where the  
 22 fine line was, where did he get his money to begin with  
 23 versus when did this program -- and who he may be  
 24 getting his 30 percent from, other people. I had no  
 25 idea how many people he was working with.

1 doing, for the work that he had done, I had let him do  
 2 a direct deal with Bob Andres into which he was  
 3 soliciting other parties, which is -- all these are  
 4 included there.  
 5 Q. So he, being Porchie Grady, was soliciting  
 6 other parties for Winsome Investment Trust?  
 7 A. Yes. And at that point, because we are -- it  
 8 was a source of income to him coming off his people, he  
 9 just -- rather than doing more paperwork than needed to  
 10 be done, it was a matter of whatever he received, he  
 11 would give half to me.  
 12 Q. And so if I understand correctly, you went out  
 13 and advocated and tried to bring in others for this  
 14 Winsome Investment Trust?  
 15 A. Correct.  
 16 Q. And then you would receive your commission or  
 17 your cut of the profits?  
 18 A. Right.  
 19 Q. And then you would use that money then for  
 20 some of your other projects and other deals?  
 21 A. It wasn't many others. It just was the  
 22 refinery project and the pipeline project.  
 23 Q. But the reason you were receiving this money  
 24 and the reason Porchie was receiving this money is  
 25 because these were your shares of the disbursements and

Page 26

Page 28

1 Q. But it's your testimony today that each of  
 2 these receipts related to money from the Winsome  
 3 private program that you received; is that correct?  
 4 A. Yes. Yes. But what I don't understand is I  
 5 don't understand the sources of which contract or which  
 6 party or which person, if it was coming from his or  
 7 somewhere else. It was never depicted. So I had no  
 8 way of knowing. I was complaining quite a bit about  
 9 it, you know, where is this coming from? Now that my  
 10 brain is working, that's where he started going with  
 11 this.  
 12 Q. When you say "going with this"?  
 13 A. Going with the 1099.  
 14 Q. And why is that?  
 15 A. Better accountability. Is this coming from --  
 16 am I receiving funds for expenses from you, Bob Andres,  
 17 or from another account that I had put together?  
 18 Q. The third receipt in what's been marked as  
 19 Exhibit No. 7 references disbursements representing  
 20 one-half share of Porchie Grady's share of  
 21 disbursements. Who is Porchie Grady?  
 22 A. Porchie Grady is my friend and shareholder,  
 23 other shareholder in R.I.O. Systems, Inc. When I --  
 24 let's see -- went to Mark Bush, Connie and Alice -- for  
 25 Mr. Grady to receive expenses for the work he was

1 the distributions?  
 2 A. Yes.  
 3 Q. Thank you. And then it says that -- and so in  
 4 all these receipts, you assume that you received the  
 5 money listed in these receipts; is that right?  
 6 A. Yes.  
 7 Q. And there's six receipts listed in Exhibit No.  
 8 7. And you've had a chance to look them over, and you  
 9 believe you received that money?  
 10 A. Yes.  
 11 MR. CASTLEBERRY: Let's mark this as the  
 12 next in line, I believe Exhibit No. 8.  
 13 (Exhibit No. 8 marked.)  
 14 Q. (By Mr. Castleberry) I'm handing you what's  
 15 been marked as Exhibit No. 8. Have you seen this  
 16 document before?  
 17 A. Yes. There's a copy of it in there.  
 18 Q. And we have an executed copy of this document  
 19 in what you've brought. Is that --  
 20 A. Yes, all those are copies or originals of the  
 21 executed agreements that are in existence.  
 22 MR. CASTLEBERRY: And let's mark these as  
 23 Exhibit No. 9.  
 24 (Exhibit No. 9 marked.)  
 25 Q. (By Mr. Castleberry) All right, I'm handing

Clayton Ballard  
December 18, 2012

20 (Pages 77 to 80)

Page 77		Page 79	
1	R.I.O. and for myself.	1	to get things done, that type of thing. So that's what
2	MR. CASTLEBERRY: Let's mark this as	2	this was for.
3	Exhibit No. 11.	3	Q. And as far as you're concerned, does R.I.O.
4	(Exhibit No. 11 marked.)	4	still have rights under this agreement?
5	Q. (By Mr. Castleberry) I'm handing you what's	5	A. That depends -- right now it's a key question,
6	been marked as Exhibit No. 11. This is a document	6	because that depends on news I haven't got yet.
7	entitled Refinery Agreement. And I'll represent to you	7	Q. As far as you know?
8	this appears to be a Refinery Agreement involving	8	A. As far as I know, it's still good. There was
9	R.I.O. and a few other entities and individuals. Is	9	another one entered into after this, because this one
10	that right?	10	was set aside at one time. There was another one in
11	A. Correct.	11	May that had to be redone because the politics changed.
12	Q. Have you seen this document before?	12	The president that was supposed to have been elected
13	A. Yes.	13	didn't get elected. All the politics changed, so we
14	Q. What is it?	14	created another one in May of 2010.
15	A. It is the initiating agreement that was	15	This -- if mutually agreed upon between
16	negotiated between R.I.O. and FundaGuam, which was a	16	the parties, this could be the document. This could be
17	foundation that was established in Guatemala, working	17	-- there has been -- it's been verbally mutually agreed
18	closely with the church and bringing together their	18	to that we would work under this document and not the
19	intent -- well, let me step back. I was introduced to	19	document that was generated after that, for certain
20	Mr. Penedo, and Mr. Penedo introduced me to FundaGuam.	20	purposes and for moving along.
21	Q. And it looks like there's a few people who	21	Q. So there were amendments to this Refinery
22	signed this agreement?	22	Agreement?
23	A. Yes.	23	A. Yes, up to as many as seven. This was the
24	Q. You signed on behalf of R.I.O. Systems?	24	contract that was used at the time that we had acquired
25	A. Correct.	25	a memorandum of understanding with China Railway for
Page 78		Page 80	
1	Q. Mr. Penedo signed on behalf of himself?	1	\$7.2 billion.
2	A. Correct.	2	Q. And can you explain to me this memorandum of
3	Q. And then Mr. Molina signed on behalf of	3	understanding involving China Railways?
4	Fundacion Guatemalteco Americana; is that right?	4	A. That is the -- that is -- China Railway was
5	A. Yes, sir. He was the legal representative.	5	the entity that was providing the funding of the
6	He was a lawyer.	6	\$7.2 billion for the refinery project in Guatemala.
7	Q. So you were going to explain to me what this	7	That MOU was between the they parties of the
8	document represents.	8	foundation, R.I.O. Systems, China Railway and PURSCA
9	A. Basically the foundation was put together to	9	Foundation. P-U-R-S-C-A Foundation. Those are the
10	address extreme poverty and environmental issues. Most	10	parties that entered into the memorandum of
11	projects that are built, or funded and built, don't	11	understanding. That was negotiated, generated and
12	usually address these on the front end of the financing	12	negotiated in Beijing and Hong Kong, but signed in
13	or being part of the initial financing.	13	Beijing.
14	R.I.O. had always, in R.I.O.'s ongoing	14	Q. Let's enter as an exhibit what I think you're
15	business plan worked out in conjunction with its	15	referring to with this memorandum of understanding?
16	associated partner, allocated ten percent of the funds	16	(Exhibit No. 12 marked.)
17	for the project to be placed in the foundation for the	17	Q. (By Mr. Castleberry) So I'm handing you what's
18	purposes of addressing the extreme poverty and	18	been marked as Exhibit No. 12. Can you describe -- you
19	environmental issues, addressing that up front.	19	were referencing a memorandum of understanding a few
20	I was introduced to Mr. Penedo and this	20	minutes ago in your testimony. Is Exhibit No. 12 what
21	foundation, this foundation being closely tied to the	21	you were referencing?
22	Catholic church in that area, which is a large number,	22	A. Yes.
23	was our incentive to do this contract and for their	23	Q. And who were the parties to this memorandum of
24	assistance, for their assistance in -- R.I.O. doesn't	24	understanding?
25	know anybody, or knows very few people, don't know how	25	A. PURSCA Investment Group, Ltd., R.I.O. Systems,

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21 (Pages 81 to 84)

Page 81		Page 83	
1	Inc., Fundacion Guatemalteco Americana and China	1	and the second one. There was the original amendment
2	Railway -- let me spell it for you. H-U-A-C-H-U-A-N-G,	2	and the second amendment, and this starts with the
3	United Investment Company, Ltd.	3	third.
4	Q. And can you describe the roles of these	4	Q. Do you have the first and the second?
5	individuals?	5	A. I believe I do. I might not have -- I was at
6	A. As I said earlier, the role of the foundation	6	-- my documents got split up one way or another by too
7	was for the purposes of participating in the	7	many presentations or too much use. I myself, I think,
8	negotiations of the MOU to ensure that they were	8	have misplaced two. Now, if I could get back in my
9	included in the agreement for that ten percent that I	9	files far enough and locate those, then I could
10	mentioned earlier.	10	regenerate this. That was my intention to do.
11	Q. So, for example, China Railway, what was their	11	Q. If you're able to do that, will you send those
12	role in all this?	12	to us?
13	A. Their role is to fund.	13	A. Absolutely.
14	Q. PURSCA Investment, what was its role?	14	Q. And all of these amendments were signed by
15	A. Their role was to -- their participant role	15	you, Mr. Penedo and a representative from FundaGuam; is
16	was to bring parties together, introduce the Chinese	16	that right?
17	with the American/Guatemalan parties.	17	A. Correct.
18	Q. And R.I.O. Systems; what was its role?	18	Q. Now, has R.I.O. assigned its rights under
19	A. R.I.O.'s role is to build -- to engineer,	19	these agreements to anyone?
20	design, build and put the necessary technological input	20	A. No.
21	as actually building the refinery. Along with that was	21	Q. And you're still, in fact, trying to get this
22	the expertise to bring the two parties together under	22	project going; is that right?
23	previous agreements with PURSCA.	23	A. That's correct.
24	Q. And then what was -- you said Fundacion --	24	MR. CASTLEBERRY: Let's mark this as
25	A. It would being easier if we just said	25	Exhibit No. 14, please.
Page 82		Page 84	
1	FundaGuam, I think.	1	(Exhibit No. 14 marked.)
2	Q. FundaGuam, okay. What was FundaGuam's role?	2	Q. (By Mr. Castleberry) I'm handing you what's
3	A. FundaGuam's role is to receive and to	3	been marked as Exhibit No. 14. Have you seen this
4	distribute the necessary programs in conjunction with	4	document before?
5	the other churches, whether it was Jewish, evangelistic	5	A. Yes.
6	or any other religion that they could collectively move	6	Q. What is it?
7	forward and end poverty, address pollution problems,	7	A. This is a lien that was generated to
8	environmental problems such as on the front end through	8	Mr. Andres for the purposes of protecting the projects
9	their programs that they already have set up for years.	9	in R.I.O. Systems' at the time from some offshore groups
10	Q. And then as far as the memorandum of	10	that were trying to file their own UCC filing,
11	understanding that we're talking about, Exhibit No. 12,	11	unbeknown to us, for past -- potential partners or
12	these were all the parties involved in that?	12	disgruntled folks that got left out along the way for
13	A. Correct.	13	legal reasons and no others but hardship and control of
14	MR. CASTLEBERRY: Now, let's mark these	14	the company. And at that time we all sat down and
15	next set of documents as Exhibit No. 13.	15	talked about it with Mr. Andres and Mr. Grady and
16	(Exhibit No. 13 marked.)	16	myself, trying to determine how to keep this from
17	Q. (By Mr. Castleberry) I've handed you what's	17	happening.
18	been marked as Exhibit No. 13. You mentioned some	18	So we agreed to a game plan of allowing
19	written amendments to the Refinery Agreement that we	19	to file a UCC filing for our benefit and using Andres
20	had previously marked as Exhibit No. 11; is that right?	20	as the filer, because he was our lawyer, he was our
21	A. Correct.	21	attorney, and it would basically keep those people from
22	Q. And these Refinery Agreement amendments, are	22	infiltrating and situated such as that could cause us
23	they represented in what's been marked as Exhibit No.	23	problems to moving forward, or maybe they would try to
24	13?	24	get a permit before we did. Or they had literally --
25	A. There's two missing. There's the first one	25	not fraud, but -- when you fraudulently sign a

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December 18, 2012

23 (Pages 89 to 92)

Page 89		Page 91	
1	Q. Last name L-E?	1	Q. What was her relationship with Warren? And this is Warren Chu?
2	A. Yes.	2	A. Correct. Now, assistant, girlfriend, wife.
3	Q. The Linh Nguyen complaint?	3	I'm not sure of the relationship after a period of time, because I believe, at least I was led to believe that he got a divorce from his wife, his original wife.
4	A. Yes.	4	So I'm not sure what that condition is today, other than I know she has cancer and is supposed to have been in the hospital.
5	Q. N-G-U-Y-E-N is the last name?	5	Q. And do you know where she lives?
6	A. Yes.	6	A. I don't. I think it's on the East Coast and I think it's in New Jersey. I have had no contact with her whatsoever in about, what, five years.
7	Q. The James and Loraine Crouse complaint, the Jesus Baca complaint, the Wycliffe complaint, the Nowak complaint and the Russell Combs, innovative	7	Q. Ursula Andres is the wife of Bob Andres, correct?
8	complaint and the Russell Combs, innovative	8	A. Correct.
9	Techknowledge complaint, and then the Ken Bussa complaint; is that right?	9	Q. What's the relationship to Joseph Dixon?
10	A. Correct.	10	A. Joseph Dixon, who is dead now, he was part of the joint venture arrangement that R.I.O. and J&B Manufacturing -- no, J&B Worldwide Solutions did a joint venture in 1998 to build and to manufacture separating or vortex type equipment for cleaning up water, separating different -- different types of sludge, alluvial mining where it's already been mined, you're coming back over tailings, cleaning it up.
11	Q. Why did you propose these individuals in your umbrella settlement proposal?	11	
12	A. Well, first of all, I was trying on the find a way to, based on the project being funded at the appropriate time, to use this \$20,000,000 not to settle everybody's complaint but to settle what's in your knowledge or arm's length of the people that you know.	12	
13	Q. So these are all individuals that you know?	13	
14	A. Yes. Now, know or know of. A family member per se of Mr. Chu, the Pacificwin thing, all I know, it was part of Warren's stuff based on me helping him get his stuff done. And that's the reason prioritize wise, if that money is going to be spent, I wanted to direct	14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	
Page 90		Page 92	
1	it for the benefit of people we know or people that are key to us in one way or another. And that was the base of it. No more than that.	1	Q. So he was related to the FundaGuam?
2	Q. So let's just go through some of these. You mentioned Warren Chu and Pacificwin, and your relationship with them was based on this FundaGuam project?	2	A. Sorry?
3	A. Correct.	3	Q. So what was he related to?
4	Q. What was your relationship with Kathy Grady?	4	A. That was related to his equipment and us wanting to get his equipment on the ground and working. And, yes, in some cases using these environmental problems we were talking about earlier. It was a technology that could address the actual work or initiating the actual work and generating revenue.
5	A. That's the wife of Porchie Grady, which is my other 50 percent partner in R.I.O. Systems, or stakeholder, shareholder.	5	Q. Okay. And then we talked about Connie Patterson. Who is -- what's your relationship to Jacki Barrientes?
6	Q. Do you know where Porchie Grady and Kathy Grady live?	6	A. I think it's her cousin, her sister, aunt, something. It was one of them.
7	A. They live in Conway, Arkansas.	7	Q. Connie Patterson's?
8	Q. Do you have their address?	8	A. I believe so.
9	A. I don't on me, no.	9	Q. So it's a relative of Connie Patterson. What do you know about Jacki?
10	Q. Do you think you could send that to us?	10	A. I don't. It was just when I talked to these people and told them what I wanted to do, I needed their permission, you know, to pursue it. And when I talked to Connie -- no, I guess it was Alice, when I talked to Alice, she indicated that who on this list -- what I did is just took the list, complete list, who on this list belongs to you? And this is what we're
11	A. Sure. But that is settled out, isn't it, that case, dismissed? Or something was, I read it in one of the reports.	11	
12	Q. What about Lisa Pham; what's your relationship with her?	12	
13	A. I met Lisa through Warren. I'm not quite sure what the relationship is.	13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	

# Exhibit 9



IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH

U.S. COMMODITY FUTURES	)	
TRADING COMMISSION	)	
	)	
	)	
vs.	)	CASE NO. 2:11CV00099 BSJ
	)	
U.S. VENTURES LC, a Utah	)	
limited liability company,	)	
WINSOME INVESTMENT TRUST,	)	
an unincorporated Texas	)	
entity, ROBERT J. ANDRES	)	
and ROBERT L. HOLLOWAY,	)	
	)	
Defendants.	)	

VOLUME 1 (Pgs 1 to 244)

ORAL DEPOSITION

ROBERT J. ANDRES

March 22, 2011

ORAL DEPOSITION OF ROBERT J. ANDRES, produced as a witness at the instance of the Plaintiff and duly sworn, was taken in the above-styled and numbered cause on the 22nd day of March, 2011, from 11:10 a.m. to 6:17 p.m., before Michelle Hartman, Certified Shorthand Reporter in and for the State of Texas and Registered Professional Reporter, reported by computerized stenotype machine at the U.S. Attorney's Office, 919 Milam Street, Suite 1500, Houston, Texas 77002, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record or attached hereto.

Robert J. Andres - March 22, 2011  
Examination by Mr. Webb

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1 number of things for different people if requested.

2 Q And where is it located?

3 A Houston, Texas.

4 Q Okay. Is there also an entity, Winsome  
5 Investment Trust, in Nevada?

6 A No. There's a Winsome Investment Business  
7 Trust.

8 Q And what is that?

9 A An entity that used to be in Nevada and  
10 it's probably been forfeited.

11 Q Was it an entity that you're associated  
12 with?

13 A Yes.

14 Q And what was its operation?

15 A Didn't do anything at all whatsoever in the  
16 world.

17 Q Okay.

18 A Other than the formation.

19 Q Are there any other Winsomes other than the  
20 one you described here in Houston?

21 A If there is, it is not -- it is unknown to  
22 me.

23 Q Okay. And can you tell me about your  
24 relationship with Winsome Investment Trust.

25 A I was the sole trustee.

Robert J. Andres - March 22, 2011  
Examination by Mr. Webb

Page 45

1 Q And what was your -- were your duties as  
2 trustee?

3 A To handle matters of the trust.

4 Q Were you also the attorney for the trust?

5 A No, but I am an attorney.

6 Q And were there other employees or officers  
7 of Winsome?

8 A There are no other -- there's no officers.  
9 There were no other trustees either.

10 Q Any employees?

11 A No.

12 Q Any partners or anyone taking a role in the  
13 management of the business?

14 A No.

15 Q And what was your relationship with --  
16 strike that.

17 What was Winsome Investment Trust's  
18 relationship with U.S. Ventures?

19 A Other than them doing what I said. I first  
20 met them -- I don't know where you started out in the  
21 beginning of 2005, but I believe I went out  
22 October 16th to 18th of 2005, if I remember right, on  
23 an unrelated matter and Mr. Holloway's name was given  
24 to me, and while I was there, we -- I think we met at  
25 a Cracker Barrel, if I remember right, for lunch; and



IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH

U.S. COMMODITY FUTURES :  
 TRADING COMMISSION :  
 :  
 Plaintiff, :  
 :  
 v. : CASE NO. 2:11CV00099 BSJ  
 :  
 U.S. VENTURES LC, a Utah :  
 limited liability company, :  
 Winsome INVESTMENT TRUST, :  
 an unincorporated Texas :  
 Entity, ROBERT J. ANDRES :  
 And ROBERT L. HOLLOWAY, :  
 :  
 Defendants.:

\*\*\*\*\*

ORAL DEPOSITION OF  
ROBERT J. ANDRES  
MARCH 30, 2011  
VOLUME 3 OF 3

\*\*\*\*\*

1 Q. Has Winsome gotten any benefit out of Behring  
2 International?

3 A. I don't recall what Behring International is.

4 Q. I believe you indicated that was a shelf  
5 company.

6 A. I have no recollection what Behring  
7 International is.

8 Q. Okay. Was money spent in connection with  
9 trying to get monies through Magna Pinpoint?

10 A. No. That was, once again, a loan through  
11 Wright, Lindsey & Jennings. No.

12 Q. Was money given to Wright, Lindsey &  
13 Jennings?

14 A. Yes.

15 Q. And did Winsome give money to Wright, Lindsey  
16 & Jennings expecting to get something from Magna  
17 Pinpoint?

18 A. Yes.

19 Q. Did Winsome get something from Magna  
20 Pinpoint?

21 A. No.

22 Q. Was money spent for Winsome for RIO Systems?

23 A. Yes.

24 Q. Has Winsome gotten any benefit from RIO  
25 Systems?

1 A. Not yet.

2 Q. I'd like to now talk about Bear & Bull.

3 A. Okay.

4 Q. Do I understand correctly there were two  
5 different Bear & Bull companies; Bear & Bull  
6 Strategies and Bear & Bull Strategies One?

7 A. Correct.

8 Q. And do they both have bank accounts?

9 A. Yes.

10 Q. Were there just the two bank accounts?

11 A. I believe they had something at Wells Fargo  
12 and Comerica. And Bear & Bull Strategies Roman  
13 Numeral One had the trading somewhere else through  
14 what Mr. Holloway set up.

15 Q. And does it sound -- our research, so far,  
16 indicates the accounts were opened around July of '08.  
17 Does that sound about right?

18 A. Could be.

19 Q. And it appears to us that a total of 5.8  
20 million was deposited into the two Bear & Bull  
21 accounts. Does that sound about right?

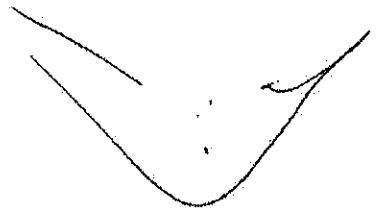
22 A. I have no idea.

23 Q. Did Winsome send money to Bear & Bull  
24 Strategies?

25 A. I don't think so.

# Exhibit 10

#REFINERY AGREEMENT  
Third written Amendment



This third written Amendment is made on this 21 day of March, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("FundaGuam"), of which each of RIO, Penedo and FundaGuam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

- A. The original contract (The agreement) between parties will be extended for a period of thirty days (30) more from the second amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. RIO shall make an additional contribution with a donation to FUNDAGUAM of the amount of one million United Sates dollars (\$1,000,000.00) no later of ten days (10) from the execution of this third written amendment.

IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this third Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this third Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Clayton L. Ballard Date: March 21, 2007  
CLAYTON L. BALLARD,  
Its President

ROBERTO ESTUARDO PENEDO RIVERA  
- ("Penedo")

By: Roberto Estuardo Penedo Rivera Date: March 21, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_  
ACISCIO VALLADARES MOLINA  
Its Legal Representative

Date: March 21, 2007

A handwritten signature in black ink, appearing to be 'ACISCIO VALLADARES MOLINA', written over a horizontal line.

RP

#REFINERY AGREEMENT  
Fourth written Amendment

This fourth written Amendment is made on this 23 day of April, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("Fundaguam"), of which each of RIO, Penedo and Fundaguam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

- A. The original contract (The agreement) between parties will be extended for a period of thirty days (30) more from the third amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. Concerning the third amendment part "C" it will remain with the same effect as agreed between parties.
- D. Everything that was agreeable between parties remains agreeable.

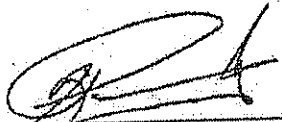
Handwritten mark resembling a large '1' or '7' with a signature 'WB' inside it.

IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this fourth Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this fourth Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Cl. Ballard Date: April 23, 2007  
CLAYTON L. BALLARD,  
Its President

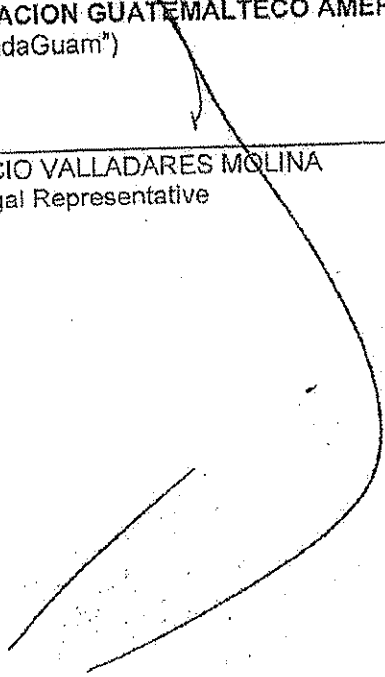
ROBERTO ESTUARDO PENEDO RIVERA  
- ("Penedo")

  
By: \_\_\_\_\_ Date: April 23, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

*LIB*

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: April 23, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative





**#REFINERY AGREEMENT  
Fifth written Amendment**

This fifth written Amendment is made on this 23 day of May, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("**the Agreement**"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("**RIO**"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("**Penedo**"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("**FundaGuam**"), of which each of RIO, Penedo and FundaGuam is a "**Party**" and, collectively, are the "**Parties**", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

- A. The original contract (**The agreement**) between parties will be extended for a period of thirty days (30) more from the fourth amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. Concerning the third amendment part "C" it will remain with the same effect as agreed between parties.
- D. Everything that was agreeable between parties remains agreeable.


IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this Fifth Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this Fifth Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

**PARTIES:**  
**RIO SYSTEMS, INC.**  
- ("**RIO**")

By: CLAYTON L. BALLARD  
Its President

Date: May 23 2007

**ROBERTO ESTUARDO PENEDO RIVERA**  
- ("**Penedo**")

By:  Date: May 23, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: May 23, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative



#REFINERY AGREEMENT  
Sixth written Amendment

This sixth written Amendment is made on this <sup>23rd</sup> day of June, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("Fundaguam"), of which each of RIO, Penedo and Fundaguam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

A. The original contract (The agreement) between parties will be extended for a period of thirty days (30) more from the Fifth Amendment expiration date.

B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.

C. Concerning the third amendment part "C" it will remain with the same effect as agreed between parties.

D. Everything that was agreeable between parties remains agreeable.

IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this sixth Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this sixth Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

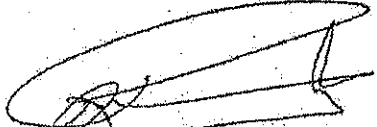
PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Clayton L. Ballard  
CLAYTON L. BALLARD,  
Its President

Date: June 23, 2007

ROBERTO ESTUARDO PENEDO RIVERA  
- ("Penedo")

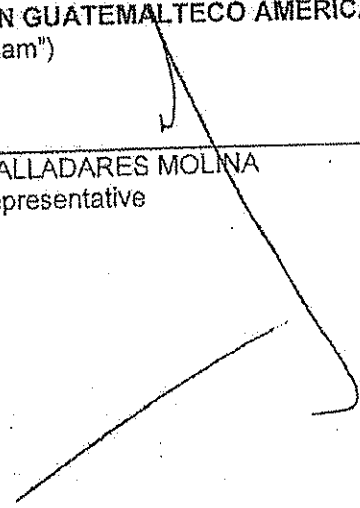
Handwritten initials "LB" and "RP" with a large bracket-like line connecting them.

By:  Date: June 23, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

UB

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: June 23, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative



#REFINERY AGREEMENT  
Seventh written Amendment

This seventh written Amendment is made on this 23 day of July, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("Fundaguam"), of which each of RIO, Penedo and Fundaguam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

- A. The original contract (The agreement) between parties will be extended for a period of sixty days (60) more from the sixth Amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. Concerning the third amendment part "C" it will remain with the same effect as agreed between parties.
- D. Everything that was agreeable between parties remains agreeable.

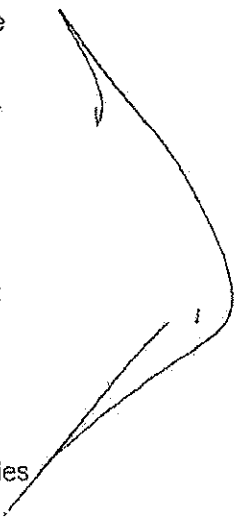
IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this seventh Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this seventh Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.


PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Clayton L. Ballard Date: July 23, 2007  
CLAYTON L. BALLARD,  
Its President

ROBERTO ESTUARDO PENEDO RIVERA  
- ("Penedo")

*LIB*  
*RP*



By:  Date: July 23, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: July 23, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative

*QMB*

*[Large handwritten scribble]*

#REFINERY AGREEMENT  
Eighth written Amendment

Handwritten initials and a large bracket on the right side of the page, including "RB" at the top and "RP" below it, with a long vertical line extending downwards.

This eighth written Amendment is made on this 23 day of September, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("Fundaguam"), of which each of RIO, Penedo and Fundaguam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

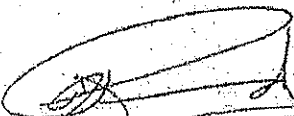
- A. The original contract (The agreement) between parties will be extended for a period of thirty days (30) more from the seventh Amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. Concerning the third amendment part "C" it will remain with the same effect as agreed between parties.
- D. Everything that was agreeable between parties remains agreeable.

IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this eighth Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this eighth Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Clayton L. Ballard Date: September 23, 2007  
CLAYTON L. BALLARD,  
Its President

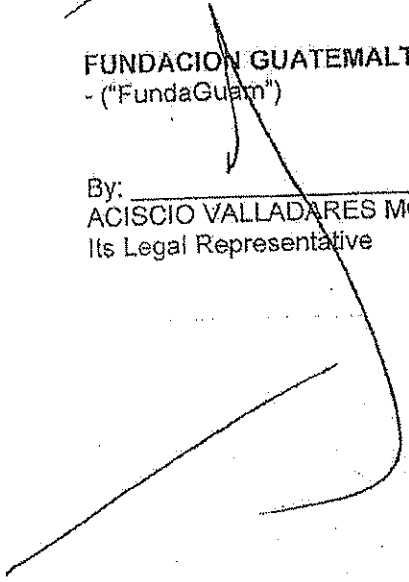
ROBERTO ESTUARDO PENEDO RIVERA  
- ("Penedo")

By:  Date: September 23, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

*WR*

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: September 23, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative





#REFINERY AGREEMENT  
Nineth written Amendment

This ninth written Amendment is made on this <sup>11<sup>th</sup></sup> day of October, 2007 (this "Amendment") to that REFINERY AGREEMENT (originally executed in October, 2006) ("the Agreement"), is made by and among (i) R.I.O. Systems, Inc., a company organized under the laws of the State of Texas ("RIO"), (ii) Roberto Estuardo Penedo Rivera, a resident of the State of Georgia and citizen of the United States and of Guatemala ("Penedo"), and (iii) Fundacion Guatemalteco Americana, a Guatemalan non-profit civic foundation ("Fundaguam"), of which each of RIO, Penedo and Fundaguam is a "Party" and, collectively, are the "Parties", and Parties hereby mutually agree to make the following changes, modifications and/or amendments to said Agreement:

RP  
[Handwritten mark]

- A. The original contract (The agreement) between parties will be extended for a period of sixty days (60) more from the eighth Amendment expiration date.
- B. All verbal amendments to the written contract between RIO, FUNDAGUAM and PENEDO will remain with the same effect.
- C. R.I.O. Systems, Inc ("RIO") shall make an additional immediately contribution with a donation to FUNDAGUAM on or before the 24 of October, 2007 for the amount of sixty thousand United States dollars even (US\$60,000.00)
- D. This ninth written Amendment will be automatically void if any of the contents agreed in this ninth amendment will not take place as agreed by the parties involve.

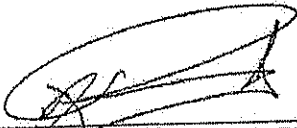
IN WITNESS WHEREOF, each party has read the foregoing and certifies that each understands the terms of this ninth Amendment to the Refinery Agreement and, with their respective signature, hereby agrees that they are each separately authorized to execute this ninth Amendment to the Refinery Agreement in their stated capacity effective as of the date first above written.

PARTIES:  
RIO SYSTEMS, INC.  
- ("RIO")

By: Clayton L. Ballard Date: October <sup>11<sup>th</sup></sup>, 2007  
CLAYTON L. BALLARD,  
Its President

ROBERTO ESTUARDO PENEDO RIVERA

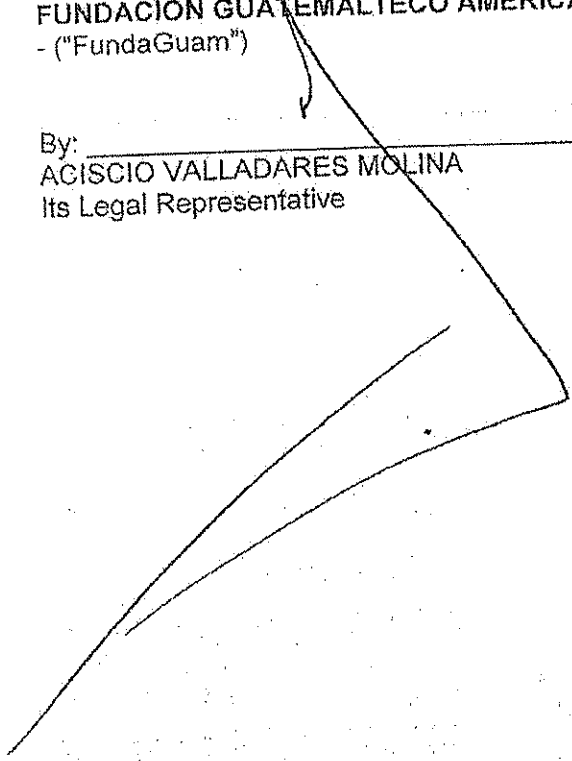
- ("Penedo")

By:  Date: October 11, 2007  
ROBERTO ESTUARDO PENEDO RIVERA,  
Individual

*WR*

FUNDACION GUATEMALTECO AMERICANA  
- ("FundaGuam")

By: \_\_\_\_\_ Date: October 11, 2007  
ACISCIO VALLADARES MOLINA  
Its Legal Representative



# Exhibit 11

# MEMORANDUM OF UNDERSTANDING

Among the Parties

China Railway HuaChuang United Investment Co., Ltd.  
(hereinafter referred to as Party "C", or "China Railway")

PURSCA Investment Group Ltd.  
(hereinafter referred to as Party "P", or "PURSCA")

R.I.O. Systems, Inc.  
(hereinafter referred to as Party "R", or "RIO")

Fundacion Guatemalteco Americana  
(hereinafter referred to as Party "F", or "FundaGuam")

As to Formation of a Joint Venture Enterprise

## Background

China Railway Huachuang United Investment Co., Ltd. (referred to as Party "C", or "China Railway") is a China corporation located at Room 210, Building C, Outer Deshengmen Street No.11#, Xicheng District, Beijing 100088, China. The main business of Party "C" is investment and has invested some projects in China; and,

PURSCA INVESTMENT GROUP LTD. (referred to as Party "P", or "PURSCA") is a USA corporation located at 3000 Sage Road, #1338, Houston, TX 77056 USA, acting by and through Mr. Warren Wai Hung Chiu as its Managing Director, to which Party "P" desires to use its global relationships to assist in investment, construction and development of that proposed refinery within the Republic of Guatemala, as well as obtaining the crude products to be product used within said refinery prior to refining and resale; and,

*RP*  
*11/30/07*

INITIALS:

*WB*  
*11/30/07*

GPR JV MOU

*WZ*  
*11/30/07*



*30/11/07*

R.I.O. SYSTEMS, INC. (referred to as Party "R", or "RIO") is a Nevada, USA corporation located at 5644 Westheimer Rd., No. 452, Houston, Texas 77056-4002, acting by and through Mr. C.L. Ballard as its President, to which Party "R" desires to secure the necessary concessions, right-of-ways, support infrastructure, permitting, licensing and all related rights as to investment, construction and development of that proposed refinery within the Republic of Guatemala, as well as any and all matters tangential thereto said refinery,

Fundacion Guatemalteco Americana, (referred to as Party "F", or "FundaGuam") is a Guatemala Foundation located at: 2a. Av. "A" 13-34 Zona 1, Oficina 3D (3 Nivel), Guatemala, Guatemala, C.A., acting by and through Mr. Roberto Penedo as its President, to which Party "F" desires and is using its humanitarian and political efforts to ensure the prompt development and realization of a "One-China Policy" in the Republic of Guatemala.

Which Parties "C", "P", "R" and "F" together constitute owners of that Nevada, USA corporation known as GPR Holdings, L.L.C. (Number E0597292007-4, and U.S. Federal EIN 26-0778368, as formed effective on August 23, 2007) intended to have joint venture ownership and control of that concession related to a new 360,000 bbl/day refinery in the Republic of Guatemala and, together, Parties "C", "P" and "R" shall make decisions related to said Guatemala Petroleum Refinery as may be required from time to time.

**The Joint Venture Enterprise**

The total expected cost, investment and capital outlays required of the established Joint Venture Enterprise conducted by and through GPR Holdings, L.L.C. is Seven Billion and Two Hundred Million and No/100 U.S. Dollars (US\$7,200,000,000.00) as it relates to the investment, development, construction and concession for a new 360,000 bbl/day refinery in the Republic of Guatemala ("Refinery"), as well as advance payment to secure the long-term planning related to said refinery products, and the interface with other third parties that may be required from time to time.

*[Handwritten signature and date: 30/11/07]*

*[Handwritten signature and date: 11/30/07]*

INITIALS:

*[Handwritten initials: WB 11/30/07]*

*[Handwritten initials: V 4/30/07]*

GPR JV.MOU



THEREFORE, the Parties agree to conduct the proposed Joint Venture Enterprise, subject to the following terms:

1. Parties "C", "P" and "R" herein formally agree to form said Joint Venture Enterprise under the name of GPR Holdings, L.L.C. as identified hereinbefore, as registered and incorporated in the State of Nevada, the United States of America, with each of Parties "C", "P" and "R" having stock ownership of one-third (1/3rd) of said GPR Holdings, L.L.C., together comprising one hundred percent (100%) ownership.
2. RIO shall have primary responsibilities and duties related to the Refinery, on behalf of the Joint Venture Enterprise, including: (A) secure the concession for construction, ownership and operation of Refinery; (B) secure all right-of-ways and easements required to successfully own and operate Refinery; (C) secure all necessary support infrastructure to construct, own and operate Refinery; (D) secure all permitting and licensing required to construct, own and operate Refinery; (E) reserve right to nominate entities required for Project Management, Refinery Operation and Marketing of crude oil and refined products; and, (F) coordinate Labor agreements involving Refinery.
3. CHINA RAILWAY shall provide required capital in the amount of Seven Billion and Two Hundred Million and No/100 U.S. Dollars (US\$7,200,000,000.00), of which Two Billion U.S. Dollars constitutes capital investment for its one-third (1/3rd) ownership of GPR Holdings, L.L.C., and the remaining Five Billion and Two Hundred Million U.S. Dollars shall comprise advance payment to secure the long-term planning related to said refinery products. CHINA RAILWAY shall pay ten percent (10%) of the required capital, amounting to Seven Hundred and Twenty Million U.S. Dollars (US\$720,000,000.00) to the bank account designated by GPR Holdings, L.L.C., within seven (7) days upon execution of this MOU agreement. For the balance ninety percent (90%) of the required capital, CHINA RAILWAY shall pay in three (3) schedules of each thirty percent (30%) every thirty (30) days thereafter.
4. PURSCA shall coordinate the acquisition of crude products required for Refinery, as well as interface among the Parties and Roberto Estuardo Penedo Rivera as designated representative of Fundacion Guatemalteco Americana, a third party Foundation performing work within the Republic of Guatemala that is tangential to Refinery.



*Handwritten signature and date: 30/11/07*

*Handwritten initials and date: RP 11/30/07*

INITIALS:

*Handwritten initials and date: [Signature] 11/20/07*

GPR JV MOU

*Handwritten initials and date: [Signature] 11/20/07*

5. After the Refinery concession is made available to GPR Holdings, L.L.C., the concession shall be owned ninety percent (90%) by GPR Holding, L.L.C. and the remaining ten percent (10%) by Fundacion Guatemalteco Americana (Fundaguam). Effectively, Parties "C", "P" and "R" each own thirty percent (30%) of the concession by and through their separate ownership of GPR Holding, L.L.C.
6. GPR Holding, L.L.C. shall be managed by its Managers, and Party "R" shall be its Managing Partner. Ownership and any distribution of net profits shall be equal on a 1/3<sup>rd</sup>-1/3<sup>rd</sup>-1/3<sup>rd</sup> net basis among Parties "C", "P" and "R".
7. RIO shall control issues related to those duties and responsibilities enumerated in the preceding Item 2, herein.
8. CHINA RAILWAY shall contribute any support that may be required from time to time as it concerns the facilitation of financial matters.
9. PURSCA shall provide all necessary interface involving the Refinery and crude products, as may be required from time to time.
10. Each party shall be responsible for their own costs, fees and expenses incurred at the individual parties necessities.
11. Each party agrees to work in good faith and under the One China Policy (OCP) towards the completion of this transaction. (中文意思: 各方同意在一个中国政策的基础上, 忠实执行本备忘录直到此交易完成) Each party agrees to execute the documents required to implement this transaction and to take all other reasonably required steps to fulfill the intent of this Memorandum of Understanding. Copies and/or facsimile transmissions of this Memorandum of Understanding shall be legally binding among all the Parties hereto as if they were an original.
12. This Memorandum of Understanding shall be effective upon endorsed by both Chinese and Guatemalan government. (此备忘录必须经中国和危地马拉两国政府加签后开始生效。)
13. This Memorandum of Understanding is signed in Beijing and ruled by Chinese laws. (此本备忘录在北京签署, 受中华人民共和国法律管辖。)

CHINA RAILWAY GROUP LIMITED

30/11/07

RP  
11/30/07

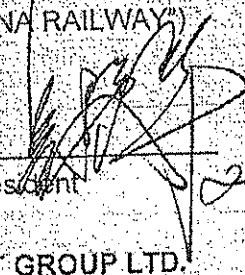
INITIALS:

LLB  
1/30/07


GPR JV MOU  
w  
1/30/07

Agreed to by the undersigned as the authorized officers and signatories of the respective Parties hereto effective as of the 30<sup>th</sup> day of November, 2007, as executed on the date affixed next to their respective signatures:

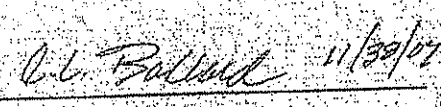
For and on the behalf of  
China Railway Huachuang United Investment Co., Ltd.  
- (Party "C", or "CHINA RAILWAY")

BY:  2007. 11. 30  
Wu, Li Hua, Its President

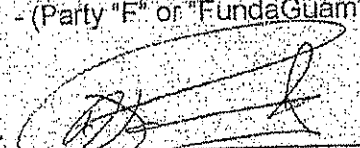
PURSCA INVESTMENT GROUP LTD.  
- (Party "P", or "PURSCA")

BY:  11/30/07  
Warren Wai Hung Chiu  
Its Managing Director

R.I.O. SYSTEMS, INC.  
- (Party "R", or "RIO")

BY:  11/30/07  
C.L. Ballard, Its President

FUNDARION GUATEMALTECO AMERICANA  
- (Party "F" or "FundaGuam")

BY:  11-30-07  
Roberto Penedo, Its President

Witness: 中华梅花协会国际发展有限公司  
China Plum Blossom Association International Development Centre Limited

BY:  11/30/07  
Jorge Chiang, Its President





# Exhibit 12

<b>PAYMENTS TO PENEDO, FUNDACION GUATEMALTECO</b>					
<i>Pattern of Payments in Light of Key Dates</i>					
<b>Date</b>	<b>Payments to Fundacion</b>	<b>Fundacion Subtotal</b>	<b>Payments to Penedo</b>	<b>Penedo Subtotal</b>	<b>Event</b>
10/23/2006			4,000.00		
10/27/2006	75,000.00				
11/15/2006	35,000.00				
11/29/2006	125,000.00				
12/22/2006	100,000.00				
1/11/2007	100,000.00				
2/7/2007			7,500.00		
2/20/2007			7,500.00		
2/26/2007	65,000.00				
3/2/2007			9,000.00		
<b>3/21/2007</b>		<b>500,000.00</b>		<b>28,000.00</b>	<b>RIO Agreement, amendment #3</b>
3/28/2007			15,000.00		
4/4/2007			10,000.00		
<b>4/23/2007</b>				<b>25,000.00</b>	<b>RIO Agreement, amendment #4</b>
5/16/2007			2,000.00		
<b>5/23/2007</b>				<b>2,000.00</b>	<b>RIO Agreement, amendment #5</b>
<b>6/23/2007</b>					<b>RIO Agreement, amendment #6</b>
7/3/2007			5,000.00		
7/13/2007			5,000.00		
<b>7/23/2007</b>				<b>10,000.00</b>	<b>RIO Agreement, amendment #7</b>
7/26/2007			6,000.00		
8/1/2007			5,000.00		
8/21/2007			20,000.00		
<b>9/23/2007</b>				<b>31,000.00</b>	<b>RIO Agreement, amendment #8</b>
<b>10/11/2007</b>					<b>RIO Agreement, amendment #9</b>
10/26/2007	20,000.00				
11/21/2007			5,000.00		
11/28/2017	40,000.00				
<b>11/30/2007</b>		<b>60,000.00</b>		<b>5,000.00</b>	<b>Agreement with China Railway, PURSCA</b>
1/22/2008			5,000.00		
2/7/2008			5,000.00		
2/7/2008			1,000.00		
2/26/2008			5,000.00		
3/4/2008			5,000.00		
3/20/2008			5,000.00		
3/24/2008	170,000.00				
4/3/2008			35,000.00		
5/7/2008	35,000.00				
5/27/2008			10,000.00		
7/3/2008			10,000.00		
9/24/2008			15,000.00		
<b>9/24/2008</b>		<b>205,000.00</b>		<b>96,000.00</b>	<b>Last payment to Penedo, Fundacion</b>

Created 12/8/12 by WKlein based on Receiver's complaint and Penedo initial disclosures

# Exhibit 13

WAYNE KLEIN, RECEIVER FOR US VENTURES, LC AND WINSOME  
INVESTMENT TRUST  
U.S. District Court for the District of Utah  
Case No. 2:11-CV-99 BSJ

December 17, 2012

Roberto E. Penedo  
c/o Jeffrey J. Owens  
Strong & Hanni  
3 Triad Center, Suite 500  
Salt Lake City, UT 84180

NOTICE OF REJECTED PROOF OF CLAIM

Dear Mr. Owens:

Mr. Penedo's Proof of Claim Form has been assigned Claim No. 1117.

Wayne Klein, the Court-appointed Receiver for US Ventures and Winsome has reviewed Mr. Penedo's Proof of Claim. The Receiver intends to recommend that his Claim be rejected for the reason(s) described below. His Proof of Claim indicated a Claim amount of \$4,418,000.00. The Receiver intends to recommend that the Court reject the entire Claim.

The reason(s) for the Receiver's recommendation that Mr. Penedo's Claim be rejected are:

- The documentation provided does not support the amount of the Claim. The documentation provided:
  - Relates to agreements between Mr. Penedo and RIO Systems. None of the documentation provided shows that Winsome or US Ventures was a party to any of these agreements or assumed any legal obligation under these agreements;
  - Does not show any payments by the Claimant to US Ventures or Winsome; the basis of the Claim appears to be based entirely on claims of assigned contractual obligations, not investment transactions.
- Our records do not show that the Claimant made payments to the Receivership Entities or to others for the Receivership Entities. This Claim does not appear to be based at all on payments made by the Claimant to a Receivership Entity. As such, the Claim is inconsistent with the "Guidelines" that were approved by the Court to be used in evaluating Claims. These Guidelines include requirements that:
  - Supporting documents should provide "evidence of the amounts paid to the Receivership Entities" (¶ 2);
  - The amount of loss or Claim should be based on "principal amounts invested" (¶ 3);
  - Claims should be based on payments to US Ventures or Winsome (¶ 4); and
  - Claims should be based on payments made with an "investment intent" (¶ 5).

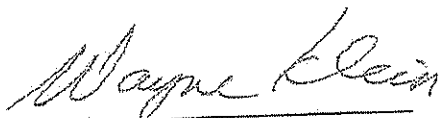
- No factual basis for Penedo's contract claim was established. I recognize that Mr. Penedo's Claim derives from his assertion that Winsome owes him monies based on a contract claim, rather than based on an investment made by Mr. Penedo. However:
  - The documentation provided by Mr. Penedo indicates that RIO Systems, and not Winsome, was responsible to Mr. Penedo and that Winsome had no part in these contracts. Through November 30, 2007, RIO's name continues being listed on these contracts and Winsome was never a party to these agreements.
  - Penedo's Proof of Claim Form provided no documentation showing that Winsome had ever assumed (or agreed to assume) liability for the obligations of RIO Systems;
  - The Receiver has found no documents (or other indications) among the Winsome records indicating that Winsome had assumed the debts of RIO Systems or RIO's obligations to Penedo.
  - Subsequent to the creation of the Receivership, Clayton Ballard, the owner of RIO Systems, has repeatedly informed the Receiver that he (Ballard) is still trying to get a refinery built in Guatemala. These statements indicate that RIO Systems has not assigned its interests in a Guatemalan refinery to Winsome.

**CALCULATIONS.** The Receiver's records show the following payments relating to your dealings with US Ventures and Winsome:

Amount actually paid by Claimant to or for the Receivership Entities:	\$0.00
DEDUCTION: amounts previously paid to Claimant:	\$962,000.00
Allowed amount:	\$0.00
Claimed amount (on the Proof of Claim Form submitted by Claimant):	\$4,418,000.00
Excess amount of Claim:	\$4,418,000.00

***What if I disagree with the Receiver's recommendation of a rejected Claim Amount?***  
 After the Receiver files his report to the Court with his recommendations on which Claims should be rejected or reduced, you may file an objection with the Court. **Note: Your response must be filed with the Court no later than 30 days after the Receiver files his report and recommendations.**

***Address of the Receiver:***  
 Wayne Klein, Receiver for US Ventures and Winsome, 10 E. Exchange Place, Suite 502, Salt Lake City, UT 84111. (801) 456-4593.



WAYNE KLEIN, RECEIVER

cc: David Castleberry (via e-mail)

<b>PAYMENTS TO PENEDO, FUNDACION GUATEMALTECO</b>					
<i>Pattern of Payments in Light of Key Dates</i>					
<b>Date</b>	<b>Payments to Fundacion</b>	<b>Fundacion Subtotal</b>	<b>Payments to Penedo</b>	<b>Penedo Subtotal</b>	<b>Event</b>
10/23/2006			4,000.00		
10/27/2006	75,000.00				
11/15/2006	35,000.00				
11/29/2006	125,000.00				
12/22/2006	100,000.00				
1/11/2007	100,000.00				
2/7/2007			7,500.00		
2/20/2007			7,500.00		
2/26/2007	65,000.00				
3/2/2007			9,000.00		
3/21/2007		500,000.00		28,000.00	RIO Agreement, amendment #3
3/28/2007			15,000.00		
4/4/2007			10,000.00		
4/23/2007				25,000.00	RIO Agreement, amendment #4
5/16/2007			2,000.00		
5/23/2007				2,000.00	RIO Agreement, amendment #5
6/23/2007					RIO Agreement, amendment #6
7/3/2007			5,000.00		
7/13/2007			5,000.00		
7/23/2007				10,000.00	RIO Agreement, amendment #7
7/26/2007			6,000.00		
8/1/2007			5,000.00		
8/21/2007			20,000.00		
9/23/2007				31,000.00	RIO Agreement, amendment #8
10/11/2007					RIO Agreement, amendment #9
10/26/2007	20,000.00				
11/21/2007			5,000.00		
11/28/2017	40,000.00				
11/30/2007		60,000.00		5,000.00	Agreement with China Railway, PURSCA
1/22/2008			5,000.00		
2/7/2008			5,000.00		
2/7/2008			1,000.00		
2/26/2008			5,000.00		
3/4/2008			5,000.00		
3/20/2008			5,000.00		
3/24/2008	170,000.00				
4/3/2008			35,000.00		
5/7/2008	35,000.00				
5/27/2008			10,000.00		
7/3/2008			10,000.00		
9/24/2008			15,000.00		
9/24/2008		205,000.00		96,000.00	Last payment to Penedo, Fundacion

Created 12/8/12 by WKlein based on Receiver's complaint and Penedo initial disclosures

# Exhibit 14

**MANNING CURTIS BRADSHAW  
& BEDNAR LLC**

David C. Castleberry [11531]

dcastleberry@mc2b.com

Aaron C. Garrett [12519]

agarrett@mc2b.com

136 East South Temple, Suite 1300

Salt Lake City, UT 84111

Telephone (801) 363-5678

Facsimile (801) 364-5678

*Attorneys for Plaintiff R. Wayne Klein, the  
Court-Appointed Receiver of U.S. Ventures, LC,  
Winsome Investment Trust, and the assets of Robert  
J. Andres and Robert L. Holloway*

UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

U.S. COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

vs.

U.S. VENTURES LC, a Utah limited liability  
company, WINSOME INVESTMENT  
TRUST, an unincorporated Texas entity,  
ROBERT J. ANDRES and ROBERT L.  
HOLLOWAY,

Defendants.

**AFFIDAVIT OF CLAYTON LYNN  
BALLARD**

Case No. 2:11CV00099 BSJ

District Judge Bruce S. Jenkins

*CLB  
2/10/13*

STATE OF TEXAS )  
 )  
COUNTY OF HARRIS ) : ss

1. My name is Clayton Lynn Ballard.

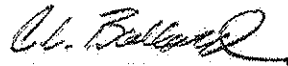


2. I make this affidavit based on my personal knowledge.
3. I am a 50% owner of RIO Systems, Inc. ("RIO").
4. Porchie Grady owns the remaining 50% of RIO.
5. In 2006, RIO entered into a Memorandum of Understanding with China Railway Huachuang United Investment Co., Ltd. ("China Railway"), PURSCA Investment Group, Ltd. ("PURSCA"), and Fundacion Guatemalteco Americana ("FundaGuam") to form a joint venture to construct a refinery in Guatemala and other related projects (the "Refinery Project").
6. In 2006, RIO entered into a Refinery Agreement with FundaGuam and Roberto Penedo as part of the development of the Refinery Project.
7. RIO, Mr. Penedo, and FundaGuam were the only parties who signed the Refinery Agreement or any of its amendments.
8. In approximately October 2012, Mr. Penedo approached me about signing an affidavit where I would testify under oath that RIO had assigned its rights in the Refinery Project to Winsome Investment Trust. A true and correct copy of the proposed affidavit is attached as Exhibit 1.
9. I refused to sign the proposed affidavit because it was untrue.
10. RIO has never intended to assign its rights to develop the Refinery Project to Winsome Investment Trust, and RIO continues in its efforts to develop the Refinery Project at the present time.
11. Neither I, nor anyone else as far as I am aware, told Mr. Penedo, or anyone else, that RIO intended to assign its rights to Winsome Investment Trust.
12. Winsome Investment Trust was never an affiliate or subsidiary of RIO.

*CSB*  
*2/08/13*

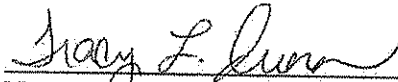
13. As far as I am aware, Winsome Investment Trust has never entered into any written agreements regarding the Refinery Project.

DATED this 6th day of February, 2013.

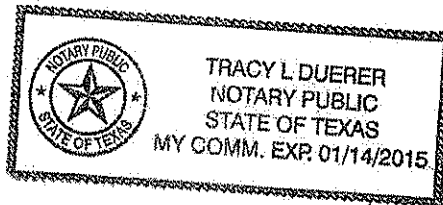


Clayton Lynn Ballard

Subscribed and sworn to before me this 6<sup>th</sup> day of February, 2013.



Notary Public



# Exhibit 1

AFFIDAVIT OF CLAYTON L. BALLARD

CONFIDENTIAL

STATE OF TEXAS            )  
  :SS  
COUNTY OF \_\_\_\_\_)

Clayton L Ballard, being first duly sworn and upon oath, deposes and states that:

1. In 2007, China Railway HuaChuang United Investment Co., Ltd. ("China Railway"), Pursca Investment Group, Ltd. ("Pursca"), RIO Systems, Inc. ("RIO"), and Fundacion Guatemalteco Americana ("FundaGuam") formed a joint venture that planned to construct an oil refinery in Guatemala, and in 2007, entered into a Memorandum of Understanding memorializing the plan. These entities formed a Nevada corporation known as GPR Holdings, LLC ("GPR Holdings").

2. I was the president of RIO at the time.

3. The total expected cost, investment and capital outlays required to obtain necessary approvals, develop, and construct the refinery was anticipated to be approximately Seven Billion, Two Hundred Million Dollars (\$7,200,000,000.00).

4. China Railway was to be the main source of actual construction funding for the refinery project, while RIO, together with an affiliated financial company Winsome Investment Trust would provide other types of funding.

5. RIO Systems was given the primary responsibility to secure the necessary government approvals for construction on behalf of the joint venture GPR Holdings.

6. Pursca was given the primary responsibility of acquiring crude products required to operate the refinery.

7. FundaGuam is a nonprofit Guatemalan humanitarian aid foundation that provides various forms of humanitarian aid to the people of Guatemala.

**CONFIDENTIAL**

8. As president of FundaGuam, Roberto Penedo had close personal contacts with various members of the Guatemalan government, which contacts were considered critical to the success of the refinery project.

9. In exchange for its role in helping to obtain the necessary approvals and permits with the Guatemalan government, GPR Holdings and Winsome Investment Trust planned to make an initial donation to FundaGuam of Five Million Dollars (\$5,000,000), and planned to make continuing additional future donations. In addition, RIO and Winsome Investment Trust planned to grant FundaGuam a 10% ownership interest in the refinery.

10. In October, 2006, RIO hired Penedo to act as a facilitator and lobbyist to the Guatemalan government on behalf of what would later become GPR Holdings. In connection with this, we entered into a Refinery Agreement, which is attached hereto as Exhibit A.

11. Pursuant to the Refinery Agreement, as payment for Mr. Penedo's lobbying services, RIO agreed to pay him an up-front sum of Four Million Dollars (\$4,000,000.00), agreed to reimburse all travel and general expenditures, and agreed to grant him a 1% ownership interest in the completed refinery project.

12. Shortly after signing the Refinery Agreement with Mr. Penedo, RIO assigned its rights and obligations under the Refinery Agreement to Winsome Investment Trust and Winsome Investment Trust began making the payments. It was RIO's position that this was appropriate pursuant to Sections 5.5 and 6.2 of the Refinery Agreement.

13. Immediately after the assignment of the Refinery Agreement from RIO to Winsome, in October, 2006, Winsome Investment Trust began making payments directly to Mr.

Penedo for his services. I verbally confirmed to Mr. Penedo that payments would be made by Winsome, and assured him that Winsome had stepped into RIO's position under the Refinery Agreement and would continue to make the payments.

**CONFIDENTIAL**

14. It was my understanding that Winsome Investment Trust continued making payments pursuant to the terms of the Refinery Agreement until approximately September, 2008, at which point the payments abruptly stopped.

15. Mr. Penedo fully performed his obligations pursuant to the Refinery Agreement, and is entitled to full payment for his services.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2012

\_\_\_\_\_  
Clayton L. Ballard

SUBSCRIBED, sworn to and acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2012

\_\_\_\_\_  
Notary Public

# Exhibit 15

**RECEIVED**  
 SEP 08 2012  
 BY: VIA EMAIL  
 BY:

**US District Court  
 District of Utah**

US Commodity Futures Trading Commission  
 vs  
 US VENTURES LC, a Utah limited liability company, WINSOME  
 INVESTMENT TRUST, an unincorporated Texas entity, ROBERT J  
 ANDRES and ROBERT L. HOLLOWAY

Case 2:11-CV-00099-BSJ

**Proof of Claim Form  
 US VENTURES and WINSOME INVESTMENT TRUST**

Please review the attached "Instructions" for information on how to complete this form.

Deadline: July 31, 2012

All Proof of Claim Forms must be mailed to the Receiver by the Deadline

Mail to:

Wayne Klein, Receiver  
 299 South Main, Suite 1300  
 Salt Lake City, UT 84111  
 Note: Do not mail the claim form to  
 the court.

**A Claimant Information**

**1 Contact Information**  
 Claimant Name  
 Joint Holder/Investor  
 Address  
 City, State Zip  
 Phone Number  
 Mobile Phone  
 E-Mail Address  
 Tax Identification Number/SSN

Response:  
 ZAMAN ALI  
 125 Riverdale Dr. SE  
 Calhoun, GA 30801  
 403-863-1171  
 ZALIS@TELUS.NET

**2 Entities:** If any of the investments were made by an entity, list all persons who directly or indirectly hold beneficial interests in the entity and their share of ownership.

*(Handwritten: /)*

**3 Affiliation/Relationship:** Attach an explanation for any "yes" answers.

Response:

Are you related to Robert Andres or Robert Holloway?

No

Have you been a business partner with Andres or Holloway, assisted in the creation of companies they managed, or been a signatory on any bank accounts they have held?

No

Have you ever received financial support from Andres or Holloway such as salary, loans, or gifts of money or property?

No



4 A. Were you promised or did you receive compensation based on the amounts that others invested?		<i>No</i>			
B. Did any other investors send monies to you for investment into USV or Winsome? If yes, documentation should be provided showing all payments you received from other investors and whether those payments were sent on to USV or Winsome.		<i>Yes. Documentation Sent under Separate Cover.</i>			
<b>B 1 Purpose of investment</b>					
Indicate which of the following you believed your investment funds would be used for:					
	Yes	No	Dates	Amount	What documentation is included?
Commodities trading by US Ventures		<input checked="" type="checkbox"/>			
Commodities trading by Winsome		<input checked="" type="checkbox"/>			
Mohammed Al Abbar funds seized in London		<input checked="" type="checkbox"/>			
Aerospace Consulting (purchase of patent rights)		<input checked="" type="checkbox"/>			
Licensing of Vulcan device to neutralize chemical waste		<input checked="" type="checkbox"/>			
Cindy Moore inheritance		<input checked="" type="checkbox"/>			
Certified Safekeeping Receipts (CSKRs) at the Federal Reserve		<input checked="" type="checkbox"/>			
Guatemala oil refinery/NIDMP		<input checked="" type="checkbox"/>			
Wild Oats strip club (Las Vegas)		<input checked="" type="checkbox"/>			
Hurricane Katrina reconstruction		<input checked="" type="checkbox"/>			
Gold in UBS (Switzerland) Bank		<input checked="" type="checkbox"/>			
Loan to Andres		<input checked="" type="checkbox"/>			
Mamdouh Abu Talib/Unitrade (Dubai)		<input checked="" type="checkbox"/>			
Euroclear/Grupo Corporativo		<input checked="" type="checkbox"/>			
Loan from Magna PinPoint, PEMEX, or Mosqueda		<input checked="" type="checkbox"/>			
Other (identify) <i>CURRENCY TRADE</i>		<input checked="" type="checkbox"/>			<i>Copy of Joint Venture Agreement.</i>
<b>2 Salesperson</b>					
Who explained the investment to you or solicited your investment?					
	Yes	No			
Robert Andres	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Robert Holloway	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Elgin Clemons	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Lewis Scogin	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Other (identify)	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<b>C 1 Type of Claim</b>					
	Yes	No			
<b>US Ventures investor:</b> Did you send money directly to US Ventures?	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<b>Winsome investor:</b> Did you send money directly to Winsome?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
<b>Third Party Marketer:</b> Did you send money directly to a party that passed those funds on to Winsome or USV?	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
<b>Non-Investor Creditor:</b> Do you claim that US Ventures or Winsome owes you money for something other than an investment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>			

2 Funds Invested				
	Amount	Date	Sent to whom?	What documents are enclosed?
First investment	\$100,000.00	Nov 21, 07	LA WISOME	BANK WIRE
Second investment				
Third investment				
Fourth investment				
Fifth investment				
Sixth investment				
Additional investments attached?	Yes/No:			
Total	\$100,000.00			
3 Monies Received (Withdrawals and Distributions)				
	Amount	Date	Received from whom?	What documents are enclosed?
First payment	0			
Second payment	0			
Third payment	0			
Fourth payment	0			
Fifth payment	0			
Sixth payment	0			
Additional payments attached?	Yes/No:			
Total	\$0.00			
4 Net Investment Results				
What is the net results of your investment activity? In most cases, this will consist of the total amount of investments minus the total amount you were paid.		\$100,000.00		
D	TOTAL AMOUNT OF CLAIM	\$100,000.00		
E SIGNATURES OF CLAIMANT(S): Important: Filing this Proof of Claim shall constitute agreement that this claims process shall be the exclusive means of making a Claim against the Receivership Entities and shall be a waiver of any other Claims against the Receivership Entities or the Receiver. All Claimants must sign this Claim Form.				
I/we do hereby declare under penalty of perjury that the above information is correct to the best of my/our knowledge and belief.				
Signature(s)			August 30, 2012 Date	
Remember to keep a copy of your Claim Form, and send a copy of supporting documents.				
Remember to Keep a copy of your Claim Form, and send a copy of supporting documents				



CHINOOK STATION  
CALGARY, ALTA

BY CABLE

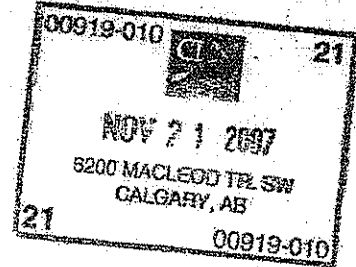
REFERENCE / RÉFÉRENCE 1189034
DATE Nov/21/2007 12:16

100,000.00 UNITED STATES DOLLAR VALUE DATED Nov/21/2007

PAYMENT ORDER / ORDRE DE PAIEMENT

CURRENCY.....: UNITED STATES DOLLAR  
 FOREIGN AMOUNT.....: 100,000.00  
 EXCHANGE RATE.....: 0.9995  
 CONTRACT NUMBER....: 509723  
 CANADIAN EQUIVALENT: 99,950.00  
 SERVICE CHARGE RATE: 0.9995  
 SERVICE CHARGES....: 120.00  
 CABLE COSTS.....: 15.00  
 CORRESP CHARGES....:  
 CANADIAN AMOUNT....: 100,085.00  
 TOTAL FOREIGN AMOUNT: 100,135.07  
 CUSTOMER'S ACCOUNT.: 00919/42-75637 CAD

USD 120.06  
 USD 15.01  
 USD



COMMENTS:

BY ORDER OF:  
 JAHAN ALI  
 125 RIVER GLEN DRIVE SE  
 CALGARY ALBERTA T2C 3R1  
 405 236 1029

DETAILS OF PAYMENT (EG. INVOICE # ETC):

BANK OF AMERICA  
 700 LOUISIANA STREET  
 HOUSTON TEXAS  
 77002

DESTINATION BANK:  
 BANK IDENTIFIER:  
 BANK OF AMERICA  
 700 LOUISIANA STREET  
 HOUSTON, TEXAS  
 77002

PAYMENT INSTRUCTIONS:  
 CREDIT ACCOUNT AND NOTIFY

ROUTING CODE: ABA  
 ROUTING NUMBER:  
 026009593  
 BENEFICIARY:  
 ACCOUNT NUMBER:

CORRESP. CHARGES:  
 TO BE PAID BY BENEFICIARY

005748411121  
 WINDOME INVESTMENT TRUST  
 3644 WESTHEIMER 452  
 HOUSTON TEXAS 77056 4002  
 PHONE 2815864132

INTERMEDIARY BANK:  
 BANK IDENTIFIER: BOPAU3N  
 BANK OF AMERICA, N.A.  
 100 WEST 33RD STREET  
 NEW YORK, NY UNITED STATES

Please arrange the payment described above upon the Terms and Conditions on the reverse of this Payment Order. The undersigned acknowledges having read the Terms and Conditions and agrees to be bound by them. If more than one Customer signs this Payment Order the Customers agree that their liability pursuant to this Payment Order shall be joint and several.  
 Veuillez prendre des dispositions pour effectuer le paiement décrit ci-dessus conformément aux modalités et conditions figurant au verso du présent ordre de paiement. Le soussigné reconnaît qu'il a pris connaissance de ces modalités et conditions et accepte celles-ci. Si plus d'un client signe le présent ordre de paiement, les clients reconnaissent qu'ils seront solidairement responsables conformément au présent ordre de paiement.

DATE: 11/21/07  
 NAME OF CUSTOMER / NOM DU CLIENT: JAHAN ALI  
 AUTHORIZED SIGNATURE / SIGNATURE AUTORISÉE: [Signature]  
 RECEIPT IS HEREBY ACKNOWLEDGED BY US, AS AGENTS OF THE REMITTER, OF THE SUM REQUIRED TO ARRANGE THE PAYMENT DESCRIBED ABOVE, SUBJECT TO THE TERMS AND CONDITIONS APPEARING ON THE REVERSE HEREOF.  
 NOUS ACCUSONS PAR LES PRÉSENTS SIGNÉS DE MANDATAIRES DU DONNEUR D'ORDRE, L'ARRANGEMENT NECESSAIRE POUR EFFECTUER LE PAIEMENT INDIQUE CI-DESSUS, SOUS RÉSERVE DES MODALITÉS ET CONDITIONS FIGURANT AU VERSO DES PRÉSENTS. CANADIAN IMPERIAL BANK OF COMMERCE / BANQUE CANADIENNE IMPÉRIALE DE COMMERCE  
 PER: [Signature]  
 SIGNATURES - BRANCH OFFICERS / SIGNATURE DES EMPLOYÉS DU CENTRE BANCAIRE

# Exhibit 16



**Bank of America**

ROBERT JOSEPH WINSOME ATTY  
WINSOME INVESTMENT TRUST

Page 9 of 17  
Statement Period  
03/01/08 through 03/31/08  
EO P PA OA 52 0222659  
Enclosures 0  
Account Number 0057 4841 1121

**Withdrawals and Debits - Continued  
Other Debits**

Date Posted	Amount (\$)	Description	Bank Reference
03/07	45.00	Wire Transfer Fee	903703070141454
03/07	25.00	Wire Transfer Fee	903703070141220
03/07	25.00	Wire Transfer Fee	903703070141556
03/07	25.00	Wire Transfer Fee	903703070141297
03/07	25.00	Wire Transfer Fee	903703070141297
03/10	3,000.00	Online Banking transfer to Sav-4166 Confirmation# 4948927922	957303107533962
03/10	1,500.00	Online Banking transfer to Chk 3479 Confirmation# 4987330169	957103107538168
03/10	1,000.00	Online Banking transfer to Chk 3479 Confirmation# 4954773461	957203107535630
03/14	1,000.00	Wire Type:Book Out Date:080314 Time:1541 Et Trn:2008031400271644 Bnf:Warren Wai Hung Chiu ID 3579	903703140271644
03/14	25.00	Wire Transfer Fee	903703140155901
03/17	75,000.00	Wire Type:Book Out Date:080317 Time:1611 Et Trn:2008031700254840 Bnf:Howe Financial Tech ID 0632 Pmt Det:Di Stribution	903703170254840
03/17	60,000.00	Wire Type:Intl Out Date:080317 Time:1616 Et Trn:2008031700255836 Service Ref:388283 Bnf:M Cubed Financial Corp. ID:1023637 Bnf Bk:The Royal Bank Of Canad Pmt Det:Distribution	903703170255836
03/17	20,000.00	Wire Type:Book Out Date:080317 Time:1622 Et Trn:2008031700259023 Bnf:Nunzio Bruno Dba ID 1831 Pmt Det:Distr ibution	903703170259023
17	10,000.00	Wire Type:Wire Out Date:080317 Time:1612 Et Trn:2008031700255379 Service Ref:003928 Bnf:Lewis S Scogin ID 2037 Bnf Bk:Compass Bank ID 1186 Pmt Det:Distribution	903703170255379
03/17	45.00	Wire Transfer Fee	903703170136841
03/17	25.00	Wire Transfer Fee	903703170136675
03/17	25.00	Wire Transfer Fee	903703170136948
03/17	25.00	Wire Transfer Fee	903703170136720
03/18	5,000.00	Wire Type:Intl Out Date:080318 Time:1643 Et Trn:2008031800248623 Service Ref:540255 Bnf:Pacificwin Investment (Bvi ID:004534843214838 Bnf Bk:Hongkong & Shanghai Bkg ID:Hsbchkh Pmt Det:Expenses	903703180248623
03/18	3,000.00	Wire Type:Book Out Date:080318 Time:1639 Et Trn:2008031800248103 Bnf:Warren Wai Hung Chiu ID 3579	903703180248103
03/18	45.00	Wire Transfer Fee	903703180126527
03/18	25.00	Wire Transfer Fee	903703180126412
03/19	500.00	Wire Type:Book Out Date:080319 Time:0821 Et Trn:2008031900094791 Bnf:Khiem A Le ID 4829	9037031900094791
03/19	25.00	Wire Transfer Fee	903703190118723
03/20	150,000.00	Wire Type:Book Out Date:080320 Time:0815 Et Trn:2008032000090550 Bnf:Howe Financial Tech ID 0632 Pmt Det:Di Stribution	9037032000090550

# Exhibit 17

**WAYNE KLEIN, RECEIVER FOR  
U.S. VENTURES LC AND WINSOME INVESTMENT TRUST**  
10 Exchange Place, Suite 502, Salt Lake City, UT 84111, USA (801) 456-4593  
[wklein@kleinutah.com](mailto:wklein@kleinutah.com)

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November 21, 2012

**Via Electronic Mail Only**

Kyle Kashuba, Esq.  
Norton Rose Canada, LLP  
400 3<sup>rd</sup> Avenue, SW, Suite 3700  
Calgary, AB T2P 4H2 Canada

Re: Claim of Zaman Ali and M Cubed Financial  
*CFTC v. US Ventures and Winsome Investment Trust*, Case No. 2:11CV00099

Dear Mr. Kashuba:

This letter is in response to your letter dated November 7, 2012 and to follow up on an e-mail exchange you had with Rendell Etherington of my staff on November 16 and 17.

I am saddened at the apparent difficulties that we have had in communicating to you and your client the information we are lacking. This letter will attempt to be clear about the information we seek, but have not been provided.

**Information you *have* provided**

We have received information from you and your client regarding:

- Four transfers from M Cubed to Winsome totaling \$320,200 between November 21, 2007 and February 27, 2009.
- Three transfers to Winsome from Prowler Automation Group totaling \$33,000 between August 20, 2009 and April 20, 2010.
- One transfer from Zaman Ali directly to Winsome in the amount of \$100,000 on November 21, 2007.
- Five transfers from investors to M Cubed in the amount of \$250,000 between November 20, 2007 and August 6, 2008.

**Information we do *not* have**

The information we have been seeking and have never received is as follows:

1. On November 28, 2007, Terry Miller sent \$50,000 to M Cubed. The same day, M Cubed wired \$40,200 to Winsome. *Was the \$40,200 transfer from M Cubed to Winsome tied to the money that Terry Miller sent to M Cubed? If so, what happened to the other \$9,800 that Terry Miller sent to M Cubed? If it was sent to Winsome, when was it sent?*
2. Between June 26, 2008 and August 2, 2008, three persons (Sang Vo, Jagit Sarpal, and Duyen Mai) sent \$125,000 to M Cubed for investment. None of this money appears to have been sent to Winsome. The next time that M Cubed sent money to Winsome was on March 2, 2009 (seven months later), when \$5,000 was sent to Winsome. *Who did this \$5,000 belong to? Should it be credited to one of the three persons listed above? What happened to the other \$120,000 that these investors sent to M Cubed? If it was sent to Winsome, when was it sent?*
3. In July 2009, Clete McCoy sent \$50,000 to M Cubed. *Was any of his money sent to Winsome? If so, when? Did the August 2009 \$8,000 payment to Winsome come from funds sent to M Cubed by Mr. McCoy? If so, why did the money come from Prowler Automation? What happened to the remaining \$42,000 from Mr. McCoy?*

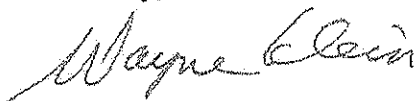
#### Conclusion

In light of these items #1 through #3 listed above, we continue to believe that Mr. Ali has not made full disclosures on his claim form. He has not answered questions about funds he received (and retained) from investors.

If Mr. Ali did not, in fact, forward to Winsome all the funds he received from investors, then the amount he retained appears to have been compensation to him. That compensation, along with Mr. Ali's apparent role as an intermediary between investors and Winsome, is what led us to the view that Mr. Ali was a marketer for Winsome (without regard to whether he was paid commissions directly by Winsome).

I cannot at this point provide any estimate as to the percentage recovery that is expected under a distribution plan. There are too many factors that are still unknown, such as the amount of valid claims (such as the claim being asserted by Mr. Ali and his company) and the amount that will be recovered from lawsuits that we have filed against targets. The receivership website will be the best source of ongoing information about the status of recovery and how much we eventually will distribute to investors.

Sincerely,



WAYNE KLEIN



# Exhibit 18

**WAYNE KLEIN, RECEIVER FOR US VENTURES AND WINSOME**  
**U.S. District Court for the District of Utah**  
**Case No. 2:11-CV-99 BSJ**

October 15, 2012

Zaman Ali  
125 Riverglen Dr SE  
Calgary, AB Canada T2C 3X1

NOTICE OF REDUCED OR REJECTED PROOF OF CLAIM

Dear Mr. Ali:

Your Proof of Claim Form has been assigned Claim No. 1095.

Wayne Klein, the Court-appointed Receiver for US Ventures and Winsome has reviewed your Proof of Claim. The Receiver intends to recommend that your Claim be rejected for the reason(s) described below. Your Proof of Claim indicated a Claim amount of \$100,000. The Receiver intends to recommend that the Court reject your claim.

The reason(s) for the Receiver's recommendation that your Claim be reduced or rejected are:

- The documentation you provided does not support the amount you claimed.
- Our records indicate that additional amounts should be deducted for distributions, withdrawals, or payments of profits to you.
- Other: You acted as a third party marketer and did not make full disclosures on your claim form.

**CALCULATIONS.** The Receiver's records show the following payments relating to your dealings with US Ventures and Winsome:

Amount actually paid by Claimant to or for the Receivership Entities:	\$100,000.00
DEDUCTION: amounts previously paid to Claimant:	\$0.00
Allowed amount:	\$0.00
Claimed amount (on the Proof of Claim Form submitted by Claimant):	\$100,000.00
Excess amount of Claim:	\$100,000.00

***What if I disagree with the Receiver's recommendation of a reduced or rejected Claim Amount?***

You may submit additional documentation to the Receiver in response to this Notice by mailing it to the Receiver at the address below. **Note: Your response must be postmarked no later than November 14, 2012.**

***What happens next?***

Following receipt of any supplemental documentation, the Receiver will review the information you submit and determine whether or not he changes his recommendation. If the Receiver changes his recommendation, you will be notified by e-mail indicating the amount of the allowed Claim.

If the Receiver does not change his recommendation, the Receiver will submit a list to the Court of the Allowable Claim Amounts, including his recommendation for your Claim. You will be sent a copy of the Receiver's recommendation to the Court. You will have thirty (30) days from the time of the Receiver's filing with the Court to file with the Court an objection to the Receiver's recommendation. If you fail to file an objection with the Court, you will be deemed to have consented to the Receiver's recommendation.

***How do I accept the Receiver's recommendation of the amount of my allowable Claim?***

Please sign this form in the space provided below and return it to the Receiver at the address listed below. Upon receipt of this signed form, the Receiver's recommendation will be deemed accepted and your Claim amount will be reduced to the amount recommended by the Receiver.

I AGREE WITH THE RECEIVER'S RECOMMENDATION AND ACCEPT THE ALLOWED AMOUNT OF THE CLAIM.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

***How much will I be paid under the Receiver's calculations?***

The "allowed amount" is not the amount that will actually be paid. At a future date, the Court will approve a distribution plan, which is expected to be based on the amount of money available and the total amount of allowed Claims. The Receiver expects there will only be sufficient funds to pay a portion of the total amount of each allowed Claim.

***When will the allowed amount be paid?***

The Receiver hopes to receive approval from the Court to begin paying allowable Claims in March 2013. Because the Receiver does not expect that all the litigation he has filed will be completed or that all the funds will be recovered by that time, the Receiver expects that additional payments will be made in stages, as funds are recovered.

***Address of the Receiver:***

Wayne Klein, Receiver for US Ventures and Winsome, 10 Exchange Place, Suite 502, Salt Lake City, UT 84111. (801) 456-4591

*Wayne Klein*

# Exhibit 19

## Wayne Klein

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**From:** Wayne Klein [wklein@kleinutah.com]  
**Sent:** Friday, December 21, 2012 5:22 PM  
**To:** 'Zaman Ali'  
**Cc:** 'Rendell Etherington'  
**Subject:** Winsome Claim Process Objections

Mr. Ali:

I cannot act as your attorney to tell you how to file an objection or give you advice on such a filing. I will tell you that our report and recommendation to the Court, is similar to a motion asking the Court to approve our recommendation. Objections are similar to responses to motions. As such, they should include at least the following:

- The caption of the case, including the case number;
- A statement of the ruling you think the court should make;
- An explanation of the reasons you believe the Receiver's recommendations are wrong. This should include:
  - A citation to any legal analysis that supports the position you think is the correct one or that points to the Receiver's position being incorrect,
  - Any facts that you think the Receiver is using or interpreting improperly or that you think the Court should consider. If you will be asserting facts different from or in addition to what the Receiver is asserting, you should attach an affidavit or declaration that provides sworn testimony in support of the facts you are purporting. You should consider whether you want to submit documents in support of your argument. If you do, the documents should be described in your objection and affidavit/declaration so they can be considered as evidence.

You should be aware that in general courts expect that filings made with the court will comply with the federal rules of civil procedure and also with the local rules adopted by this court. Here is a link to the website of the district court for Utah. <http://www.utd.uscourts.gov/> This link also contains the address of the Court.

You are not required to use an attorney to file an objection, but I recommend consulting with an attorney to ensure that any objection is in the proper format and contains the necessary information.

Wayne Klein

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*Please note our new address and office phone number*

Wayne Klein  
KLEIN & ASSOCIATES, PLLC  
10 Exchange Place, Suite 502  
Salt Lake City, UT 84111

801-456-4593 (Phone)  
801-824-9616 (Cell)  
[wklein@kleinutah.com](mailto:wklein@kleinutah.com)

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