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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH

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.

Case No. 2:11CV00099 BSJ

**SECOND STATUS REPORT OF
R. WAYNE KLEIN, RECEIVER**

**FOR PERIOD MARCH 19, 2011 TO
JUNE 15, 2011**

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of U.S. Ventures LC ("USV"), Winsome Investment Trust ("Winsome"), and all the assets of Robert J. Andres ("Andres") and Robert L. Holloway ("Holloway") (collectively, the "Receivership Entities"), hereby submits this Second Status Report for the period of March 19, 2011 through June 15, 2011 (the "Reporting Period").

PROCEDURAL HISTORY

1. On January 24, 2011, this action was commenced with the filing of a lawsuit by the U.S. Commodity Futures Trading Commission (the "CFTC"). On January 25, 2011, the Court entered orders freezing assets and appointing a receiver. Preliminary injunctions have been granted against USV, Winsome, Andres, and Holloway.

INVESTIGATION BY THE RECEIVER

Business Records of the Defendants

2. The Order requires that defendants deliver an accounting to the Receiver and the CFTC and that they provide access to their records. Neither Holloway nor Andres has provided an accounting to the Receiver.

a. Holloway has stated that he no longer has possession or control over the business documents of USV or his personal records for 2005 through 2008. Many of these records appear to be in the possession of the U.S. Department of Justice. The Receiver has engaged in discussions with the Department of Justice seeking access to those records.

b. Andres testified in his deposition that he has possession of the business records of Winsome. He provided some documents in advance of his deposition, others at his deposition and later mailed some additional documents, but Andres has indicated that he has other records he has not yet provided to the Receiver.

Depositions Taken

3. The CFTC and the Receiver took the deposition of Robert Andres over three days in March, 2011.

4. In May, the CFTC and the Receiver took the deposition of Elgin R. Clemons, Jr., the former attorney for Winsome.

5. The CFTC and Receiver have begun deposing other persons affiliated with the defendants, including a third-party marketer and those hired by US Ventures to track trading and create reports. Additional depositions are planned.

Documents Requested and Reviewed

6. On February 24, 2011, the Receiver sent questionnaires to as many investors as he could identify at that point. The questionnaire was also posted on the Receiver's website, so any person could download the questionnaire and submit it to the Receiver. As of June 15, 2011, 89 completed questionnaires have been returned to the Receiver. The information in these questionnaires has been analyzed, along with documents that were provided with some of the questionnaires.

7. The Receiver has begun sending letters to investors, third-party marketers, and other recipients of payments from Receivership Entities, seeking information about their dealings with USV, Winsome, Andres, and Holloway. Many of these persons have failed to respond, but some have provided information requested by the Receiver, increasing his understanding of their transactions with the Receivership Entities.

8. One of the third-party marketers has provided substantive information to the Receiver about their interactions with Winsome. This information has been very helpful.

9. Several investors who have been actively assisting the CFTC have also provided information directly to the Receiver.

10. Multiple state and federal government agencies have provided records and other helpful information to the Receiver. This information has been useful in understanding how the USV and Winsome schemes operated, the roles of various persons affiliated with USV and Winsome, and what assets might be recovered.

11. The Receiver also has begun obtaining information from companies and government agencies located outside the U.S., in his efforts to understand the nature of the international financial transactions. These are described in more detail below.

12. Analysis of the bank records has also revealed significant information about the operation of the many aspects of the Winsome investment programs and the roles of affiliated persons.

13. With this information, the Receiver is getting closer to a position where he can decide what actions he might bring to seek to recover funds for investors.

ANALYSIS OF THE WINSOME INVESTMENT SCHEME

14. The Initial Status Report described the preliminary conclusions of the Receiver regarding the US Ventures investment program. As noted in the Initial Report, USV was a multi-level Ponzi scheme, raising money from other groups who – in turn – got their money from investors. Much of the money sent to USV came from Winsome (\$24.7 million).

15. However, Winsome was much more than simply a participant in the USV investment scheme. Winsome was operating its own wide variety of investment schemes that predated USV and continued long after USV ceased operations. The Winsome and USV schemes intersected only during the period from October 26, 2005 to April 11, 2007.

16. Winsome, like USV, is best understood by examining its activities in three stages:
 - a. The time period before Winsome began sending money to USV on October 26, 2005.
 - b. The USV period, from October 26, 2005 to April 11, 2007.
 - c. The post-USV period, after April 11, 2007.

17. As Receiver, I want to make a prefatory comment about the nature of the Winsome investment scheme during these three stages. The documents and testimony in this case tell an incredible story of deceit, gullibility, fraud, naiveté, absence of due diligence, breach of fiduciary duty, and misuses of money belonging to investors. To date, we have identified over a dozen bizarre and unbelievable money-making schemes to which Andres and Winsome sent money. Andres and Winsome used tens of millions of investor dollars to chase these mirages. In the process, Andres took significant funds from investors for his own personal uses.

Bank Accounts Used by the Winsome-Related Entities

18. The Receiver's Initial Report identified the primary bank account used by Winsome at Bank of America, through which most of the investor monies flowed. Further investigation has revealed that Winsome and Andres conducted their banking through 13 different bank accounts. These accounts were located at five different banks and were under the names Winsome, Bear & Bull Strategies, and C2G Strategies. The Receiver has concluded that these 13 accounts all served the same purposes, deciding it makes more sense to analyze them together, rather than individually.

Winsome Activity in the Pre-USV Period

19. Winsome Investment Trust was formed on June 1, 2002. It was controlled solely by Andres. It had no other officers, employees, partners, or trustees. Before appointment of the Receiver, Andres had exclusive control over the trust.¹

20. In his deposition, Andres testified that Winsome originally was formed to pursue a telecommunications project in Mexico. However, Andres said the laws changed before the project could be pursued, so that project was abandoned. Andres said Winsome began active operations and opened its first bank account in May 2005.

21. Aerospace Consulting Corporation In 2005, Winsome began efforts to acquire Aerospace Consulting Company, a company recently put into bankruptcy. This company was purchased in an effort to acquire its patent rights. This project ended up costing Winsome over \$6 million, with nothing to show for the expenditures.

In the mid-1990s, Roger Remy had developed and obtained a patent for a device that supposedly could neutralize chemical and other hazardous waste, using new, proprietary technology. The technology was held by a company called Aerospace Consulting Corp. The device is described as “Transportable, Self-Controlled Plasma Neutralization of Highly Toxic Biochemical Waste.” Records obtained by the Receiver indicate that Remy applied for a patent on this technology in December 2006. During the 1990s and early 2000s, Aerospace raised over \$50,000.00 from investors as loans and by selling stock. Aerospace was apparently never able to make payments owed to lenders and was put into bankruptcy in May 2005.

¹ Andres was the only signatory on bank accounts for Winsome and for most of the other entities controlled by Andres, such as Bear & Bull Strategies and C2G Strategies.

Shortly after Aerospace was put into bankruptcy, Remy and Andres joined forces to buy the company out of bankruptcy. Winsome entered into an agreement to purchase Aerospace in May 2005.² The original purchase price for this company was \$5.5 million. However, when Winsome failed to make all the purchase payments when due, additional fees were imposed, driving up the purchase price to \$7,534,685.23.³ Expenses for this project continued through all three stages of the Winsome investment scheme.

- During the pre-USV stage (before October 2005), Winsome paid \$20,000.00 relating to the purchase of Aerospace.
- From October 2005 through April 2007 (when USV collapsed), Winsome made payments of \$1,268,638.32 relating to attempts to acquire Aerospace.
- After April 2007, Winsome expended another \$5,206,010.53 relating to the attempts to acquire Aerospace and its technology. A total of \$6,494,648.85 has been identified in payments for this project.⁴ These expenditures include payments towards the purchase of the company, paying off creditors, attorney's fees, and accounting work.

² Winsome also acquired Aerospace Innovations Group.

³ There was an astonishing waste of investor monies as Winsome chased this dream. When Winsome was unable to make the payments according to the original purchase schedule, it negotiated extensions of the deadlines. There were at least 34 extensions sought and granted. For virtually every extension, Aerospace bankruptcy officials required Winsome to pay additional non-refundable fees to Aerospace and increased the purchase price for the company. In the process, the purchase price was increased by more than \$2 million. In the end, Winsome failed to make the payments required and was declared in default. In Aerospace's litigation against Winsome, Aerospace is asserting that all \$4.2 million paid towards the purchase of Aerospace was forfeited as liquidated damages.

⁴ In a September 2009 document, Andres calculated that Winsome had spent \$6,363,905.43 for Aerospace-related expenses.

In an August 2006 balance sheet, when Winsome had spent less than \$1 million on this effort, Andres said the Aerospace asset had a value of \$8,957,000.00. A copy of this balance sheet is attached as Exhibit 1. In this same balance sheet, Andres claimed that Winsome was in the process of forming a joint venture for use with third parties and two U.S. government agencies that would result in \$300,000,000.00 in funding. Andres also said a licensing agreement was in place in the amount of \$1 billion.

The \$6.4 million used in an attempt to purchase Aerospace came from investor monies. Winsome never completed its acquisition of this company and does not have possession of or rights to use the intellectual property rights.⁵ The Receiver has not been able to determine whether the technology is viable and does not know how much value is in the patent rights of this company.

Winsome Activities During the USV Stage (October 2005 to April 2007)

22. As noted in the Initial Status Report, Winsome began sending money to US Ventures in October 2005. However, this was not the only money-making project that Andres pursued during this time and was not the only place that Andres and Winsome sent substantial amounts of money. During this period, Winsome also spent money for the personal expenses of Andres, paying distributions to investors, and for investment schemes other than USV:

- a. US Ventures Of the amount deposited into Winsome's primary bank account at Bank of America, Winsome sent \$24,786,070.69 to US Ventures. US Ventures repaid

⁵ As noted in the Initial Report, Winsome is involved in litigation in New Mexico bankruptcy court involving this transaction. That litigation is on hold because of the litigation stay incident to the appointment of the receiver. The Receiver has made demands on several parties relating to this matter. At this point, it is unclear how much money and what assets the Receiver will recover relating to Aerospace.

\$14,523,208.54⁶ to Winsome, with the remaining amount being lost in trading or used by Holloway for personal uses. Andres testified that Winsome was entitled to 5% of the profits earned by Winsome investors through USV. Andres said he kept track of the profits that USV reported for Winsome investors and considered 5% of those profits as his own.

A significant turning point in the money flow to USV occurred in July 2006. For monies sent to Winsome by investors after this date, Andres said he kept those funds at Winsome, using them to make distribution payments to other investors and for the personal uses of Andres.

b. National Infrastructure Development Master Plan In his deposition, Andres testified that he was spending money in Mexico as part of a “National Infrastructure Development Master Plan.” This money came from investors. The NIDMP work was in conjunction with R.I.O. Systems, Inc., a company run by a close associate of Andres. Andres said this was a privately-financed effort to construct infrastructure projects in Mexico. Andres asserted that this project would yield great profits to Winsome. Andres gave the Receiver a copy of a UCC Financing Statement in which R.I.O. Systems promises to pay \$20,256,000.00 to Andres. Notably, this promise is to Robert Andres, not to Winsome. Regardless, the Receiver has found no indication this project has any value or will result in any payments to Winsome or Andres. The NIDMP project appears closely tied with a project to create a refinery in Guatemala.

⁶ The bulk of this amount, over \$9 million, was paid to one investor whose \$10 million investment was in USV for only a few weeks.

c. Guatemala Refinery Project R.I.O. Systems, Inc. (identified above) also was seeking a contract to build a petroleum refinery in Guatemala. According to a document created by Andres, the project was valued at \$7.6 billion. It appears that in order to qualify its proposal for consideration by the Guatemalan government, R.I.O. Systems needed to demonstrate the financial capability of building the refinery. Winsome claimed to have the necessary financial backing to build the refinery and paid significant funds to development of this project. At this point, the Receiver has identified \$889,775.32 that Winsome spent on NIDMP and the Guatemala refinery project during the USV stage. After the collapse of USV, Winsome spent another \$1,501,858.05 on these two projects. It appears that the total amount spent on these projects was \$2,391,633.37. In the end, R.I.O. System's proposal to build a refinery was not accepted by the Guatemalan government. The Receiver is attempting to determine whether there are any assets relating to these projects or payments that can be recovered.

d. Cindy Moore In his deposition, Andres said he knew a woman named Cindy Moore who needed help getting a large inheritance released to her. Moore supposedly promised that when the inheritance was "released," she would reimburse Winsome for its expenses and also loan some of her inheritance proceeds to Winsome. Winsome began making payments relating to the supposed release of Moore's inheritance in September 2006. In documents obtained by the Receiver, Andres wrote that Winsome was to receive \$24,580,000.00 from Moore. In these documents, Andres said Winsome paid for a bond that was to satisfy taxes related to the \$24.58 million. The Receiver has found no money ever received by Winsome from Moore or anyone related to her. To date, the

Receiver has identified \$3,049,271.50 paid by Winsome for this failed effort.

\$1,148,875.00 was paid during the USV phase and \$1,900,396.50 was paid after April 2007.

e. Precious Metals; Diamonds; Coin, Currency and Stamp Collectibles The August 2006 Winsome balance sheet says Winsome had assets valued at \$4,060,000.00 in precious metals, gems, and collectibles. When questioned during his deposition, Andres said Winsome never had any of these in its possession. He described Winsome's interest as deriving from agreements he had with a wealthy Philippines businessman (believed to be a person using the name Wilfredo Saurin). Andres said he met the businessman in the Philippines and saw a suitcase containing gold, gems, and other collectibles. Andres claimed that Winsome had an ownership interest in these assets, even though Winsome never took possession of them. Andres said Winsome's ability to obtain these assets terminated when the businessman died and his wife refused to recognize the agreements that Andres claimed to have with the deceased businessman. The Receiver is still attempting to determine how much money Winsome and Andres spent seeking these assets.

f. Long Island, Bahamas Winsome's August 2006 balance sheet claimed that Winsome had an "investment relationship[] pertinent to approximately 100,000 acres of property in Long Island, Bahamas." In his deposition, Andres said that Winsome was never the owner of this land, but had certain rights to the land that he did not identify.

The Receiver has not yet determined how much money was spent by Receivership Entities relating to land in the Bahamas – land which was not owned by Winsome.⁷

g. Gold in Switzerland The August 2006 balance sheet also claimed that Winsome had a 40% beneficial interest in a “Safekeeping Receipt” issued by Union Bank of Switzerland. According to Andres, the safekeeping receipt represented 500 metric tons of gold, having a face value of \$7.7 billion. Andres listed these precious metals on Winsome’s balance sheet at a value of \$2.6 billion. In his deposition, Andres admitted that Winsome never had possession or control over these metals. The balance sheet said that Winsome had paid “costs, expenses and advances” relating to this gold. The Receiver has not yet been able to identify how much Winsome spent trying to claim an interest in this gold.

h. PURSCA Investment Group Ltd., Pacificwin Investments Warren Chiu was the managing director of a Philadelphia-based company named PURSCA. Chiu claimed to have contacts in China and Taiwan that were interested in utilizing the Aerospace technology for nuclear waste treatment. Chiu sent letters to Andres identifying Asian companies that he said had committed to using the technology, with project engagements totaling \$100 million. Chiu also solicited investors to participate in the Winsome investment program and was paid a percentage of profits supposedly being earned by those investors. Chiu is also believed to be tied to an entity named Pacificwin

⁷ The attached Winsome “balance sheet” does not describe the value of Winsome’s supposed interest in this land.

Investments. Pacificwin appears to be tied to efforts to claim billions of dollars from the Federal Reserve Bank of New York (described below).⁸

Payments to Chiu started in July, 2006. Between July 2006 and April 2007, Winsome paid \$513,879.82 to Chiu, his family members, and to others on his behalf.⁹ After the collapse of USV, Winsome paid Chiu another \$626,053.34, for a total of \$1,139,933.16.¹⁰

- i. JFSI Card Program Between October and December 2006, Winsome sent \$209,000.00 to a Caribbean bank for the use of Jabez Financial Services, Inc. (JFSI). In March 2007, the Nova Scotia Supreme Court appointed a receiver over JFSI, at the request of the Nova Scotia Securities Commission. The JFSI Receiver's report said JFSI participated in a debit card program, by which investors could access their funds via credit card. In light of JFSI being in receivership, the Receiver does not anticipate obtaining any recovery of funds paid by Winsome to JFSI. The Receiver has not yet learned what benefit Winsome expected to receive from the payments to JFSI.
- j. Albert and Cherylyn Sellers The Sellers appear to be close associates of Andres. Documents reviewed by the Receiver indicate that Cherylyn Sellers held herself out as the U.S. agent for Mamdouh M. Abu Talib, a Dubai businessman willing to loan money to U.S. companies. (This is discussed in more detail below in the category labeled

⁸Pacificwin Investments is identified in the attached Trust Declaration of Fu Leung Antonio Yu.

⁹ This included more than \$50,000.00 in apartment rent for Chiu in Houston, Texas (during both the USV and post-USV stages) and \$4,727.50 paid to a jeweler for a Rolex watch for Chiu.

¹⁰ Some of the payments to Chiu are identified on Winsome bank records as "distributions." The Receiver has found no indication that Chiu invested any funds in Winsome.

Unitrade.) Cherylyn, and her husband Albert Sellers, appear to be related to a number of other fraud schemes.

i. In 2002, a federal court in Texas appointed a receiver over Resource Development Inc. (RDI), based on evidence produced by the SEC that RDI was operating a \$70 million Ponzi scheme.¹¹ The RDI receiver found that \$200,000.00 was transferred to the TLC Trust, which was controlled by Al and Cherylyn Sellers. The Sellers were ordered to turn over those funds to the RDI receiver and failed to do so. On April 5, 2006, the Sellers were held in contempt of court for failing to return these funds to that receiver.

ii. On April 4, 2007, Al and Cherylyn Sellers were indicted by a federal grand jury for tax evasion. In that case, the Sellers' criminal defense attorney was William M. Ravkind. Al Sellers admitted to the court that he and Cherylyn had taken over \$500,000.00 from investors in another case and spent the money. On April 15, 2009, Cherylyn Sellers pleaded guilty to tax evasion. Al Sellers was found not competent to stand trial.

Despite the Sellers having been found in contempt of court in April 2006 and criminally charged in April 2007, Andres sent large amounts of investor funds to them from Winsome. These payments, which began in December 2006, were described as advances and loans. Winsome sent a total of \$94,200.00 directly to the Sellers. These

¹¹ This makes at least five receiverships related to USV and Winsome: i) the current receivership, ii) the receivership of Novus Technologies (related to the SEC enforcement action against USV in 2007), iii) the receivership of Health & Harmony, a Canadian third-party marketer, iv) the receivership for JFSI (described above), and v) the RDI receivership.

payments continued through November 2010 – only two months before Winsome’s assets were frozen at the request of the CFTC.¹² Winsome sent another \$225,000.00 in 2008 to William Ravkind, the Sellers’ criminal defense attorney. The bank records for two of these transactions note that the payments were to pay legal fees for the Sellers.¹³ Winsome paid a net total of \$147,250.00 to the Sellers or to others for the benefit of the Sellers.

k. Total Lodging, LLC Winsome wired \$75,000.00 to a company called Total Lodging, LLC in September 2006. Total Lodging appears to provide vacation lodges. The bank documents indicate it was a loan. No payments have been received from Total Lodging. The Receiver is investigating the purpose of this payment.

l. Alabama Toll Road Andres served as counsel for a company that was seeking funding for an Alabama toll road. This project was being promoted by Lewis Scogin, one of the third-party marketers and the person who introduced Andres to Robert Holloway. Andres caused Winsome to pay \$5,000.00 in 2006 relating to this project. No construction has ever taken place on the toll road.

m. Human Power Company Winsome wired \$160,600.00 to an Asian employment agency called Human Power Company. Bank records suggest this was a loan by Winsome to this company. \$50,040.00 was repaid by the company, for a net expenditure of \$110,560.00. These payments were made between July 2006 and May 2007. The

¹² Of course, these payments to the Sellers were made during a time that Andres was telling many of the Winsome investors that he had no funds to return funds to them.

¹³ \$175,000 of these funds was returned to Winsome later in 2008.

Receiver is attempting to determine the purpose of these payments. It does not appear that Winsome received any benefit from these payments.

n. USV-IV/Westminster Financial Later in the USV period, Robert Holloway was negotiating to provide investment services to a company called Westminster Financial. This was to be done separately from the investing Holloway was doing for Winsome and other investors. A separate entity, USV-IV, was created to segregate funds that were to be invested by Westminster. Due to Andres' role in providing funding to USV, Andres claimed the right to receive a share of the profits from the trading activities of USV-IV. Andres was to be a 50% owner of USV-IV, but was to provide virtually no services to USV-IV. The Receiver has not found that Westminster provided any funds to USV-IV.

Winsome Activities After April 2007

23. As described in the Initial Report, on April 11, 2007, the SEC filed suit against US Ventures, Holloway, and others, alleging the existence of an investment fraud involving another USV client, Novus Technologies. The bank and brokerage accounts of USV were frozen – although the bank account had a balance under \$500 and the brokerage accounts had negative account values.

24. After this point, Andres ceased sending more money to US Ventures. Andres claims that he also changed the nature of the investment program he offered. He testified that he stopped telling investors their money would be used to trade commodities, he stopped sending account

statements that reported daily trading results, and he began telling investors they would receive a set interest rate of 8% per month.¹⁴

25. Andres acknowledged in his deposition taking \$19 million from investors after April 2007. The bank records reconstructed by the Receiver indicate that investors gave at least \$35,051,153.68¹⁵ to Winsome after April 2007 – continuing to January 2011, shortly before the CFTC filed its lawsuit.

26. Andres conducted business using the Winsome Investment Trust entity and also Bear & Bull Strategies and C2G Strategies – other companies formed and controlled by Andres.¹⁶

27. Andres acknowledged that he had not filed tax returns since 2007 and that he had little or no “income” during those years. He said his living expenses came from monies investors sent to Winsome, Bear & Bull Strategies, and C2G Strategies, as well as money he borrowed from individuals who were not investors. Winsome never filed tax returns.¹⁷

28. After April 2007, Winsome engaged in a multitude of other investment programs. Most are fantastic and strain credulity. Nevertheless, Winsome spent tens of millions of dollars pursuing these projects:

- a. CSKR On June 14, 2007, Andres was appointed to serve as the “personal financial and investment trustee” for Fu Leung Antonio Yu, supposedly a Hong Kong

¹⁴ Account statements reviewed by the Receiver show that investors were being credited with 10% and 15% monthly interest payments.

¹⁵ This does not include \$760,378.01 in transfers between various Winsome bank accounts and between Winsome and other companies controlled by Andres.

¹⁶ Andres formed and controlled other companies, such as Hi-Tec Fibernet, Cerulean Energy Solutions, The X Group, and Ancira (which Andres described as a shell company). Andres said these companies played no role in the Winsome investment program (other than Hi-Tec Fibernet).

¹⁷ Andres testified that Winsome did not have any income before 2006.

resident. Yu signed a "Trust Declaration" giving Andres control over \$10,000,000.00 of Yu's funds. These funds were supposedly being held at the Federal Reserve Bank in New York ("FRB") in the name of Wilfredo Saurin. Yu's document said these funds were evidenced Certified Safe-Keeping Receipts ("CSKRs"). A copy of this Trust Declaration is attached as Exhibit 2.

i. Andres proceeded to try and secure a release of these funds. He believed that these CSKRs were identified only on a computer screen at the FRB called the "gray screen." On September 8, 2007, Andres wrote to the FRB, requesting \$500 million of this money. A copy of this letter is attached as Exhibit 3. After he sent this letter, he says he was told the CSKRs disappeared off the gray screen, meaning the FRB was then denying their existence.

ii. In November 2007, the FRB posted a fraud warning on its website, warning the public that claims that Wilfredo Saurin had money deposited with the FRB were false and fraudulent. The fraud warning can be found at: <http://www.newyorkfed.org/banking/frscams.html> .

iii. Later in November 2007, Andres hired Clemons to get the FRB to confirm the existence of the CSKRs and get them released. In his deposition, when he was asked whether he was aware of the FRB fraud warning, Clemons said yes, but he believed Andres' assertion that the fraud warning related to imitators of Wilfredo Saurin and that Clemons and Andres were dealing with the real Alfredo Saurin.

iv. Andres planned to give the CSKRs to a trader at another company named Capital Trade Management, in Nassau, Bahamas. The plan was that if the FRB confirmed the existence of the CSKRs, Capital Trade Management could use the CSKRs as collateral to borrow money from other sources and invest that money to earn profits.

v. So far, the Receiver has identified \$140,000.00 spent by Winsome in trying to take possession of the supposed CSKRs. Andres admitted that the funds used to seek the release of the CSKRs came from investors.

vi. The Receiver understands that the FRB holds no funds for private persons and does not issue documents labeled CSKRs.

b. Jerome Carter/Grupo Corporativo In October 2007, a Mexican company named Grupo Corporativo Carter Hall Y Sarmiento issued a letter of intent, supposedly confirming that the company was buying an 800 million Euro medium term note. Grupo Corporativo was to pay 2% commissions to a variety of consultants and intermediaries. Winsome was listed as one of the consultants. Winsome was to earn \$1,333,333.33 as a commission on this transfer. The transfer of the 800 million in Euros was to be verified through "EuroClear" (described below).

One of the officers of Grupo Corporativo is Jerome Carter. The Receiver has identified a net \$689,730.94 paid to Jerome Carter or others on his behalf.¹⁸ Winsome never received any commissions from Grupo Corporativo.

¹⁸ Some of these payments began as early as July 2006.

- c. Magna Pinpoint Winsome's former attorney was Elgin Clemons. One of Clemons' former employers was a company named Magna Securities, where a related entity was Magna Pinpoint. Andres testified that in July 2008, Winsome was in line to become custodian of a \$50 million loan from Magna Pinpoint. Of this, \$10 million would be retained by Winsome. Andres said Magna was to get the money from a person in London named Hasan. Winsome planned to invest the money – using profits from those investments to repay investors.¹⁹ This loan from Magna was never funded. So far, the Receiver has identified \$890,450.27 in payments that Winsome made as part of Andres' efforts to obtain money from Magna Pinpoint.
- d. Ali Al Abbar/European Commission Shortly after the Magna Pinpoint loan failed to occur, Andres was told of a new source of funds from London. Clemons related an incredible tale in his deposition. He testified that he was invited to London at the invitation of a wealthy Dubai businessman named Mohammed bin Ali Al Abbar. Clemons described how he was taken to a secret storage facility and shown several trunks filled with \$550 million dollars (U.S.). Clemons said he immediately told Al Abbar's representatives that the money had been brought into the country improperly and needed to be reported to authorities. Clemons said he then left. A few weeks later, Clemons said he was contacted by Al Abbar's representatives and told that they had turned over the cash to British authorities and now wanted Clemons to help them secure the release of the

¹⁹ Incredibly, Andres said he planned to place this money with Holloway for investment, expecting Holloway to earn sufficient profits from the \$10 million payment to repay the more than \$30 million owed to USV investors. This plan ignored the fact that Holloway had previously lost \$12 million of investor monies from Winsome and others.

funds from impound. Clemons' effort to release the funds turned out to require the payment of fees and taxes to release the funds.

- i. Clemons turned to Andres and Winsome to obtain the necessary funds to pay these supposed taxes and fees.
- ii. Letters were sent to Andres and Clemons, supposedly from officials of the European Commission, explaining why fees were required to be paid and promising to release the funds if Winsome would pay the fees and act as the custodian of the funds. One of these letters is attached as Exhibit 4.
- iii. A series of letters, on the purported letterhead of Al Abbar Group, were sent to Winsome and Clemons, promising to reimburse Winsome \$5 million for the money advanced for this effort and place the \$550 million with Winsome for investment. One of these letters is attached as Exhibit 5.
- iv. Over the course of several months, Winsome wired more than \$3.2 million to a series of banks in the U.K., supposedly to procure the release of the \$550 million.
- v. Clemons now says he was deceived and gave the Receiver a copy of correspondence to him from the person claiming to be Al Abbar admitting that he was an imposter.
- vi. The Receiver has confirmed several key elements showing that this investment project was a fraud.
 1. Officials of the European Commission have confirmed to the Receiver that it had no involvement in the transactions described by

Andres and Clemons. The European Commission officials affirmed that they never met with Clemons, the letters were not of the type used by the EC, and that it had never seized any funds from Al Abbar.

2. The Receiver has obtained (from another government agency) a copy of an affidavit from Al Abbar's representative in Dubai saying that Mr. Al Abbar had no dealings with Clemons or Andres.

3. Clemons provided the Receiver with a letter he supposedly sent to the London Police Department reporting to it what he had observed in London. The London Police Department has confirmed to the Receiver that it never received any communications from Clemons and was never informed of the subject matter described by Clemons.

vii. The Receiver has identified a total of \$4,740,405.72 spent by Winsome to assist in the release of funds supposedly owned by the purported Al Abbar.²⁰

\$1,192,750.00 of this amount was paid to Clemons in 2008 and 2009 as a bonus for his work in trying to get Al Abbar to place his funds with Winsome.

e. Payments to Clemons/Bear & Bull Brokerage Account When Clemons was working to get the supposed Al Abbar funds released from the supposed seizure in London, Andres promised Clemons a \$1 million payment for his assistance in getting Al Abbar's money loaned to Winsome. Andres created an investment account statement for Clemons from another one of Andres' companies (Bear & Bull Strategies), showing a \$1

²⁰ In a document reviewed by the Receiver, Andres wrote that he had sent \$13 million to secure the release of these funds.

million deposit into the account. Andres sent subsequent account statements to Clemons showing that initial \$1 million amount had grown to close to \$1.2 million. At Clemons' request, Andres paid this amount to him, despite the fact that the Al Abbar loan was never made and that there was no actual deposit of money into the account.

f. Unitrade In October 2009, Andres corresponded with another company located in Dubai named Unitrade. Unitrade offered to make a \$20 million loan to Winsome. To secure the loan, Winsome was required to pay a \$250,000.00 fee – in advance. Both Clemons and Cherylyn Sellers claimed to have connections with Unitrade. Winsome wired the money to Mamdouh M. Abu Talib in October 2009, but never received a loan from Unitrade. In March 2011, Andres testified that he still expects to receive a \$20 million loan from Unitrade.

Separately, several Winsome investors were told by Clemons that in light of Winsome's inability to repay their funds, Unitrade would purchase their investments in Winsome. At least one investor paid \$5,000.00 to Clemons for his assistance in getting Unitrade to purchase the investor's interest in Winsome. That investor has not received a buyout of its Winsome investment.

g. EuroClear Group Clemons sent documents to the Receiver regarding financial transactions that supposedly would be made through EuroClear. The Receiver has not yet been able to determine whether this relates to the Jerome Carter transactions described above. This 70-page document lists 631 banks throughout the world that supposedly are holding incredible amounts of funds, with 70% of the money for the benefit of the people of the Philippines and 30% for the other people in the world. The

amounts claimed in this document are staggering. For example, the document claims that there was a bank account at Bank of America holding \$2.1 octillion dollars.²¹ A copy of the first page of this document is attached as Exhibit 6.

h. Wild Oats Entertainment Andres testified that he planned to open a restaurant in Las Vegas. The restaurant was never opened. To date, the Receiver has identified \$166,700.00 spent by Winsome in 2007 and 2008 on this failed project.

i. Holloway Bull & Bear Commodities Trading (Reprise) In October 2008, Andres decided to send funds to Robert Holloway to again trade commodities. Bear & Bull Strategies opened a brokerage account with \$300,000.00. This money had come from a third-party marketer, but represented funds from one investor. Andres authorized Holloway to make trades in the Bear & Bull brokerage account. The \$300,000.00 was lost within a few weeks and the account was closed. Because the third-party marketer said he had guaranteed the investors against loss, Andres had Winsome repay the investment to the investors – using funds provided to Winsome by other investors.

j. Alliance Asset Management Holloway told Andres that he (Holloway) had the prospect of obtaining \$2 million from a company named Alliance Asset Management.

Holloway said that in order to get the \$2 million, he had to pay a \$100,000.00 fee.

Holloway told Andres that with the \$2 million Holloway could recommence commodities

²¹ This is \$2,151,000,000,000,000,000,000,000.00. This is enough to give each person on earth \$317 quadrillion dollars.

trading and make back the losses he had suffered in 2006 and 2007.²² In fact, \$100,000.00 in fees was paid by Winsome to Alliance Asset Management.

k. Loans to Holloway Andres loaned money to Holloway after April 2007, with money obtained from investors. Andres explained that he wanted to make sure Holloway would still be available to do commodities trading when Winsome received funds from Al Abbar, Unitrade, and other projects Winsome had undertaken. To date, the Receiver has identified \$775,850.00 sent by Winsome to Holloway.

Andres Took Money from Winsome for Personal Use

29. Andres claims that he took no compensation out of the money gathered from investors after April 2007, although he acknowledges that he “borrowed” money out of the investor funds for living expenses. The Receiver has identified the following amounts paid to Andres and others affiliated with him:

²² Neither Andres nor Holloway has been able to explain why they thought that trading might be profitable for this \$2 million after the extensive losses from Holloway’s earlier commodities trading.

Description	USV Period	Post-USV	Total
Andres ²³	131,842.94	203,550.00	335,392.94
Andres other accounts ²⁴	509,281.28	264,850.85	774,132.13
Cash withdrawals ²⁵	6,200.00	580,657.84	586,857.84
Ursula Andres (wife) ²⁶	64,000.00	247,075.00	311,075.00
Other family members ²⁷	52,500.00	35,000.00	87,500.00
Andres personal Uses ²⁸	94,443.77	906,233.05	1,000,676.82
Total	858,267.99	2,237,366.74	3,095,634.73

30. The Receiver has found that two court judgments have recently been entered against Andres. One is for \$141,252.00, owed to a Winsome investor.²⁹ The second, for \$164,495.00, is owed to a person that Andres described as a friend who had loaned money to Andres.³⁰

Summary of Expenditures for the Winsome Investment Projects Identified to Date

31. The following chart shows the amounts expended by Winsome for each of the investment projects described in this report and amounts taken by Andres for his own uses. The chart also

²³ In his deposition, Andres indicated he took loans from Winsome. He acknowledged that he made no payments on these loans, there were no written loan agreements, and there was no stated interest rate on the loans. Andres promised to provide records summarizing these loans, but has not done so. This category summarizes payments from Winsome to Andres.

²⁴ Andres had personal checking and savings accounts aside from Winsome bank accounts. The funds in this category represent the net transfers from Winsome bank accounts to Andres' personal bank accounts. It appears that Andres deposited money from at least one investor into his personal bank account, and then repaid them from the Winsome bank account.

²⁵ There was \$698,509.04 in cash deposits into these affiliated bank accounts. The Receiver believes these cash deposits are unrelated to the cash withdrawals by Andres. Andres also withdrew \$400.00 in cash from Winsome's bank account in the pre-USV stage.

²⁶ Andres acknowledged that his wife had no positions with Winsome, Bear & Bull, C2G, or any other companies controlled by him.

²⁷ These include Andres' sister Betty Thorrez, his niece, and his cousin, Annette West.

²⁸ This includes credit card expenses, hotels, restaurants, and dues to the Texas State Bar.

²⁹ This judgment is dated September 22, 2010.

³⁰ This judgment was recorded in Texas on December 10, 2010.

lists the financial benefits that Andres claimed he expected to receive (to the extent that the Receiver has been able to identify the claimed benefit).

Project	Pre-USV	USV Period	Post-USV	Total	Expected Benefit
Aerospace	20,000.00	1,268,638.32	5,206,010.53	6,494,648.85	8,957,000.00 ³¹
US Ventures		10,262,822.15 ³²		10,262,822.15	30,210,237.99 ³³
NIDMP/Refinery		889,775.32	1,501,858.05	2,391,633.37	20,256,000.00 ³⁴
Cindy Moore		1,148,875.00	1,900,396.50	3,049,271.50	24,580,000.00.
Metals, Gems					4,060,000.00
Bahamas Land					
Swiss Gold		40,000.00		40,000.00	2,600,000,000.00
Pursca/Pacificwin		513,879.82	626,053.34	1,139,933.16	100,000,000.00 ³⁵
JFSI Card		209,000.00		209,000.00	
Al Sellers		30,500.00	116,750.00	147,250.00	
Total Lodging		75,000.00		75,000.00	
Alabama Toll Rd.		5,000.00		5,000.00	
Human Power		110,560.00		110,560.00	
Westminster		0.00		0.00	
CSKRs/FRB			140,000.00	140,000.00	500,000,000.00 ³⁶
Carter/Grupo			689,730.94	689,730.94	1,333,333.33 ³⁷
Magna Pinpoint			890,450.27	890,450.27	50,000,000.00 ³⁸
Al Abbar			4,740,405.72	4,740,405.72	550,000,000.00
Unitrade			250,000.00	250,000.00	20,000,000.00
EuroClear					
Wild Oats			166,700.00	166,700.00	
Holloway/B&B			300,000.00	300,000.00	
Alliance Asset			100,000.00	100,000.00	2,000,000.00
Holloway Loan			775,850.00	775,850.00	
Andres		858,267.99	2,237,366.74	3,095,634.73	
TOTAL	20,000.00	15,412,318.60	19,641,572.09	35,073,890.69	

32. The takeaway from this summary is that at least \$35 million was spent on the many investment projects that Andres pursued and spent by Andres and Holloway for personal

³¹ Andres claimed this project has projected revenue streams of \$300,000.00 and a “licensing agreement” for \$1 billion.

³² This is the net outflow to USV. It represents the losses suffered by Winsome in the USV investment. Winsome sent \$24.7 million to USV and received \$14.5 million in distributions.

³³ Holloway and Andres signed a settlement agreement on April 7, 2010, stating that USV owed Winsome this amount.

³⁴ Andres said the Guatemala refinery project was valued at \$7.6 million.

³⁵ This does not include any monies to be received from the claimed deposits at the Federal Reserve Bank of New York.

³⁶ The Yu Trust Declaration says Yu has rights to \$10 billion at the FRB. Andres’ letter to the FRB only seeks release of \$500 million.

³⁷ This was a transfer of 800 million Euros.

³⁸ Supposedly Winsome was to be the custodian for \$10 million of the money.

purposes. This total does not include distributions that were made to investors. As noted below, payments to investors and third-party distributors will be the next stage of the Receiver's financial analysis.

33. The Receiver recognizes that many investors have believed that the Defendants have substantial amounts of money hidden in foreign bank accounts. This belief is certainly understandable in light of the enormous sums of money sent to Winsome and USV and the large number of international financial transactions. The Receiver cautions, however, that as the forensic accounting continues, we may discover that transactions, like those described in this report, account for nearly all the money sent to USV and Winsome. If so, investors should temper their hopes that there are hidden bank accounts in the U.S. or elsewhere.

Financial Report

34. The following chart shows the monies recovered by the Receiver since the inception of the Receivership.

Date	Source	Amount
2/23/11	Accounts frozen at Wells Fargo	\$432.85
3/8/11	Accounts frozen at HSBC	\$60.99
3/18/11	Brokerage account frozen at Penson Futures	\$100.72
6/1/11	Accounts frozen at Comerica Bank	\$287.00
Total		\$881.56

35. None of these funds have been expended. However, the Receiver has expended and continues to expend his own funds in paying investigative costs of this case.

Next Steps

36. The Receiver is identifying those persons and entities who have received funds from USV or Winsome without evidence of USV and Winsome receiving an equivalent benefit from

those payments. The Receiver will demand the return of funds from those who cannot demonstrate that the Receivership Entities benefitted from the payments. Some disputes are already heading toward litigation.

37. The Receiver has provided documents and other information to investigative units of several government agencies and expects to continue to share information requested by any agencies.

38. The next phase of the financial analysis will examine:

- a. Payments to investors: The Receiver will examine payments that are recorded as distributions to determine whether those recipients have made investments in Winsome/USV, whether distribution payments were made to persons who had invested in other entities run by Andres or Holloway (that are not Receivership Entities), and whether investors received more in distributions than the amount of their investment (including any investors who withdrew their funds before the collapse of the scheme);
- b. Third-Party Marketers: The Receiver will examine payments to third-party marketers and others who solicited funds for Winsome or USV, to determine which of those payments can be recovered by the Receivership.
- c. Transfers Between Bank Accounts: Many of the banking transactions that have not yet been identified by the Receiver are believed to be transfers to other bank accounts controlled by Andres or transactions related to lines of credit. It is expected that further analysis will determine which of these transactions may yield possible recoveries.

CONCLUSION

The Receiver respectfully submits this Second Status Report for the period from March 18, 2011 through June 15, 2011.

The Receiver verifies under penalty of perjury that the foregoing is a true and correct summary of information he has discovered to date in his investigation.

DATED this 21st day of June, 2011.



R. WAYNE KLEIN, Receiver

Attached Exhibits:

1. Winsome August 2006 Balance Sheet.
2. Yu Trust Declaration.
3. Andres Letter to the Federal Reserve Bank
4. European Commission Letter.
5. Al Abbar Letter.
6. EuroClear Banking Report Excerpt.

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of June, 2011, I caused to be served in the manner indicated below a true and correct copy of the attached and foregoing **SECOND STATUS REPORT OF R. WAYNE KLEIN, RECEIVER FOR PERIOD MARCH 19, 2011 TO JUNE 15, 2011** upon the following:

- VIA FACSIMILE
- VIA HAND DELIVERY
- VIA U.S. MAIL
- VIA FEDERAL EXPRESS
- VIA EMAIL
- VIA ECF

Kevin S. Webb
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Gretchen L. Lowe
U.S. Commodity Futures Trading Commission
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kwebb@cftc.gov
jhall@cftc.gov
glowe@cftc.gov

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R. Wayne Klein
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Robert L. Holloway
7040 Avenida Encinas #104-50
Carlsbad, CA 92011
vrilob@gmail.com

<input type="checkbox"/> VIA FACSIMILE <input type="checkbox"/> VIA HAND DELIVERY <input checked="" type="checkbox"/> VIA U.S. MAIL <input type="checkbox"/> VIA FEDERAL EXPRESS <input type="checkbox"/> VIA EMAIL <input type="checkbox"/> VIA ECF	Robert J. Andres 10802 Archmont Dr. Houston, TX 77070 Rja0418@gmail.com
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/s/ Valerie Merritt

EXHIBIT 1

EXHIBIT 1

WINSOME INVESTMENT TRUST
Houston, Texas
 Unaudited Balance Sheet as at August 4, 2006

ASSETS

Cash on Hand and in Banks		\$ 363,137
Private Program (<i>see Note 1</i>):		
Cash - Estimated at July 31, 2006	\$ 76,823,637	
LESS: Participant's Investment	<u>(71,338,629)</u>	\$ 5,485,008
Accounts Receivable (<i>see Note 2</i>):		
Related Investments	\$ 1,857,000	
Individuals	<u>430,500</u>	\$ 2,287,500
Collectibles and Precious Metals (<i>see Note 3</i>)		\$ 4,060,000
Patents and Intellectual Property (<i>see Note 4</i>):		
Hydro-Cyclonic Technology - at cost		\$ 957,000
Investment in Entities (<i>see Note 5</i>) - at cost:		
Aerospace Consulting Corporation (SPAIN) S.L. - 100%		\$ 6,000,000
Aerospace Consulting Corporation, Inc. - 70.3%		\$ 2,000,000
Beneficial Interest in Commodities (<i>see Note 6</i>):		
Precious Metals (UBS-Zurich) - Face Value		<u>\$2,623,805,800</u>
TOTAL ASSETS		<u>\$2,644,958,445</u>

LIABILITIES AND EQUITY

Liabilities:		
Payments related to Investment in Entities		\$ <u>2,000,000</u>
Trust Equity		<u>\$2,642,958,445</u>
TOTAL LIABILITIES AND EQUITY		<u>\$2,644,958,445</u>

The accompanying Notes are an integral part of this Balance Sheet and, accordingly, must be read contemporaneously with the financial information presented hereinabove for a full appreciation and understanding of existing positions.

Page 1 of 2

WINSOME INVESTMENT TRUST
Houston, Texas
Notes to Balance Sheet

Note 1: The Trust manages participation for the Trust and joint venture participants in a Private Program designated for cash management activities, primarily for businesses both inside and outside the United States. In addition to the identified participation, the Trust is in the midst of negotiations to handle funds and resulting investment in diversified portfolios which substantially exceeds One Billion U.S. Dollars.

Note 2: The Trust has various investment relationships pertinent to approximately 100,000 acres of property in Long Island, Bahamas, as well as obligations related to patent ownership by its Aerospace Consulting Corporation (SPAIN) S.L. of that "Transportable, Self-Controlled Plasma Neutralization of Highly Toxic Biochemical Waste" [U.S. Patent No. 7,026,570 B2; April 11, 2006], as well as related worldwide patents and related upgrades. From time to time, the Trust provides support to individuals on a variety of subjects that are intended to supplement and/or advance various assets and/or potential investments to which the Trust has an interest and/or potential financial interest.

Note 3: In addition to small amounts of precious metals and diamonds, the Trust owns various coin, currency and stamp collectibles.

Note 4: The Trust maintains proprietary technology with its Hydro-Cyclonic device which provides efficient Environmental and related Clean-Up services worldwide, presently having an operational unit in Corsicana, Texas. Further information can be obtained from an information site located at "www.winsometrtrust.com".

Note 5: The Trust owns varying interest in companies that are in the aerospace industry and, through patent ownership primarily through its Spanish company, is in the process of forming a joint venture for use with various third party joint venturers and U.S. governmental agencies (including the Department of Energy and the Department of Defense), expected to be no less than Three Hundred Million U.S. Dollars of funding. A licensing Agreement (in the amount of One Billion U.S. Dollars) is in place as it relates to future use of said patent(s) in the United States, with potential applications and use anticipated worldwide. [See "Note 2", above, as it concerns patent ownership by the Trust's Spanish company.]

Note 6: Through various Trust Declarations under Code: JAPAN T.O. 27778117-A as identified on a Safekeeping Receipt issued on September 8, 2005 by UBS (Zurich, Switzerland), the Trust has forty per cent (40%) beneficial ownership in A.U. 500 Metric Tonnes (12.5 kgs./Pc. 99.999% Pure), having a face value of U.S.D. 7,717,076,000.00. The market value is substantially higher than the stated face value.

CFTCR 003577

Page 2 of 2
Notes to Balance Sheet

The Trust entered into an agreement (and has paid costs, expenses and advances) with an Individual who represents the Trust in its desire to enter into an Agreement for Sale and/or Loan with an established Zurich financial institution as it concerns the foregoing A.U. 500 Metric Tonnes. It is expected that final negotiations for said Commodity will be in the final stages no later than the third week of August, 2006.

For conservative reasons, the Trust's beneficial interest in said Commodity has been further discounted by fifteen per cent (15%), representing the Trust's minority position.

EXHIBIT 2

EXHIBIT 2

Fu Leung Antonio Yu

348 Queen's Road C., 9th Floor, Suite A,
Hong Kong Tel.: 852-6121 1055.
Skype: staz500; email: staz500@yahoo.com

REF: FRNY/0367326-03

DATE: JUNE 14, 2007

TRUST DECLARATION

I, **FU LEUNG ANTONIO YU**, HOLDER OF HONG KONG S.A.R., PEOPLE'S REPUBLIC OF CHINA PASSPORT NO.: K00034804 EXPIRY: MARCH 03, 2017, WITH OLD PASSPORT NO.: H90011033. EXPIRY: SEPTEMBER 18, 2007, AND ADDRESS: 348 QUEEN'S ROAD C., 9TH FLOOR, SUITE A, HONG KONG. HEREBY CONFIRM WITH FULL LEGAL REPOSIBILITY THAT MR. ROBERT J. ANDRES, U.S.A. PASSPORT NUMBER: 134456547, OF WINSOME INVESTMENT TRUST, AND PACIFICWIN INVESTMENT (BVI) LIMITED SHALL BE AND HEREBY ARE APPOINTED TO SERVE AS MY PERSONAL FINANCIAL AND INVESTMENT TRUSTEE, FULLY AUTHORIZED TO ACT INDIVIDUALLY AS THE SOLE REPRESENTATIVE OF MY OWNSELF TO EXECUTE ALL NECESSARY DOCUMENTS ON BEHALF OF MY OWNSELF IN CONNECTION WITH VARIOUS PRIVATE PLACEMENT TRANSACTIONS AND PROJECTS FUNDING, AND TO EFFECT THE OPENING AND OPERATION OF BANK ACCOUNTS ON BEHALF OF AND FOR THE BENEFIT OF MY OWNSELF AT ANY BANK(S) HE SHALL SELECT, AND BE A SIGNATORY THEREON, TO ACCEPT AND DISBURSE FUNDS THEREFROM, AT HIS DISCRETION, AND DISBURSE FUNDS THEREFROM, AT HIS DISCRETION AND DETERMINATION, AND TO EXECUTE INVESTMENT/ FUNDING OR DEPOSIT CONTRACTS WITH HIS SELECTED SOURCES AND BANKS WITH RESPECT TO ANY AND ALL (INCLUDING ROLLS AND EXTENSIONS) OF MY PERSONAL FUNDS/ASSETS OF NO LESS THAN TEN BILLION UNITED STATES DOLLARS (US\$10,000,000,000.00) EQUIVALENT, AVAILABLE PER IN ASSET FORM OF U.S. TREASURY CHECKS DEPOSITED WITH THE FEDERAL RESERVE BANK OF NEW YORK, 33 LIBERTY STREET, NEW YORK, NEW YORK, 10045, U.S.A., CUSTODIAL SAFE KEEPING RECEIPT, REF.: FRNY/0505817-03, CUSTODIAL ACCOUNT NUMBER 021887699, ACCOUNT NAME AND PRINCIPAL ACCOUNT SIGNATORY: MR. WILFREDO SAURIN, WHO HAD IRREVOCABLY ASSIGNED ALL RIGHTS AND TITLE OF SAID CUSTODIAL SAFE KEEPING RECEIPT TO MR. FU LEUNG ANTONIO YU, THE INVESTOR (IRREVOCABLE BOND POWER/DEED OF ASSIGNMENT, REF.: FRNY/0367326-03), THEREIN AT HIS EXCLUSIVE DISCRETION AND BEST EFFORTS, FOR AND IN THE BEST INTEREST OF MY OWNSELF.

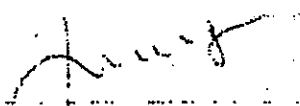
I HEREBY CONFIRM SAID FUNDS/ASSET DEPOSIT AND SAFEKEEPING RECEIPT AVAILABLE UNDER MY CONTROL ARE LEGALLY ASSIGNED TO ME AND ARE GOOD, CLEAN, CLEARED AND OF NON CRIMINAL ORIGIN, FREELY TRANSFERABLE AND UNENCUMBERED BY LIENS.

I FURTHER CONFIRM THAT THE FORGOING APPOINTMENT AND AUTHORIZATION AND THE PROVISIONS THEREOF ARE IN CONFORMITY TO LAW AND THAT THE FOREGOING APPOINTMENT AND THE AUTHORITY THEREBY CONVEYED SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE PURPOSES SET FORTH HEREIN ARE ACCOMPLISHED.

IT IS FURTHER CERTIFIED THAT THE FORGOING APPOINTMENT AND AUTHORIZATION HAVE NEVER BEEN MODIFIED OR AMENDED AND ARE NOW IN FULL FORCE AND EFFECT AND THAT THE ABOVE NAMED TRUSTEE HAS BEEN DULY APPOINTED TO HOLD OFFICE AND IS PRESENTLY HOLDING OFFICE AND IS EMPOWEREC TO ACT FOR AND ON BEHALF OF MY OWNSELF AND MY COMPANY, AND THAT THIS TRUST DECLARATION'S FAX OR PHOTOCOPIES SHALL BE OF EQUAL LEGAL VALUE AS IF IT WERE AN ORIGINAL, AND SHALL BE ACCEPTED AS SUCH BY EVERYONE, FOR ALL PURPOSES EVERYWHERE.

CONFIRMED AND DECLARED BY

NOTARY PUBLIC:


MR. FU LEUNG ANTONIO YU
PASSPORT NUMBER: K00034804
COUNTRY ISSUE: HONG KONG SAR, P.R. CHINA
DATE: JUNE 14, 2007.

NAME:
DATE:

EXHIBIT 3

EXHIBIT 3

ROBERT J. ANDRES
Attorney at Law
5644 Westheimer Rd., No. 452
Houston, Texas 77056-4002

Telephone
(281) 222-7260

Fax
(832) 550-2562

September 8, 2007

Mr. Ben S. Bernanke, Chairman
THE FEDERAL RESERVE BOARD
c/o Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045
Via FedEx

**RE: Notification as to Release of an Original Copy of the Custodial
Safekeeping Receipts and Delivery via Bank Courier**

In re: CSKR Ref: FRNY/0505817-03
Custodial Account Number 021887699
Account Name and Principal Account Signatory
- Mr. Wilfredo Saurin
Irrevocable Assignment - Fu Leung Antonio Yu by
Irrevocable Bond Power/Deed of Assignment
Reference: FRNY/0367326-03, dated March 27, 2007

Dear Mr. Bernanke:

I am an attorney who, in my capacity as Trustee of Winsome Investment Trust and Director of PacificWin investment (BVI) Limited under that Trust Declaration dated June 14, 2007 (see enclosed), hereby respectfully requests on behalf of Fu Leung Antonio Yu ("Client") that an Original Copy of the custodial safekeeping receipts ("CSKR") presently on deposit with the Federal Reserve Bank of New York ("the FRB Bank") under the hereinafter-identified relationship of the Client with the FRB Bank, be promptly made by delivery via Bank Courier to that Bank identified on the accompanying letter date 06 September 2007 from Capital Trade Management Ltd. ("the Blocking Bank") which has blocked funds in the amount of Five Billion U.S. Dollars (US\$5,000,000,000.00) in accordance with the screening procedures made available by the Client.



Asset form of U.S. Treasury Checks deposited with the Federal Reserve Bank of New York, located at 33 Liberty Street, New York, New York, 10045, U.S.A., identified as Custodial Safe Keeping Receipt CSKR Ref.: FRNY/0505817-03, Custodial Account Number 021887699, Account Name and Principal Account Signatory: Mr. Wilfredo Saurin, who had irrevocably assigned all rights and title of Said CSKR to Mr. Fu Leung Antonio Yu, the Client (Irrevocable Bond Power/Deed of Assignment, Ref.: FRNY/0367326-03, dated March 27, 2007):

Type of Funds / Assets: U.S. Treasury Checks
Check Numbers: 2122 10053347 up to 2122 10053366;
Registration on FED Screen:
Access Code: WDS-FED-16749916-10B-449222-2007
Security Code: 561177 WDS 54
ID Number: WDS-FED-3006342-449222-2007
Date of Issue: March 27, 2007;
Issuer of Checks: Federal Reserve Bank (Central Bank)
Value Date: March 27, 2008 callable and renewable annually for three (3) years
Check Denomination: Five Hundred Million United States Dollars (USD 500,000,000.00);
Total Amount: Ten Billion United States Dollars (USD 10,000,000,000.00);

Custodial Safekeeping Receipt Ref.: FRNY/0505817-03
Name of Issuing Depository: The Federal Reserve Bank of New York
Depository Address: 33 Liberty Street, New York, New York 10045 U.S.A.
Branch: New York
Safekeeping Period: from October 18, 2005 to October 18, 2015.
Depository Officer #1: Ben S. Bernanke (Chairman)
Depository Officer #2: Donald L. Kohn (Vice Chairman)

SWIFT Code: FRNYUS 33
Bank Tel: (212) 720 5000;
Bank Fax No.: (212) 720 6331;
Transaction Code: FRNY/0367326-03
Irrevocable Bond Power / Deed of Assignment
Account Name: Custodial Account Name: Mr. Wilfredo Saurin
Account No.: Custodial Account Number 021887699
Name of Signatory: Principal Account Signatory: Mr. Wilfredo Saurin

Case 2:11-cv-00009-BJS Document 66-3 Filed 06/21/11 Page 3 of 3

In light of the foregoing, please make sure that delivery is made to the Blocking Bank related to an Original Copy of CSKR in the amount related to the funds by and through the Blocking Bank so that the screened and blocked transaction can be promptly completed no later than Wednesday, September 12, 2007.

Should communication be required to be made to and/or on behalf of the Client, do not hesitate to do so by sending an e-mail communication to the undersigned's attention to Trustee.WinsomeTrust@gmail.com or by fax, or telephone communication, to the numbers identified at the heading of this Letter.

Sincerely,



Robert J. Andres

EXHIBIT 4

EXHIBIT 4

EUROPEAN COMMISSION

DIRECTORATE-GENERAL JUSTICE, FREEDOM AND SECURITY
Directorate D: Internal security and criminal justice
Unit D1: Fight against terrorism, trafficking and
Suspicious funding and law enforcement Cooperation
Direct departmental contact: customerservices@eu-gov.org

28/08/09

EU /US/M-EAST-MOHAMMED/kmD(2008)

**ADMINISTRATIVE/PROCEDURAL LAW AND FUNDAMENTAL RIGHTS IN THE FIGHT AGAINST
TERRORISM AND SUSPICIOUS FUNDS**

41996R2185

Dear Mr. Andres,

Mr. Andres, We have been informed by Mr. Elgin Clemons, that you or your clients require specific confirmation of the timing and protocols to be followed regarding the full release and transfer of the initial amount of \$550Million USD (the initial Funds) to the custody and control of Al Barak Capital, LP, a newly approved and formed limited partnership between Mr. Clemons and Mohammed bin Ali Abbar domiciled in the United States. Within 48 hours of receipt of all outstanding payments regarding the General Partner Capital Contribution to the Financial Services Authority, which currently totals Seven Million Five Hundred Thousand Dollars, the initial Funds will be transferred via wire to the US based account for Al Barak Capital as designated by Mr. Clemons .Notably, Mr. Clemons has already been approved to reimburse any borrowed funds

Thanks you for your continued assistance in these matters.

Kind regards.

Mr. Whip Anderson,



Private Matters

Unit D1: Fight against terrorism, trafficking and
Suspicious funding and law enforcement Cooperation
Direct departmental contact:customerservices@eu-gov.org

Private matters; W.anderson@eu-gov.org

Unit D1: Fight against terrorism, trafficking and Suspicious funding, and law enforcement Cooperation

EXHIBIT 5

EXHIBIT 5

ALABBAR GROUP

ALABBAR GROUP - CORPORATE OFFICE
P.O. BOX 1626, Dubai, United Arab Emirates
Telephone: +971 4 3331362
Fax: +971 4 3331283
Corporate Inquiry: info@alabbargroup.com
Website: www.alabbargroup.com

As-Salam Mr. Andres,

Mr. Clemons has informed me that you are providing financial support to his General Partner contribution through customers or affiliates of your company. As you know, Mr. Clemons is a long time trusted advisor, a loyal friend, and now soon to be business partner of mine. These are the reasons I have asked him to take full responsibility for the direction and control of all of my investment activities in the North America.

Please understand that while I appreciate and value your assistance, Mr. Clemons is the only person I can and will trust to control my funds that will be committed to the new partnership. Mr. Clemons is free to transact business with whomever he wishes, and he has named you as a trusted advisor and friend. Please take this letter as a personal commitment from me to guarantee the repayment of any funds that are loaned directly or indirectly by you to satisfy any obligations that Mr. Clemons would have to meet with the Financial Services Authority as the General Partner of my new limited partnership that is to be domiciled in the United States.

Given the economic circumstances that require me to invest privately and away from the general interests of my family, I trust you will understand my reasons for the confidential nature of my transfer of funds to the United States. I am willing to speak with certain parties on a limited basis at the request of Mr. Clemons to expedite the closing of any financial support you are providing to my dear friend. Please know that I am observing Ramadan, and will need to have sufficient time to prepare for such a conversation or meeting.

Best regard

Mohammed bin Ali Alabbar

Sign.....

4/9/2009

EXHIBIT 6

EXHIBIT 6

euroclear

Belgium

EUROCLEAR

Brussels

BANK STATEMENTS

SWIFT Code: ASBLPAM12000
ISIN Code: ASBLPAM99900
Euroclear: EUASBLP12000

Note: This Special Audited Statement of Monetary Balances are Intended for the Welfare and Benefit of the following: 70% for the People of the Philippine Islands and 30% for the World.

1. Special Federal Reserve Board Account no. 5525525424AM with account name of Spiritual Wonder Boy and with standing balance of US\$ 3, 352, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the Committee of 300 for the month of April, 2009 worth of US\$ 302, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000 in the total of US\$ 3, 654, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000, 000
2. Bank of America Account no. 58453 - 02221 - 1 with account name of White Spiritual Boy and with standing balances of US\$ 2, 151, 000, 000, 000, 000, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the Committee of 300 for the month of April, 2009 worth of US\$ 193, 000, 000, 000, 000, 000, 000, 000, 000, 000 in the total of US\$ 2, 344, 000, 000, 000, 000, 000, 000, 000, 000.
3. Citibank Account no. 998552411 - 2212 with account name of Morning Star and with standing balances of US\$ 2, 151, 000, 000, 000, 000, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the Committee of 300 for the month of April, 2009 worth of US\$ 193, 000, 000, 000, 000, 000, 000, 000, 000 in the total of US\$ 2, 344, 000, 000, 000, 000, 000, 000, 000, 000.
4. Bank of America Account no. 1 - 23040 - AM21 - 241 with account name of White Spiritual Boy and with standing balances of US\$ 67, 000, 000, 000, 000, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the Committee of 300 for the month of April, 2009 worth of US\$ 6, 000, 000, 000, 000, 000, 000, 000 in the total of US\$ 73, 000, 000, 000, 000, 000, 000, 000.
5. Bank of America Account no. 1 - 23041 - AM21 - 241 with account name of Spiritual Maria Cristina and with standing balances of US\$ 6, 645, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the Committee of 300 for the month of April, 2009 worth of US\$ 598, 000, 000, 000, 000 in the total of US\$ 7, 243, 000, 000, 000, 000.
6. Bank of America Account no. 1 - 23042 - AM21 - 241 with account name of Croplands and with standing balances of US\$ 7, 201, 000, 000, 000, 000 with reconfirmed and reconsidered matured earnings audited by the Financial Institution of the

euroclear